

Center for Strategic and International Studies

TRANSCRIPT

“President Trump’s Visit to Japan”

Press Call

EVENT DATE

Tuesday, May 21, 2019

TIME

1:00 p.m. EDT

LOCATION

2nd Floor, CSIS Headquarters, Washington, D.C.

FEATURING

MODERATOR

Emma Colbran

Communications Associate and Program Coordinator, External Relations, CSIS

CSIS EXPERTS

Michael J. Green,

Senior Vice President for Asia and Japan Chair, CSIS

Matthew P. Goodman

Senior Vice President;

Simon Chair in Political Economy and Senior Adviser for Asian Economics, CSIS

Nicholas Szechenyi

Deputy Director and Senior Fellow, Japan Chair; Asia Program, CSIS

Transcript By

Superior Transcriptions LLC

www.superiortranscriptions.com

- Emma Colbran: Hello. My name is Emma Colbran and I work in our External Relations Department here at CSIS. Welcome to all of our participants on today's press call on Trump's visit to Japan.
- Emma Colbran: I'd like to start off this call by introducing my colleagues: Nick Szechenyi, deputy director and senior fellow of our Japan program; Mike Green, our senior vice president for Asia and our Japan chair; and Matt Goodman, our senior vice president and Simon chair in political economy.
- Emma Colbran: We will open up to questions once they've finished their comments. And with that, I will hand it over to Nick.
- Nicholas Szechenyi: Thanks very much. I'll just offer some brief introductory remarks and highlight a few items on the trip itinerary to showcase some of the prevailing themes around the visit.
- Nicholas Szechenyi: The president's state visit to Japan marks the middle of a busy period in U.S.-Japan diplomacy where President Trump and Prime Minister Abe can continue to coordinate on a range of issues. This stretch started with a meeting in Washington a few weeks ago, the upcoming state visit, Prime Minister Abe then hosts the G-20 summit in Osaka at the end of the June, the G-7 summit follows in August, and then potentially they could even engage along the sidelines of the U.N. General Assembly in September.
- Nicholas Szechenyi: With so many opportunities for engagement, there appears to be less emphasis this time on concrete deliverables or joint statements and much more emphasis on demonstrating the strength of the U.S.-Japan relationship. But there are also issues that require a lot of coordination, North Korea and trade among them. So it will be an interesting dynamic surrounding the visit.
- Nicholas Szechenyi: Let me quickly go through three themes – diplomacy, security and trade – just sort of as a backdrop and then turn it over to my colleagues, who can highlight some themes in greater detail.
- Nicholas Szechenyi: So on the diplomatic front, this is another opportunity for Prime Minister Abe and President Trump to demonstrate their close personal ties. They're expected to play another round of golf once the president arrives. And there's a lot of talk in Japan about the two of them visiting a sumo tournament, where the president is expected to hand over a U.S.-Japan friendship trophy to the winner. Perhaps they'll call it the Trump cup.
- Nicholas Szechenyi: This is a great introduction to Japanese culture for the president, but it's also a clever way of connecting him with the Japanese people. And Prime Minister Abe will be there with him, and it's a nice way to introduce the president in advance of a pretty busy diplomatic schedule.
- Nicholas Szechenyi: The president will also have an audience with the new emperor, Emperor Naruhito. This is a great honor for the president to be the first foreign leader to meet with the new emperor. And it demonstrates how important the U.S.-Japan

relationship is to Japan. And as part of the state visit, they might have a joint press availability. And there will be a banquet hosted by the emperor; so, yeah, an opportunity to demonstrate how important this bilateral relationship is to the two countries.

Nicholas Szechenyi: There will also be some discussion between the prime minister and the president on security issues, namely North Korea, the importance of coordinating North Korea strategy, essentially the balance between pressuring the Kim Jong-un regime and exploring opportunities for diplomacy.

Nicholas Szechenyi: They'll also focus on the human-rights aspect of North Korea. The president will likely meet again with relatives of Japanese citizens who were abducted by North Korea in the 1970s and '80s. So the president will show support on that front. And I think the president will also express support for Prime Minister Abe's interest in exploring bilateral diplomacy with Kim Jong-un.

Nicholas Szechenyi: Another dimension of security will be highlighted when the two leaders will likely inspect the Izumo-class destroyer on the last day of the president's trip. This effectively is to highlight U.S.-Japan defense cooperation, but there are also some issues in the alliance that will require some coordination. And my colleagues can get into that in greater detail.

Nicholas Szechenyi: And finally, this is the main topic that's driving the headlines these days, and that's bilateral trade, which likely could feature most prominently in the summit meeting between the two leaders. Last Friday, on the 17th, we saw the announcement from the White House regarding Section 232 auto tariffs, demand for agricultural market access in Japan. But the prime minister also has issues to deal with, namely a parliamentary election in July.

Nicholas Szechenyi: So the timeline and the content for the negotiations are still somewhat uncertain, but the two governments are still talking. And Prime Minister Abe and President Trump will have plenty of time to exchange their views on trade.

Nicholas Szechenyi: So with that backdrop, let me turn it over to Dr. Green for some more detailed analysis.

Michael J. Green: Thank you. It's Mike Green.

Michael Green: Let me frame the political-security-diplomatic relationship, and especially the significance of the embrace of Donald Trump we've seen from Prime Minister Abe. A lot of people ask me, doesn't Abe pay a big political price for embracing President Trump? Compared to leaders in Europe, Western Europe for sure; Canada, Mexico.

Michael Green: Abe has been way ahead in terms of his support for the president, his time spent with the president. He's spent more time on the phone or in person with President Trump than any other world leader. And I often get asked, well, doesn't he pay a huge price for this? And if he doesn't, why not?

- Michael Green: I think the short answer is actually Abe doesn't really pay too much of a political price. He gets some criticism from parts of the media, from his political opponents, but his support rate has been about 50 percent, usually a teeny bit below 50 percent, and the most recent poll actually at 50 percent. And that's in his seventh year as prime minister. There's a bit of Abe fatigue in Japan. But he's holding quite strongly in the polls in spite of – and one may argue because of – his management of the mercurial and unpredictable American president.
- Michael Green: Part of the reason for that is the Japanese public recognizes how critical the U.S.-Japan alliance is and – somewhat in contrast to our Western European allies or Canada – Japan lives right next door to China and North Korea, has very little room for friction with the United States.
- Michael Green: Pew polling last published in November showed that Japanese support or the Japanese trust – Japanese public trust in the United States is at 67 percent, which is about where it was in the Obama years. Trust in the American president is only 30 percent. In the Obama years it was comparable to the support for the U.S. – 60 to 65 percent. So the Japanese public recognizes how important it is, I think, for their prime minister to manage the relationship to the U.S. even though they don't have high confidence in President Trump.
- Michael Green: Abe himself came to power in 2012 on a theme of strengthening the U.S.-Japan alliance and doubling down with the United States to deal with the challenges from China especially, but also North Korea. So he asked to join the Trans-Pacific Partnership – TPP – which Matt will talk about. His first national security strategy from the prime minister's office – the first ever in Japan – emphasized the U.S.-Japan alliance as the center and core of Japan's strategy.
- Michael Green: In 2014, Abe's government changed the interpretation of Japan's pacifist constitution to allow what it called collective self-defense, “shudan-teki-jiei-ken,” basically more joint operations with the U.S. military beyond just the defense of Japan. So he has really doubled down on relations with the U.S., including his personal relationship with Donald Trump.
- Michael Green: Has he gotten big things out of President Trump? Not really. He hasn't gotten President Trump to come back to the TPP. He hasn't gotten President Trump to adopt Japan's position on North Korea exactly. But he has gotten some small victories, and most importantly, he has stopped bad stuff. Before the president and prime minister met in Washington a few weeks ago, before the Hanoi Summit with the North Korean leader, a lot of experts in Washington and Tokyo thought that President Trump might agree to a peace declaration with Kim Jong-un, that he might agree to what's called an end-of-war declaration, which would have potentially set up that promise to pull U.S. troops off the Korean peninsula, to lift sanctions on North Korea.
- Michael Green: The Japanese government and Japanese public does not think North Korea has any serious intention to give up nuclear weapons. That would have seriously undermined Japan's security. And President Trump didn't do that.

Michael Green: President Trump has threatened to put other tariffs on Japan under Section 232 of the trade law. This would have been devastating for Abe if he had done this before the upper house election the prime minister has to contest in July. But he didn't do it.

Michael Green: President Trump has told his officials – and it's in the press – that he expects Japan and other allies to pay the full cost of U.S. forces plus a 50 percent markup – unachievable. It would have been devastating and sort of signal the lack of U.S. commitment to Japan and other allies in the face of growing challenges from China and threats from North Korea. And he didn't do that. So in a way, Prime Minister Abe's engagement with President Trump has staved off the bad news.

Michael Green: And he also – I think Prime Minister Abe has emerged in the view of other world leaders as the world leader best positioned to deal with the American president. Now, in the G-7, Abe, by far, has the best relationship with President Trump, much better than Merkle, or Trudeau, or Prime Minister May of the U.K., and in fact sees his role as bridging the U.S.-Europe – and even Canada – on issues that Matt may about like data policy.

Michael Green: And also he has pushed hard for the Europeans to not pressure Trump too much because the Japanese side is worried that if Donald Trump stops attending the G-7 meetings the entire process will collapse, which would be terrible for Japan because it's not in the Security Council as a permanent member. The G-20, which meets next month in Osaka, is too big. And so the G-7 has sort of been the conning tower for the democracies of the world. And the Japanese have tried to convince Europeans to make it easier for Donald Trump to go.

Michael Green: Abe asked Trump to go when the prime minister was here a month ago, a few weeks ago. And the president would not commit to going to Paris. Maybe Matt will say more about that. So there's some benefit for the prime minister in terms of positioning Japan as a leader among the Asian democracies because he is best able to coax the American president towards more support for international engagement and institutions.

Michael Green: And on the national security front, I think there's a general – the Japanese defense and national security establishment is quite simpatico, quite comfortable and happy with the national security officials under Donald Trump on key issues, like the two countries free and open Indo-Pacific strategy. There are some circles, and I'll end with this, that are worth watching. I mean, first of all, watch the boxes that did not hit Prime Minister Abe when he came to Washington – and Matt may talk about these – but the North Korea policy, the cost-plus 50 percent demand for burden sharing, the Section 232 which is been put off 120 days but ain't over.

Michael Green: Two other things to watch that could be sore points. One is that the Japanese position for a long time, articulated to the president, is that North Korea's missiles are a threat to the U.S. and Japan and Korea. When North Korea tested short-range missiles recently, President Trump said it didn't – it didn't break his

trust in North Korea. And Pompeo said: We don't care about those. We only care about missiles aimed at the American homeland. That is not an acceptable American position for Japan. The Japanese government's position was, correctly, that the North Korean missile launches, even though they were not ICBMs, violated multiple U.N. Security Council resolutions. So that's a gap that has not been closed in the declaratory policy of the United States that is a sore point.

Michael Green: And the other one to watch is arms sales. One of the ways the president measures relations with the country is how big is his bilateral trade deficit. One of the ways Japan has closed the trade deficit to some attempt, or kept it from growing, is because they buy a lot of their equipment from the U.S. Over 70 percent now is FMS, foreign military sales, buying fighters, missile defenses from the U.S. Japan is now embarking on a new fighter defense plan and is deliberating about what to do about their next big-ticket procurement, which will be on a fighter jet, the F-2 replacement.

Michael Green: I think that has the potential to be an issue that the president and prime minister talk about. And the mood within the Japanese government is, you know, 70 percent is enough. We want to build our own stuff. That will run up against the president's priority on selling stuff and reducing the bilateral trade deficit, and questions about can Japan do this on their own capability, capacity. So that's another issue, the replacement for Japan's F-2 fighter that is a bit of a dark horse issue that may come up.

Matthew P. Goodman: OK. This is Matt Goodman. Just briefly, to talk about the economic part of the summit. I think that, first of all, clearly trade is sort of back at the center of the relationship after a, you know, long period of some decades of other issues being more central. But trade's now very much at the heart of the relationship, for better or worse. So it probably will be on the agenda. It is something that needs to be managed.

Matthew Goodman: I mean, I would say in general that there – you know, one should have pretty low expectations for either, you know, a deal on blow, or a blow up either – on either end of that spectrum. You know, for one thing, there's still differences between the two sides over the scope and the staging and the architecture of the agreement. I mean, I think they both understand that agriculture and automobiles are somehow going to be a part of any deal, but exactly how and when agriculture and autos is going to be addressed is still very much up for debate.

Matthew Goodman: You know, the problem on agriculture is that when the U.S. pulled out of the Trans-Pacific Partnership, but Japan moved ahead, as Mike said, with getting that done with the other 11 members of the group, that meant that Japan started to liberalize its market access for beef and pork and other agricultural products for the Australians and the Canadians and then the EU, through the EU-Japan trade deal. And U.S. exports were left at a disadvantaged position, with paying higher tariffs. And so that issue sort of I think both sides recognize has to be resolved, but exactly how and when – because Abe, especially before the election in July, doesn't want to pay the price of having to push through some sort of concession

for the U.S., particularly if he doesn't get anything in exchange like on automobiles, because the U.S. did make concessions to – albeit over a long period of time to liberalize its remaining restrictions on autos and auto parts here, and that was withdrawn when we removed – withdrew from TPP. So Japan would like to see that back, but it doesn't look like the U.S. is going to – at least is offering that in the short term.

Matthew Goodman: And meanwhile, as Mike and Nick I think alluded to, there's this still-hovering threat of Section 232 national-security-based tariffs on Japanese auto and auto parts imports. Although delayed for 180 days, which is the good news, the bad news is that that was only subject to a negotiation the president wants to have over limiting Japanese – explicitly limiting Japanese exports of those products to the U.S. So – which is a very, at the moment, sort of unacceptable thing for Japan to contemplate. So anyway, there's all of that set of issues.

Matthew Goodman: And then there is – you know, the other reason, I think, not to have high expectations for any significant movement one way or the other is that both sides – well, just some signs, hints that both sides are trying to downplay this. I think the 232 decision maybe was to make – set up a slightly more positive framework, at least for this trip – although there were other reasons, obviously, the president did that. Japan last week liberalized restrictions that it had in place for a long time on beef imports from cows over 30 months old, based on an old problem with mad cow disease. They liberalized that as a sort of token to – gesture to the U.S. So it feels like the two sides are sort of trying to set up a more friendly interaction. And because this is more focused, this trip, on the – on the imperial aspect of the visit, the ceremonial aspects, perhaps in an effort to try to downplay some of these differences.

Matthew Goodman: You never know, of course, with President Trump, and he does have this bee in his bonnet about trade, and particularly with Japan, over decades. But I – sort of my gut is that he will be in this context on his best behavior because of the pomp and circumstance of this visit and the golf and all the rest of it. So that's just a gut feeling as opposed to any hard analytical point, because one never knows with the president.

Matthew Goodman: Just one other sort of – or maybe two other things. Beyond these bilateral trade issues, the U.S. and Japan have a lot of other things going on in economic affairs. Still in trade but on a multilateral or global basis, they are working together on a range of issues that ultimately get to some of the concerns that both sides have about China in the trading system. So there's actually going to this week be a trilateral meeting between USTR Bob Lighthizer and his EU and Japanese counterparts. The Japanese counterpart is the trade minister, Seko, not Motegi, the guy who negotiates the bilateral trade deal, which is confusing to some. But there are two different guys doing this, two different functions. And that's mainly focused on WTO reform and subsidies and so forth, and that's a constructive area of engagement between the two sides that's been going on for the last year or two.

Matthew Goodman: They also have a lot of work to do to flesh out the Free and Open Indo-Pacific Strategy that both sides have, and particularly in the area of infrastructure – quality infrastructure investment in the region, sort of pointedly to offer an alternative to what China’s offering. So there’s a lot of joint work there.

Matthew Goodman: And then, as Mike alluded to on digital governance, Prime Minister Abe in Davos in January laid out this concept of data free flow with trust, which is basically the notion that on the basis of a sensible privacy regime, basically, data should flow freely. And this is the Japan-preferred model, which the U.S. also in principle should be comfortable with. Abe said that he wants this to be a theme of his G-20 host year next month, his hosted summit next month, and so watch that space as well.

Matthew Goodman: I’ve heard, you know, that there may be – it seems – I don’t know whether Mike has any particular view on the likelihood of a joint statement, but – probably not a joint statement, but there may be some sort of side fact sheets on some areas of economic cooperation: on energy; on, I mean, sort of related issues like space cooperation; maybe even on high-speed rail efforts, something about possibly some sort of an endorsement or nudge to the notion of a high-speed rail investment in Texas, which is a project that has been pending for a long time.

Matthew Goodman: So that’s probably enough. Happy to take questions.

Emma Colbran: All right, thank you all very much.

Emma Colbran: Tony, I think we’re going to open up to questions now.

Operator: Thank you very much.

(Gives queuing instructions.)

Operator: First question comes from George Condon with National Journal. Please go ahead.

Q: Great. Thanks a lot.

Q: I wanted to follow – pick up on one thing Matt said. I’m not sure we’ve ever had a president who’s so prized pomp and ceremony and parades and so on. And he seems most excited on this trip about, you know, the banquet and being the first foreign leader to see the emperor.

Q: To what degree are the Japanese aware of the president’s love of such things, and is this intentional? Just talk about the importance of that part.

Matthew Goodman: I’ll let Mike take that.

Michael Green: The Japanese government has studied Donald Trump as thoroughly as any government probably in the world to try to understand, because the U.S.-Japan alliance is so critical.

Michael Green: You'll recall Prime Minister Abe flew to see Hillary Clinton before the 2016 election, which is highly unusual for a major ally, or for a candidate, for that matter. And then he was told by his staff at that point, you know, Donald Trump has a 30 percent chance to win, which was much higher than he'd expected. And then he quickly came after the election to see President Trump, and prepared very thoroughly for that.

Michael Green: And the Japanese government is, you know, studying the family, the family business. The family has a lot more connections to Chinese finance than Japanese, and they know that historically Donald Trump has been extremely critical of Japan, particularly beginning the mid '80s, when he took out full-page ads attacking Japan. This was shortly after the appreciation of the yen in the summer of 1985, which just caused Japanese real-estate money to pour into the New York market.

Michael Green: And so they know all about Donald Trump's history, his style. They've studied him. And Abe has developed a very good relationship with him and sort of moved him away from his earlier real just very public dislike of Japan really effectively. I suspect a big part of that was understanding his love of golf; a lot of golf in the Abe-Trump summits – a good thing that Abe plays golf – and, of course, the pomp and circumstance.

Michael Green: And I agree with Matt. I think President Trump will enjoy that. I think he'll be on really good behavior. I think the Japanese knew very much what they were doing.

Michael Green: The only thing I would add in closing, though, is the Japanese also have a relationship with China, and it's a very complicated one. It's their major strategic rival, with – a rivalry that goes back to the 7th century A.D. And the Japanese do not want to live and the government does not want to live in a world dominated by China or a region dominated by China. But Japan has more invested in the Chinese market than the U.S. does, and they need to manage that.

Michael Green: So Abe has been working on getting Xi Jinping to Japan twice, actually, in the coming months, for the G20 and then again for a state visit with the emperor. And he could not – given everything I said earlier about Japan's, you know, fixing their foreign-policy coordinates on the U.S. alliance, they could not have had the Chinese leader be the first state visit with the emperor. It had to be the American president first. And that's – that has – it's more about that than showing Donald Trump a lot of pomp and circumstance. The Japanese diplomatic agenda meant that whoever was president, they had to have the American president first.

Operator: Thank you.

Operator: And our next question queue comes from Darlene Superville with the Associated Press.

Operator: Please go ahead.

Q: Hi. Thanks for doing this call.

Q: I wanted to just clarify something. I think it came when Nick was speaking earlier, and he mentioned the possibility of a joint press avail. And I wasn't clear if you were talking about a press availability between President Trump and the emperor, or were you talking about one between President Trump and Prime Minister Abe?

Nicholas Szechenyi: Yeah, I haven't seen anything official, but Japanese media commentary on the state visit to Japan has talked about the possibility of both with the emperor and Prime Minister Abe. But as far as I know, that hasn't been finalized yet.

Q: OK. Thank you.

Operator: Thank you. The next question in queue comes from Steve Herman with the Voice of America. Please go ahead.

Q: Hi, can you hear me?

Matthew Goodman: Yes.

Michael Green: Yep.

Q: OK, great. Yeah, thanks for doing this call. Most valuable for those of us who are going to be on the trip.

Q: I just wanted to try to extract a little bit about the defense relationship. The two leaders are supposed to visit the Izumo helicopter carrier on Monday. And where do you see that relationship right now? One of the many things, of course, over the years is Trump asking for Japan to pay much more. And I'm not sure that's political tenable in Japan. And what do you think that each of them are trying to extract out of each other on the military relationship?

Michael Green: Well, Donald Trump likes pageantry. He also likes military hardware. And it's a pretty impressive flat top. The Izumo-class are designated as helicopter carriers. They have hardened decks, though, and so they could eventually launch F-35B, the stealth and short – the vertical takeoff and landing version, which would give them essentially not one but four aircraft carriers. That would be a bit more complicated than just hardened decks. You have to have elevators to move the planes up and down. There's a lot of – it would be an expensive proposition to actually turn the Izumo into real aircraft carriers. But they would be capable of launching fighter jets. First Japanese carriers since 1943 or '44. And so that's a big deal.

Michael Green: And the Japanese have not decided officially yet whether they'll procure the F-35B, but there's an awful lot of interest. I'm sure Donald Trump would like to sell them. It's interesting because the impression that the Abe government had, I

believe – if you're going on the trip, ask and I think you'll get confirmation – the impression the Abe government had was that the Obama administration was much more ambivalent about all this stuff, and that Secretary of Defense Ash Carter, maybe Secretary Clinton were quite comfortable with Japan playing a larger security role, but Secretary of State John Kerry, National Security Advisor Susan Rice were much more ambivalent and much more attracted to Chinese President Xi Jinping's proposal for a new model of great power relations, a U.S.-China condominium.

Michael Green: And so one thing this does for Abe, coming just after the announcement of his new – a few months after the announcement of his new mid-term defense plan, is it shows that the U.S. is fully behind Japan, you know, moving ahead with larger defense spending and a more robust security posture. I wouldn't overstate this. Japan's increasing its defense spending, what Nick, 7-8 percent a year? China for two decades has been growing at double-digit growth. It's not even close. But this does signal to the region and to the Japanese public, and the American public, that the U.S. is, you know, fully supportive of what Abe is trying to do on security. That's very important for Japan, both politically for Abe, but for the region in security terms.

Michael Green: Do you want to add anything?

Operator: Thank you. And our next question in queue comes from Ishiyaki Hariuki (ph) with Jiji Press. Please go ahead. And, Ishiyaki (ph), your line is open. Please proceed with your question.

(Pause.)

Operator: OK. Unfortunately, we're getting no response.

Operator: We'll move along to our next question, which is from Isabelle Hoagland with Inside U.S. Trade. Please go ahead.

Q: Hi. Thanks for taking the call.

Q: Matt, you mentioned that you don't expect anything huge in terms of trade this visit, but I'm wondering if you can clarify, you know, what some deliverables you think we can expect in terms of trade.

Matthew Goodman: From this visit? As I said, I don't – I don't think you're going to get much of anything. I mean, if they – if they do issue some sort of joint statement, they may say something about the – you know, the common interest in achieving an agreement as quickly as possible or something, but I doubt it's going to be much more specific than that. And you know, I think that, you know, the – just both the situation's not primed enough for any kind of specific outcome yet. They're still, as I say, trying to figure out, you know, the scoping and staging and timing of all of this. And they've got the elections in Japan. You've got the distractions of the China stuff. And I don't think – and then all the things that were talked about about, you know, Trump and pomp and circumstance and so forth. So I

just – I just don't feel like there's going to be anything tangible or concrete on trade, as I said. So you might get some tangential stuff on other economic-related issues, but – as I mentioned in energy or other areas, but I doubt there will be anything on trade.

Michael Green: If I can weigh in, I think the – really the most consequential piece of this trade agenda is agriculture, as Matt said. The U.S. cattlemen and farmers are now having to compete in the really important Japanese market with Australian, Canadian, and European exports that are – that are benefitting from tariff reduction. And even though those tariffs are phased, psychologically in the market it's already having hundreds of millions of dollars of impact. And that problem could be solved relatively easily, as Matt has pointed out in earlier writings, but Japan would have to ratify the agreement. It's too significant to just do an executive action; it would have to be ratified in the Diet. And there's no way politically before the upper house election or really after to get that through without something symbolic from the U.S., which the president is not putting on the table.

Michael Green: And then the U.S. position is that, you know, not only will you not get anything, but you also have to do all these other things on currency, on capping auto exports, that are – that are pretty significant. So – and I think Matt would agree with this. So there's not a likelihood of a breakthrough or a significant trade war with Japan, but there's also, I don't see – beyond some bromides, I don't see any real framework for moving forward.

Michael Green: And there's going to be two consequences. I think American agriculture exporters are going to suffer, increasingly; and it's going to be a huge distraction from the much more important problem, which is China, especially, you know, data, 5G, technology issues, reforming the WTO, which is where we're basically on the same page with Japan. So there are consequences to this. Even if we don't have a trade war, we're also not moving forward as we should be.

Matthew Goodman: I think that's exactly right, and I would just highlight those points. The only thing that is going to really push this forward is on the one hand, because the agriculture problem, as Mike has elaborated, has become such a political problem for Donald Trump that he has to move towards some sort of agreement and maybe give up some of his other demands in order to get the Japanese to do – to do the – you know, to level the playing field with the Aussies and others, but again, that doesn't seem imminent. It seems as though a lot of the red-state support is still there for him, even if farmers are suffering because of this. And even in the beef sector I'd say, you know, we've heard, you know, that while this is painful, people are still supportive of the political objective. Plus, you've had some easing of the problem with Canada and Mexico, presumably, with the steel tariffs being removed. And that's presumably going to remove Canadian retaliation, which is going to make it a little bit easier. So there – and then there's talk of subsidies to farmers and so forth. So I think, you know, all of that points to, you know, that may not cause the pain necessary to push a deal forward on Trump's side.

Matthew Goodman: And you know, the only other thing, as Mike said, is China, because there – for Abe that is a big priority – really, for both it's a big priority. But it's that and some other things that are really important in the alliance, you know, could ultimately mean that Abe changes his calculation and says I've got to take a political hit in order to solve this trade problem so that we can focus on these other things. But that's like three steps – (laughs) – of logic that I don't think are at play right now and are not likely, so I think we kind of are stuck here. I think that's right.

Michael Green: And then the needle that has to be threaded is basically – I think is this, and it's all about Ohio and a few other states, really – to get – so ag, it's a very important Republican constituency, and they are sticking with the president in the polls so far, but they are going to be hurting. To get the market open in Japan, there needs to be a trade deal. And the Japanese government's position, which I think is pretty inflexible, is it has to be ratified by the Diet, but it has to be reciprocal. So the U.S. has to reduce tariffs, I think. It can't just be a symbolic step. And the tariffs that we would reduce, the only ones that matter are on auto parts and electronics. So can Donald Trump, in a 2020 election, go back to Ohio and Michigan and say to the farmers: good news, we're opening up the Japanese market finally, but it's going to be – I'm going to remove tariffs on cars – on auto parts and light trucks? Politically I just don't see his – you know, his – I don't see him doing it.

Michael Green: So it's pretty tricky, and it would take the kind of creative three-steps-ahead strategic thinking Matt described. And I don't – I don't see it happening.

Matthew Goodman: Yeah.

Q: Thank you.

Operator: Thank you. As a reminder, for questions you may queue up by pressing star followed by 1.

Operator: The next question is from Jennifer Epstein with Bloomberg News. Please go ahead.

Q: Hi. Thanks for taking my question.

Q: I'm just wondering what, if any, progress or attempt to rebuild momentum or at least kind of re-steer the North Korea talks you think could potentially come out of this trip, if any?

Michael Green: So Prime Minister Abe meets frequently with Donald Trump, and one of the reasons is to try to encourage a North Korea approach that doesn't undermine Japan's interests. The South Korean government of Moon Jae-in is on the left, and they are pushing Donald Trump to make lots of concessions with Kim Jung-un, whatever it takes to keep the diplomatic momentum going.

Michael Green: Abe, on the Japanese side, is not opposed to talks. He has actually said he would meet with Kim Jung-un himself. He is the only leader in Northeast Asia of the original six-party talks who has not met with the North Korean leader. But the Japanese government and Abe himself have been pretty consistent in saying they need to see a couple of things. One is no – well, I mean, before Singapore, the Japanese position was don't freeze U.S. exercises, and President Trump, you know, unilaterally announced he was freezing U.S. exercises. Don't say you want to pull U.S. troops off the Korean Peninsula, and Donald Trump, in front of Kim Jung-un, said someday I'd like to pull U.S. troops off the Korean Peninsula. Don't believe Kim-Jung-un when he says he agrees to the complete denuclearization of the Korean Peninsula, which is North Korean code for saying we'll get rid of our nuclear weapons when the Korean Peninsula is complete unified; meaning, when the U.S. gets rid of its nuclear weapons, meaning never. And please raise the abductee issue.

Michael Green: And of those, Abe really didn't get anything except the abductee issue, and I think Nick may have mentioned it, but in Japan the president is supposed to meet with the families of the Japanese abductees, and he'll get a lot of credit for that with the Japanese press and public, I think. But on the other ones, President Trump pretty much ignored Abe's advice before Singapore.

Michael Green: But in Hanoi, in the second meeting, the president's position – some say it's because of John Bolton; some say it's, you know, because he stayed up all night and watched Michael Cohen's testimony; some say it's he began to figure out Kim Jung-un's real intentions. It's not clear why, but he came – he walked out of the summit without making concessions, and frankly, hewed much closer to the original Japanese position on this.

Michael Green: So I think what Abe will want is continued realism from the president, recognition that, you know, as Ronald Reagan said, trust but verify – there needs to be verification. We need to really have evidence that North Korea is taking steps towards denuclearization. Don't undermine the alliances. Don't give away things like exercises to get progress with North Korea – and I think Abe will get that. And then keep raising the abductee issue which the president will strongly signal. That's what I think Abe wants out of this trip. And you know, based on the Hanoi Summit and then Abe's trip here, in general I think the Japanese government would probably be reasonably satisfied.

Michael Green: They still have the problem that North Korea continues to develop its ballistic missiles and nuclear weapons capability, but that was a hard one to solve anyway.

Michael Green: I don't know if you want to add to that, Nick.

Nicholas Szechenyi: Yeah, just briefly – I mean, it's important to remember that there has been a real pendulum swing in Trump administration policy on North Korea, and early on, you know, the debate in Washington was about whether there would be a military strike – the so-called bloody nose vis-à-vis North Korea. And then the Trump administration swung totally in the other direction in favor of diplomacy.

Nicholas Szechenyi: I'm reminded of an old axiom in Japanese foreign policy on North Korea, which is dialogue and pressure, but not too much of one or the other. And I think, going back to the stretch of diplomacy that we're in, that we mentioned at the beginning, this bilateral coordination is extremely important to prevent those pendulum swings. And to the extent that Prime Minister Abe and President Trump can exchange views on North Korea regularly, I think the better off U.S.-Japan coordination will be with respect to the North Korea challenge.

Matthew Goodman: By the way, one of the most vexing problems for American diplomacy in Northeast Asia right now is the deteriorating relationship between our two most important allies in that part of the world, Japan and Korea, for a whole host of reasons, all going back, of course, to Japan's annexation, occupation of Korea, but most recently because of a Korean supreme court decision that Japanese companies could be held liable for the slave labor by Koreans in Japanese mines and factories. And the Korean supreme court and the Korean legal system is going to rule whether or not Japanese assets can be seized. If that happens, the Japanese government might have to retaliate with economic sanctions.

Matthew Goodman: So our two best friends in the region are fighting with each other, the militaries unable to talk to each other, right as we're confronting North Korea, dealing with the rise of China. This is one of the most important, vexing diplomatic problems we face. I haven't heard anything out of the administration about what they're going to do about it. And the president – it would not be in his normal toolkit to bring people together and try to find ways to move forward.

Matthew Goodman: And this is not a problem that can be solved by tweets or criticism of one side or the other. It takes quiet, persistent diplomacy. But in somewhat more normal times, this is what, you know, in a briefing like this, all the experts would be saying. What is the administration going to do about patching things up between our two closest allies, whose fight is weakening our position in Asia?

Matthew Goodman: I hope the president doesn't say anything in public. That wouldn't help. I hope he does in private. But I – there's nothing in his summitry so far that points to that. Maybe we'll see it. It'd be – I think you'll know if it happens, even if he doesn't say it. That'd be something else to watch for.

Operator: Thank you very much.

Operator: At this time there's no additional questions in the queue. Please continue.

Emma Colbran: Do you guys have any other – further comments?

Emma Colbran: All right. If there are no other questions, then I think we're going to end here. Thank you, everyone, for listening in. And thank you to our experts here. We'll have a transcript posted – oh, actually, it looks like we have one more question.

Operator: Thank you. Yes, it's a follow-up from Darlene Superville with the AP.

Operator: Please go ahead.

Q: Yes, hi. Thanks for taking this additional question.

Q: So after all the discussion that we've had here – and you all seem to be pretty much in agreement that there will be nothing concrete or next to nothing concrete on the trade front – so how would you sum up what it is that we should expect from this visit? Is it just basically – does it basically just boil down to four days of showing the world that the leaders of the U.S. and Japan can get along? Or what should be the takeaway? I realize the visit hasn't happened yet, but I'm just kind of trying to think of what we're going to see over the four days of this trip.

Nicholas Szechenyi: Sure. This is Nick.

Nicholas Szechenyi: I think the main theme is building on the close personal ties between the two leaders to demonstrate the importance of the U.S.-Japan relationship, not only to the national interest of the two countries but to the region as a whole. The symbolism behind this trip is all about suggesting that the U.S. is going to maintain its commitment to allies in Asia and its interest in Asia. And that's a really important message against a backdrop of skepticism about the degree to which the Trump administration's foreign policy will support sustained commitment in the region.

Nicholas Szechenyi: So, yes, there's a lot of symbolism, but I think it's – what comes with that is a lot of powerful signaling to the region about how the U.S.-Japan alliance is a source of stability in the international relations of East Asia.

Michael Green: And elaborating on that theme – it's Mike – I would – I would describe the purpose of this summit as showing that nobody works better with this president or the United States than Japan. That an important message for Asia, which has – the rest of Asia – which has seen mixed signals out of Washington over the last decade about whether China or Japan would be the most important partner for the U.S. So saying and showing no one works better with the U.S. than Japan is a really important signal to China and the region, along the lines Nick described. I think at the same time, it's a really important signal for Japan to send to Europe, Canada and others that you can work with this president.

Michael Green: And that's really important for Japan, by the way. This is not just about the U.S.-Japan alliance. It's not just about Asia. As I suggested at the beginning, it's critical for Japan's survival that the U.S. uphold the international institutions built after the war, but that Europe and other countries work with the U.S. to do that, even in difficult times. That's sort of the subtext for this. And in fact, I think Matt would agree.

Michael Green: And I think if you talk to members of Congress and the administration, we probably are more closely aligned with Japan on more issues now than any other major power. Australia would be right in there. But probably more with the U.K. now, our special relationship, on a lot of these issues. Intelligence sharing and things like that are different. But on the broad agenda for the G-7, for

technology, for China we're probably more closely aligned with Japan than any other close ally or partner. Australia might be in there.

Matthew Goodman: No, I agree. And I think that the contrast with Europe is interesting, because the – I would say that, you know, if you look at that history of Donald Trump's concern about being taken advantage of by ungrateful allies who are ripping us off on trade – if I can summarize in one sort of bumper sticker what is the philosophy – (laughter) – you know, that was all focused on Japan. And it's only because really, I mean, you know, partly, you know, things that moved on in terms of where the U.S. and Japan are. But I think that, you know, Donald Trump's own thinking about these issues has changed because Abe has worked to support the issue very hard.

Matthew Goodman: And so I think that if we're right that this turns out to be a sort of positive affirmation of the strength of that relationship, personally and between the two allies, then I think it will be a significant statement about, how you, how – you know, how far Donald Trump has come in his thinking about Japan. And by contrast, you know, with Europe, he still seems to have this bee in his bonnet sort of more actively. And that's a real problem for Europe. And all of us share a bunch of concerns that – you know, many of which center around the rise of China. And so I think they send that message, it'll be quite powerful.

Q: Mmm hmm. Thank you.

Emma Colbran: All right. Yeah, it looks like we don't have any other questions. So we'll have a transcript up in the next couple of hours on our website. And we'll also be emailing it out to everyone. So thank you again for joining our call. And thank you to our experts.

Michael Green: Thank you.

Matthew Goodman: Thanks.

(END)