



**US-Japan Relations:  
The Sushi Summit**

**Michael J. Green, CSIS/Georgetown University  
Nicholas Szechenyi, CSIS**

The Abe government focused on the economy, energy strategy, and defense policy reform but the timeline for implementing these pillars of Abe's agenda was uncertain. A flurry of bilateral diplomacy paved the way for various initiatives including a trilateral summit with South Korean President Park Geun-hye and President Obama in The Hague. Obama made a state visit to Japan highlighting areas for strategic cooperation between Japan and the United States but the two governments were not able to conclude a bilateral trade agreement that would strengthen the economic pillar of the alliance.

**Abe's domestic agenda**

Prime Minister Abe Shinzo began his second year in office focused on key pillars of his policy agenda: the economy, energy, and defense policy reform. To offset the potentially adverse effects of a consumption tax increase from 5 to 8 percent, which came into force on April 1 per legislation passed in 2012, the Abe government introduced a \$53 billion supplementary budget approved by the Diet in February to sustain fiscal stimulus, or the "first arrow" of Abe's economic policy ("Abenomics"). Abe also pledged to cut corporate taxes in an address to the World Economic Forum in Davos, but that fueled an ongoing debate back home about the importance of stimulus vs. fiscal consolidation. The "second arrow," or monetary easing by the Bank of Japan, appeared to push the economy toward inflation as intended. In March the government released a list of regions and cities designated as "national strategic special zones" that would introduce various incentives for investment to support the "third arrow" or structural reform agenda widely deemed essential for sustainable growth. Details on the parameters for deregulation and other initiatives that would signal substantial reform in the special zones were expected in a rollout of additional growth policy initiatives scheduled for June. Meanwhile, protracted trade negotiations with the United States linked to the Trans-Pacific Partnership (TPP) left questions about the potential for trade liberalization as an engine for reform unanswered (more below). The Abe government also released a basic energy plan in April outlining an energy security strategy including nuclear power, but devoid of details on the future energy mix due to a glacial inspection process for restarting Japan's idle nuclear power plants.

Defense policy also garnered attention as the government began to consider reinterpreting the constitution to exercise the right of collective self-defense. A report by a government advisory panel listing recommendations for this policy was postponed to late spring, but Prime Minister Abe discussed his general intentions in testimony before the Diet and the ruling Liberal Democratic Party (LDP) established a special working group to examine the issue in detail. The leadership of Komeito, a junior coalition partner of the LDP, expressed reservations and favored

extensive public debate on the issue, as did many lawmakers in the opposition Democratic Party of Japan (DPJ). Public opinion polls are mixed, with some showing a majority of the Japanese people does not favor exercising the right of collective self-defense and others showing strong support. The domestic political climate seemed to suggest that a decision on collective self-defense – originally expected in time to inform a review of US-Japan defense guidelines scheduled to conclude at the end of 2014 – might be delayed, which would impact bilateral defense planning and potentially send a weak signal about Japan's willingness to assume a greater leadership role on security. Encouragingly, the Abe government approved new principles on the transfer of defense equipment (previously dubbed the three arms export principles) to strengthen security cooperation and defense industrial collaboration with other countries. But overall the domestic debate on defense policy appeared to assume a passive nature that rendered the timeline for decision making less certain.

## **Bilateral engagement**

After Prime Minister Abe's visit to the Yasukuni Shrine in December 2013 brought history issues to the fore, bilateral diplomacy at the beginning of this year focused on the bilateral agenda and the strategic underpinnings of the alliance. Commentary on history issues by public figures deemed close to Abe (parliamentarian Eto Seiichi, who reportedly criticized a US statement on the shrine visit in an online video; Momii Katsuto, appointed by Abe to the board of public broadcaster NHK, who stated that the use of comfort women was widespread during World War II; and NHK board member Hyakuta Naoki, also appointed by Abe, who reportedly alleged that the Tokyo war crimes trial was designed to cover up US atrocities during World War II) made for an awkward start to the new year, but the two governments arranged several high-level meetings indicating a commitment to move forward and emphasize avenues for bilateral cooperation. National Security Adviser Yachi Shotaro visited Washington in January and met counterpart Susan Rice to facilitate policy coordination, Deputy Secretary of State William Burns and Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel visited Tokyo later that month to address a range of regional and global issues impacting the alliance, and Foreign Minister Kishida Fumio visited Secretary of State John Kerry in February to further the coordination process. Defense Secretary Chuck Hagel rounded out a period of robust diplomacy with a visit to Japan in April during which he reaffirmed US commitments to defend Japan and announced plans to forward deploy two additional *Aegis*-equipped ballistic missile defense (BMD) ships to Japan by 2017. This extensive engagement would set the stage for a bilateral summit aimed at reassuring Japan about the sustainability of the US rebalance to Asia and laying out a strategic framework for alliance cooperation across a range of diplomatic, economic, and security issues.

Other developments also served to reaffirm the vitality of the alliance, beginning with efforts to further trilateral coordination with the Republic of Korea. At first it appeared that historical sensitivities would continue to complicate Japan-ROK relations when in late February the Abe government announced it would review how the decision to issue the 1993 Kono Statement on comfort women was reached, fueling speculation that it might be revised. But Prime Minister Abe backtracked a few weeks later and stated his government had no such intention, which seemed to improve the atmosphere enough to facilitate diplomatic engagement. On March 25, President Obama hosted President Park Geun-hye and Prime Minister Abe for a trilateral summit

on the margins of the Nuclear Security Summit in The Hague focused mainly on North Korea and the importance of deterrence. In April, the Pentagon then hosted Defense Trilateral Talks and the State Department convened trilateral consultations on North Korea, both evidence of incremental progress in a relationship critical to the US rebalancing strategy based fundamentally on alliance relationships in the region.

The Nuclear Security Summit also presented an opportunity to highlight cooperation on nonproliferation as the two governments issued a joint statement announcing Japan's plans to remove hundreds of kilograms of highly enriched uranium and plutonium to the United States for disposition. Developments in Ukraine also figured prominently as Washington and Tokyo coordinated on G7 statements and their respective responses to Russian support for separatism in Crimea and eastern Ukraine. Japan, for its part, suspended talks on a bilateral investment pact with Russia, pledged \$1.5 billion in aid to Ukraine, and imposed visa bans on 23 Russian individuals in announcing expanded sanctions against Russia in line with similar decisions by the United States and the European Union.

An effort to reinvigorate the economic pillar of the US-Japan alliance took center stage with bilateral trade negotiations under the rubric of the TPP. Multiple rounds at the working level and between US Trade Representative Michael Froman and Minister for Economic and Fiscal Policy Amari Akira took place in both capitals to resolve differences on tariff reductions for sensitive agricultural products, market access issues for US automobiles, and other issues. President Obama's scheduled trip to Japan in late April served as an action enforcing mechanism, a unique opportunity to demonstrate joint leadership on trade liberalization that would set high standards for trans-Pacific economic integration. The question was if both leaders would be willing to spend the political capital necessary to overcome the politics of trade in their respective capitals.

## **State visit to Japan**

President Obama made a state visit to Japan April 23-25. The trip was a rescheduling of the cancelled APEC/East Asia Summit itinerary from last fall, and the president used this visit to reassure Japan about the US commitment to the region and to outline areas of strategic cooperation between the two countries. Prime Minister Abe kicked off the visit by hosting the president for a casual sushi dinner at a famous eatery in the Ginza district, seemingly to develop a rapport after several brief meetings on the sidelines of international gatherings where time is often limited, though Japanese reports suggested the meeting was primarily spent on sectoral trade issues rather than larger strategic issues or rapport-building. The two leaders participated in a joint press conference after the summit and Obama endorsed the defense reform agenda of the Abe government, including consideration of the exercise of the right of collective self-defense and the establishment of a National Security Council and legal framework for information security to facilitate intelligence and policy coordination between the two governments. Abe expressed Japan's support of the US strategic rebalance to the Asia Pacific region, and the two leaders issued a joint statement reaffirming the importance of the alliance in that context. Trilateral dialogue with South Korea and coordination on Ukraine were cited in the statement as examples of cooperation on regional and global challenges, respectively, and both countries expressed a shared interest in building a constructive relationship with China but also addressed some of the uncertainties associated with China's rise. The statement stressed US-Japan

cooperation in maintaining maritime order in the East and South China Seas based on respect for international law, including the freedom of navigation and oversight; opposing any attempts to assert territorial or maritime claims through the use of intimidation, coercion, or force; and calling for confidence building measures to reduce tensions. The statement noted that US commitments under the US-Japan Security Treaty extend to all territories under Japan's administration, including the Senkaku Islands. Cooperation on the realignment of US forces in Japan and an ongoing review of bilateral guidelines for defense cooperation completed a comprehensive section on the security pillar of the alliance.

More broadly, the two countries reiterated a shared interest in deepening economic, diplomatic, and security ties with the Association of Southeast Asian Nations (ASEAN) and trilateral cooperation with like-minded partners including South Korea, Australia, and India. The joint statement also highlighted other important areas of alliance cooperation including energy – namely the importance of US LNG exports to support Japan's energy security strategy and joint cooperation on climate change – and a renewed commitment to advancing a common agenda on global development issues such as women's empowerment, human security, humanitarian assistance, disaster risk reduction, and global health.

Joint cooperation in multilateral fora to promote trade liberalization and economic growth also featured but was overshadowed by the failure of the two governments to conclude bilateral trade negotiations related to TPP. Reports on what was achieved vary on both sides of the Pacific: some suggesting substantial progress on the principle of market opening, but others revealing frustration at the lack of concrete progress. Japan's reluctance to eliminate tariffs in sensitive areas appeared to some US observers as a weakening commitment to high standards for trade liberalization that are a hallmark of the TPP. From a Japanese perspective, the Obama administration's reticence on the importance of trade, coupled with the absence of Trade Promotion Authority (TPA) from the Congress, may have raised questions about expending political capital on TPP without a sense of reciprocity from Washington. The joint statement indicated a "path forward" to resolve remaining differences and negotiations were expected to continue, though the timeline for an agreement remained uncertain.

The leaders also issued an annex to the joint statement on the importance of people-to-people exchange between the two countries, announcing a shared goal of doubling two-way student exchange by 2020. They also welcomed the recent uptick in congressional exchanges between the Congress and the Diet, an important channel of communication that has anchored the bilateral relationship in the past and was poised to develop with the establishment of a bipartisan US-Japan caucus in the Congress.

### **Next steps**

The Abe government will try to shape the domestic debate on defense policy and offer more clues on economic reform when it announces new elements of the growth strategy in June. Meanwhile, President Obama will attempt to shape the US domestic policy debate ahead of the midterm elections in the fall. Bilaterally, trade negotiations will likely take place with the timeline for concluding TPP in the balance, and a review of bilateral defense guidelines will pick up amid uncertainty about the timing for Japan's decision on collective self-defense. Finally,

coordination on pressing challenges including North Korea, overdue for a provocation, and global challenges such as Ukraine could feature on the diplomatic agenda.

## **Chronology of US-Japan relations**

### **January – April 2014**

**Jan. 4, 2014:** Defense Secretary Chuck Hagel calls Minister of Defense Onodera Itsunori to express appreciation for the government of Japan's efforts in securing approval of a landfill permit request to build the Futenma Replacement Facility at Camp Schwab-Henoko Bay.

**Jan. 13, 2014:** Abe Cabinet posts a 62 percent approval rating in a poll by the *Yomiuri Shimbun*.

**Jan. 15, 2014:** Parliamentary Senior Vice Minister for Foreign Affairs Kishi Nobuo meets Deputy Secretary of State William Burns in Washington to discuss the US-Japan alliance and issues in Northeast Asia.

**Jan. 17, 2014:** Yachi Shotaro, Japan's national security adviser, meets US National Security Adviser Susan Rice and other senior US officials in Washington.

**Jan. 17, 2014:** *Jiji Press* survey posts a 52 percent approval rating for the Abe Cabinet.

**Jan. 19, 2014:** Inamine Susumu wins reelection as mayor of Nago City in Okinawa and vows to oppose the relocation of Marine Corps Air Station Futenma to Henoko.

**Jan. 19, 2014:** Japanese media reports suggest Senior Adviser to Prime Minister Abe Eto Seiichi criticized the US reaction to Abe's December 2013 visit to Yasukuni Shrine in a *YouTube* video but the post is deleted, reportedly at the request of the Abe Cabinet.

**January 24, 2014:** Deputy Secretary Burns and Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel meet senior Japanese government officials in Tokyo to discuss bilateral, regional, and global issues.

**Jan. 24, 2014:** Government of Japan formally declares that Japan has ratified the Hague Convention on the Civil Aspects of International Child Abduction.

**Jan. 25, 2014:** NHK President Momii Katsuto states during a press conference that the use of "comfort women" was widespread during World War II.

**Jan. 26, 2014:** *Kyodo News* survey indicates that 53 percent of the Japanese public opposes a reinterpretation of the constitution to exercise the right of collective self-defense, with 37 percent in favor.

**Jan. 30-31, 2014:** US Special Representative for North Korea Policy Glyn Davies leads a US delegation to Tokyo to discuss North Korea policy.

**Jan. 31, 2014:** In an interview with *Kyodo News*, Senior Director for Asian Affairs at the National Security Council Evan Medeiros warns China not to establish another Air Defense Identification Zone (ADIZ) in Asia.

**Feb. 2, 2014:** Survey by *Nikkei Shimbun* shows that 84 percent of the Japanese public feels very or somewhat uneasy about the US-Japan alliance.

**Feb. 3, 2014:** NHK Board member Hyakuta Naoki alleges the Tokyo war crimes trial was designed to cover up US atrocities during World War II. State Department subsequently issues a statement calling Hyakuta's comments "preposterous."

**Feb. 4, 2014:** Japanese Diet passes a supplementary budget totaling ¥5.5 trillion, or 1.1 percent of GDP, to sustain growth.

**Feb. 7, 2014:** Foreign Minister Kishida Fumio and Secretary of State John Kerry meet at the State Department in Washington to discuss the US-Japan alliance.

**Feb. 7, 2014:** United States and Japan sign a bilateral agreement on Preventing and Combating Serious Crime (PCSC) to improve efforts to combat terrorism and transnational crime.

**Feb. 11-13, 2014:** US Ambassador to Japan Caroline Kennedy visits Okinawa.

**Feb. 15, 2014:** US Trade Representative (USTR) Michael Froman meets Minister of State for Economic and Fiscal Policy Amari Akira in Washington to discuss bilateral trade negotiations linked to the Trans-Pacific Partnership (TPP).

**Feb. 17, 2014:** Rep. Ed Royce (R-CA), chairman of the House Committee on Foreign Affairs, pays a courtesy call on Prime Minister Abe and participates in a meeting of the US-Japan Parliamentary League in Tokyo.

**Feb. 19, 2014:** Delegation representing the US Congressional Study Group on Japan meets Prime Minister Abe and other political leaders in Tokyo.

**Feb. 20, 2014:** During testimony in the Diet, Former Deputy Chief Cabinet Secretary Ishihara Nobuo says the 1993 Kono Statement on comfort women was based on witness accounts and that no direct evidence of the government and military's role in recruitment was found.

**Feb. 20, 2014:** Inaugural meeting of the US-Japan Development Dialogue is held in Washington.

**Feb. 23, 2014:** Forty-nine percent of the Japanese public supports the government exercising the right of collective self-defense according to a *Yomiuri Shimbun* survey.

**Feb. 28, 2014:** Chief Cabinet Secretary Suga Yoshihide announces that the Abe government will examine how the decision to issue the 1993 Kono Statement was made.

**March 4, 2014:** Assistant Secretary of State Russel and Deputy Assistant Secretary of Defense for East Asia David Helvey testify before the Senate Committee on Foreign Relations Subcommittee on Asia and the Pacific regarding US alliances in Northeast Asia.

**March 7, 2014:** Prime Minister Abe and President Obama agree during a telephone call to coordinate closely on developments in Ukraine.

**March 11, 2014:** Secretary of State Kerry issues a statement on the third anniversary of the Great East Japan Earthquake.

**March 11, 2014:** Japan and the US send a joint letter to the International Civil Aviation Organization (ICAO) asking for its opinion on China's ADIZ in the East China Sea.

**March 11, 2014:** Acting Deputy USTR Wendy Cutler hosts Ambassador Oe Hiroshi for two days of discussions in Washington on TPP market issues.

**March 14, 2014:** Prime Minister Abe tells the Diet his government has no intention of revising the Kono Statement.

**March 14, 2014:** Abe Cabinet's approval rating falls to 48 percent according to a *Jiji Press* poll. Seventy-five percent of respondents express doubt about the economic recovery.

**March 17, 2014:** *Yomiuri Shimbun* survey posts a 59 percent approval rating for the Abe Cabinet and finds that 42 percent of the Japanese public supports amending the constitution, with 41 percent opposed. On the right of collective self-defense, 43 percent of respondents said Japan should not exercise that right, 27 percent suggested the government should reinterpret Article IX of the constitution to do so, and 22 percent favored constitutional revision as a prerequisite.

**March 18, 2014:** Japan suspends bilateral talks on an investment pact with Russia to protest its recognition of Crimea as an independent state.

**March 24, 2014:** At the Nuclear Security Summit in The Hague, President Obama and Prime Minister Abe issue a joint statement announcing Japan's plans to remove hundreds of kilograms of highly enriched uranium and plutonium to the United States for disposition.

**March 24, 2014:** Secretary of State Kerry and Foreign Minister Kishida confer via telephone call on Russia's annexation of Crimea ahead of a G-7 meeting in The Hague.

**March 24, 2014:** Representatives Devin Nunes (R-CA) and Joaquin Castro (D-TX) inaugurate a bipartisan caucus to strengthen the relationship between the United States and Japan.

**March 25, 2014:** President Obama, Prime Minister Abe, and President Park Geun-hye of South Korea convene a trilateral summit on the margins of the Nuclear Security Summit in The Hague.

**March 25, 2014:** Prime Minister Abe pledges \$1.5 billion in Japanese aid to Ukraine.

**March 26, 2014:** Japan's Ministry of Defense launches a new cyber defense unit.

**March 28, 2014:** Abe government releases a list of regions and cities designated as "national strategic special zones" in support of a national growth strategy touting structural reform.

**March 30, 2014:** State Department issues a statement commemorating the 160<sup>th</sup> anniversary of the establishment of diplomatic relations between the United States and Japan.

**March 31, 2014:** *Mainichi Shimbun* survey shows 57 percent of the Japanese public opposes the government exercising the right of collective self-defense. Sixty-four percent reject efforts by the Abe government to reinterpret the constitution to exercise that right; 30 percent are in favor.

**April 1, 2014:** Japanese government increases the consumption tax from five to eight percent, the first of a two-stage increase mandated by legislation passed in 2012.

**April 1, 2014:** Abe Cabinet approves new principles on the transfer of defense equipment, previously dubbed the three arms export principles.

**April 1, 2014:** Hague Convention enters into force between the United States and Japan.

**April 3, 2014:** USTR Michael Froman testifies before the House Ways and Means Committee on the US trade policy agenda.

**April 3-4, 2014:** US Special Envoy for North Korean Human Rights Issues Robert King visits Tokyo for meetings with government officials and civil society groups.

**April 5-6, 2014:** US Defense Secretary Chuck Hagel meets Prime Minister Abe and Defense Minister Onodera in Tokyo to discuss bilateral and regional security issues. Hagel announces that the US plans to forward deploy two additional *Aegis*-equipped ballistic missile defense (BMD) ships to Japan by 2017.

**April 7, 2014:** Special Representative for North Korea Policy Glyn Davies hosts a consultation on North Korea with Director General for Asian and Oceanian Affairs Ihara Junichi and Special Representative for Korean Peninsula Peace and Security Affairs Hwang Joon-kook.

**April 7, 2014:** According to a poll published by *Asahi Shimbun*, 63 percent of the Japanese public wants the government to maintain the ban on collective self-defense. Ninety-five percent of respondents in China and 85 percent in South Korea expressed the same sentiment.

**April 9-10, 2014:** Minister of State for Economic and Fiscal Policy Amari hosts USTR Froman for bilateral trade negotiations in Tokyo.

**April 10-11, 2014:** Under Secretary of State for Arms Control and International Security Rose Gottemoeller visits Tokyo for consultations with Japanese officials on regional security issues.

**April 10, 2014:** Second US-Japan Cyber Dialogue convenes in Washington.



**April 11, 2014:** Abe government approves a new basic energy plan including support for the use of nuclear power.

**April 14, 2014:** Congressional delegation organized by the Aspen Institute visits Prime Minister Abe and other political leaders in Tokyo.

**April 17, 2014:** USTR Froman hosts Minister of State for Economic and Fiscal Policy Amari for another round of bilateral trade negotiations in Washington.

**April 17-18, 2014:** US Defense Department hosts US-Japan-ROK Defense Trilateral Talks in Washington.

**April 21, 2014:** According to a *Mainichi Shimbun* survey, 60 percent of the Japanese public considers the consumption tax increase burdensome, and 40 percent report curbing household spending since the increase took effect April 1.

**April 21, 2014:** Congressional delegation led by House Majority Leader Eric Cantor (R-VA) and House Budget Committee Chairman Paul Ryan (R-WI) meets Prime Minister Abe and other political leaders in Tokyo.

**April 23-25, 2014:** President Obama makes a state visit to Japan. The two governments issue a joint statement and fact sheet outlining priorities for bilateral cooperation on regional and global issues.

**April 29, 2014:** Japan imposes visa bans on 23 Russian individuals in announcing expanded sanctions against Russia in line with similar decisions by the US and the European Union.