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## A BUSY SUMMER OF BILATERALISM

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Relations between the United States and Japan were active over the summer with two visits by President Donald Trump to Japan. The first was for Trump and First Lady Melania Trump to be the first state guests of the new Reiwa Era. The second was to participate in the G20 Summit in Osaka. Meanwhile, the two countries engaged in a series of trade talks that produced the broad outline of an agreement that is expected to be signed in late September. Throughout, domestic politics played an important role with upper house elections in Japan and Trump's threat of tariffs influencing the pace of trade negotiations. In coming months, the US presidential election campaign will likely continue to shape alliance management.

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## Introduction

The US-Japan relationship was in high gear over the summer, with two visits by President Donald Trump to Japan. The first trip was all about Trump, and was designed to highlight the importance to Tokyo of its relationship with Washington. The second visit was to the G20 in Osaka alongside other Asian heavyweights, including China's Chairman Xi Jinping, India's Prime Minister Narendra Modi, and Russia's President Vladimir Putin. Prime Minister Abe Shinzo put forward a full agenda, but bilateral meetings alongside the multilateral conversation stole the spotlight.

US-Japan trade talks consumed most of the summer. After agreeing to postpone the agreement until after Japan's upper house election, President Trump was anxious to accelerate negotiations. Access to Japan's market for US agricultural products seems assured, but there remains uncertainty about whether the Trump administration will end its threat to apply tariffs on auto and auto parts imports to the United States. The clock is ticking, however, with an agreement expected to be announced at the UN General Assembly meeting in late September.

Domestic politics have shaped much of the alliance dynamics lately. Prime Minister Abe faced an upper house election on July 21, and the Liberal Democratic Party (LDP) continued to campaign on its ability to manage the complexity of Japan's foreign relations. The ruling coalition of the LDP and Komeito lost the two-thirds majority needed to enact constitutional reform in the election, although they managed to maintain a majority of seats in the upper house. While the outcome otherwise had little impact on the government's agenda, a [new Cabinet](#) was formed on Sept. 11.

The 2020 US presidential election is also likely to shape alliance management. President Trump has his eye on Japan for two of his favorite alliance complaints: its trade deficit with the US and the lack of alliance reciprocity. He has been signaling that he would like to see significant changes in Japan's burden sharing, and with the five-year Host Nation Support Agreement between Tokyo and Washington up for renewal, expect increasing pressure on defense talks.

## A state visit for President Trump

President Trump arrived in Japan on May 26 for a four-day visit that included [meeting](#) Emperor Naruhito and Empress Masako. Prime Minister Abe designed this [high-profile visit](#) to include a full agenda of pageantry and fun, but it was also intended to demonstrate the importance of the US-Japan alliance.

Coming just weeks after the announcement of the [new Reiwa Era](#), the meeting with Japan's new emperor and empress was important to the Japanese people, who got to see their new imperial couple manage international relations with grace and ease. No interpreters were visible in the public coverage of the meeting, as both the emperor and empress speak English. The meeting was relaxed and informal, at least compared to previous Imperial Household arrangements. The state visit included a military viewing by President Trump across a red-carpeted path within the Imperial grounds, as the emperor and empress as well as Prime Minister Abe and Mrs. Abe looked on.



Figure 1 Emperor Naruhito and Empress Masako welcome President Trump to the Imperial Palace. Photo: Reuters

Trump's visit to Japan included other events. There was, of course, a round of golf with the prime minister, but also the president was invited to [present](#) a trophy at a sumo tournament. Seated in a chair and wearing slippers, Trump was given a prime seat at one of Japan's traditional sports contests. Finally, Trump was invited to [tour](#) one of Japan's newest naval destroyers, the *JS Kaga*, which will eventually be outfitted to allow the *F-35B* aircraft ordered by the Abe Cabinet to land on its deck. (It was not clear whether the president was informed that this ship was named after one of the ships involved in the Pearl Harbor attack.)

For all this ceremony, there were also [alliance issues on the agenda](#) for Trump and Abe. Two difficult topics in particular framed their talks. The first was trade. The president continued to argue that Japanese companies had an unfair advantage in their access to the US market, and to decry the trade deficit. Abe pointed out that foreign direct investment by Japanese companies in the last two years have added 45,000 jobs to the US economy. In a [remark](#) to the press, Trump noted that Abe had an election coming up, and so the trade agreement his administration was seeking with Japan could wait until the end of the summer.

A second issue was the North Korean short-range missile tests. President Trump repeatedly dismissed their significance, noting that they were not part of his talks with Kim Jong Un. Trump also [suggested](#) the tests were only about “getting attention” and not a real threat. They did, however, violate UN sanctions, and the Abe Cabinet watched with concern as the president repeatedly suggested that [only ICBM launches](#) would matter to Washington. National Security Adviser John Bolton sought to [assure](#) Tokyo that the US recognized these missile tests were a violation of UN sanctions, but the president continued to dismiss them. This disconnect between the Trump administration and Tokyo continued throughout the summer as Pyongyang continued its missile launches, and demonstrated a far more capable multiple-launch missile system.

One of the most interesting policy outcomes of the Trump visit to Japan was Abe’s offer to serve as an [intermediary with Iran](#). With tensions flaring between Washington and Tehran over attacks on tankers in the Strait of Hormuz, Trump seemed uncomfortable with the increasingly likely prospect of a military conflict with Iran. He reportedly [called off](#) a military strike in retaliation at the very last minute, and publicly stated that he [did not want a war](#). Abe’s offer to carry his message to Tehran during an upcoming visit, the first by a Japanese prime minister in 14 years, was publicly welcomed by Trump as an attempt to de-escalate tensions.

### **A trade deal in principle**

Apart from the two leaders, trade negotiators in Tokyo and Washington also had a busy summer. After the first round of US-Japan trade talks officially kicked off on April 15-16, some US officials expressed hope that the two allies could

reach a [quick agreement](#) ahead of President Trump’s visit to Japan in May. When no deal was concluded, Trump instead threatened Japan with the prospect of [higher tariffs](#) on automobiles if a deal could not be finished within six months. With the threat of costly tariffs looming over the Japanese side, negotiations picked up steam after the Upper House election on July 21, just as the [trade war with China](#) was heating up for the US. By the end of August, the United States and Japan announced that they had agreed to a trade deal in principle that would cover issues pertaining to industry, agriculture, and digital trade – leaving the conclusion of a more comprehensive trade agreement for future talks.

Trump’s threat to increase tariffs on imports of automobiles and related parts, particularly from Japan and the EU, came in the wake of an [investigation](#) by the Department of Commerce that identified these goods as a threat to US national security. The administration’s decision to cite security threats to justify restrictions on certain foreign imports, under [Section 232](#) of the Trade Expansion Act (1962), followed a [similar policy](#) enacted in March 2018 that imposed tariffs on steel and aluminum. Notably, while Japan has strongly opposed these tariffs, which remain in place, it [has not retaliated](#) against them in the same way as the EU and China. However, the tariffs this time around are potentially much more harmful to Japan’s economy, as they cover [\\$50 billion](#) in annual auto-related exports to the United States compared to existing tariffs on steel and aluminum, which apply to roughly \$2 billion in annual exports.

When Trump announced the Commerce Department’s report, he directed US Trade Representative (USTR) Robert Lighthizer to find an agreement with Japan to address this threat within 180 days, in part to allow Abe to wait until after the upper house election on July 21 to focus on negotiations. From July to August, trade delegations led by Lighthizer and Economic Revitalization Minister Motegi Toshimitsu met several times. From the beginning, the goal seemed to be to first reach a short-term deal on less contentious goods that could offer a win to both sides, and then to focus on a more comprehensive trade agreement that would cover other goods and services.

On Aug. 23, Motegi and Lighthizer announced that Japan and the US had agreed to this “[early harvest](#)” deal in principle. While details of the agreement have yet to be released, comments by Motegi and Lighthizer to the press suggest that there are [three main components](#). First, Japan will open its agricultural market to the US on products such as beef, pork, and wheat to the same levels as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Second, the US will reduce tariffs on industry and agriculture as well as keep its tariff on Japanese automobiles at 2.5% as opposed to the threatened 25%. Finally, the deal includes new “[gold standard](#)” rules on digital trade, which reportedly go beyond CPTPP rules in certain areas.



Figure 2 US Trade Representative Robert Lighthizer and Japanese Economic Revitalization Minister Motegi Toshimitsu meet to discuss a short-term trade deal. Photo: Washington Examiner

The new deal has been [welcomed](#) by US farmers, who are upset about losing market share to competitors on certain goods in the wake of Japan concluding the CPTPP and the even larger Japan-EU trade deal. For example, while Japanese consumers already purchase roughly \$2 billion of US beef per year, making up about a quarter of US exports, these numbers should increase under the new deal as Japan gradually lowers its tariff on beef from 38.5% to 9%. As part of the deal, Japan also agreed to [buy](#) around 2.5 million tons of excess corn to help US farmers.

Trump and Abe are expected to share further details ahead of officially signing the agreement at a meeting on the sidelines of the UN General Assembly at the end of September. The deal is reportedly structured so that Trump will [not need](#) to secure congressional approval, thanks to a provision in US law that allows him to reduce tariffs when they are below 5%. The agreement will need to be approved by the Japanese Diet, however, which could happen as

soon as October during the parliament’s extraordinary session. While the deal should offer a win for both Trump and Abe sometime this fall, there remains much work to be done to close the gaps between the two sides on thornier trade issues such as services, currency, and intellectual property protection if the two leaders hope to conclude a broader agreement ahead of next year’s presidential election.

### An election about stability

Japan held an election for the upper house (House of Councillors) on July 21. Voters went to the polls to elect 124 of the 245 members in the chamber, who will serve a term of six years. In the run-up to the election, Prime Minister Abe emphasized that a vote for the ruling LDP and Komeito coalition would be a [vote for stability](#). Abe is set to become the country’s [longest serving prime minister](#) in November, and his current term as head of the LDP does not end until 2021.

Of the 124 seats up for grabs, the ruling coalition secured 71 (57 for the LDP, and 14 for Komeito), and now controls 141 of the 245 total seats. The victory by Abe’s coalition means that it continues to maintain a majority in both houses of Japan’s parliament, including a two-thirds majority in the lower house following a landslide victory in the 2017 election. However, Abe’s coalition fell short of securing the two-thirds majority in the upper house needed to pass constitutional reform. Abe needs approval by a two-thirds majority in both houses to propose a revision to the constitution and seek a national referendum. In the wake of the vote, Abe said that he would [seek cooperation](#) from members of opposition parties who may be favorable to constitutional reform.



Figure 3 Japanese Prime Minister Shinzo Abe smiles as he puts a rosette on a name of a candidate at the Liberal Democratic Party’s headquarters in Tokyo on July 21. Photo: Nikkei Asian Review

While the LDP lost a few seats in the election, the overall sense of Abe's administration is that voters continue to support his government, and there is unlikely to be much policy change. For example, Abe noted that his party's win in the election [showed the public's support](#) both for a continued constitutional debate and his plans to raise the consumption tax from 8% to 10% in October. Voters for the most part did not seem particularly excited about the election, as turnout (48.8%) was the [second lowest](#) in postwar history.

One positive takeaway from the election was that it [increased diversity](#) in Japan's parliament. A record 28% of candidates who ran in the election were female and 28 women won seats, tying the record set by the previous upper house election in 2016. Notably, the number of female candidates varied significantly by party. While the opposition Constitutional Democratic Party offered a set of candidates that was nearly 50% female, women running for the ruling LDP made up only about one in six candidates. The election also saw [two candidates with physical disabilities](#) win seats for the first time; they are part of the new party Reiwa Shinsengumi led by former-actor-turned-politician Taro Yamamoto.

### **A full agenda for fall: A trade deal, more North Korea, and host nation support talks**

The summer ended with speculation about the final outcome of US-Japan trade negotiations and continuing North Korean missile tests. Ahead, Tokyo and Washington will renegotiate their five-year Host Nation Support Agreement, a source of some concern as the Trump administration's talks with South Korea revealed the president's demand for considerable increases in allied spending for US bases. Rumors that the president might even suggest a new treaty with Japan were denied, but Trump has repeatedly criticized the lack of reciprocity in the security arrangement with Japan.

Prime Minister Abe [reshuffled his Cabinet](#) on Sept. 11, replacing his foreign and trade ministers. In an unusual move, Foreign Minister Kono Taro will move to the Ministry of Defense to assume that portfolio. Economic Revitalization Minister Motegi Toshimitsu, seemingly in a reward for his handling of trade talks with USTR Lighthizer, will become Japan's new foreign minister.

All eyes in Japan are also on the growing momentum of the 2020 US presidential campaign. The number of Democratic contenders is slowly being whittled down, although at least 10 remain on the debate stage. The president too is in full campaign mode. The [firing](#) of National Security Adviser John Bolton has thrown yet another wrench in Tokyo's ability to keep the US-Japan alliance steady and in lockstep as North Korea continues to test new weapons. The much-anticipated meeting between Trump and Abe at the UN General Assembly should bring some calm to the trade front. But defense ties could be rattled if host nation support talks go awry or if Kim Jong Un continues to test the assumptions of alliance cooperation.

# CHRONOLOGY OF US-JAPAN RELATIONS

## MAY – AUGUST 2019

**May 2, 2019:** The United States and Japan hold a Joint High-Level Committee Meeting on Science and Technology Cooperation. [Joint Statement](#)

**May 6, 2019:** President Donald Trump and Prime Minister Abe Shinzo speak by [telephone](#) about North Korea and Trump's upcoming visit to Japan.

**May 9-12, 2019:** Chief Cabinet Secretary Suga Yoshihide visits the United States and meets Secretary of State Mike Pompeo and Vice President Mike Pence.

**May 11, 2019:** Agriculture Secretary Sonny Perdue [meets](#) Agricultural Minister Yoshikawa Takimori to discuss the removal of tariffs on farm products in Niigata.

**May 14, 2019:** Foreign Minister Kono Taro [meets](#) Gen. Robert Abrams, commander of United Nations Command/Combined Forces Command/United States Forces Korea, in Tokyo.

**May 17, 2019:** President Trump [directs](#) US Trade Representative (USTR) Robert Lighthizer to explore raising tariffs on automobiles and related products, particularly from Japan and the EU, to 25% within six months.

**May 20, 2019:** FM Kono and Secretary Pompeo speak by [telephone](#) about President Trump's upcoming visit to Tokyo.

**May 25-28, 2019:** President Trump visits Japan and [meets](#) Prime Minister Abe and others.

**May 25, 2019:** Economic Revitalization Minister Motegi Toshimitsu and USTR Lighthizer [hold](#) talks on a bilateral trade deal in Tokyo.

**May 31, 2019:** Senior officials from Japan, the United States, Australia, and India [meet](#) for consultations in Bangkok on a free and open Indo-Pacific.

**June 4, 2019:** Acting Secretary of Defense Patrick Shanahan [meets](#) Prime Minister Abe, Defense Minister Iwaya, Foreign Minister Kono, and Chief Cabinet Secretary Suga in Tokyo.

**June 9, 2019:** Finance Minister Taro Aso Taro and Treasury Secretary Steven Mnuchin [meet](#) to discuss the global economy and trade tensions between the US and China.

**June 10-12, 2019:** Japan-US Extended Deterrence Dialogue is [held](#) in Minot Air Force Base, North Dakota.

**June 11, 2019:** President Trump and PM Abe speak by [telephone](#) about the upcoming G20 Summit and Iran.

**June 25, 2019:** FM Kono [meets](#) Lt. Gen. Kevin Schneider, Commander of US Forces Japan and Fifth Air Force, in Tokyo.

**June 25, 2019:** Newspaper reports [suggest](#) that President Trump has discussed withdrawing from the US-Japan Security treaty with advisers. Chief Cabinet Secretary Suga later says that the White House [denied](#) any such considerations took place.

**June 28, 2019:** Prime Minister Abe, President Trump, and Indian Prime Minister Narendra Modi [hold](#) the second Trilateral Summit Meeting on the sidelines of the G20 Summit in Osaka.

**June 28, 2019:** FM Kono and Secretary Pompeo [meet](#) on sidelines of G20 Summit in Osaka.

**June 30, 2019:** Secretary Pompeo and FM Kono speak by [telephone](#) about North Korea and Trump's meeting with Kim Jong Un.

**July 11-14, 2019:** Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell [visits](#) Tokyo.

**July 16, 2019:** US Embassy in Tokyo [confirms](#) that Ambassador William Hagerty will step down later in July to prepare for a Senate run in 2020.

**July 21, 2019:** Japan holds election for the House of Councillors.

**July 22, 2019:** National Security Adviser John Bolton [visits](#) Tokyo and meets Foreign Minister Kono, Defense Minister Iwaya, and Yachi Shotaro, a security adviser to Prime Minister Abe.

**July 24, 2019:** Sixth meeting of US–Japan Comprehensive Dialogue on Space. [Joint Statement](#)

**July 25, 2019:** Japan and US agree to [revise](#) Guidelines Regarding Off-Base US Military Accidents in Japan.

**July 27, 2019:** FM Kono and Secretary Pompeo speak by [telephone](#) about North Korea and other issues.

**July 31, 2019:** Secretary Pompeo [calls](#) for a “standstill agreement” between Japan and South Korea to lessen tensions.

**Aug. 1, 2019:** Secretary Pompeo, FM Kono, and Minister for Foreign Affairs of Australia Marise Payne [hold](#) ninth US–Japan–Australia Trilateral Strategic Dialogue on the sidelines of the ASEAN-related meetings in Thailand. [Joint Statement](#)

**Aug. 2, 2019:** Secretary of State Pompeo, Foreign Minister Kono, and South Korean Foreign Minister Kang Kyung-wha [meet](#) on the sidelines of the ASEAN-related meetings in Thailand.

**Aug. 2, 2019:** US and Japan release a [joint statement](#) on Japan–United States Mekong Power Partnership (JUMPP).

**Aug. 6–7, 2019:** Seventh Japan–US Non-Proliferation Dialogue is [held](#) in Tokyo.

**Aug. 8, 2019:** Defense Secretary Mark Esper [urges](#) Prime Minister Abe and Defense Minister Iwaya to consider joining the US-led coalition to protect shipping in the Persian Gulf.

**Aug. 9, 2019:** Chief Cabinet Secretary Suga [suggests](#) that Japan may send Maritime Self-Defense Force ships to join the US in protecting shipping off the coast of Iran.

**Aug. 19–20, 2019:** US Special Representative for North Korea Stephen Biegun [travels](#) to Japan.

**Aug. 21, 2019:** US and Japan [propose](#) an amendment to the Open Skies air transport agreement to expand passenger service between Tokyo’s Haneda Airport and the US.

**Aug. 23, 2019:** Economic Revitalization Minister Motegi and USTR Lighthizer [announce](#) Japan and the US have agreed to the outlines of a trade agreement.

**Aug. 25, 2019:** President Trump and PM Abe [meet](#) on sidelines of G7 Summit in Biarritz, France.

