



US-Japan Relations:
Adjusting to Untested Political Terrain

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In the last quarter of 2009, the US-Japan alliance entered one of the greatest periods of uncertainty in recent memory. Many of the populist policy proposals of the Democratic Party of Japan (DPJ) fell by the wayside as the party settled into power after trouncing the Liberal Democratic Party (LDP) in August elections. Fiscal and political realities forced Prime Minister Hatoyama Yukio to shelve several key domestic pledges. On the foreign policy front, the new government announced Japan would terminate a naval refueling mission supporting coalition operations in Afghanistan, as it had pledged during the campaign, but unveiled a \$5 billion aid package focused on infrastructure and vocational training. President Obama and Prime Minister Hatoyama met in Tokyo in November to discuss Afghanistan and several other issues including North Korea, nonproliferation, and climate change. However, the summitry did little to conceal Washington's frustration with Tokyo's conflicting messages about the US-Japan alliance. Obama came away from the summit believing that Hatoyama had promised to implement the current bilateral agreement on realigning bases in Okinawa; instead, Hatoyama announced that he would make a decision on how to proceed in the late spring after exploring other options that the Obama administration and Hatoyama's own ministers of foreign affairs and defense had already dismissed as unrealistic. The Obama administration was also chagrined to see Hatoyama pledge to other Asian leaders that Japan would move forward with an ill-defined "East Asia Community" in order to reduce Tokyo's "dependence" on the United States. Public opinion polls in Japan revealed dissatisfaction with Hatoyama's approach to the Okinawa issue and his leadership skills overall, while opinions toward the US hit their highest mark ever. Nevertheless, the difficulties managing the alliance cast a shadow over bilateral discussions on how to mark the 50th anniversary of the bilateral security treaty in 2010.

Domestic policy: easier said than done

The new DPJ-led government tried to translate campaign rhetoric into reality by introducing a draft budget, a high-profile panel to cut wasteful spending, a commission on tax reform, and an economic stimulus package. In mid-October the Hatoyama Cabinet released a record-high ¥95 trillion (\$1 trillion) budget blueprint for fiscal year 2010, the unprecedented price tag attributed mainly to debt servicing obligations and campaign pledges to increase social welfare spending. Finance Minister Fujii Hirohisa then announced the government would trim ¥3 trillion from the budget proposal and form a panel known as the Government Revitalization Unit (*gyosei sasshin kaigi*) tasked with identifying targets for cuts. In an effort to demonstrate a more transparent form of governance led by politicians (*seiji shudo*), the panel sessions in November were broadcast live on television and online from a gymnasium in central Tokyo. Parliamentarians

grilled bureaucrats on their budget requests and demanded greater accountability on the part of government agencies. The bureaucrats came away deploring the DPJ's "Jacobin show trials." This was a remarkable political drama, but the panel only managed to identify potential budget cuts amounting to about one-third of the original goal. The public didn't seem to mind as 74 percent of respondents to a Nov. 30 *Nikkei Shimbun* poll expressed satisfaction with government attempts to cut wasteful spending. But this effort at fiscal constraint contrasted sharply with other pledges to reduce the tax burden on the public and increase government spending, a dilemma Hatoyama could not resolve.

Government data revealed that the economy had grown in the second and third quarters of 2009, but declining tax revenue and an admission by the Cabinet Office in late November that the economy was in deflation placed Hatoyama's economic policy agenda under increased scrutiny. Hatoyama announced an \$81 billion stimulus package on Dec. 8 after coalition partner Kamei Shizuka of the People's New Party (PNP) fought for additional public works spending. Meanwhile, Hatoyama had established a commission on tax reform to consider key campaign initiatives including the elimination of the provisional gasoline tax and other measures, such as an environment tax proposed by the Ministry of the Environment. Soon after hearing recommendations from his DPJ, presented by Secretary General Ozawa Ichiro, Hatoyama reneged on a key campaign pledge by announcing that the gasoline tax would be retained in a different form. He also decided to abandon a plan to place an income limit on payments to households in contrast to his previous statements on the issue. Ozawa recommended both of these decisions and several media reports surfaced suggesting Hatoyama had given in to pressure from Ozawa. The trade-off between fiscal restraint and welfare spending was again front and center, along with speculation about the extent of Ozawa's influence and Hatoyama's ability to push his own agenda.

The frequent contradictions in Hatoyama's statements and policy decisions did not sit well with the public and his failure to fully explain a funding scandal that surfaced back in June also damaged his standing. Hatoyama looked particularly weak and vulnerable to the small coalition partners he needs to maintain a majority in the Upper House – the SDP and the PNP. The *Asahi Shimbun* released a poll on Dec. 21 showing Hatoyama's approval rating had fallen to 48 percent compared to 62 percent in November and upward of 70 percent when he first took office in September. Seventy-four percent of respondents disapproved of his leadership skills. Luckily, the election last summer had weakened the opposition and the DPJ remained more popular than the LDP by a margin of 84 percent to 13 percent. But this poll and others also revealed concern about his handling of the US-Japan relationship, which ironically dominated the headlines after an election that centered on economic issues.

Afghanistan and Futenma

The Hatoyama government moved quickly to derail two key security policy initiatives of previous LDP-led governments. In mid-October the Cabinet announced the Maritime Self-Defense Forces (MSDF) would no longer participate in an eight-year-old refueling mission in the Indian Ocean supporting coalition operations in Afghanistan once the authorizing legislation expires in January 2010. This decision was expected but nonetheless proved disappointing to Washington, which had considered the mission emblematic of Japan's global leadership role.

The Hatoyama government subsequently announced a five-year \$5 billion aid package for Afghanistan including funds for education, infrastructure, and vocational training for former Taliban soldiers. The Obama administration, bracing for the MSDF withdrawal, welcomed the contribution and tried to cast Afghanistan as a positive area of bilateral cooperation.

The other major decision taken by the Hatoyama government was to review a bilateral agreement reached in 2006 regarding the relocation of US forces on Okinawa, specifically a plan to close Marine Air Station Futenma and build a replacement facility near the town of Henoko. The Futenma closure was part of a larger package to transfer 8,000 Marines from Okinawa to Guam and thereby reduce the burden of the US troop presence on Okinawa residents. Secretary of State Hillary Clinton had signed a document formally authorizing the Guam transfer and the construction of a replacement facility for Futenma during her visit to Tokyo in February 2009, but Hatoyama's DPJ and its coalition partners had pledged to reexamine the agreement during the Lower House election campaign last summer and Hatoyama felt obligated to put everything on hold. The Obama administration stated its desire to implement the existing agreement as soon as possible, but resigned itself to the new government's review of the issue.

The Futenma issue intensified, however, when Hatoyama and his Cabinet members began to float alternatives to the 2006 agreement in public and openly disagreed about the proper course of action. A daily media circus ensued with Cabinet members contradicting each other as well as Hatoyama. Three options were debated: implementing the existing agreement, moving Futenma operations to Kadena Air Base on Okinawa instead of Nago (due to local opposition), or moving Futenma outside Okinawa prefecture or even to Guam (favored by the SDP, one of Hatoyama's partners in the ruling coalition). The Obama administration dispatched Defense Secretary Robert Gates to Japan in late October to repeat the US preference for the existing agreement and explain the lack of viable alternatives. Gates articulated the message clearly and bluntly, first to reporters en route to Japan and again during a press conference with Defense Minister Kitazawa Toshimi. (Gates repeated his message publicly only because the Foreign Ministry had given the entire transcript of his message to the foreign minister to the press before the press conference.)

Soon after the Gates visit, Hatoyama announced that he would not reach a decision on the agreement before President Obama's scheduled visit to Tokyo in mid-November. Hatoyama addressed the Diet on Oct. 29 and noted that his government would conduct a "comprehensive review" of the US-Japan alliance including the realignment plan for US forces in Japan, host nation support, and the bilateral status of forces agreement. The gap between the two sides appeared to widen with Hatoyama interested in studying alternatives for Futenma and the US government repeatedly arguing the merits of the existing agreement. The two governments agreed to establish a bilateral working group on Okinawa, presumably to pave the way for a smooth Hatoyama-Obama summit and move the debate on Futenma behind closed doors. The group included Foreign Minister Okada Katsuya, Defense Minister Kitazawa, US Ambassador to Japan John Ross (representing Secretaries Clinton and Gates) and senior Pentagon officials.

The "trust me" summit

Prime Minister Hatoyama and President Obama met in Tokyo on Nov. 13 and covered a wide range of issues including the bilateral security relationship, Afghanistan, Pakistan, North Korea,

Iran, nonproliferation, energy, and climate change. The governments also produced two statements addressing the “global issues” pillar of alliance cooperation highlighting collaborative efforts on nuclear nonproliferation and clean energy technology. President Obama referenced the Futenma issue during a joint press conference and in a speech outlining the administration’s Asia policy the next day, noting on both occasions that the two had agreed through the bilateral working group to implement the existing agreement expeditiously. Japanese media reported (confirmed later by Hatoyama himself in his electronic newsletter) that Hatoyama asked Obama to trust him and that he would work to resolve the issue. But he soon put that trust at risk when he told reporters on the margins of the Asia-Pacific Economic Cooperation (APEC) leaders meeting in Singapore that the bilateral working group was meaningless if organized merely to implement the existing agreement and not negotiate changes. In the end, Obama’s visit to Japan seemed only to reinforce the status quo on Futenma and a resolution did not appear imminent. For the Obama administration, concern deepened that Hatoyama would lose control of the Futenma politics, putting the entire plan for relocation of Marines to Guam in jeopardy and damaging mutual confidence in the alliance. The administration’s confidence in Hatoyama was further shaken when other Asian leaders at APEC reported in their meetings with Obama that he had been promoting an East Asia Community concept designed to reduce Japan’s “dependence” on the US; an explanation that raised far more concern than support in the region.

The alliance vs. domestic politics

Hatoyama appeared to move even further away from the US position in December after Fukushima Mizuho, head of the SDP, threatened to quit the ruling coalition if the government did not advocate the transfer of Futenma outside Japan. Hatoyama needs the support of the SDP and the other member of the coalition, the PNP, to pass his first budget in the spring and secure a majority for the DPJ in Upper House elections next summer. Implementing the existing agreement was too risky from a political perspective and it therefore became increasingly clear that an immediate solution was unlikely. On Dec. 8, Foreign Minister Okada announced that the bilateral working group had been temporarily suspended, and a week later the government announced that a decision on Futenma would be postponed until May 2010 after consultations with coalition partners. Hatoyama explained his rationale to Secretary of State Clinton during a dinner at the UN climate talks in Copenhagen a few days later and told reporters he had obtained her full understanding of the situation. (Hatoyama wanted to brief President Obama in Copenhagen but that did not materialize.) This encounter was followed by a meeting between Secretary Clinton and Japanese Ambassador to the US Fujisaki Ichiro on Dec. 21 at the State Department in Washington. The media characterized the meeting as a demarche over Futenma.

The Hatoyama government did include funding in its draft budget for fiscal year 2010 that could be used for implementing the Futenma replacement facility. Supporters of the current plan in the coalition explained that this would allow full implementation once the budget passed, but coalition politics had clearly trumped alliance management for the near term. The Japanese press was critical of the move, with all the major daily newspapers editorializing against Hatoyama on the issue (with only the Communist Party’s organ *Akahata* attacking him from the other side for being too accommodating to the US). The Japanese public also appeared to take a negative view of Hatoyama’s approach. A *Mainichi Shimbun* poll published Dec. 21 found that

51 percent of the public disapproved of his announcement to delay a decision on the Okinawa base issue, and 68 percent expressed concern about his diplomacy with the US.

Some positive signs

While the Futenma issue continued to raise questions about the DPJ-led government's ability to manage the US-Japan alliance, Washington and Tokyo did succeed in strengthening other aspects of the alliance framework. The US and Japan participated in the Proliferation Security Initiative (PSI) maritime interdiction exercise *Deep Sabre II* in Singapore from Oct. 27-30. Both governments were active participants in the November APEC forum in Singapore and are positioned to develop a two-year agenda for regional economic integration focused on low carbon/green growth as Japan prepares to host the forum in Yokohama in November 2010 and the US a year later in Hawaii. On Dec. 11, the two governments initialed the text of an open skies agreement expected to be signed in October 2010 that would liberalize civil aviation between the two countries. Tokyo and Washington continued to consult closely on North Korea policy and Ambassador Stephen Bosworth, special representative for North Korea policy, briefed counterparts in Tokyo on his visit to Pyongyang in December. And, Ambassador John Roos addressed the Japan Institute of International Affairs in Tokyo on Dec. 4 and identified several promising areas for cooperation including renewable energy.

Public support for the US-Japan relationship also remained strong. A poll taken by the Cabinet Office in October showed that 78 percent of Japanese harbored positive feelings toward the United States. Fifty-one percent of Americans considered the current state of the US-Japan relationship good and 66 percent said they trusted Japan in a joint poll by *Yomiuri Shimbun* and Gallup released on Dec. 11.

Things to watch

The last quarter of 2009 was a rocky one for the US-Japan alliance and the question still remains whether this was the result of a new government's growing pains in Japan, or some more fundamental structural problems in the relationship. Some key developments in the first quarter of 2010 will provide some clues about the answer. In January, a mayoral election in Nago, the district that would host the proposed Futenma replacement facility on Okinawa, could further complicate Hatoyama's political calculations on the relocation plan (polls suggest a wide-open race at this point). The Hatoyama government also will have to defend its first budget in the Diet in January, which will be a key test of coalition politics and the ability of the smaller PNP and SDP to continue shaping DPJ policies on foreign and economic policy. Investigations into illegal or improper reporting of campaign contributions by the staffs of Hatoyama and Ozawa will also be a critical variable. The Ministry of Foreign Affairs is expected to conclude its investigation into a classified bilateral agreement on the introduction of nuclear weapons into Japan that reportedly began in the 1960s. Both Hatoyama and Obama will begin to prepare for elections in their respective legislatures later next year. Finally, the two governments will demonstrate how they will use the 50th anniversary of the US-Japan Security Treaty to chart a future vision for the relationship.

Chronology of U.S.-Japan Relations

October - December 2009

Oct. 1, 2009: US Deputy Secretary of State James Steinberg meets Foreign Minister Okada Katsuya in Tokyo to discuss Six-Party Talks, Afghanistan, Pakistan, and bilateral security issues.

Oct. 2, 2009: US Ambassador to Japan John Roos tells reporters the 2006 agreement concerning the realignment of US forces in Japan is the solution to reducing the US footprint on Okinawa, but suggests the Hatoyama administration should be given time to review the issue.

Oct. 4, 2009: A *Kyodo News* poll finds 73 percent of Lower House Democratic Party of Japan (DPJ) lawmakers think the Self-Defense Forces should be limited to operations supporting peacekeeping or humanitarian relief.

Oct. 4, 2009: US Ambassador John Roos visits Hiroshima.

Oct. 5, 2009: Prime Minister (PM) Hatoyama Yukio posts a 71 percent approval rating according to a *Yomiuri Shimbun* poll. Seventy percent of the public expressed dissatisfaction with Hatoyama's explanation of a funding scandal that surfaced back in June.

Oct. 7, 2009: FM Okada tells the Foreign Correspondents' Club of Japan that the Hatoyama administration is considering alternatives to the 2006 realignment for US troops on Okinawa.

Oct. 8, 2009: Japan's Minister of Agriculture, Forestry and Fisheries, Akamatsu Hirotaka, meets US Trade Representative Ron Kirk to discuss reviving trade negotiations at the World Trade Organization, cooperation on the agenda for the Asia-Pacific Economic Cooperation (APEC) forum, and the US desire for greater access to the Japanese beef market.

Oct. 11-12, 2009: US Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell visits Tokyo for consultations with Hatoyama government officials.

Oct. 13, 2009: Defense Minister (DM) Kitazawa Toshimi states that the Indian Ocean refueling mission will not be extended beyond January 2010.

Oct. 14, 2009: Minister for Financial Services and Postal Reform Kamei Shizuka says the US and Japanese governments should seriously consider whether US bases are necessary in Japan.

Oct. 16, 2009: The Hatoyama government announces a record budget request of ¥95 trillion (\$1 trillion) for fiscal year 2010, attributed in large part to debt servicing obligations and proposals for social welfare spending.

Oct. 16, 2009: PM Hatoyama suggests he may postpone a decision on whether to accept the existing bilateral agreement on the relocation of US forces on Okinawa until mid-2010.

Oct. 19, 2009: Japan's Finance Minister Fujii Hirohisa announces the government's intention to slash ¥3 trillion from the ¥95 trillion yen budget request for fiscal year 2010.

Oct. 20-21, 2009: US Defense Secretary Robert Gates visits Japan and meets PM Hatoyama, DM Kitazawa, and FM Okada to discuss the realignment plan for US forces in Japan, specifically the relocation of Futenma, and other security issues.

Oct. 21, 2009: Ambassador Roos pays a courtesy call to Democratic Party of Japan (DPJ) Secretary General Ozawa Ichiro.

Oct. 22, 2009: PM Hatoyama announces that a decision on the relocation plan for US Marines on Okinawa would not be reached before President Obama's visit to Japan in November.

Oct. 23, 2009: FM Okada states that moving Futenma off of Okinawa is unrealistic and suggests moving its operations to Kadena, another base on the island.

Oct. 23, 2009: US Chairman of the Joint Chiefs of Staff Adm. Michael Mullen meets FM Okada and other senior officials in Tokyo and emphasizes the need to move forward with the existing agreement on the realignment of US forces in Japan.

Oct. 27, 2009: DM Kitazawa says the existing agreement to relocate Futenma on Okinawa would not violate the DPJ election pledge to move the facility out of Okinawa or overseas. Both PM Hatoyama and FM Okada later dispute Kitazawa's claim.

Oct. 27-30, 2009: Japan participates in the Proliferation Security Initiative (PSI) maritime interdiction exercise *Deep Sabre II* in Singapore.

Oct. 28, 2009: In an interview with *Asahi Shimbun*, Commander, US Forces in Japan Lt. Gen. Edward Rice rejects FM Okada's proposal to move Futenma operations to Kadena Air Base, repeating the US preference to move forward with the existing agreement.

Oct. 29, 2009: PM Hatoyama notes during a question and answer session in the Lower House of the Diet that his government will conduct a comprehensive review of the US-Japan alliance including host nation support, the bilateral status of forces agreement, and the realignment plan for US troops in Japan.

Nov. 1, 2009: *Kyodo News* poll posts a 61 percent approval rating for PM Hatoyama.

Nov. 5, 2009: Assistant Secretary Campbell meets FM Okada in Tokyo to discuss the relocation plan for US Marines on Okinawa.

Nov. 8, 2009: Approximately 20,000 Okinawa residents protest the presence of US forces on the island and call for Futenma to be relocated outside the prefecture.

Nov. 9, 2009: Police in Okinawa confiscate an automobile with a license plate number indicating the vehicle is owned by US military personnel in connection with a suspected hit-and-run accident that resulted in the death of a man in the village of Yomitan.

Nov. 10, 2009: Japan announces a new aid package for Afghanistan of \$5 billion over five years.

Nov. 10, 2009: The US and Japan agree to establish a bilateral working group to discuss the relocation plan for US Marines on Okinawa.

Nov. 10, 2009: US Treasury Secretary Timothy Geithner meets Finance Minister Fujii in Tokyo to reaffirm a commitment to a strong US dollar and discuss ways to revive the global economy.

Nov. 10, 2009: US military officials detain a soldier who was driving the car that may have been involved in a suspected hit-and-run incident on Nov. 7.

Nov. 10, 2009: PM Hatoyama addresses the US-Japan relationship in his e-mail magazine *Yuai*, noting that he will study all options for the relocation of Futenma both inside and outside Okinawa prefecture before reaching a final decision.

Nov. 11, 2009: FM Okada meets Secretary of State Hillary Clinton on the margins of the APEC forum in Singapore to confirm plans to establish a bilateral working group on Okinawa.

Nov. 13, 2009: President Obama and PM Hatoyama meet in Tokyo to discuss bilateral security relations, Afghanistan, Pakistan, North Korea, nonproliferation, and energy and climate.

Nov. 14, 2009: President Obama delivers a speech in Tokyo outlining his administration's Asia policy and expresses a desire for the bilateral working group on Okinawa to move expeditiously to implement the agreement for the realignment of US forces.

Nov. 15-16, 2009: FM Okada visits Okinawa to meet the governor and other local leaders.

Nov. 16, 2009: PM Hatoyama tells reporters there is no point in holding bilateral working group discussions on Okinawa if changes to the agreement are not possible.

Nov. 16, 2009: The government announces the Japanese economy grew at an annual rate of 4.8 percent in the third quarter.

Nov. 17, 2009: The bilateral working group on Okinawa convenes its first meeting in Tokyo.

Nov. 18, 2009: Okinawa police determine that a US serviceman was involved in a hit-and-run accident on Nov. 7 that killed a man in the village of Yomitan and ask the US military for cooperation in urging the soldier to present himself to local authorities.

Nov. 19, 2009: In his e-mail magazine *Yuai* Prime Minister Hatoyama stresses his desire for an unwavering relationship of trust with the US and reveals that he asked President Obama to trust him during their meeting on Nov. 13 in Tokyo.

Nov. 23, 2009: *Mainichi Shimbun* publishes a survey indicating a 64 percent approval rating for PM Hatoyama. Fifty percent of respondents favor the relocation of Futenma outside Okinawa or outside Japan, while 22 percent support implementing existing agreement.

Nov. 23, 2009: Fifty-six percent of the public disapproves of the way PM Hatoyama is handling the issue of US forces on Okinawa, according to a *Fujisankei* poll.

Nov. 26, 2009: FM Okada speaks with Secretary Clinton on the telephone to discuss the Obama administration's new strategy on Afghanistan.

Nov. 27, 2009: A group of experts organized by Japan's Foreign Ministry meets for the first time to study the existence of a secret nuclear agreement between Japan and the US in the 1960s.

Nov. 27, 2009: The Government Revitalization Unit completes its budget review, cutting about one-third of the ¥3 trillion it sought to remove from the draft budget for fiscal year 2010.

Nov. 30-Dec. 2, 2009: Adm. Robert Willard, commander of US Pacific Command, visits Tokyo to discuss the US-Japan alliance with counterparts.

Dec. 3, 2009: Fukushima Mizuho, head of the SDP, says her party might leave the ruling coalition unless PM Hatoyama decides to move Futenma outside Okinawa.

Dec. 4, 2009: Kamei Shizuka, head of the PNP, which belongs to the ruling coalition, refuses to accept the government's stimulus package.

Dec. 4, 2009: In a speech to the Japan Institute of International Affairs (JIIA), Ambassador Roos outlines potential areas for US-Japan cooperation including the field of renewable energy.

Dec. 4, 2009: The bilateral working group on Okinawa convenes in Tokyo.

Dec. 7, 2009: A *Yomiuri Shimbun* poll finds PM Hatoyama's approval rating at 59 percent. Among those who do not support his Cabinet, 27 percent cited a lack of leadership. Eighty-five percent of respondents were unhappy with his explanation of a funding scandal.

Dec. 8, 2009: FM Okada says the bilateral working group on Okinawa has been suspended.

Dec. 8, 2009: PM Hatoyama's ruling coalition agrees on an \$81 billion stimulus package focused on support for families and small businesses.

Dec. 11, 2009: The US and Japanese governments initial the text of an open skies agreement liberalizing civil aviation between the two countries.

Dec. 12-13, 2009: Ambassador Stephen Bosworth, special representative for North Korea Policy, meets FM Okada and other officials to discuss his trip to Pyongyang.

Dec. 12, 2009: Cabinet Office releases data from a poll conducted in October showing that 78 percent of Japanese harbor positive feelings toward the United States.

Dec. 13, 2009: Over a thousand people gather in Yomitan, Okinawa to urge the US military to hand over custody of a US serviceman allegedly involved in a hit-and-run incident in November.

Dec. 15, 2009: FM Okada announces the government will put off a decision on the relocation of Futenma. Chief Cabinet Secretary Hirano cites the need to consult further with the SDP and PNP. PM Hatoyama denies the decision to delay is irresponsible, stressing the need to consider the feelings of the Okinawan people and says a decision could be reached in a few months.

Dec. 18, 2009: PM Hatoyama's approval rating falls below 50 percent for the first time to 46 percent according to a poll released by *Jiji Press*.

Dec. 18, 2009: FM Okada expresses doubt about a proposal by the SDP to relocate all US Marines from Okinawa to Guam, citing the potential impact on deterrence.

Dec. 18, 2009: PM Hatoyama tells the media he explained the rationale behind delaying a decision on the Okinawa base issue to Secretary Clinton during a banquet at the global climate talks in Copenhagen, and that Secretary Clinton expressed her understanding of his position.

Dec. 21, 2009: Secretary Clinton meets Japanese Ambassador to the US Fujisaki Ichiro at the State Department to reiterate the Obama administration's desire to quickly implement the existing agreement on the realignment of US forces in Japan.

Dec. 22, 2009: Defense Minister Kitazawa tells reporters that the government would like to resolve the Okinawa base issue by May 2010.

Dec. 24, 2009: PM Hatoyama apologizes to the public after two of his aides are charged with falsifying donations.

Dec. 25, 2009: The government agrees on a record \$1 trillion budget for fiscal year 2010 to stimulate domestic demand. PM Hatoyama outlines the budget in an address to the nation and states the government will issue \$485 billion in debt.

Dec. 26, 2009: PM Hatoyama rules out relocating Futenma to Guam.

Dec. 26, 2009: *Kyodo News* poll reports PM Hatoyama's approval rating fell 16 percentage points to 47 percent compared to a previous survey in November.

Dec. 28, 2009: Finance Minister Fujii Hirohisa is hospitalized after suffering from high blood pressure and fatigue.

Dec. 29, 2009: FM Okada says that if a better alternative to the relocation plan for Futenma cannot be found the government will proceed with the existing agreement.

Dec. 30, 2009: The Hatoyama government unveils a 10-year economic growth strategy focused mainly on boosting environment-related industries and the health sector.