



**U.S.-Japan Relations:
Steadying the Alliance and Bracing for Elections**

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After taking office last September, Abe Shinzo won kudos at home and abroad by flying to China and South Korea to mend relations with Japan's two disgruntled neighbors. Critics who worried he would be too blunt and nationalistic to succeed as prime minister were quickly proven wrong. Few anticipated how many problems he would have on the domestic front. In the last quarter, Abe's high poll ratings were driven down by a series of scandals in his Cabinet and by backroom political maneuvering that gave the impression he was reversing Koizumi's reformist agenda. At the beginning of this quarter Abe once again used foreign policy – this time a successful summit with President George W. Bush and at the G-8 – to push his poll numbers up again. The success of the summit was particularly reassuring in the context of growing Congressional criticism of Japan over Tokyo's treatment of the "comfort women" issue.

Abe's overseas successes were soon offset by a domestic scandal over the government's mismanagement of pension accounts (that his government could ill afford) in the lead up to Upper House elections at the end of July. Abe will have to survive the Upper House election (he is not running but it will be seen as a referendum on his job) if he is going to move forward with his greatest goal: constitutional revision. Abe and the Liberal Democratic Party (LDP) hoped at one point that the constitutional revision pledge would carry them to victory in the Upper House election, but the pension system scandal has clearly become the issue on voters' minds – much to the government's chagrin. Still, Japanese voters appreciate toughness and perseverance, which Abe has in abundant supply, and that may save him yet.

The "George and Shinzo" Summit

Prime Minister Abe made his first official visit to Washington D.C. on April 27 at the invitation of President Bush. Koizumi Junichiro's close friendship with George W. Bush was legendary, and many observers on both sides of the Pacific worried that Abe would not be able to establish the same rapport or sustain the same level of close U.S.-Japan relations. This summit meeting was designed to dispel those concerns. The tone was set on the first day of Abe's arrival when President Bush and the First Lady took the unusual step of going across the street from the White House to Blair House to personally welcome the prime minister and his wife Akie. The two leaders also agreed to call each other by their first names, "George" and "Shinzo." The First Ladies took the lead from

their husbands and also went to a first name basis (“Laura” and “Akie”) as they traveled around Washington together, including a lunch at George Washington’s estate Mt. Vernon. The two couples also had an intimate dinner on the Abe’s first night in Washington at which Akie described in moving terms her visit with wounded American veterans from the Iraq War. Fellow conservatives, staunch allies in the war on terror, and both under assault in the press – it should not have been surprising that the two leaders and their wives enjoyed each others’ company.

President Bush and Prime Minister Abe also had work to do narrowing the apparent daylight between the United States and Japan on North Korea strategy in the wake of Assistant Secretary Chris Hill’s surprise announcement in March that Washington would take a series of steps to accommodate Pyongyang’s demands for the return of funds frozen in the Macao-based Banco Delta Asia because of money-laundering and other illicit activities. The sudden softening of the U.S. position was particularly threatening to Abe, who had risen to political prominence in Japan by taking a hardline position toward Pyongyang on the issue of Japanese citizens abducted by the North Koreans. The worst case scenario for Abe politically would be a U.S. decision to cease its support for Japan on the abductees issue in an effort to ease sanctions related to terrorism. (In 2003 the Bush administration announced that the Japanese abductees issue would also be considered when determining whether Pyongyang was sufficiently in compliance with U.S. laws to allow lifting of terrorism-related sanctions). Strategically, the worst case scenario for Abe would be that the softer U.S. line might represent a U.S. willingness to accept a nuclear-armed North Korea. With the North Koreans already more than a month behind on their commitment under the Feb. 13 agreement to shut down the Yongbyon reactor and the U.S. appearing ready to make further concessions to convince them to do so, Abe faced a serious political and strategic problem.

By all appearances, the two leaders succeeded in closing the gap on North Korea strategy. After discussing the issue at length in their intimate White House dinner and at Camp David, the two leaders stood side-by-side before the press where Abe reaffirmed his support for the Feb. 13 agreement (despite lingering Japanese consternation at not being consulted before the deal was struck) and President Bush warned that his own patience was “not unlimited” and reminded Pyongyang that there were still UN Security Council sanctions on the books. President Bush also pledged to take the abductees issue into account when considering whether to remove North Korea from the list of state sponsors of terrorism.

Abe also used the summit to make a pitch for support from the president on two other pet projects. The first was finding a top line replacement for the Japan Air Self-Defense Force *F-4 Phantom* jets (some of which are so old they are being flown by the sons of the jet’s original pilots). While Abe did not ask specifically for the U.S.-made *F-22 Raptor*, which is the most advanced fighter aircraft in the world and not available for export, he did reportedly ask for the president’s support as Japan develops its options – leaving the specific request for the *F-22* to his defense minister. Japanese Defense Minister Kyuma Fumio reportedly did ask Defense Secretary Robert Gates for information on the *F-22* in their meeting several days later. When Gates tasked the Pentagon to provide an answer,

the response to Japan was that the *F-22* remains unavailable for export, but that does not seem to have dampened the enthusiasm of Japanese pilots and their friends in the Prime Minister's Office to try to find a way to procure the *Raptor*. Other competitors for the project include the *F-15*, *F-18*, Eurofighter *Typhoon*, and possibly the *F-35 Joint Strike Fighter*. For the first time in five decades, there does not appear to be political support for a domestic champion to build Japan's next generation fighter.

Abe's other pet project was the idea of a summit of Asia's biggest democracies – Japan, the U.S., Australia, and India – which he first introduced in his campaign book *Toward a Beautiful Country*. The proposal initially was met in Washington, Canberra, and Delhi with mixed reactions: interest in strengthening cooperation, but concern about alienating China or other big Asian democracies not included, like Korea. At their meeting in Washington, President Bush promised to think about the proposal and then gave Abe a thumbs-up to explore the idea when the two leaders met again on the sidelines of the G-8 Summit in Heiligendamm, Germany. As a first step, the four nations sent deputy minister-level officials to a quadrilateral session on the sidelines of the ASEAN Regional Forum (ARF SOM) at the end of May. However, none of the officials involved showed any enthusiasm for the project, and the future of this concept may depend like many other things on the outcome of the July Upper House election.

One concrete area of cooperation announced at the summit in Washington was a new bilateral initiative to promote nuclear energy globally and to work together on a new framework to combat proliferation of nuclear weapons. Signed by U.S. Energy Secretary Samuel W. Bodman and Japanese Minister of Economy, Technology, and Industry Amari Akira, together with Minister of Education, Culture, Sports and Technology, Ibuki Bunmei and Foreign Minister Aso Taro, the U.S.-Japan Joint Nuclear Energy Action Plan is comprised of four main areas: 1) nuclear energy research and development cooperation under the Global Nuclear Energy Partnership (GNEP); 2) collaboration on policies and programs that support the construction of new nuclear power plants; 3) establishing nuclear fuel supply assurance mechanisms; and 4) joint collaboration to support the safe and secure expansion of nuclear energy in interested countries while promoting non-proliferation. Under the initiative, the U.S. and Japan are supposed to identify and establish a Steering Committee in June and initiate joint U.S.-Japan nuclear energy cooperative R&D in July.

Comfort women: Abe tries but Honda undeterred

Since Abe put himself in a difficult position by provoking debates on the issue of comfort women in early March (see U.S.-Japan relations, "An Unexpected Rough Patch," *Comparative Connections*, Vol. 9, No. 1 for details), he has made every effort to lower tensions in Japan and the United States. Abe offered his own public apology (personally and as prime minister), expressed his personal sympathy for the situation of the surviving comfort women, and reaffirmed his government's commitment to the 1993 "Kono Statement," which acknowledged Japan's coercion of women during the war and offered a compensation package. In his April 3 teleconference with President Bush, he explained his views on the issue. In response, President Bush stated that he appreciated the prime

minister's candor and that he trusted Abe and believed in Japanese people's compassion for the former "comfort women." Abe also succeeded in initially calming the issue in Washington by meeting Congressional leaders including Sen. Daniel Inouye (D-Hi) and the Speaker of the House Nancy Pelosi (D-Ca). When asked about Abe's efforts at a press conference during the summit, President Bush said, "I accept the prime minister's apology." Abe also succeeded in dissuading a group of hot-heads in the Diet from traveling to Washington in May in a misguided effort to "convince" the U.S. Congress that Japan was not guilty of the charges asserted in the House resolution condemning Japan on comfort women sponsored by Rep. Mike Honda (D-Ca). Overall, it seemed in the wake of the Bush-Abe summit that the issue was quieting down.

The resolution continued to gain momentum, however, particularly after many of the same politicians who were convinced to stay home in May placed a paid advertisement in the *Washington Post* on June 14 making their claims and driving the co-sponsors of the Honda Resolution up to 140 members. The resolution (which is purely symbolic and does at least acknowledge the contributions of Japan to world peace and prosperity) passed in the House International Relations Committee on June 26 with a vote of 39-2. It appears likely to pass in the full House, but with no companion bill in the Senate. With movies about the Nanjing massacre due out this summer from Hollywood and politicians and pundits in Tokyo gearing up to defend the actions of the Imperial Japanese Army, it appears that there is little room left for actual historians to have any say about the past.

G-8 Summit: "George and Shinzo" meet again

While Abe and Bush were in Germany to attend the G-8 Summit, they held their sixth meeting this year (including four teleconferences). According to the Ministry of Foreign Affairs, President Bush told Abe that "he was always ready to talk, whenever and wherever," emphasizing their deepened friendship. They reaffirmed their commitment to cooperate on various issues such as climate change, Iraq, the WTO Doha Round, North Korea, the fight against terrorism, and United Nations reform.

One of the key issues of the G-8 summit in Germany was climate change and how to reach a consensus between the U.S., Japan, and the EU on the issue. Since the differences between Europe and the U.S. were clear, Abe hoped that Japan could play a bridging role. By all accounts, Tokyo did help play a role in bringing Washington and Brussels closer together. In the Chair's summary, the countries participating in the Heiligendamm Summit succeeded in announcing that "we will consider seriously the decisions made by the European Union, Canada, and Japan which include at least a halving of global emissions by 2050." Before the summit on May 24, Abe introduced his initiative named "Cool Earth 50", which has three pillars:

- a long-term strategy to reduce the emissions of greenhouse gases globally;
- three principles for establishing an international framework to address global warming from 2013 onward:
 1. All major emitters must participate, moving beyond the Kyoto Protocol, leading to the global reduction of emissions.

2. The framework must be flexible and diverse, taking into consideration the circumstances of each country.
 3. The framework must achieve compatibility between environmental protection and economic growth by utilizing energy conservation and other technologies.
- Launching a national campaign for achieving the Kyoto Protocol target.

His initiative “propose(s) a long-term target of cutting global emissions by half from the current level by 2050 as a common goal for the entire world,” being compatible with the sentence in the Chair’s summary of the G-8 Summit in Germany. Abe appeared satisfied with the result because it was an essential step for Japan holding the 2008 summit to establish a common ground with other countries.

Abe gets a boost and then a bust

After suffering from declining approval rating since successive scandals hit his administration, Abe’s approval rating stopped dropping and went up in early May. According to the *Yomiuri Shimbun* survey conducted on May 19 and 20, the approval rating of the Abe government hit 49.6 percent. It was the first time Abe’s approval rating went up since he became prime minister last September (in part because it was so high at the beginning, at over 70 percent). However, it was only a short break for Abe.

After the press revealed that the government had lost information on tens of millions of individual pension accounts (well before Abe came to power), the government’s approval rating plummeted again to a low of 36 percent in one *Asahi Shimbun* poll. The opposition Democratic Party of Japan disclosed that the Social Insurance Agency was unable to identify 50 million premium payments during a bungled shift to computerization in the 1980s, leaving many pensioners without payment, since the SIA did not know who they were. As the Japanese saying goes, “nakitsura ni hachi” (the bee stings you just when you cry), and Abe’s fortunes were further buffeted when Minister of Agriculture Matsuoka Toshikatsu was found hanging dead in his home with a suicide note essentially acknowledging his role in a scandal at the Agriculture Ministry. Since Abe had rejected calls to sack Matsuoka because of rumors about his involvement in the scandal, the tragedy stuck to Abe himself and cast public doubt on his judgment. Voices in the media argued that Matsuoka would not have killed himself if Abe fired him from his Cabinet. These blows sent Abe’s support rate down to 28.8 percent in a *Jiji Press* poll conducted June 8-11, the first time since April 2001 that a Japanese prime minister had dipped below the painful 30 percent support rate attained by Mori Yoshiro before he resigned.

The way forward

Although he reassured the Japanese public of his ability to keep U.S.-Japan relations strong and made a successful debut at the G-8 summit, Prime Minister Abe could not avoid the serious damage caused by the pension scandals and the unexpected death of one of his Cabinet members in this quarter. He intended to raise constitutional revision as a major campaign issue for the upcoming Upper House election, but it has been put on the

side and the pension issue has been paid most attention. The only good news for his party may be that the biggest opposition party, the DPJ, is still weak and unable to take advantage of public dissatisfaction with the Abe government.

The next quarter will reveal whether the Upper House election gives Abe a new boost for constitutional revision ... or triggers political chaos. It appears more likely that Abe will lose the coalition majority in the Upper House, though that is still far from certain. The Upper House does not control the vote for prime minister, but a loss could force Abe to resign as former Prime Minister Hashimoto Ruytaro did in 1998. It is possible that Abe could stay in power even with a loss, or that the coalition could switch to another leader, such as Foreign Minister Aso. There is also a possibility that a loss by the coalition could trigger massive political realignment, which could ironically result in the division and destruction of the victorious Democratic Party of Japan. Although it is impossible to predict what is going to happen after the Upper House election, it is certain that the next quarter will see a different landscape of Japanese politics, possibly even one that is good for Abe.

On the diplomatic front, Japan and the U.S. will also have to work for close coordination as the Six-Party Talks resume and a six-party foreign ministers' meeting may take place in August. With the APEC summit set for Sydney, Australia in September, U.S. and Japanese leaders will meet at a time of increasingly dangerous protectionism in Washington and new questions about regional integration in Asia.

Chronology of U.S.-Japan Relations

April-June 2007

April 3, 2007: Prime Minister Abe Shinzo holds a teleconference with President Bush in which they discuss issues including North Korea and the dispute over “comfort women.”

April 3-4, 2007: Foreign Minister Aso Taro attends the 14th South Asian Association for Regional Cooperation (SAARC) Summit.

April 8, 2007: Incumbent Ishihara Shintaro (supported by Liberal Democratic Party/New Komeito) wins a third term as governor of Tokyo with 51 percent of the vote. The main opposition candidate, Asano Shiro, supported by the Democratic Party of Japan and the Social Democratic Party, receives only 31 percent of the vote.

April 9, 2007: North Korean Deputy Foreign Minister, Kim Gye-gwan states the implementation of the Feb. 13 six-party agreement, specifically the suspension of nuclear facilities in Yongbyon within the agreed time period, is moving slower than expected. U.S. chief negotiator Christopher Hill has a meeting with Japanese Director General Sasae Kenichiro to reaffirm that the U.S. and Japan will closely cooperate with each other in order to ensure that North Korea implements the Feb. 13 agreement.

April 10, 2007: The U.S. Treasury Department announces the complete lifting of a freeze on \$25 million in North Korean assets being held in the Banco Delta Asia in Macao.

April 16, 2007: India-Japan-U.S. Joint Naval Exercises are conducted in Guam.

April 18, 2007: The U.S. and Japan sign U.S.-Japan Joint Nuclear Energy Action Plan.

April 19, 2007: Agricultural Minister Matsuoka Toshikatsu holds a teleconference with U.S. counterpart Mike Johanns about the U.S. beef import issue.

April 22, 2007: The Upper House by-elections are held in Fukushima and Okinawa. The LDP wins in Okinawa and the DPJ wins in Fukushima.

April 24, 2007: The Cabinet approves a six-month extension of Japan's naval mission in the Indian Ocean in support of U.S.-led counterterrorism operations in Afghanistan.

April 25, 2007: Japanese government announces establishment of a study group under former Ambassador to the U.S. Shinji Yanai to examine options for execution of the right of collective self-defense.

April 26, 2007: PM Abe visits the U.S. and has dinner with President Bush and his wife at the White House. Abe also meets with 11 Congress members and explains the position of the Japanese government regarding the contentious "comfort women" issue.

April 27, 2007: PM Abe visits Camp David and meets with President Bush. They discuss North Korea, Iraq, collective self-defense, energy cooperation, and global warming.

April 28-May 4, 2007: PM Abe visits Saudi Arabia, the United Arab Emirates, Kuwait, and Egypt. He also visits members of the Self-Defense Forces operating with the U.S. and the U.K.

April 29, 2007: Defense Minister Kyuma Fumio visits U.S. Central Command (CENTCOM) Headquarters in Tampa and meets Vice Adm. David Nichols.

April 30, 2007: DM Kyuma asks for more information on *F-22* during his meeting with U.S. Defense Secretary Robert Gates.

April 29-May 3, 2007: FM Aso travels to Washington to meet with officials to discuss a variety of bilateral and regional topics. He attends the "Strategic Leadership Program" at the Center for Strategic and International Studies (CSIS).

May 1, 2007: A joint statement is issued at the conclusion of the U.S.-Japan Security Consultative Committee meeting, attended by Secretary of State Condoleezza Rice, Secretary of Defense Robert Gates, Minister for Foreign Affairs Aso, and Minister of Defense Kyuma Fumio.

May 8, 2007: Japanese Chief Cabinet Secretary Shiozaki Yasuhisa announces that PM Abe sent an offering to Tokyo's Yasukuni Shrine in late April in his "private capacity." China responds to this action by commenting that "Yasukuni is an important and sensitive political issue" and asks that the Japanese government act appropriately. South Korea responds angrily by blasting the move as "very regrettable" and calling on Japan to adopt a "correct perception of history."

May 10, 2007: The U.S. government terminates the deployment of U.S. Air Force *F-22s* at Kadena Air Base in Okinawa, Japan.

May 10, 2007: The sixth Japan-Republic of Korea Politico-Military Talks are held in Tokyo. On the North Korean nuclear issue, Japan and the ROK share the view that it was necessary to implement the "initial actions" at the earliest date possible, and they confirm that they will continue to closely coordinate with each other.

May 14, 2007: President Bush has a phone conversation with Abe in which they reaffirm demands for North Korea's abandonment of nuclear arsenal development and settlement of the issue of the abduction of Japanese citizens. Abe urges Bush to keep North Korea on its list of states sponsoring terrorism until the abduction issue is resolved and Bush responds that he would take it into consideration.

May 14, 2007: Japanese Deputy Chief Cabinet Secretary Shimomura Hakubun announces that Secretary Rice explained to Japanese lawmakers that the U.S. does not consider the abductees issue to be a prerequisite for the removal of Pyongyang from its list of terrorism-sponsoring states.

May 15, 2007: A National Referendum Bill is passed in Japan, establishing a process for public referenda on any constitutional changes.

May 15, 2007: Regarding Japan's support of the 2003 U.S. invasion in Iraq, Japanese DM Kyuma states: "It's always important to examine the past sincerely...Japan didn't have its own information on weapons of mass destruction in Iraq, Japan was not sure if weapons of mass destruction existed."

May 23, 2007: The Act to Promote the Realignment of U.S. Forces in Japan passes in the National Diet.

May 24, 2007: The U.S. and Japan hold annual U.S.-Japan Consultations on the Civil Use of the Global Positioning System (GPS) and release the Joint Announcement of the conference in Washington, D.C.

May 24-25, 2007: On the sidelines of the ASEAN Regional Forum's security policy dialogue, U.S., Japan, Australia, and India meet for the first "exploratory meeting" to discuss security issues.

May 25, 2007: North Korea test-fires missiles into the Sea of Japan which prompt a threat of sanctions by Abe. Abe states that his country's patience "isn't limitless" and Japan retains the option of further sanctions against North Korea.

May 28, 2007: Matsuoka Toshikatsu, Japan's agriculture minister who came under fire over money scandals, commits suicide at his Tokyo residence.

May 29, 2007: The Japanese Supreme Court dismisses a lawsuit against aircraft noise around the U.S. Yokota Air Base, refusing to award compensation for "future noise."

May 30, 2007: G-8 foreign ministers meeting in Potsdam, Germany.

June 6, 2007: PM Abe, while visiting Germany to attend the G-8 Summit in Heiligendamm, holds a summit with President Bush for approximately 50 minutes on the sidelines. The agenda includes: climate change, North Korea, UN Security Council reform, Iraq, U.S. beef imports, and the WTO Doha Rounds.

June 6, 2007: Japan-Australia Joint Foreign and Defense Ministerial Consultations held in Tokyo.

June 6, 2007: The U.S. Department of State and the Ministry of Economy, Trade and Industry of Japan release the "United States-Japan 2007 Investment Initiative Report" prepared for President Bush and PM Abe.

June 14, 2007: The U.S. and Japan begin two-week long bilateral military exercises over Guam, with the participation of Japan's *F-2* jets for the first time outside Japan.

June 14, 2007: A full page advertisement in the *Washington Post* – running under the header "The Facts" – is taken out by Japanese Diet members and commentators, disputing claims that Japan engaged in "forceful coercion" of "comfort women."

June 15, 2007: In a speech delivered at an economic conference sponsored by the *Yomiuri Shimbun*, U.S. Ambassador to Japan Thomas Schieffer calls on Japan to deregulate and open its market to greater foreign investment.

June 19-20, 2007: Assistant Secretary Christopher Hill visits Japan to exchange views on North Korean issues including the Six-Party Talks with Sasae Kenichiro, director general of the Asian and Oceanian Affairs Bureau.

June 20, 2007: Japan's Parliament passes legislation approving a two-year extension of the country's air force transport mission in Iraq, despite criticism of Tokyo's involvement in the increasingly unpopular war.

June 21, 2007: Japan's ruling party leaders approve plans to extend the current parliamentary session, delaying next month's Upper House elections and giving the administration more time to push through legislation it hopes will boost its popularity.

June 26, 2007: The Honda Resolution (HR. 121) addressing “comfort women” passes in a 39-2 vote in the House Foreign Affairs Committee. The resolution will now proceed to a full House vote, slated for sometime before the August recess.