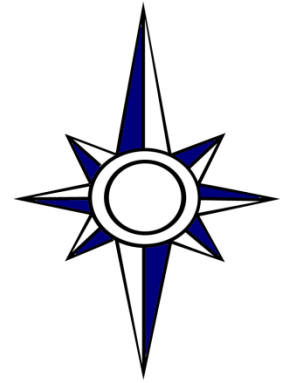


# Comparative Connections

A Quarterly E-Journal on East Asian Bilateral Relations



## US-Japan Relations: New Realism

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

The relocation of Marine Corps Air Station Futenma on Okinawa remained the predominant issue in the US-Japan relationship and the two governments issued a joint statement in late May reaffirming a commitment to realize a plan adopted in 2006 with some modifications to be explored. Prime Minister Hatoyama then resigned as polls revealed frustration with his handling of the Futenma issue and weak leadership overall. Finance Minister Kan Naoto succeeded Hatoyama as premier and outlined his own policy priorities just weeks before an important parliamentary election. Kan stressed the centrality of the US-Japan alliance to Japanese diplomacy and reiterated the theme in his first meeting with President Obama at the G8 Summit in late June. The two leaders' first meeting was business-like and lacking for drama – exactly as both governments had hoped. New public opinion polls suggested political turmoil at home has not had a significant impact on Japan's standing globally or in the US, but some observers continued to suggest the US should lower expectations of Japan as an ally in the debate about the future of the alliance.

### Futenma and Hatoyama's downfall

Tension in the US-Japan relationship became increasingly evident when Prime Minister Hatoyama Yukio visited Washington for the US-sponsored Nuclear Security Summit in mid-April. In lieu of a formal bilateral meeting between leaders, the two governments arranged a brief sidebar during a working dinner at the summit. The terse nature of the discussion made headlines as President Barack Obama reportedly asked Prime Minister Hatoyama if he could follow through on his pledge to resolve the impasse over the relocation of the Futenma Air Station by his self-imposed deadline of May. A *Washington Post* columnist labeled Hatoyama the “biggest loser” at the summit for failing to secure a bilateral meeting and noted some Obama administration officials had characterized Hatoyama as “hapless” and “increasingly loopy.” This prompted widespread commentary in the Japanese media that Hatoyama had lost all credibility with Washington and was doing damage to the relationship. But two weeks later reports surfaced suggesting the Hatoyama government would largely accept the agreement reached in May 2006 to relocate Futenma from Ginowan in central Okinawa to the less populated Henoko area in the north, and would propose modifications including alternate construction methods for runways and the transfer of some base functions (namely training exercises) to the island of Tokunoshima. Bilateral consultations commenced in early May, but Hatoyama would struggle to make the case to the public after promising for months that he would respect the majority of Okinawa residents who preferred to relocate Futenma outside the prefecture.

Polls released at the end of April indicated Hatoyama had completely lost the confidence of the general public. An April 26 *Nikkei Shimbun* poll found just a quarter of the public supporting Hatoyama, with 64 percent disapproving of his performance. With respect to the Futenma issue, 72 percent of respondents in a *Fujisankei* survey also published April 26 felt Hatoyama's approach had a negative impact on the US-Japan relationship, and 87 percent considered his self-imposed May deadline impossible. Hatoyama visited Okinawa twice in May – first to admit publicly that his pledge to remove Futenma from the prefecture was not feasible and later to apologize formally for reneging on that promise – but further antagonized the local population, which organized mass protests against the relocation of Futenma within the prefecture. Hatoyama's attempt at outreach proved too little too late and led to calls for his resignation; 49 percent of respondents to a May 14 *Jiji* news poll in mid-May considered that an appropriate step should he fail to resolve the matter.

Defense Minister Kitazawa Toshimi visited Washington May 25 to confer with Defense Secretary Robert Gates regarding the Futenma relocation plan, and three days later the bilateral Security Consultative Committee (SCC) issued a joint statement reaffirming a shared commitment to implement US force realignment initiatives outlined in a previous statement dated May 1, 2006, including the relocation of Futenma and the return of the base to the local government. The statement also confirmed an intention to build a replacement facility in the Henoko area as agreed in 2006; authorized a study on the facility's location, configuration, and construction to be completed no later than the end of August 2010; and listed other issues to be considered including the relocation of some training activities to Tokunoshima island, better environmental stewardship of bases, and shared use of facilities. The SCC concluded the statement by emphasizing the need for further outreach with local communities in Okinawa regarding concerns about the US force presence.

Amplifying the domestic political consequences of this initiative, Prime Minister Hatoyama was forced to dismiss Consumer Affairs Minister Fukushima Mizuho for refusing to endorse the decision to proceed with the existing plan. This development was ironic in that Fukushima is the leader of the Social Democratic Party (SDP), which advocated the removal of Futenma from Okinawa and convinced Hatoyama to endorse that view last year in exchange for joining a ruling coalition with the Democratic Party of Japan (DPJ) and the People's New Party (PNP). The SDP bolted the coalition on May 30, and Hatoyama found himself with a newfound understanding of the US force presence in Okinawa but no political capital to show for his epiphany.

## **Enter Kan**

Hatoyama was also criticized for repeatedly failing to control policy debates within his Cabinet and he and DPJ Secretary General Ozawa Ichiro were both tainted by funding scandals, which weakened DPJ claims to clean up Japanese politics. Several polls at the end of May listed Hatoyama's approval rating between 17 and 20 percent, marking a near 50-point decline in eight months. On June 2 he announced he was resigning and had convinced Ozawa to exit the stage with him. Finance Minister Kan Naoto and Lower House lawmaker Tarutoko Shinji ran to succeed Hatoyama as DPJ president. Kan won the party vote by a margin of 291 to 129 and became prime minister on June 4 after being elected separately in both houses of the Diet.

Kan moved quickly to differentiate himself from his predecessor in his approaches to governance, economic policy, and the US-Japan relationship. He retained 11 of Hatoyama's 17 Cabinet members but appointed Sengoku Yoshito, a powerful party veteran adept at policy coordination, as chief Cabinet secretary to centralize control of the policymaking process. Kan also placed critics of Ozawa Ichiro in prominent party posts to improve the image of the DPJ with the Upper House election looming in July. Examples include Edano Yukio, who took over as DPJ secretary general, and Gempa Koichiro, who was tasked with chairing the DPJ's Policy Research Council, abolished by Ozawa last fall but reinstituted by Kan to inject more transparency into the policymaking process and strengthen coordination between the Cabinet and the party. (Gempa serves concurrently as minister for Civil Service Reform.)

Kan also changed course somewhat with respect to economic policy, focusing more on deficit reduction than social welfare spending. The Kan government unveiled a new growth strategy in June based on what Kan described as the "third approach" to revive the Japanese economy. Lamenting decades of public works spending under Liberal Democratic Party (LDP) rule (the "first approach") and increased unemployment and income disparity that resulted from Koizumi Junichiro's attempts at deregulation and economic reform (the "second approach"), Kan's "third approach" prioritizes the environment and health sectors, tourism, and regional trade as target areas for growth and attempts to shore up the social security system and reduce the deficit through caps on government spending and comprehensive tax reform. Kan conspicuously raised the possibility of a consumption tax increase, a contrast to Hatoyama who promised not to touch it for four years. The new emphasis on deficit reduction drew the ire of Ozawa, who accused the Kan government of backtracking on priorities from 2009 including the elimination of highway tolls, child allowances, and subsidies for farmers. Kan did promise to pass a bill endorsed by Hatoyama that would reverse previous efforts to privatize the postal service, or Japan Post, and was championed by Financial Services Minister and PNP leader Kamei Shizuka. Kamei resigned from the Cabinet on June 11 after the government did not extend the Diet session and decided instead to resubmit the postal reform bill in the fall. Nevertheless, the PNP remained in the coalition.

Kan also set a positive tone for the US-Japan relationship by repeatedly referring to the US-Japan alliance as the axis or cornerstone of Japanese diplomacy. Kan visited Okinawa on June 23 and promised to reduce the burden of the US force presence but also reiterated a commitment to the May 28 agreement on Futenma relocation, much to the relief of Obama administration officials. Further, during his first address to the Diet Kan took a subtle jab at Hatoyama by stating that his approach to diplomacy would be guided by realism and not ideology. This rhetorical shift signaled a fresh start for Tokyo and Washington, but Kan would first have to survive the July Upper House election before embarking on agenda-setting for the alliance.

### **The Upper House election**

The DPJ unveiled its manifesto for the Upper House election on June 17 with a primary focus on economic issues under the slogan "Restoring Vitality to Japan." The section on security and diplomacy spoke of deepening the US-Japan alliance and reducing the burden on the Okinawan people based on the Futenma relocation agreement but also repeated key themes from the 2009 election platform such as revising the bilateral Status of Forces Agreement in the spirit of a

“close and equal US-Japan alliance.” Other foreign policy priorities included the realization of an East Asian Community, support for peacekeeping operations, official development assistance, and nuclear nonproliferation.

Kan’s approval rating exceeded 60 percent when he first took office but had declined 10 points in a matter of weeks presumably because he floated the notion of a consumption tax increase. The media soon began speculating about the prospects for a DPJ majority in the Upper House and possible coalition scenarios. The departure of the SDP from the coalition and PNP frustration with the failure to pass the postal reform bill seemed to create space for other small parties seeking to capture the attention of unaffiliated voters. Foremost among them is Your Party (*Minnanotō*) founded in August 2009 by former LDP member Watanabe Yoshimi. Other disgruntled LDP members followed suit by forming parties in April including former Health and Welfare Minister Masuzoe Yoichi, who founded the New Renaissance Party (*Shintōkaikaku*); and Yosano Kaoru and Hiranuma Takeo, who established the Sunrise Party of Japan (*Tachiagare Nippon*). Former local government officials also joined the fray by establishing the Spirit of Japan Party (*Sōshintō*). Hatoyama’s resignation left just six weeks for Kan to establish momentum and the commanding victory for the DPJ envisioned less than a year ago was not at all certain. Should the DPJ fare poorly, Kan could face a challenge in the next DPJ presidential race in September – mostly like orchestrated by the ousted and bitter Ozawa Ichiro – introducing yet another layer of uncertainty to Japanese politics.

### **Bilateral engagement**

The degree of bilateral dialogue at senior levels this quarter was remarkable given the deflating nature of the impasse over Futenma. Then-Finance Minister Kan visited Washington in April and met with Treasury Secretary Timothy Geithner during the G7 and World Bank/International Monetary Fund meetings. US Agriculture Secretary Tom Vilsack visited Tokyo in April to discuss beef exports. Transportation Secretary Ray LaHood made a trip in May to meet Toyota officials regarding vehicle safety measures in the wake of several recalls and examine high-speed rail and other issues with various officials. Secretary of State Hillary Clinton also stopped in Tokyo in May to discuss Futenma, North Korea, and other challenges with Foreign Minister Okada Katsuya. Defense Minister Kitazawa and Defense Secretary Gates, after meeting in Washington regarding Futenma, conferred again on the sidelines of the Shangri-La Security Dialogue in Singapore in early June. And on June 27, Prime Minister Kan and President Obama met in Toronto at the G20 Summit and covered a comprehensive agenda including the Futenma issue, bilateral economic cooperation, North Korea, Iran, Afghanistan, Pakistan, climate change, and nuclear disarmament/non-proliferation.

Other developments pointed to potential advances in economic and security cooperation. Japan hosted two preparatory meetings for the Asia-Pacific Economic Cooperation (APEC) forum scheduled for November in Yokohama. (The US will host APEC next year in Hawaii.) US Ambassador to Japan John Roos hosted the first US-Japan Dialogue to Promote Innovation, Entrepreneurship, and Job Creation in Tokyo. Security cooperation also featured prominently as Defense Minister Kitazawa and Defense Secretary Gates joined South Korean Defense Minister Kim Tae-young for a trilateral security dialogue in Singapore. The Maritime Self-Defense Force participated in *Pacific Partnership 2010*, a humanitarian and civic assistance effort led by the US

Navy. In an attempt to move “beyond Futenma,” Parliamentary Vice Minister for Defense Nagashima Akihisa addressed a conference in Washington on June 17 and identified the air-sea battle concept from the US Quadrennial Defense Review as a central pillar of bilateral strategic dialogue and previewed themes likely to emerge in Japan’s National Defense Program Guidelines due in December. Finally, the US House of Representatives passed Resolution 1464 recognizing the 50<sup>th</sup> anniversary of the US-Japan security treaty and expressing appreciation to the people of Japan for hosting US forces.

### **Japan’s leadership credentials**

Two public opinion polls released during the quarter reflected positive views of Japan notwithstanding the political turmoil in Tokyo. A *BBC World Service* poll published April 19 found Japan the second most favorably viewed nation after Germany among 28 countries surveyed. On June 1, the Ministry of Foreign Affairs released a survey on Japan’s image in the US in which 56 percent of opinion leaders considered China to be the most important partner in Asia for the US, followed by Japan at 36 percent. Ninety percent of opinion leaders and 79 percent of the general public considered Japan a dependable ally but questions persist about Japan’s capacity for leadership. In one example, Robert Madsen and Richard Samuels of the Massachusetts Institute of Technology published an extensive essay in the *National Interest* on April 20 entitled, “Japan LLP” arguing that persistent instability in Japanese politics will prevent Japan from assuming a more assertive role in security affairs, thereby necessitating a reduced military role for Japan in the US-Japan alliance. This is not necessarily a consensus view but nonetheless continues a pattern of analysis identified last quarter introducing skepticism about the prospects for robust alliance cooperation in the near term.

### **Things to watch**

Prime Minister Kan will face his first test in the July 11 Upper House election and could face a leadership challenge from within the DPJ in September depending on the outcome. Japanese security strategy will come to the fore when a defense advisory panel established by the Ministry of Defense submits recommendations for the National Defense Program Guidelines in August. The US and Japanese governments will try to settle on the details of the Futenma relocation package by the end of August. Japan will continue to host preparatory meetings for the APEC leaders meeting. Rounding out the quarter, the United Nations General Assembly in New York presents another opportunity for a bilateral summit meeting.

## **Chronology of US-Japan Relations April – June 2010**

**April 2, 2010:** Okinawa Gov. Nakaima Hirokazu meets Defense Minister Kitazawa Toshimi in Tokyo and expresses opposition to the relocation of Marine Corps Air Station (MCAS) Futenma within Okinawa prefecture.

**April 5, 2010:** A survey released by *Yomiuri Shimbun* posts a 33 percent approval rating for the Hatoyama government and suggests 50 percent of voters do not support any political party. The

approval rating for the Democratic Party of Japan (DPJ) stood at 24 percent compared to 16 percent for the Liberal Democratic Party (LDP).

**April 6, 2010:** The Obama administration releases the *Nuclear Posture Review* (NPR).

**April 6, 2010:** Japan's Ministry of Foreign Affairs issues its annual Bluebook on foreign policy.

**April 6-9, 2010:** US Secretary of Agriculture Tom Vilsack visits Japan to discuss various issues including US beef exports.

**April 10, 2010:** Yosano Kaoru and Hiranuma Takeo, both Cabinet ministers in previous LDP governments, announce the formation of a new political party, the Sunrise Party of Japan.

**April 7, 2010:** The Bank of Japan votes unanimously to keep monetary policy unchanged with overnight interest rates held at 0.1 percent.

**April 12, 2010:** President Obama confers with Prime Minister Hatoyama during a working dinner at the Nuclear Security Summit in Washington. Hatoyama pledges to settle the issue of MCAS Futenma relocation by the end of May.

**April 14, 2010:** In his *Washington Post* column *In the Loop*, reporter Al Kamen dubs Prime Minister Hatoyama "the biggest loser" at the Nuclear Security Summit and notes some Obama administration officials consider Hatoyama "hapless" and "increasingly loopy."

**April 14, 2010:** A Tax Commission established by the Hatoyama government begins deliberations on tax reform including a possible increase in the consumption tax.

**April 15-18, 2010:** Foreign Minister Okada Katsuya visits New York to chair a United Nations Security Council debate on post-conflict peace building.

**April 18, 2010:** Former local government officials launch the Spirit of Japan Party with an aim toward competing for seats in the July 2010 Upper House election.

**April 19, 2010:** A survey by *Asahi Shimbun* shows only a quarter of the public supports the Hatoyama government.

**April 19, 2010:** Parliamentary Vice Minister for Defense Nagashima Akihisa tells the *Financial Times* the Ministry of Defense seeks to ease the ban on arms exports to boost the competitiveness of Japan's defense industry.

**April 21, 2010:** The Hatoyama government releases details of a plan to reverse the privatization of Japan Post and strengthen its position in the financial services industry.

**April 21-23, 2010:** US Deputy Special Representative for Afghanistan and Pakistan Daniel Feldman visits Japan to coordinate on regional assistance issues with Japanese officials.

**April 22, 2010:** During an appearance in the Diet Prime Minister Hatoyama repeats his pledge to resolve the MCAS Futenma relocation issue by the end of May.

**April 22, 2010:** Japan's Ministry of Finance reports exports in March 2010 increased 43.5 percent compared to a year ago.

**April 22, 2010:** Former Health Minister Masuzoe Yoichi quits the LDP and announces plans to form a new party, the Renaissance Party.

**April 22-25, 2010:** Finance Minister Kan visits Washington to meet Treasury Secretary Timothy Geithner, and to attend a G7 finance ministers' meeting and the spring gatherings of the World Bank and International Monetary Fund (IMF).

**April 24, 2010:** The *Washington Post* reports the Hatoyama government indicated it would broadly accept an agreement reached in 2006 to relocate MCAS Futenma within Okinawa prefecture, citing an April 23 meeting in Tokyo in which Foreign Minister Okada presented a plan to US Ambassador to Japan John Roos.

**April 25, 2010:** Over 90,000 Okinawans rally to oppose the relocation of MCAS Futenma within the prefecture.

**April 26, 2010:** A *Nikkei Shimbun* poll shows 68 percent of voters disapprove of the Hatoyama government with just 24 percent in favor. Sixty percent think he should resign if he fails to resolve the Futenma issue by the end of May.

**April 26, 2010:** In a *Fujisankei* poll on government policy, 72.4 percent of respondents suggest the debate over the relocation of US Marine Corps Air Station Futenma is having a negative impact on US-Japan relations, and 87.5 percent consider Prime Minister Hatoyama's self-imposed May 2010 deadline to resolve the issue impossible.

**April 27, 2010:** A judicial review panel calls for DPJ Secretary General Ozawa Ichiro to be indicted over a fundraising scandal, requiring prosecutors to revisit an earlier decision not to charge Ozawa.

**April 28, 2010:** US Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell visits Tokyo for consultations on the relocation of MCAS Futenma.

**April 28-29, 2010:** Japanese media outlets report the Hatoyama government will propose modifications to the 2006 agreement on the relocation of MCAS Futenma including alternate construction methods for a key runway and the transfer of some training functions to Tokunoshima Island.

**April 29, 2010:** *Kyodo News* poll finds a 20 percent approval rating for Prime Minister Hatoyama and a disapproval rating of 64 percent.

**April 30, 2010:** The Bank of Japan holds a monetary policy meeting and leaves guidelines for money market operations unchanged.

**May 2, 2010:** Finance Minister Kan suggests a tax increase may be inevitable to cope with Japan's public debt.

**May 4, 2010:** Prime Minister Hatoyama states during a trip to Okinawa that it would be difficult to relocate all Futenma functions off the island, contradicting a previous pledge to do so.

**May 4, 2010:** The US and Japanese governments conduct working-level talks on the Futenma issue in Tokyo.

**May 4, 2010:** Japan's Ministry of Internal Affairs and Communications reports that children under the age of 15 comprised 13.3 percent of the population, a record-low for the 29<sup>th</sup> consecutive year. Secretary Clinton issues a statement in recognition of the May 5 Children's Day holiday in Japan.

**May 4, 2010:** Japanese State Secretary for Foreign Affairs Fukuyama Tetsuro addresses the United Nations Nuclear Nonproliferation Treaty (NPT) review conference in New York.

**May 10, 2010:** US Transportation Secretary Ray LaHood pledges to scrutinize safety measures introduced by Toyota in response to a large-scale recall after meeting the company's chairman in Toyota City, Japan.

**May 12, 2010:** US and Japan resume working-level talks on Futenma in Washington.

**May 12-14, 2010:** US Assistant Secretary of State for Economic, Energy and Business Affairs Jose Hernandez visits Tokyo to discuss US-Japan economic ties including the potential for cooperation in the areas of entrepreneurship, energy, agriculture, and health care.

**May 13, 2010:** An *Asahi Shimbun* poll finds 76 percent of Okinawa residents disapprove of a reported plan to relocate most of the functions of MCAS Futenma within the prefecture, and 53 percent supported relocating all bases in the prefecture to other areas of Japan.

**May 13, 2010:** Prime Minister Hatoyama suggests his government might not be able to resolve the impasse over Futenma by the end of May as he promised.

**May 14, 2010:** *Jiji News* poll shows a 19 percent approval rating for the Hatoyama government with 42 percent of respondents citing a lack of leadership as the proximate cause and 49 percent suggesting he should step down if unable to resolve the Futenma issue by the end of May.

**May 15, 2010:** Prosecutors question DPJ Secretary General Ozawa for third time regarding a funding scandal.

**May 16, 2010:** Approximately 17,000 people surround MCAS Futenma, calling for the land to be returned to the prefecture and protesting plans to relocate the facility within the prefecture.

**May 18, 2010:** Toyota agrees to pay a \$16.4 million fine assessed by the US Transportation Department amid allegations it was slow to act on vehicle recalls.

**May 20, 2010:** The Japanese government announces the economy grew at an annualized rate of 4.9 percent in the first quarter of 2010, the fourth quarterly gain in a row.

**May 20, 2010:** A senior Toyota official testifies before the House Energy and Commerce Committee that the company has not received any evidence linking electronic throttles to unintended acceleration in vehicles.

**May 21, 2010:** Foreign Minister Okada and Secretary Clinton meet in Tokyo to discuss the relocation of MCAS Futenma, the sinking of a South Korea vessel, North Korea, Iran, and the Hague Convention on child abduction. Clinton also meets Prime Minister Hatoyama.

**May 23, 2010:** Prime Minister Hatoyama visits Okinawa for the second time to apologize to the governor of Okinawa for breaking a pledge to remove MCAS Futenma off Okinawa and explain his decision to largely accept the existing plan adopted in 2006.

**May 23, 2010:** Japan's Maritime Self-Defense Force (MSDF) vessel *Kunisaki* leaves port with medical personnel from all three branches of the SDF to participate in *Pacific Partnership 2010*, a humanitarian and civic assistance effort led by the US Navy.

**May 24, 2010:** Prime Minister Hatoyama tells reporters the sinking of a South Korean vessel west of the Korean Peninsula in March factored into his decision to largely accept the existing agreement on the Futenma relocation.

**May 24, 2010:** US Ambassador to the World Trade Organization (WTO) Michael Plunke and European Union (EU) Chargé d'Affaires John Clarke meet Japanese Ambassador Kitajima Shinichi in Geneva to express concerns regarding the lack of a level playing field between Japan Post and private sector companies in the insurance, banking, and express delivery sectors.

**May 25, 2010:** Fukushima Mizuho, minister for Consumer Affairs and head of the Social Democratic Party (SDP), visits Okinawa to reiterate her support for removing bases from the prefecture and tells the press she will not approve Prime Minister Hatoyama's relocation plan if presented at a Cabinet meeting.

**May 25, 2010:** Defense Minister Kitazawa Toshimi meets Defense Secretary Robert Gates at the Pentagon to discuss the Futenma relocation plan.

**May 27, 2010:** President Obama transmits the *National Security Strategy (NSS)* to Congress.

**May 27, 2010:** The US-Japan Dialogue to Promote Innovation, Entrepreneurship, and Job Creation conducts its first meeting in Tokyo.

**May 27, 2010:** The Ministry of Finance releases data showing exports in April increased 40 percent compared to the previous year.

**May 28, 2010:** The US-Japan Security Consultative Committee (SCC) issues a joint statement reiterating a commitment to relocate MCAS Futenma.

**May 28, 2010:** Prime Minister Hatoyama dismisses Consumer Affairs Minister Fukushima from the Cabinet for refusing to support his decision on Futenma relocation.

**May 28, 2010:** The Senate Armed Services Committee completes the mark-up of the FY2011 National Defense Authorization Act and cuts \$300 million associated with the relocation of Marines from Okinawa to Guam, “as the funding was requested ahead of need.”

**May 30, 2010:** The Social Democratic Party bolts the ruling coalition with the DPJ.

**May 31, 2010:** A postal reform bill to scale back the privatization of the Japan Post passes the Lower House of the Diet.

**May 30-June 1, 2010:** Several Japanese media outlets release public opinion polls with Prime Minister Hatoyama’s approval rating falling between 17 and 20 percent and his disapproval rating between 67 and 75 percent.

**June 1, 2010:** Japan’s Ministry of Foreign Affairs releases a poll on Japan’s image in the US in which 56 percent of opinion leaders considered China to be the most important partner in Asia for the US, followed by Japan at 36 percent. Forty-four percent of the general population considered Japan and China equally important. Ninety percent of opinion leaders and 79 percent of the general public considered Japan a dependable ally.

**June 2, 2010:** Prime Minister Hatoyama and DPJ Secretary General Ozawa Ichiro resign.

**June 2, 2010:** The White House issues a statement expressing respect for the political process in Japan and resolve to work with Japan’s next leader across a range of issues.

**June 3, 2010:** Finance Minister Kan holds a press conference and states the US-Japan alliance is the cornerstone of Japanese diplomacy.

**June 3, 2010:** The Ministry of Economy, Trade and Industry (METI) releases a new industrial policy, “Industrial Structure Vision,” as a component of a comprehensive growth strategy to be released by the government.

**June 4, 2010:** Kan Naoto is elected prime minister.

**June 5, 2010:** President Obama calls Kan to congratulate him on his election as prime minister.

**June 5, 2010:** Defense Minister Kitazawa and Defense Secretary Gates confer on the sidelines of the Shangri-La Security Dialogue in Singapore. They later meet South Korean Defense Minister Kim Tae-young.

**June 5-6, 2010:** Japan hosts the Asia-Pacific Economic Cooperation (APEC) forum trade ministers' meeting in Sapporo.

**June 6, 2010:** *Mainichi Shimbun* poll finds 63 percent of the public has high expectations of Prime Minister Kan.

**June 8, 2010:** Prime Minister Kan announces his Cabinet and retains 11 ministers from the Hatoyama administration.

**June 9, 2010:** Prime Minister Kan enjoys a 62 percent approval rating according to a poll by *Kyodo News*.

**June 11, 2010:** Prime Minister Kan addresses the Diet and describes the US-Japan alliance as the cornerstone of Japanese diplomacy.

**June 11, 2010:** Financial Services Minister Kamei Shizuka resigns to protest the decision not to extend the Diet session and pass a postal reform bill he championed.

**June 17, 2010:** The DPJ unveils its manifesto for the July 11 Upper House election.

**June 17, 2010:** DPJ lawmaker Kobayashi Chiyomi resigns because of a funding scandal.

**June 17, 2010:** Parliamentary Vice Minister of Defense Nagashima addresses a conference on the US-Japan alliance in Washington.

**June 17-18, 2010:** US Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell visits Tokyo to confer with Kan administration officials.

**June 18, 2010:** The Kan administration unveils a long-term economic growth strategy.

**June 18-20, 2010:** Japan hosts the APEC Energy Ministerial meeting in Fukui.

**June 18-21, 2010:** US Ambassador to Japan John Roos visits Okinawa to meet with government officials, community leaders and students.

**June 20, 2010:** Prime Minister Kan's approval rating is 50 percent according to a poll published by *Asahi Shimbun*.

**June 21, 2010:** Foreign Minister Okada and Secretary Clinton discuss issues including Futenma during a telephone call.

**June 21, 2010:** Japan's Environment Ministry announces the "Morning Challenge" campaign to reduce emissions by encouraging households to consume less energy at night and rise early.

**June 22, 2010:** Prime Minister Kan calls for a nonpartisan dialogue on pension reform during a debate with the leaders of other political parties.

**June 23, 2010:** Prime Minister Kan visits Okinawa and promises to reduce the burden of the US troop presence on the local population but reiterates a commitment to the May 28 agreement on Futenma relocation.

**June 23, 2010:** Finance Minister Noda Yoshihiko suggests in an interview with the *Wall Street Journal* that the Kan government might consider tax increases on high earners to raise revenue and promote income redistribution.

**June 24, 2010:** The US House of Representatives passes Resolution 1464 "Recognizing the 50th anniversary of the conclusion of the United States-Japan Treaty of Mutual Cooperation and Security and expressing appreciation to the Government of Japan and the Japanese people for enhancing peace, prosperity, and security in the Asia-Pacific region."

**June 24, 2010:** Former DPJ Secretary General Ozawa criticizes the Kan administration's discussion of a possible increase in the consumption tax.

**June 24, 2010:** Gen. Oriki Ryoichi, chief of staff of the SDF Joint Staff, meets Chairman of the Joint Chiefs of Staff Adm. Michael Mullen at the Pentagon.

**June 27, 2010:** Prime Minister Kan and President Obama meet during the G20 Summit in Toronto to discuss the Futenma issue, bilateral economic cooperation, North Korea, Iran, Afghanistan, Pakistan, climate change, and nuclear disarmament/non-proliferation.

**June 28, 2010:** Ozawa Ichiro criticizes the DPJ leadership for changing the party manifesto for the Upper House election and backtracking on policies such as child allowances, the elimination of highway tolls, and direct subsidies to farmers.

**June 29, 2010:** The State Department announces the acceptance of an offer from Japan to provide skimmers and a containment boom for use in the Gulf of Mexico oil spill response.

**June 30, 2010:** Prime Minister Kan stresses the government should lead nonpartisan discussions on a possible increase in the consumption tax.