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# COMPARATIVE

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**US-JAPAN RELATIONS** 

## TRUMP VISITS TOKYO AMID NORTH KOREA TENSIONS

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In the fall of 2017, the growing threat from North Korea garnered a lot of attention in the US and Japan. In Japan, Prime Minister Abe Shinzō used that threat to win yet one more election. North Korea also dominated discussions during President Donald Trump's visit in November, although a reckoning on trade hovered in the background. Japan also worried about other stops on Trump's extended Asian itinerary, especially his stay in Beijing. The Trump administration's focus on its America First agenda was a significant factor in shaping Japan's foreign policy. Abe seemed up to the challenge as Japan actively pursued its interests globally to ensure support for North Korea sanctions and to build trade agreements that will further Japan's economic and trade interests. The US-Japan alliance remains in good shape, although there are difficulties to manage.

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#### Abe's Lower House election sweep

Surprising all with his call for an election, Prime Minister Abe campaigned on the need to provide for Japan's security – both from the external threat of North Korea and from the challenges of an aging society. On Sept. 25, Abe announced that he would dissolve the Lower House on Sept. 28 and call a <u>snap election</u> on Oct. 22. In his <u>speech</u> in the Diet, he suggested that North Korea and its accelerated program of missile testing drove his decision. He asked the Japanese people to endorse his approach of greater pressure on Pyongyang to bring it back to the negotiating table.

The Liberal Democratic Party (LDP) went into the election believing they would lose seats but still maintain their majority in the Lower House. Abe did not need to call an election until the end of December 2018, but decided that waiting was not going to improve his party's chances at the polls. Moreover, while the snap election appeared risky, it also highlighted the weaknesses of Japan's main opposition party, the Democratic Party (DP). And sure enough, within days of Abe dissolving the Diet for the election, the DP began to fall apart.

New political ambitions were also in the mix. Coming off her electoral success in the Tokyo Metropolitan Assembly elections, Gov. Koike Yuriko announced she would build a <u>new</u> <u>national party</u>, the *Kibō no Tō* or Party of Hope. Koike attracted the support of some of the most experienced foreign and security policy experts among the DP's legislators. She argued that those who wanted to join this new party should be willing to accept the new security legislation passed by Abe in 2015, as well as be open to the revision of Japan's constitution. In short, Koike wanted to build an alternative conservative party to the LDP.

Those who were not so inclined within the DP decided during the campaign to form <u>another</u> <u>new party</u>, the Constitutional Democratic Party of Japan (CDPJ). Led by Edano Yukio, the well-liked chief Cabinet secretary during the difficult days and months following the 2011 Great East Japan Earthquake, this new party organized its identity around protecting Japan's existing constitution. In stump speech after stump speech, Edano drew large crowds, and the party quickly built a large Twitter following. Whereas Koike drew most of the media attention in the first weeks of the campaign – she was described

by some as the great "<u>disrupter</u>" of Japan's male-dominant politics – Edano and his party drew more attention as the Party of Hope's popularity waned.

In the end, it was Abe, his LDP, and its coalition partner, the Komeito, that won the day. Far exceeding even their own expectations, the LDP garnered a resounding victory and went back to the Diet with their supermajority intact with 313 of the 465 seats in the Lower House. Abe saved his leadership within the party, and now faces the September 2018 party leader election with far greater confidence than before the election. Moreover, he has won popular endorsement of his approach to North Korea – greater spending on defense preparedness and a hard diplomatic line in support of international sanctions. He also managed to campaign on going through with the second hike on Japan's consumption tax, but spending it on things that Japanese voters might find more palatable, such as education subsidies. Japan's slow and steady economic recovery undoubtedly made this easier.

Another result of the 2017 election is the firming of support for constitutional revision. Legislators who <u>support constitutional revision</u> now make up more than three-fourths of the Lower House. Abe did not campaign on the premise of revising Japan's constitution, but in the *Yomiuri Shimbun's* election polling, around half the respondents supported Abe's idea of adding a sentence to Article 9 to clearly <u>recognize the constitutionality</u> of Japan's Self-Defense Forces.

Abe will likely be able to retain his hold on the prime minister's office until 2020, the year of the Tokyo Olympics. This would make him the longest serving prime minister of Japan's postwar era, and more importantly, provide him with an opportunity to move Japan beyond its hesitancy over organizing for national defense and perhaps to preside over the first amendment of the 1947 Constitution. All this depends, of course, on avoiding more scandal and improving Japan's economic performance.

#### The Trump Factor (cont'd)

The US and Japan continued to cooperate closely on increasing diplomatic pressure on North Korea. Pyongyang's sixth nuclear test on Sept. 3, followed by a ballistic missile test on Sept. 15, set the stage for another round of UN Security Council sanctions. Japanese Foreign Minister Kono Taro and Prime Minister Abe attended the UN General Assembly in New York at the end of September, and their focus was on the international threat posed by Kim Jong Un's growing arsenal. Abe published an op-ed in *The New York Times* calling for international solidarity in confronting the DPRK. In his address at the UN, Abe argued that past attempts at dialogue have been used by Pyongyang as a "means of deceiving [the international community] and buying time." What is needed now is "not dialogue, but pressure" on North Korea to force it to make fundamental changes.

Equally important were the sideline meetings. Foreign Minister Kono held a trilateral meeting with Secretary of State Rex Tillerson and Indian Minister for External Affairs Sushma Swaraj, demonstrating Japan's enthusiasm for Indo-Pacific cooperation. Prime Minister Abe met President Trump privately, and then participated in a trilateral meeting with Trump and President Moon Jae-in of South Korea to reiterate their common approach to strengthening defense and deterrence against a more belligerent North Korea.



**1**Secretary Tillerson meets with Foreign Minister Kono. Photo: US Department of State

After a hiatus of two months, the North Koreans again <u>tested</u> an intercontinental missile, the *Hwasong-15*, on Nov. 29. This time the missile flew straight up into space, reaching a height of 4,475 km (2,800 miles), much higher than previous tests. The missile came down approximately 600 miles away in the Sea of Japan. On *CNN* the following day, Foreign Minister Kono discussed North Korea's threat to Japanese security with Christiane Amanpour, calling for a <u>global response</u> to Pyongyang's disregard of the UN's sanctions.

In November, President Trump made his first trip to Asia. As his first stop on a five-nation tour, Tokyo was an easy entry into Asia's geopolitics, and Abe made sure it was a comfortable visit. There was lots of golf, of and the president's course. favorite hamburgers. North Korea dominated the narrative, but a reckoning on trade hovered over the visit as the two leaders renewed their friendly ties. President Trump congratulated Japan's prime minister on winning the October election "very big and very easily," but then seemed to chastise him for Japan's trade surplus with the United States.

One factor that could derail Abe's ambitions is the Trump administration's focus on reducing the US trade deficit with Japan. While Trump's visit to Japan was widely seen as a success, there are signs that even the much heralded <u>Abe-</u><u>Trump partnership</u> may be subjected to policy pressures as the administration's effort to translate its America First agenda into redressing grievances with allies and competitors alike moves forward.

In Tokyo, Trump awkwardly schooled Japanese businesses on their need to invest in the US economy, even though Japanese companies have a <u>considerable manufacturing base</u> in the US. Japan ranks second only to the UK in the aggregate amount of <u>foreign direct investment</u> in the US. Further, Japanese companies continued to announce new investments in 2017, demonstrating that they are a critical contributor to the Trump administration's ambitions to create more US jobs. High-level Keidanren delegations visited the US throughout the year to highlight the importance of Japanese participation in the US economy.

Trump's approach to the economic relationship with Japan seems to emphasize trade over investment. In Tokyo, he reiterated his goal of removing the causes of the trade deficit with Japan: "As President of the United States, I am committed to achieving a fair, free, and reciprocal trading relationship. We seek equal and reliable access for American exports to Japan's markets in order to eliminate our chronic trade imbalances and deficits with Japan. We're working on that — something we've all been working on very hard from the very beginning of our meetings." However, on Nov. 7, the day of Trump's departure from Japan, Deputy Prime Minister Aso Taro told reporters that Japan would not be willing to use

a free trade agreement (FTA) to address the two countries' trade imbalance.

Trump even linked US arms sales to Japan as a way to reduce the deficit. He said that Abe "is going to be purchasing massive amounts of <u>military equipment</u>... from the United States, as he should ... it's a lot of jobs for [the US] and a lot of safety for Japan." Others in the Trump administration have echoed this deficit reduction aim. At the annual Mt. Fuji Dialogue in Japan in October, US Ambassador William Haggerty also sought to impress upon his audience of Japanese and US experts the importance of getting the deficit numbers down. Secretary of Commerce Wilbur Ross reiterated the message that the deficit must be erased at a US-Japan conference in Washington, DC organized by the US-Japan Council, a group of leading Japanese-Americans and Japan policy experts.

#### Tokyo also rethinks its priorities on trade

On Oct. 16, Deputy Prime Minister Aso and Vice President Mike Pence met in Washington for the second round of the US-Japan Economic Dialogue. Abe and Trump first agreed to create the set of dialogues in February 2017 to advance three broad policy pillars: a common strategy on trade and investment rules, cooperation in economic and structural policies, and sectoral cooperation. While Aso and Pence held the first round of the dialogue in Tokyo in April, the US delegation notably lacked a key trade official; the Senate did not confirm US Trade Representative Robert Lighthizer until May. For the second round of talks in Washington, the US delegation included both Pence and Lighthizer, as well as Secretary of the Treasury Steven Mnuchin and Secretary of Commerce Ross.

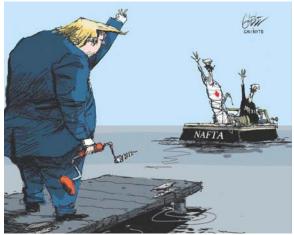
With Trump's full trade team in attendance, the two countries made some initial progress on trade issues, but left larger questions about the future of a bilateral US-Japan trade deal unanswered. In their joint statement, the US and Japan agreed to lift trade restrictions on US potatoes and Japanese persimmons, and Japan agreed to streamline noise and emissions testing procedures for US automobiles. The joint statement also identified a number of areas for bilateral cooperation including transportation infrastructure, energy ties, the digital economy, and women's economic participation. However, the statement lacked concrete details on the state of negotiations for a <u>bilateral trade deal</u>.

Shortly after entering office in January 2017, Trump officially withdrew the US from the multilateral Trans-Pacific Partnership (TPP) trade deal, which includes Japan. At the time he identified a bilateral agreement with Japan as a priority for his administration. Without US participation in TPP, many <u>businesses</u> are especially eager for progress on a bilateral deal, as they are worried that the lack of a free trade agreement will put them at a comparative disadvantage to other countries such as Australia, where a deal with Japan is already in place. On the Japan side, officials may have been hesitant to discuss thorny trade issues or agricultural protections at the meeting, given that the talks came less than a week before Japan's Lower House election on Oct. 22.

While progress on a US-Japan free trade agreement remains slow, Japan otherwise has had a busy and successful end of the year in terms of trade negotiations. In the absence of any interest from the current US administration in multilateral trade deals, Japan has emerged as a driving force of the free trade agenda on the global stage. First, Japan and the 10 other remaining countries of the TPP announced on Nov. 11 that they were committed to moving forward without US participation. Apart from Japan, the TPP includes other major US trade partners such as Canada and Mexico, and if enacted will cover one-sixth of world trade. The timing of the agreement sent a strong signal of the Asia-Pacific region's support for free trade, as it came the same week that President Trump delivered a speech at the Asia-Pacific Economic Cooperation (APEC) forum in Vietnam in which he denounced multilateral agreements and pledged to "always put America first." While the "TPP 11" agreement, renamed the new Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), still has some details to iron out, a new deal could be announced in early 2018.

Second, Japan and the European Union finalized their Economic Partnership Agreement on Dec. 8. The deal marks the world's largest <u>free-trade</u> <u>agreement</u> between economies that together make up 30 percent of global output. Japan and the EU traded approximately <u>\$140 billion worth</u> <u>of goods</u> in the last year, and more than 500,000 EU workers are employed by Japanese companies. The core of the new <u>agreement</u> aims to remove tariffs on European food exports (especially cheese and wine) to Japan, while Japanese automakers and electronics firms will face fewer barriers competing in Europe, where they have a smaller market share compared to major markets like the US. In a joint statement, Prime Minister Abe and President of the European Commission Jean-Claude Juncker said the agreement "demonstrates the powerful political will of Japan and the EU to continue to keep the flag of <u>free trade waving high</u>, and sends a strong message to the world."

Looking to 2018, the attention of US and Japanese trade officials will clearly be on the outcome of US negotiations on the North America Free Trade Agreement (NAFTA). Throughout Trump's first year in office, progress on a US-Japan trade deal has seemed to take a back seat to the more openly contentious NAFTA negotiations. The Trump administration continues to demand big changes to "<u>modernize</u>" NAFTA, yet partners Canada and Mexico strongly oppose many of the US initiatives, such as a "<u>sunset clause</u>" to limit the lifespan of any new agreement to five years.



2Photo: The Japan Times

Criticism of the Trump administration's approach to NAFTA has also come from senior Republican members in the Senate, many of whom are supportive of free trade agreements. In December, a group of Republican senators from the Senate Finance Committee, including Sen. Orrin Hatch (Utah) and Sen. John Cornyn (Texas), expressed strong support for NAFTA in a meeting with US Trade Representative Lighthizer. The senators also vented frustration to Lighthizer at the lack of progress in negotiating bilateral trade agreements with Asia Pacific countries such as Japan. The fifth of seven rounds of NAFTA negotiations concluded Nov. 20 in Mexico City, and the sixth round is set for Jan. 23-28 in Montreal. The current hope is to reach an agreement by March 2018, before the campaign heats up for Mexico's presidential election in July.

#### Continued difficulties for US forces in Japan

The US-Japan alliance remains in good shape, although there are some difficulties to manage. The US Navy continues to recover from the Seventh Fleet's setbacks. Difficulties for the US military in Okinawa have also called for diplomatic attention. Ambassador to Japan William Haggerty <u>visited the island twice</u> – once for a holiday in October and once to meet with Gov. Onaga Takeshi on Nov. 13.

The US Navy investigation of the Seventh Fleet in the wake of a series of collisions and mishaps concluded and a <u>report</u> issued on Nov. 2. In announcing the findings, Chief of Naval Operations Adm. John Richardson stated, "Both of these accidents were preventable and the respective investigations found multiple failures by watch standers that contributed to the incidents...<u>We must do better</u>."

The fallout continued to be severe for the leadership of the US Navy in the Pacific. On Sept. 26, Adm. Scott Swift, commander of Pacific Fleet and anticipated successor of PACOM's Adm. Harry Harris, announced his retirement from the Navy after it was made clear he would not be nominated for the position. Instead, rumor has it that an <u>Air Force general</u> might be Harris' replacement. If true, this would be the first time in the history of the Pacific Command that the US Navy would not lead US military forces in region.

Troubles arose again for the US military in Okinawa. On Nov. 19, a US Marine caused a <u>traffic accident</u> while under the influence of alcohol, resulting in the death of a Japanese man. Ambassador Haggerty expressed his condolences and promised cooperation in the investigation of the accident. US military authorities issued a Japan-wide <u>ban on alcohol</u> for all US military personnel. Foreign Minister Kono <u>traveled to Okinawa</u> to meet Gov. Onaga and Lt. Gen. Lawrence Nicholson, the Okinawa Area Coordinator of US Forces.

At year's end, the US military remained under scrutiny in Okinawa after a series of mishaps involving its aircraft. A window from a Marine helicopter fell into a schoolyard, raising concerns about <u>public safety</u> on the island and drawing global media attention. In addition, several other aircraft performed emergency landings after suffering technical difficulties. Although no one was hurt in these landings, they <u>exacerbated longstanding Okinawan</u> <u>sensitivities</u> to the safety of US military operations on the island.

### **CHRONOLOGY OF US-JAPAN RELATIONS**

#### **SEPTEMBER – DECEMBER 2017**

**Sept. 3, 2017:** North Korea conducts <u>sixth</u> <u>nuclear test</u>, a powerful device that it claims is a hydrogen bomb.

**Sept. 10–12, 2017:** Five US governors—Eric Holcomb (Indiana), Bruce Rauner (Illinois), Pete Ricketts (Nebraska), Rick Snyder (Michigan), and Scott Walker (Wisconsin)—visit Tokyo for 49th Annual Joint Meeting of the Japan– Midwest US Association and meet Prime Minister Abe Shinzo.

**Sept. 15, 2017:** North Korea launches a <u>ballistic</u> <u>missile</u>, which travels approximately 2,300 miles before landing in the sea off Hokkaido.

**Sept. 17, 2017:** PM Abe publishes an <u>op-ed</u> in *The New York Times* about the need for solidarity in the face of the threat posed by North Korea.

**Sept. 17-23, 2017:** Foreign Minister Kono Taro visits New York for 72<sup>nd</sup> Session of the UN General Assembly (UNGA).

**Sept. 18–21, 2017:** PM Abe visits New York to attend 72<sup>nd</sup> Session of the UNGA.

**Sept. 19, 2017:** FM Kono, Secretary of State Rex Tillerson, and Indian Minister for External Affairs Sushma Swaraj hold trilateral Japan–US–India foreign ministers' <u>meeting</u> on the sidelines of the UNGA.

**Sept. 19, 2017:** PM Abe meets group of US <u>chief</u> <u>executive officers</u> on sidelines of the UNGA.

**Sept. 20, 2017:** PM Abe gives a <u>speech</u> at the New York Stock Exchange.

**Sept. 20, 2017:** PM Abe delivers an <u>address</u> to the UNGA.

**Sept. 21, 2017:** Trump and PM Abe hold a bilateral summit meeting on the sidelines of UNGA.

**Sept. 21, 2017:** President Trump, PM Abe, and President Moon hold a <u>trilateral US-Japan-Korea summit meeting</u> on the sidelines of the UNGA.

**Sept. 21–22, 2017:** Eighth meeting of the <u>US–Japan Policy Cooperation Dialogue on the Internet Economy</u> convenes in Washington, DC.

**Sept. 26, 2017:** Adm. <u>Scott Swift</u>, commander of US Pacific Fleet, requests to retire from the service after learning that he is not the Navy's choice to replace Adm. Harry Harris as the next commander of US Pacific Command.

**Sept. 28, 2017:** PM Abe <u>dissolves</u> House of Representatives and calls an election for Oct. 22.

**Oct. 11, 2017:** US transport helicopter makes an <u>emergency landing</u> after catching fire in a US military training area in northern Okinawa.

**Oct. 16, 2017:** Vice President Pence and Deputy Prime Minister Aso Taro hold the second round of the <u>Japan-US</u> <u>Economic Dialogue</u> in Washington, DC. <u>Joint Press Release</u>.

**Oct. 16-17, 2017:** Deputy Secretary of State John <u>Sullivan</u> travels to Tokyo en route to a deputieslevel US-Japan-Korea trilateral meeting in Seoul on Oct. 18.

**Oct. 20, 2017:** Reports suggest that US Air Force Gen. Terrence O'Shaughnessy, commander of Pacific Air Forces, is the <u>leading nominee</u> to become the next head of US Pacific Command.

**Oct. 22, 2017:** The 48<sup>th</sup> <u>general election</u> for members of the House of Representatives takes place in Japan.

**Nov. 2, 2017:** US Navy releases report of the <u>Fleet</u> <u>Comprehensive Review of Surface Force</u> <u>Incidents</u>. The report focuses on the collisions involving the USS Fitzgerald and USS John S. *McCain* over the past year.

Nov. 5-7, 2017: President Trump visits Japan.

**Nov. 5, 2017:** FM Kono meets Senior Advisor to the President <u>Jared Kushner</u> during his visit to Japan.

**Nov. 5, 2017:** FM Kono meets with US Trade Representative Ambassador <u>Robert Lighthizer</u> during his visit to Japan.

**Nov. 5, 2017:** FM Kono meets Secretary of State <u>Tillerson</u> during his visit to Japan.

**Nov. 6, 2017:** PM Abe and President Trump hold a bilateral <u>summit</u> in Tokyo.

**Nov. 7, 2017:** Deputy PM Aso tells reporters that Japan is <u>not willing</u> to use an FTA to address the trade imbalance with the US.

**Nov. 11, 2017:** The remaining <u>11 countries of the</u> <u>Trans-Pacific Partnership</u> trade deal announce that they are committed to moving forward with the trade agreement without the United States.

**Nov. 12 2017:** Senior officials from Japan, US, Australia, and India meet in Manila to discuss free and open trade in the <u>Indo-Pacific</u> on the sidelines of the East Asia Summit (EAS).

**Nov. 13, 2017:** President Trump, PM Abe, and Prime Minister Malcolm Turnbull hold a <u>trilateral US-Japan-Australia summit</u> on the sidelines of the EAS in Manila.

**Nov. 13, 2017:** Ambassador to Japan William Haggerty <u>visits Okinawa</u> to meet Gov. Onaga Takeshi.

**Nov. 16, 2017:** US and Japanese naval forces begin annual bilateral <u>training exercises</u>. More than 14,000 US personnel participate in the waters surrounding Okinawa.

**Nov. 19, 2017:** US Marine member in Okinawa, driving under the influence of alcohol, gets involved in a <u>traffic incident</u> in which a Japanese man is killed.

**Nov. 20, 2017:** President Trump puts North Korea back on the list of <u>state sponsors of terrorism</u>, a designation that allows the US to impose more sanctions on North Korea.

**Nov. 29, 2017:** North Korea launches an ICBM, a <u>Hwasong-15</u>.

**Dec. 1-2, 2017:** FM Kono visits <u>Okinawa</u> and meets Gov. Onaga and Lt. Gen. Lawrence Nicholson, Okinawa Area Coordinator of the US forces.

**Dec. 4, 2017:** Special Advisor for Children's Issues Suzanne Lawrence travels to Tokyo to lead the US delegation for a conference on the Hague Abduction Convention.

**Dec. 8, 2017:** Japan and the European Union finalize the <u>EU-Japan Economic Partnership</u> Agreement.

**Dec. 11, 2017:** Special Representative for North Korea Policy <u>Joseph Yun</u> travels to Japan to meet officials following North Korea's latest ballistic missile test.

**Dec. 11–12, 2017:** US, Japan, and South Korea conduct a <u>two-day exercise</u> to practice tracking missile launches from North Korea.

**Dec. 13, 2017:** Chief Cabinet Secretary Yoshihide Suga Yoshihide says that Tokyo and Washington remain in "<u>100 percent agreement</u>" on pressuring North Korea to abandon its nuclear program.

**Dec. 13, 2017:** A window drops from a US helicopter and <u>crashes on a school in Okinawa</u>. One boy reported to have minor injuries from the incident.

**Dec. 15, 2017:** FM Kono delivers a <u>statement</u> on the threat posed by North Korea at the UN National Security Council meeting in New York.

**Dec. 19, 2017:** Japan's Cabinet approves installation of two <u>Aegis Ashore</u> ballistic missile defense batteries.