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ADJUSTING TO ABRUPT DIPLOMACY

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2018 brought with it a swirling series of summits, including another visit by Prime Minister Abe Shinzo to the United States to meet President Donald Trump. The year began with Japan and the United States toe-to-toe on their “maximum pressure” strategy toward North Korea. Four months later there was the announcement of a [June 12 summit](#) between Trump and North Korea’s leader Kim Jong Un. Tokyo and Washington have yet to come together on trade, and even at the [Abe-Trump summit](#) in mid-April, the differences were conspicuously on display. The US-Japan economic partnership remains a potential black hole for the alliance in the months ahead. But the action is in Northeast Asia for the moment, where everyone seems to be trying to meet with everyone. Nonetheless, Abe and Trump made clear in their summit their mutual goal has not changed: [complete, verifiable, and irreversible denuclearization](#) by North Korea.

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North Korea: beware, negotiations ahead!

Whereas the defense requirements to counter Kim Jong-un's increasingly sophisticated missile arsenal [focused US-Japan attention](#) at the end of 2017, this year began with a crescendo of diplomacy. In Canada, Foreign Minister Kono Taro and Secretary of State Rex Tillerson joined representatives from 18 other countries to discuss how to manage the [North Korean challenge](#) to regional stability. Kono and Tillerson [met on the sidelines](#), and then again with South Korea's Foreign Minister Kang Kyung-wha.



1Foreign Ministers from 20 countries at a meeting in Vancouver, Canada on January 16, 2018 (Getty Images)

The PyeongChang Winter Olympics in February proved a much-needed turning point. Kim Jong Un sent a [high-ranking mission](#) to attend, as well as [athletes and their cheerleaders](#). South Korea's President Moon Jae-in welcomed Kim Jong Un's sister, Kim Yo Jong, and Kim Yong Nam, president of North Korea's Parliament and nominal head of state. Prime Minister Abe [joined in the diplomacy](#), attending the opening ceremonies and meeting the North Korean government delegation. Vice President Mike Pence represented the United States at the opening ceremonies, but [refused contact](#) with North Korean representatives. Pence stopped in Tokyo on his way to meet Prime Minister Abe and Deputy Prime Minister Aso Taro to discuss the alliance.

Diplomacy with North Korea picked up speed from there. In early-March, President Moon's National Security Advisor Chung Eui-yong visited Pyongyang and Moon announced he would meet Kim Jong Un at the [Inter-Korean Peace House](#) at Panmunjom on April 27. Chung visited Washington to brief the Trump administration on March 8, and after talks in the White House told the press that Trump [had agreed to meet Kim](#). This stunning

announcement, made by a foreign government official on the White House lawn, was a game-changer.

The Abe Cabinet reacted quickly to Trump's abrupt tack to diplomacy, and Abe and Trump [spoke on the phone](#) that evening. The prime minister made plans to visit Washington to discuss a potential opening for Trump's negotiation with Kim Jong Un, initially planned for May. Abe said in the call that he "thinks highly of Pyongyang's shifting ground," and [welcomed](#) North Korea's renewed commitment to denuclearization as a victory for the "maximum pressure" campaign undertaken by the United States and Japan.

Trump also took steps to revamp his foreign policy team, creating some concern in Tokyo about discontinuity in the Trump administration's approach to North Korea. Secretary of State Tillerson, a strong advocate of diplomacy with North Korea, was summarily [fired](#) via a Tweet on March 13. CIA Director Mike Pompeo was tapped to replace him. Nine days later, after rumors that the president had lost confidence in him, National Security Adviser H. R. McMaster [resigned](#), and Trump appointed John Bolton, former UN ambassador (2005-2006) and under secretary of state for arms control and international security (2001-2005) during the George W. Bush Administration. Both are known for hardline stances on North Korea and its weapons programs. Pompeo as CIA head noted publicly on Jan. 22 that Pyongyang was "[only a handful of months](#)" from being able to deliver a nuclear attack to the territorial United States. Bolton, on *Fox News* as a commentator, has repeatedly said that North Korea's efforts at diplomacy were only [lies](#) intended to buy the regime time to [further develop its nuclear arsenal](#). In a Feb. 28 editorial for the *Wall Street Journal*, Bolton forcefully advocated for [a preemptive military strike](#) against North Korea.

The Abe-Trump [summit](#) at Mar-a-Lago on April 17-18 put Japanese concerns about North Korea to rest. Abe got what he came for: reassurance from Trump that Washington and Tokyo were still on the same page when it came to what Pyongyang needed to do to eliminate its military threat to Japan. The president stated, "As I've said before, there is a bright path available to North Korea when it achieves denuclearization in a complete and verifiable, and irreversible way. It will be a great day for them. It will be a great day for the world." Abe responded with,

“Just because North Korea is responding to dialogue, there should be no reward. Maximum pressure should be maintained, and actual implementation of concrete actions towards denuclearization will be demanded. This firm policy has once again been completely shared between us.”



2 Trump and Abe meet at Mar-a-Lago (Getty Images)

Trump also confirmed once again that he would not forget the [families of Japan’s abductees](#) when he met Kim Jong Un, a promise he had made directly to the families during his visit to Japan in the fall of 2017. Abe also brought home the need to [address](#) North Korea’s burgeoning missile arsenal, and referenced the Japan–DPRK understanding on ending missile launches in the Pyongyang Declaration in 2002. How the Trump administration will incorporate this aspect of North Korean proliferation in the Trump–Kim meeting remains to be seen. But the president continues to reassure the prime minister that he [recognizes](#) the threat of short- and medium-range missiles to Japan. The summit also revealed that while the personal relationship between Donald and Shinzo remains intact, their different approaches on trade have not been resolved.

Trade, trade, trade

On March 8, Japan and 10 other countries signed the [Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#) (CPTPP, or TPP-11), a landmark multilateral trade agreement that notably did not include the United States. The CPTPP will reduce tariffs in countries that together make up more than 13 percent of the global economy and \$10 trillion in GDP. In its earlier form, which included the United States, the 12-nation Trans-Pacific Partnership (TPP) trade deal would have been much larger at 40 percent of the world economy. However, President Trump withdrew the United States from the TPP shortly after entering office in

January 2017. For Japan, signing the CPTPP in March followed a busy fall of free-trade [negotiations](#), including finalizing a deal for an [Economic Partnership Agreement with the European Union](#) on Dec. 8. The CPTPP will enter into force 60 days after it is ratified by at least six of the 11 member countries and could come into effect before the end of 2018.

Just hours after the conclusion of the CPTPP, President Trump signaled a sharply different position on trade when he imposed stiff [new tariffs](#) on imported steel and aluminum. The new tariffs – 25 percent on steel and 10 percent on aluminum – were issued under a rarely used provision ([Section 232](#)) of the Trade Expansion Act of 1962, which gives the president broad powers in taking actions to defend national security. The move followed a report from the US Commerce Department in January that identified imports of metals as a potential [national security threat](#). The tariffs triggered [strong opposition](#) from affected countries, including [Japan](#) and other US allies, as well as from within Trump’s own administration and party. The day before the announcement, Trump’s chief economic advisor, Gary Cohn, [resigned](#) after his failure to prevent the tariffs. [More than 100 Republicans](#) in Congress also sent a letter to Trump asking him to abandon the proposed levies on metal imports.

In response to pressure, the Trump administration announced a series of exemptions, yet Japan was not included. The initial presidential proclamation exempted Canada and Mexico from tariffs, while US Trade Representative Robert Lighthizer later announced [temporary exemptions](#) for Australia, Argentina, Brazil, South Korea, and the European Union on March 22. The United States is the largest importer of steel in the world, and the tariffs threaten nearly [\\$2 billion in Japanese exports](#). While the Japanese government expressed [official regret](#) at the decision, Prime Minister Abe’s government did not retaliate with tariffs of its own. Instead, Japanese officials pressed their US counterparts through diplomatic channels to exempt Japan, stressing that the country’s steel imports provide tremendous benefits for US companies and do not pose any security threat to an important ally. On March 29, Minister of Finance Aso, who heads Japan’s delegation for the economic dialogues with the United States, went a step further in the Diet, saying that Japan [should not allow](#) Washington to use tariffs to pressure

Tokyo into talks for a bilateral FTA. Aso warned that Japan should avoid bilateral negotiations given the power imbalance between the two countries and stick instead to multilateral channels. While US-Japan trade negotiations continue, many Japanese companies hope in the meantime that they can score [exemptions on a product-by-product basis](#) for some of their higher quality goods, as Trump's policy includes a provision allowing US companies to bypass the tariffs if they cannot find the necessary metals in domestic markets.

Apart from protectionist policies on steel and aluminum, [Tokyo watched closely](#) in the first part of the year as the Trump administration took on China in a tit-for-tat exchange aimed at addressing the trade imbalance and differences over intellectual property rights. On March 22, Trump signed a memorandum instructing US Trade Representative Lighthizer to apply tariffs on [\\$50 billion](#) worth of Chinese goods. In response, China first announced its own set of tariffs on \$3 billion worth of US imports, in retaliation for the steel and aluminum tariffs, and then implemented [further tariffs on 128 US products](#) on April 2. The next day, the USTR published an initial list of more than [1,300 Chinese goods](#) that would be included in the forthcoming tariffs, including items such as flat-screen televisions, weapons, medical devices, and batteries. The Chinese government again responded quickly on April 4 with a plan for [additional tariffs](#) of 25 percent on 106 US items, including automobiles, airplanes, and soybeans. The tariff on soybeans received particular attention, as soybeans are the top US agricultural export to China, and reports from US companies suggest that China [stopped buying](#) soybeans altogether as a result. The Trump administration was not deterred, however, with Trump [tweeting](#) on April 4 that "we are not in a trade war with China, that was lost many years ago." The next day, Trump directed the USTR to consider [another \\$100 billion](#) worth of tariffs on Chinese goods.

These developments clearly put trade at the forefront of the agenda for the Trump-Abe summit in mid-April. Initially, signs pointed to a potential breakthrough in negotiations as President Trump surprised many observers when he told a gathering of farm-state lawmakers on April 12 that he had directed the USTR to [weigh the possibility of rejoining TPP](#). Many interpreted the move as an overture to US agricultural producers who stood to suffer from

trade frictions with China, although Trump tweeted later in the day that he would only join TPP if the deal were "[substantially better](#)" than the deal negotiated under President Obama. Even with this caveat, however, Trump's sudden openness to reconsidering TPP – after years of criticizing the deal first as a candidate and then as president – signaled the potential for a [big win for Japan's economic diplomacy](#). Prime Minister Abe has long been a proponent of the United States returning to the TPP, and its inclusion could have significant ramifications for the Japanese economy. An [analysis](#) by the Japanese Cabinet Office in December 2017 showed that the original TPP deal would have pushed up Japan's long-term GDP growth by 2.59 percent, significantly more than the 1.49 percent expected under the current CPTPP. Moreover, Abe is hopeful that if he can convince the US to return to TPP, there will be less appetite for a bilateral trade deal, which continues to be an issue of friction with Trump.

The initial promise offered by a potential US return to TPP, however, was soon followed by mixed messaging in the Abe-Trump summit, revealing that significant work remains to close the gap between the two leaders on trade. In the same tweet in which Trump showed some flexibility on TPP, he also criticized Japan for "[hitting us hard on trade for years](#)," and a report from the Treasury Department the following day (April 13) said that it "remains concerned about the persistence of the large trade imbalance" with Japan. In a [press conference](#) during the summit, Abe touted TPP as "the best [deal] for both countries," while Trump expressed a strong preference for bilateral negotiations to take on the "massive trade deficit with Japan," saying "unless they offer a deal that we cannot refuse, I would not go back into TPP." Later in the day, [Trump again slammed TPP](#) on Twitter, saying that he did not like the contingencies in the deal and preferred to pursue a bilateral deal with Japan. As for Section 232 concerns, Abe reiterated in the press conference that "Japanese steel and aluminum would not exert any negative influence on US security," and that negotiations were ongoing. Trump side-stepped a reporter's question about potential exemptions for Japan, instead noting that the tariffs have "got us to the bargaining table with many nations," leading to "billions of dollars coming into the coffers of the United States."

One positive trade-related outcome of the summit is that Trump and Abe agreed to start a new round of trade and investment negotiations, this time led by USTR Lighthizer and Motegi Toshimitsu, Japan's minister in charge of TPP issues. Compared with the US-Japan Economic Dialogue, which is led by Vice President Pence and Deputy Prime Minister Aso, these working-level meetings could create a venue for diplomats to work out specifics needed to make progress on trade. If the United States is serious about a return to TPP, it will want to come to a decision quickly. The Japanese Diet [took up discussion](#) of TPP-related bills on April 17, and could ratify the agreement as early as mid-June, paving the way for the deal to take effect later this year or in early 2019. At the same time, [accommodating](#) Trump's desire to renegotiate TPP will be challenging, given that an agreement is already in place, one that Abe has described as a "delicate piece of glasswork that is extremely difficult to change."

Evolving national defense strategies

By early 2018, the Trump administration had issued a series of documents designed to provide a strategic vision for its America First approach. In December 2017, the [National Security Strategy](#) offered the first tangible definition of how America First translated into alliance policy. In January, the [National Defense Strategy](#) demonstrated a shared conviction that an Indo-Pacific frame for thinking about alliance partners in the region could bear fruit.

But it was the [Nuclear Posture Review](#) (NPR), issued in February that offered Tokyo the best assurance that its concerns over the US commitment to extended deterrence would be addressed. For some time, Japanese security planners have worried about the regional military balance and US strategy to deter nuclear and non-nuclear threats. The increasingly integrated strategic forces deployed by China and North Korea called for a more flexible approach to allied deterrence. The day after the NPR's release, Foreign Minister Kono issued a [statement](#) saying "Japan highly appreciates the latest NPR," as it "clearly articulates the U.S. resolve to ensure the effectiveness of its deterrence and its commitment to providing extended deterrence to its allies including Japan." *Kyodo* reported that Tokyo policymakers saw [their own recommendations](#) in the Trump administration's document.

Japan too had been updating its own defense preparations. In December 2017, the Ministry of Defense announced it would [invest](#) in expanding and deepening its ballistic missile defenses. The *Aegis Ashore* system, priced at ¥200 billion ([\\$1.8 billion](#)), would give Japan a much larger scope for detecting and targeting ballistic missile launches, a capability that Japan's neighbors could not ignore. Moreover, the Abe Cabinet began its formal deliberations on a new national defense plan, the TAIKO, and an accompanying five-year procurement plan, the Midterm Defense Plan, which would implement significant upgrades in the Self-Defense Force's capabilities. Important in this five-year plan is the [commitment](#) to annual defense budget growth, expected to grow from annual increases of 0.8 percent in the past five-year plan to 1 percent in the five years to come.

Politics may handicap this effort, however. The Ministry of Defense came under intense scrutiny after the SDF admitted that they had [failed to report daily logs](#) retained for the Ground Self-Defense Force deployment in South Sudan. Defense Minister Onodera Itsunori [pledged a full investigation](#) of SDF accountability in providing a record of its past deployments, including past efforts in Iraq. Days later, the Air and Maritime Self-Defense Forces [revealed that they too had records of their deployments](#).

Conclusion

Despite the surprises dealt by President Trump in early 2018, Prime Minister Abe used the April summit to put to rest growing anxiety in Tokyo (and in Washington) that the Abe-Trump relationship had weakened. Abe's difficulties at home were growing with continued news about cronyism scandals making a significant dent in his approval rating. By late April, Japan's media reported significant loss of approval for Abe, with some reporting his disapproval rating to be as much as [15 to 20 points](#) above his approval rating, which had declined to under 40 percent. The announcement of a Trump meeting with Kim, coupled with the application of sanctions on Japan's steel exports, convinced many in Tokyo that the honeymoon was over and the personal ties between Abe and Trump no longer inoculated Japan against Trump's America First agenda.

Trump and Abe now face two hurdles. The first is to ensure their alignment on negotiations with Kim Jong Un remains, and to persuade

President Moon that trilateral cooperation remains his surest path to peace. The June 12 meeting between Trump and Kim could begin a longer process of disarmament talks. Or, it could end up as a one-off meeting with considerable political pay-offs for each leader, leaving harder security challenges for Seoul and Tokyo to manage on their own. Given the abrupt diplomacy of the past few months, anything seems possible.

The second hurdle is trade relations. One thing is clear: the United States and Japan will have to confront their differences over a bilateral free-trade agreement. Abe's suggestion of a "[free, open, and reciprocal Indo-Pacific framework](#)" may offer a way out. It wisely echoes the language the Trump administration has used for its security strategy documents. But if the president remains focused on deficit reduction as the only metric for a deal with Japan, tensions are likely to grow. If coupled with a fallout over the North Korea negotiations, this could spell a difficult path for Abe and for the US-Japan relationship.

CHRONOLOGY OF US-JAPAN RELATIONS

JANUARY – APRIL 2018

Jan. 16, 2018: Secretary of State Rex Tillerson and Foreign Minister Kono Taro meet on the sidelines of the Foreign Minister's Meeting on Security and Stability on the Korean Peninsula, held in Vancouver, Canada. [Remarks](#).

Jan. 16, 2018: Secretary Tillerson, Foreign Minister Kono, and Korea's Minister of Foreign Affairs Kang Kyung-wha hold a trilateral meeting on the sidelines of the Foreign Minister's Meeting on Security and Stability on the Korean Peninsula in Vancouver.

Jan. 22, 2018: CIA Director Mike Pompeo says North Korea is only "[a handful of months](#)" from being able to deliver a nuclear attack to the territorial United States.

Feb. 1, 2018: US Special Representative for North Korea Policy Joseph Yun travels to Japan to participate in the [International Colloquium on Building Stable Peace in Northeast Asia](#).

Feb. 2, 2018: US Department of Defense releases its Nuclear Posture Review (NPR).

Feb. 2, 2018: Foreign Minister Kono issues a statement welcoming the NPR and the US resolve to ensure the [effectiveness of its extended deterrence](#) to allies including Japan.

Feb. 2, 2018: President Trump and Prime Minister Abe [talk by telephone](#) about North Korea and trilateral US-Japan-ROK cooperation ahead of Vice President Pence's visit to attend the PyeongChang 2018 Olympic Winter Games.

Feb. 7, 2018: Vice President Pence and Prime Minister Abe meet in Tokyo for a bilateral meeting to discuss issues such as North Korea and [regional security](#).

Feb. 7, 2018: Vice President Pence and Deputy Minister Aso Taro [meet](#) in Tokyo.

Feb. 7, 2018: Karen Pence, spouse of Vice President Mike Pence, and Akie Abe, first lady of Japan, meet in Tokyo to discuss US-Japan bilateral exchange through [sister city relationships](#).

Feb. 14, 2018: President Trump and Prime Minister Abe [talk by telephone](#) about US-Japan and US-Japan-ROK cooperation on North Korea.

Feb. 19, 2018: Prime Minister Abe meets a delegation of the [US Congressional Group on Japan](#) in Tokyo.

Feb. 19, 2018: Prime Minister Abe [meets](#) Chief of Staff of the US Army Gen. Mark Milley in Tokyo.

March 3, 2018: [Second International Space Exploration Forum \(ISEF2\)](#), which includes the United States, Japan, and 43 other countries, is held in Tokyo.

March 5, 2018: Prime Minister Abe meets [Japanese American Leadership Delegation](#) in Tokyo.

March 6, 2018: Gary Cohn [resigns](#) as President Trump's top economic advisor.

March 8, 2018: Japan and 10 other countries [sign](#) the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, or TPP-11).

March 8, 2018: President Trump issues [new tariffs on steel and aluminum](#), with exemptions for Canada and Mexico, but not Japan.

March 8, 2018: South Korea's National Security Advisor Chung Eui-yong [announces](#) that Trump has agreed to meet North Korean leader Kim Jong Un.

March 8, 2018: President Trump and Prime Minister Abe [talk by telephone](#) about the announcement that Trump will meet Kim.

March 9, 2018: The 11 remaining members of the Trans-Pacific Partnership (TPP) [sign a revised pact](#) in Chile.

March 13, 2018: President Trump [dismisses](#) Rex Tillerson as secretary of State, and announces nomination of CIA Director Mike Pompeo to the office.

March 15-18, 2018: Foreign Minister Kono [visits](#) the US, where he meets Vice President Pence, Secretary of Defense Mattis, and Deputy Secretary of State Sullivan. [Press conference](#).

March 19-21, 2018: US Coordinator for Counterterrorism Ambassador Nathan Sales visits Tokyo to lead the US delegation at the [Thirteenth Coordinating Committee Meeting of the Global Counterterrorism Forum \(GCTF\)](#).

March 22, 2018: Lt. Gen. H.R McMaster [resigns](#) as National Security Advisor. President Trump names John Bolton as his replacement.

March 25-28, 2018: Kim Jong Un [visits](#) Beijing and meets President Xi Jinping

March 29, 2018: Minister of Finance Aso Taro [says](#) that Japan should not allow Washington to use tariffs to pressure Tokyo into talks for a bilateral FTA. He further says that Japan should avoid bilateral negotiations given the power imbalance between the two countries.

March 31, 2018: CIA Director Pompeo [meets secretly](#) with Kim Jong Un in Pyongyang to lay the groundwork for a Trump-Kim summit.

April 5, 2018: The [9th US-India-Japan Trilateral Meeting](#) is held in New Delhi, India.

April 6, 2018: Prime Minister Abe receives meets legislators participating in the [US-Japan Legislative Exchange Program](#) in Tokyo.

April 12, 2018: President Trump says that he is [open to rejoining the Trans-Pacific Partnership \(TPP\)](#) if the US can secure a better deal than that negotiated under President Obama.

April 17, 2018: Japanese Parliament [takes up discussion](#) of TPP-related bills in the lower house.

April 17-20, 2018: Prime Minister Abe visits the United States for a summit with President Trump at Mar-a-Lago. [Joint Press Conference](#).

April 23, 2018: US Department of State and Japanese Ministry of Foreign Affairs host [Second Public-Private Sector Roundtable Discussion on US-Japan Cooperation on Third Country Infrastructure](#).

April 23, 2018: US Department of State and the Business Council for International Understanding co-host a business roundtable, in cooperation with Japan's Ministry of Foreign Affairs, to discuss opportunities for [US-Japan collaboration on infrastructure development in the Indo-Pacific region](#) in Washington, DC.

April 23, 2018: Acting Secretary of State John Sullivan and Japanese Foreign Minister Kono [meet](#) on the sidelines of the G7 Foreign Ministers Meeting in Toronto.

April 24-27, 2018: Acting Assistant Secretary for East Asian and Pacific Affairs Susan Thornton travels to Tokyo for [meetings](#) on US-Japan cooperation and regional security.

April 26, 2018: Mike Pompeo is [confirmed](#) as secretary of State by the Senate in a 57-42 vote, and is sworn in to the office later in the day.

April 26, 2018: Prime Minister Abe and Commander of US Pacific Command Adm. Harry Harris [meet](#) in Tokyo.

April 27, 2018: South Korean President Moon Jae-in and North Korean Supreme Leader Kim Jong Un hold an [inter-Korean summit](#) in Panmunjom, South Korea.

April 27, 2018: The United States, Japan, and Mongolia hold a [trilateral meeting](#) in Tokyo.

April 29, 2018: Prime Minister Abe and North Korean Supreme Leader Kim Jong Un express [willingness](#) in separate instances to set up a Japan-North Korea summit meeting.

April 30, 2018: Secretary of State Pompeo and Japanese Foreign Minister Kono [meet](#) in Amman, Jordan.