## Section 2

# North America

### 1 United States

(1) Situation of the U.S.

### **A** Politics

Entering the second year of his administration, President Trump delivered his State of the Union Address to a Joint Session of Congress on January 30, 2018. In his address, President Trump highlighted the achievements in the first year of his administration such as tax reform, and showed his determination to build a safe, strong and proud America through rebuilding infrastructure, immigration system reform, strengthening the U.S. military, and more. In addition, he called for solidarity among Americans, and in particular referred to the importance of advancing policies regarding immigration and infrastructure in a bipartisan manner. However, despite this call for solidarity, confrontations were evident on many occasions between the two parties on domestic matters.

With regard to immigration policy, President Trump continued efforts toward stricter immigration and refugee policies from last year. A "zero tolerance" policy to take legal action against all illegal immigrants captured at the border area was implemented in April, but criticism spread regarding the fact that many illegal immigrants who were minors were separated from their guardians and kept in facilities, and the policy was altered through a new executive order in June. In addition, firm responses were taken against a migrant caravan leaving Central America headed for the U.S. in October, including dispatching military personnel and temporarily closing checkpoints on the border. In December, following the midterm elections, against the backdrop of President Trump making a strong request for the budget to build walls on the border with Mexico, there was a partial government shutdown when budget discussions could not be settled between the Republican and Democratic parties.

Due to the retirement of Supreme Court Justice Anthony Kennedy in July, President Trump nominated as his replacement Mr. Brett Kavanaugh, who was previously a Circuit Judge of the U.S. Court of Appeals for the District of Columbia Circuit. Mr. Kavanaugh was confirmed by the Senate in October, and assumed the position of Supreme Court Justice. Because the judicial decisions made by the Supreme Court have major effects on society, the nomination and approval process of its Justices receives much attention. Mr. Kavanaugh's case was particularly controversial, as several women alleged that he had taken sexually inappropriate actions in the past. A hearing was held at the Senate and an FBI investigation into the allegations was conducted.

The investigation by Special Counsel Mueller concerning the so-called "Russia-gate," in which Russia is believed to have intervened through

### Outline of the results of the U.S. midterm elections

| 0  |                                      | I.S. midterm elections                                 |   |   |                                       |  |
|--|--------------------------------------|--|---|---|---------------------------------------|--|
| 1. Congressi   | onal election                        |  | (100 anata tata) (  | a barran da sa sha biran in hadad ƙara sh               |                                       |  |
| (1) Senate   |                                      |  | (100 seats total. 6-year term. A reelection is held for about 1/3 the seats every 2 years |   |                                       |  |
| [Before the election] 49 Democrat sea                          |                                      |  | ←Majority (50)  |   | 51 Republican seat                    |  |
|  | ocrat seats not up<br>or reelection  | 26 Democrats reelected<br>Including 2 independent seat | 9 reelected   | 42 Republican seats not                                 | up for reelection                     |  |
| After the election <b>47</b>                                   | Democrat seats (inclu                | ding 2 independent seats)                              |   |   | 53 Republican seat                    |  |
| 23 Dem   | nocrat seats not up<br>or reelection | 24 Democrats projected to win                          | 11 Republicans<br>projected to win  | 42 Republican seats not                                 | up for reelection                     |  |
| 2) House of Re   | presentatives                        | Difference of 17                                       | seats (435 to   | otal seats. 2-vear term. Reelection                     | held for all seats every 2 year:      |  |
| Before the election]   |                                      |  | Majority (218)  | ,   | crats = 42 seat difference            |  |
|  | 193 Democ                            | rat seats vac  | ant<br>fis  | 235 Republican seats                                    |                                       |  |
| After the election] 235  | Democrats projected                  | d to win = 36 seat difference                          | Difference of   | 199 Rep   | ublicans projected to wi              |  |
|  |                                      |  |   | North Carolina's 9 <sup>th</sup> Congressional district |                                       |  |
|  |                                      |  |   |   | (Source: Politi                       |  |
| 2. Gubernato   | orial elections                      |  | (Total c  | of 50 states. Terms vary by state.                      | Relections in 36 states in 2018       |  |
| Before the election] 16 states held by Democrats / 1 independe |                                      | nt upfor reelection                                    | 33 si   | ates held by Republicar                                 |                                       |  |
| 7 Democra<br>for reel  |                                      |  | 26 Republicans up   | for reelection  | 7 Republicans not u<br>for reelection |  |
| After the reelection] 2  | 3 states held by Dem                 | ocrats   |   | 27 st   | ates held by Republicar               |  |
| 7 Democra<br>for reel  |                                      | ocrats projected to win                                | 20 Republic   | cans projected to win                                   | 7 Republicans not u<br>for reelection |  |
|  |                                      |  |   |   | (Source: CN                           |  |

various means in the 2016 U.S. presidential election, began in May 2017 and continued throughout 2018. President Trump consistently denies that there was collusion, but the investigation continues to garner high interest as people related to the Trump campaign indicted for false testimony and other misconduct, and accepted plea bargains.

On foreign relations, many policies with unconventional approaches were pursued, including the first U.S.-North Korea Summit, large-scale tariff measures against China, and withdrawal from the Joint Comprehensive Plan of Action (JCPOA).

The approval rate for the president remained relatively stable despite the publication of books critical of the internal conditions of the Trump administration and harsh criticism from the media. Against the backdrop of a bullish U.S. economy, the U.S.-North Korea Summit, and other factors, the approval rate for the President in mid-June was 45%, the highest rate since immediately after President Trump was inaugurated, and the rate has generally stayed at around 40% since the midterm elections. Although over 80% of Republicans support President Trump, support from Democrats is about 10%, which is relatively low compared to past administrations, showing the major gap between the Parties concerning the assessment of President Trump.

The midterm elections took place in November against a backdrop of high interest concerning President Trump's political positions and the pros and cons of his policies. The voter turnout of estimated 50% was extremely high for midterm elections. In particular, it was pointed out that there was a major increase in the turnout of women, young people, and minorities, which are the support base of the Democratic Party. The Democratic Party took 235 out of 435 seats in the House of Representatives, regaining the majority for the first time in eight years (one House seat was not yet been called). On the other hand, the Republican Party kept its majority in the Senate by taking two additional seats for a total of 53 seats despite severe election results for the incumbent President's party in many midterm elections in the past. In the gubernatorial elections, the Democratic Party recovered the governorships in the states of Wisconsin and Michigan, which voted for President Trump in the 2016 presidential election. It won a total of 16 out of the contested 36 states. On the other hand, the Republican Party won in 20 states and held the governorships in states such as Florida and Ohio, key states in the presidential election.

Although the Republican Party maintained its Senate majority as a result of the midterm elections, the Democratic Party became the majority party in the House of Representatives, meaning that there will be a "divided government" in 2019. The Democratic Party has also set its sights on the 2020 presidential election, and it is predicted that the Democrats will intensify their criticism of the Trump administration by advancing investigations, including those on "Russia-gate," by utilizing their Congressional authority. It has been pointed out that the progress of the investigation concerning "Russia-gate" could greatly affect President Trump's political base.

Attention should be given to future developments under the "divided government" in 2019, in terms of whether the confrontations between the parties will deepen further and how the Trump administration will lead in its third year.

### B Economy

#### (A) Current economic situation

The U.S. economy continued to recover steadily in 2018. The 2018 real GDP growth rate increased by 2.9% year on year. The unemployment rate also continued to improve and dropped to 3.9% in December, falling to a lower level than before the 2008 financial crisis. While the U.S. economy's recovery is expected to continue, attention will need to be paid to future policy moves and their impact.

#### (B) Economic policy

Since his inauguration in January 2017, President Trump has implemented policies that have had a considerable influence on the global economy. These include: signing of a presidential memorandum concerning withdrawal from the Trans-Pacific Partnership (TPP) agreement: renegotiation of the North America Free Trade Agreement (NAFTA); initiatives aimed at rectifying unfair trade including an investigation into intellectual property infringement based on Section 301 of the Trade Act; declaration of withdrawal from the Paris Agreement regarding climate change; and enactment of a tax reform bill which includes a reduction in the corporate tax rate. Events that took place in 2018 include imposing import restriction measures on steel and aluminum based on Section 232 of the Trade Expansion Act, starting an investigation concerning automobiles and auto-parts based on the same section, signing of a presidential memorandum regarding measures against China as well as exchanges of imposing additional tariff measures between the U.S. and China, amendment of the U.S.-Korea Free Trade Agreement (KORUS); reaching an agreement on starting negotiations for new trade agreements with Japan, the EU, and the United Kingdom, and signing of the United States-Mexico-Canada Agreement (USMCA).

With regard to monetary policies, the 2007 subprime loan issue led to the incremental lowering of target policy rates, and a zero-interest-rate policy with target policy rates being set between 0% and 0.25% continued for seven years from 2008. In December 2015 the Federal Open Market Committee (FOMC) decided to raise the target policy rate and end the zero-interest-rate policy. The target policy rate has been raised eight times since then (in December 2016; March, June, and December 2017; and March, June, September, and December 2018). As of January 2019, the target policy rate range was between 2.25% and 2.50%. When making decisions on future monetary policy, the FOMC takes into account measures of labor market conditions, indicators of inflation pressures and inflation expectations, and financial and international developments.

### (2) Japan-U.S. Political Relations

Continuing on from 2017, in 2018 there was frequent policy coordination at high levels between Japan and the U.S., including 14 summit meetings (of which 10 were telephone talks) and 16 Foreign Minister's meetings (of which 6 were telephone talks, and which included meetings with the acting Secretary of State). Under such deep relationships of trust between the leaders and the Foreign Ministers, the Japan-U.S. Alliance has become stronger than ever, and both countries have been closely cooperating on their policies toward resolving various regional and international matters such as the issue of North Korea, and achieving a "Free and Open Indo-Pacific."

On January 16, on the occasion of the Foreign Ministers' Meeting on Security and Stability on the Korean Peninsula jointly held by the U.S. and Canada in Vancouver, Canada, Foreign Minister Kono held a Japan-U.S. Foreign Ministers' Dinner Meeting with Secretary of State Tillerson, as well as a Japan-U.S.-ROK Foreign Ministers' Meeting. The ministers reaffirmed Japan-U.S. and Japan-U.S.-ROK would continue to coordinate and lead the international community's efforts to apply maximum pressure on North Korea.

From February 2 to 8, Vice President Pence and his spouse visited Japan before attending the opening ceremony of the PyeongChang Olympics. He paid a courtesy call to Prime Minister Abe, and he and his spouse attended a dinner banquet held by Prime Minister Abe and his spouse. Prime Minister Abe and Vice President Pence shared the view to continue applying maximum pressure on North Korea toward the denuclearization of the Korean Peninsula, and confirmed close Japan-U.S. and Japan-U.S.-ROK trilateral coordination to urge North Korea to change its policies. In addition, they confirmed cooperation regarding the East China Sea and the South China Sea, as well as toward achieving a "Free and Open Indo-Pacific."

At the Japan-U.S. Summit Telephone Talk on March 9, President Trump explained that he had received a report from the ROK that the Chairman of the State Affairs Commission of North Korea, Kim Jong-un, had made a firm commitment to denuclearization and that Chairman Kim sought to hold a dialogue with President Trump. President Trump also explained that he was ready to meet with Chairman Kim while closely monitoring the situation. In response, Prime Minister Abe stated that Japan and the U.S. are 100 percent together, and shared the view that Japan and the U.S. would continue to cooperate including on the abductions issue.

Following this, Foreign Minister Kono visited Washington D.C. from March 15 to 17 and paid a courtesy call to Vice President Pence. He also met with Deputy Secretary of State Sullivan (who was serving as Acting Secretary of State in the place of Secretary of State Tillerson, who was due to step down at the time), Secretary of Defense Mattis, and others. In these meetings, Foreign Minister Kono conveyed that there should be comprehensive resolutions of the nuclear, missile, and abductions issues, and confirmed with the U.S. that Japan and the U.S. will continue to cooperate closely.

From April 17 to 19, Prime Minister Abe visited Palm Beach, Florida and held a Japan-U.S.



Photograph of before the dinner banquet between the leaders of Japan and the U.S. and their spouses (April 17, Florida, U.S.; Photo: Cabinet Public Relations Office)

Summit Meeting with President Trump. During the meeting, the leaders closely coordinated their future responses to the North Korea issue, including the U.S.-North Korea Summits, and President Trump agreed that he would raise the abductions issue during the U.S.-North Korea Summit and would urge the early resolution of the abductions issue. In addition, both leaders further built their relationship of trust through playing golf for the third time, attending two social dinners, and more.

While attending the G7 Toronto Foreign Ministers' Meeting on April 23, Foreign Minister Kono met with Acting Secretary of State Sullivan. During the meeting, it was confirmed that a strong message should be sent out as the G7 regarding various issues including North Korea.

Immediately after Secretary of State Pompeo assumed his position on April 26, on April 30, Foreign Minister Kono held the first Foreign Ministers' Meeting with Secretary of State Pompeo when they were both visiting Amman, Jordan. While welcoming the Inter-Korean Summit held on April 27 as a positive move toward the comprehensive resolution of various issues of concern, such as the nuclear issue, Foreign Minister Kono and Secretary of State Pompeo closely coordinated their policies concerning the North Korea issue including the upcoming U.S.-North Korea Summit Meeting.

On May 23 and 24, Foreign Minister Kono



Japan-U.S. joint press conference (April 18, Florida, U.S.; Photo: Cabinet Public Relations Office)

visited Washington D.C. and held meetings with Secretary of State Pompeo and others. Secretary of State Pompeo, who played the main role in preparing for the U.S.-North Korea Summit, gave explanations including the current status of the U.S. side's preparation for the U.S.-North Korea Summit. Both foreign ministers affirmed the necessity of maintaining pressure on North Korea, and the importance of Japan-U.S.-ROK trilateral coordination.

Prime Minister Abe visited Washington D.C. on June 6 and 7, right before the U.S.-North Korea Summit on June 12, and held a summit meeting with President Trump to closely coordinate their policies on the North Korea issue. Both leaders shared the view that Japan and the U.S., as well as Japan, the U.S. and the ROK would continue to cooperate closely to ensure that the U.S.-North Korea Summit would be a historic meeting making progress on the various issues of concern, including the abductions, nuclear, and missile issues. In addition, at the same time as Prime Minister Abe's visit to the U.S., Foreign Minister Kono visited Washington D.C. from June 6 to 8, and held meetings with Secretary of State Pompeo and others, and also attended the Summit Meeting.

On June 11, the day before the U.S.-North Korea Summit, Prime Minister Abe held a telephone talk with President Trump and received an explanation of the latest status of preparation right before the meeting. Furthermore, both leaders reconfirmed



Japan-U.S. Foreign Ministers' Meeting (October 6, Tokyo)

that Japan and the U.S. as well as Japan, the U.S., and the ROK are in complete concurrence on their basic policies.

On June 12, after the U.S.-North Korea Summit ended, telephone talks were conducted between Prime Minister Abe and President Trump, and between Foreign Minister Kono and Secretary of State Pompeo respectively. During the Japan-U.S. Summit Telephone Talk, President Trump provided a detailed explanation on the U.S.-North Korea Summit, and the two leaders shared the view that it was highly significant that Chairman Kim once again made a clear promise on his intention toward the complete denuclearization of the Korean Peninsula in a written document. The two leaders also reaffirmed the resolute policy of Japan and the U.S. to make a concerted effort with the international community to urge North Korea to fully implement the relevant UN Security Council resolutions, building on the results of the historic U.S.-North Korea Summit. In addition. Prime Minister Abe expressed his gratitude to President Trump for conveying a solid message to Chairman Kim on the abductions issue, which is a critical issue to Japan, at the U.S.-North Korea Summit.

Furthermore, Foreign Minister Kono visited Seoul, the ROK, from June 13 to 14 and attended the Japan-U.S.-ROK Foreign Ministers' Meeting and held a Japan-U.S. Foreign Ministers' Meeting with Secretary of State Pompeo. During the meeting, Secretary of State Pompeo provided



Lunch with Nisei (second generation Japanese American) war veterans (August 22, Honolulu, U.S.)

again a detailed explanation on the U.S.-North Korea Summit, and confirmed to coordinate regarding the North Korea issue including the abductions issue.

On July 7 and 8, Secretary of State Pompeo, who was visiting Japan after his visit to North Korea, paid a courtesy call to Prime Minister Abe, and also held a Japan-U.S. Foreign Ministers' Meeting with Foreign Minister Kono and a Japan-U.S.-ROK Foreign Ministers' Meeting which was joined by ROK Foreign Minister Kang Kyung-wha. During the courtesy call and meetings, Secretary of State Pompeo provided detailed explanations of the exchanges with the North Korean side during his visit to North Korea. They confirmed the goal of the complete, verifiable, and irreversible dismantlement of all weapons of mass destruction and ballistic missiles of all ranges. They also confirmed to continue to work together to urge North Korea to take concrete actions toward the full implementation of the UN Security Council resolutions.

On August 4, Foreign Minister Kono held a Japan-U.S. Foreign Ministers' Meeting with Secretary of State Pompeo during the ASEANrelated Foreign Ministers' Meetings held in Singapore. Both foreign ministers confirmed cooperation on the issue of North Korea, and they also confirmed further advancement of collaboration and cooperation toward achieving a "Free and Open Indo-Pacific" based on the rule of law, in light of the remarks on "America's Indo-



Japan-U.S. Summit Dinner Meeting (September 26, Washington D.C., U.S.; Photo: Cabinet Public Relations Office)

Pacific Economic Vision" given by Secretary of State Pompeo on July 30.

2018 marked 150 years since the first systematic overseas immigration of Japanese people in 1868. Taking this opportunity, from August 21 to 26, Foreign Minister Kono visited the three cities of Honolulu, San Francisco, and Los Angeles, which have the largest Nikkei communities in the U.S. By exchanging views with Nikkei people and visiting facilities deeply related to Nikkei people in all the cities, a message was sent that Japan places importance on its relationship with the Nikkei community, and the foundation of Japan-U.S. relations was strengthened through promoting relations with Nikkei people. Furthermore, in Los Angeles, Foreign Minister Kono attended the grand opening of Japan House Los Angeles.

From September 23 to 28, Prime Minister Abe visited New York to attend the UN General Assembly, and had dinner with President Trump at Trump Tower on September 23 and also held a Japan-U.S. Summit Meeting on September 26. Both leaders once again closely aligned their policies based on the latest situation concerning the issue of North Korea, confirmed their shared goal of achieving the full implementation of the relevant UN Security Council Resolutions, and reaffirmed continued close Japan-U.S. and Japan-U.S.-ROK trilateral coordination. In addition, they once again shared the view that Japan and the U.S. would continue to work together toward



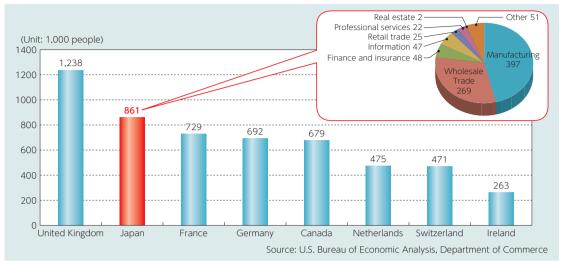
Prime Minister Abe Receiving a Courtesy Call from Vice President Pence (November 13, Tokyo; Photo: Cabinet Public Relations Office)

resolving the abductions issue. Furthermore, both leaders praised the concrete cooperation projects implemented in third countries to advance their shared vision to maintain and promote a "Free and Open Indo-Pacific," and reconfirmed their strong determination to further enhance cooperation in wide-ranging areas in the Indo-Pacific region.

In addition, after Foreign Minister Kono visited New York from September 22 to 28 to attend the UN General Assembly, he visited Washington D.C. from September 28 to 29 to give a speech on Japan's foreign policy, Japan-U.S. relations, and other matters at Georgetown University, where he had studied.

On October 6 and 7, Secretary of State Pompeo visited Japan before his visit to North Korea, and paid a courtesy call to Prime Minister Abe. Secretary Pompeo also held a Foreign Ministers' Meeting with Foreign Minister Kono, during which they aligned their policies regarding the issue of North Korea, including Secretary of State Pompeo's visit to North Korea.

From November 12 to 13, Vice President Pence visited Japan following his visit in February, paying a courtesy call to Prime Minister Abe and holding a meeting with Deputy Prime Minister and Minister of Finance Aso. During his courtesy call to Prime Minister Abe, they shared the recognition that the full implementation of the UN Security Council resolutions continues to be necessary toward the complete denuclearization



# Japan ranks second in the world for the number of people employed by Japanese companies in the United States (2016)



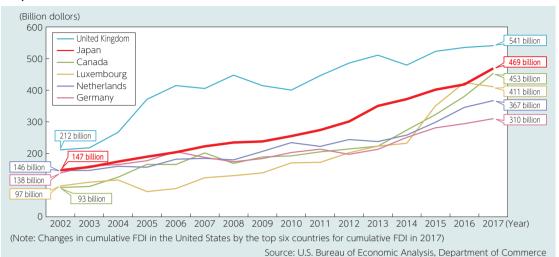
The first FFR meeting (August 9 to 10, 2018, Washington D.C., U.S.; Photo: Governmental Headquarters for the TPP of the Cabinet Secretariat)

of the Korean Peninsula, while also confirming close cooperation toward dealing with "ship-toship transfers" and the early resolution of the abductions issue. In addition, they confirmed that Japan and the U.S. would continue to provide leadership to strengthen cooperation in achieving the vision of a "Free and Open Indo-Pacific."

On November 30, Prime Minister Abe, who was visiting Argentina to attend the G20 Buenos Aires Summit, held a Japan-U.S. Summit Meeting with President Trump. The two leaders closely aligned their policies with regards to the issue of North Korea, and confirmed that Japan-U.S. and Japan-U.S.-ROK would continue to coordinate closely. In addition, Prime Minister Abe gave an explanation of his visit to China in October, and both leaders shared the recognition that close cooperation is important between Japan and the U.S. to encourage China to play a constructive role. In addition, both leaders held the first Japan-U.S.-India Summit Meeting with Prime Minister Modi of India (see 3-1-3(1) on page 149).

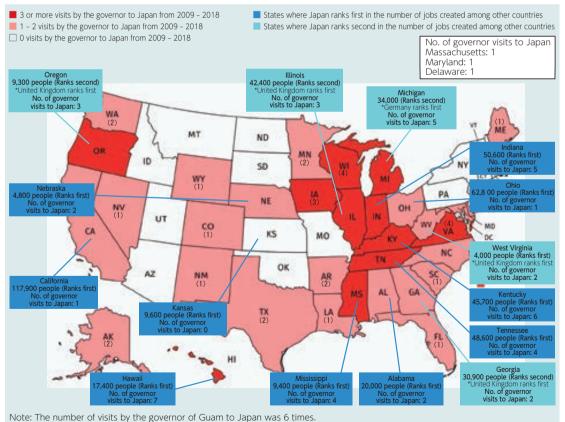
### (3) Japan-U.S. Economic Relations

Japan-U.S. economic relations are, together with security and people-to-people exchanges, one of the three pillars of the Japan-U.S. Alliance. At the Japan-U.S. Summit Meeting held on April 17 and 18 in Palm Beach, Florida, both leaders confirmed that it was necessary to safeguard free and fair trade in the Indo-Pacific region. In addition, it was agreed that Mr. Motegi, Minister of State for Economic and Fiscal Policy, and Ambassador Lighthizer, United States Trade Representative, would launch "talks for free, fair and reciprocal trade deals (FFR)" in order to further expand trade and investment between Japan and the U.S., and realize economic development in the free and open Indo-Pacific region based on fair rules so as to benefit both countries. The first and second FFR meetings were held in August and September.



### Japan ranks second in the world for cumulative FDI in the United States

# Creation of employment by Japanese companies in each state and visits by the governor of each state to Japan



(Data source)

Number of jobs created: Bureau of Economic Analysis, Department of Commerce No. of governor visits to Japan: Surveys conducted by the respective diplomatic and consular missions (January 2019) At the Japan-U.S. Summit Meeting held on September 26 in New York, following the outcome of the second FFR meeting, both leaders coucurred on entering into negotiations for a Japan-U.S. Trade Agreement on goods based on the idea that further reinforcing economic ties between Japan and the U.S. would lead to the stable expansion of trade between the two countries and the development of a free and open global economy and issued a joint statement.

At the Japan-U.S. Summit Meeting held on November 30 during the G20 Buenos Aires Summit, both leaders reaffirmed that they would further expand trade and investment between Japan and the U.S. in a mutually beneficial manner and realize economic development of the free and open Indo-Pacific region based on fair rules, in accordance with the Japan-U.S. Joint Statement agreed upon in September.

Of particular note in Japan-U.S. economic relations is the investment by Japanese companies in the U.S. Currently, Japan's cumulative direct investment in the U.S. is the second highest after the UK (approximately 469 billion U.S. dollars in 2017 (U.S. Department of Commerce statistics)). Direct investment by Japanese companies is contributing to the regional economy of the U.S. in the form of employment creation by Japanese companies in the U.S. (approximately 860,000 people in 2016 (US Department of Commerce statistics)). The strengthening of the multilayered relationship of the two countries through vigorous investment and employment creation has become a rock-solid foundation for Japan-U.S. relations that are better than ever before.

With respect to infrastructure, the Northeast Corridor Superconducting Maglev project is progressing steadily, including through implementation of the Japan-U.S. collaborative survey with a federal subsidy based on the Maglev Deployment Program (MDP) from Maryland and funds allocated by the Government of Japan. Support is also being provided for realization of the Texas High-Speed Rail Project, with a private U.S. company, Texas Central Partners (TCP), concluding a technical assistance agreement with HTeC, a subsidiary of the Central Japan Railway Company. With regard to the California High-Speed Rail Project, the latest business plan "2018 Business Plan" was released in June.

On the energy front, progress was made in areas where Japan worked on. Since the U.S.-produced crude oil was first imported to Japan in May 2016 after the embargo was lifted with the enactment of FY2016 spending bill, the U.S.-produced crude oil continues to be imported intermittently in the form of a short-term contract. In May 2018, the U.S.-produced Liquefied Natural Gas (LNG) from shale gas was imported to Japan for the first time based on a long-term contract. LNG import from the U.S. is expected to gain momentum as Japanese energy users plan to purchase 10 million tons of LNG annually from the U.S. It is hoped that more imports of LNG from the U.S. will significantly contribute to Japan's energy security and the stable supply of energy to Japan.

On the technology front, Japan and the U.S. are strengthening cooperation in areas of supporting startups and creating innovation in addition to science and technology fields such as cybertechnology, life sciences, robotics and space. The sixth round of Japan-U.S. Cyber Dialogue meeting held in July provided an opportunity to discuss Japan-U.S. cooperation including cooperation in the international arena and capacity-building assistance. At the ninth U.S.-Japan Policy Cooperation Dialogue on the Internet Economy held in the same month at the director-general level, discussions covered issues such as nextgeneration mobile communications systems (5G), secure future internet infrastructure, promotion of cross-border data distribution. effective protection of personal information and response to restrictions on digital trade in third countries.

Furthermore, cooperation with various regions across the U.S. is also advancing. The Government of Japan newly signed a memorandum of cooperation with the City of Chicago in July,

### Special History of the Nikkei People in the U.S.

The first organized emigrants from Japan arrived in Hawaii in 1868. As 1868 was the first year of the Meiji era ("Meiji Gannen" in Japanese), this group of migrants became known as the "Gannenmono." The year 2018 marked the 150th anniversary of the Meiji Restoration and also was the 150th anniversary of the overseas migration of the Japanese people and of the arrival of the Nikkei people in the U.S.

The "Gannenmono" had to take up work and other jobs they were not accustomed to in fields on sugarcane plantations under the blazing sun. The following year, in 1869, groups of samurai from Aizuwakamatsu and others migrated to California on the mainland of the U.S. and attempted to cultivate silkworms and produce tea on a farm known as the Wakamatsu Tea and Silk Colony.

The early migrants faced with language and cultural difficulties struggled to adjust to the new severe conditions of life in the U.S. the U.S. Nevertheless, the Nikkei people the U.S. gradually won the trust of the local community through their hard work, made their living by establishing their own businesses or through agriculture, and carved out a place for their communities in the U.S.

However, the outbreak of war between Japan and the U.S. in 1941 triggered the start of the forced eviction and internment of the Nikkei people. In 1942, the more than 120,000 Nikkei people, including second-generation Nikkei with U.S. citizenship, were detained in internment camps under Executive Order No. 9066 authorized by the President. The Nikkei were deprived of their assets and freedom and forced to live under harsh circumstances and in squalid living conditions. Some Nikkei volunteered to join the army in order to demonstrate their loyalty to the U.S. The 442nd Infantry Regiment of the U.S. Army, composed mainly of Nikkei soldiers, fought bravely on battlefields in Europe and suffered many casualties.

After the end of the war, the Nikkei people in the U.S. gradually regained their standing in society and eventually had their honor and reputation restored with the enactment of the Civil Liberties Act of 1988. This law set out provisions for an official apology for the internment from the U.S. Government, as well as the payment of 20,000 US dollars in compensation to survivors. The perseverance and efforts of Nikkei members of the U.S. Congress including the U.S. Senator, the late Daniel Inouye, and the member of the House of Representatives, Norman Mineta, were instrumental for the enactment of this law.

It is also said that some of the Nikkei people in the U.S. have mixed sentiments about Japan, partly due to the history of internment and discrimination they suffered. In Japan too, the history of the Nikkei people in the U.S. is not so well-known.

However, the roots of the Nikkei people are in Japan, and strengthening the bonds with the Nikkei is

important for building a multilayered and robust relationship between Japan and the U.S. From this perspective, the Ministry of Foreign Affairs has been engaged in efforts to strengthen the relationship with the Nikkei people through exchange programs, including inviting Nikkei leaders in the U.S. to Japan which started in 2000.

In August 2018, Foreign Minister Kono visited Honolulu, San Francisco, and Los Angeles, three cities with prominent Nikkei communities in the U.S. Through the visit, he deepened the exchange with Nikkei people from various circles and across different generations.



Dinner banquet with the representatives of organizations related to the Nikkei people in Hawaii (August 22, Honolulu, U.S.)

### 150 Years since the Arrival of Japanese Immigrants in Hawaii Sal Miwa, Chairman of the Board of the Japan-America Society of Hawaii and Co-chair of the Gannenmono Committee

Mass migration of the Japanese people to Hawaii first began in 1868, during the height of the Meiji Restoration. In 2018, various commemorative events were held to celebrate the 150th anniversary of the arrival of these immigrants to Hawaii. To prepare for the 150th anniversary celebrations, the Gannenmono Committee was launched in December 2017 under the leadership of the Kizuna Group, comprising 20 Japanese-Hawaiian associations, and in close cooperation with the Consulate-General of Japan in Honolulu (the Japanese migrants who first came to Hawaii arrived in 1868, the first year of the Meiji era ("Meiji Gannen" in Japanese), and were therefore known as "Gannenmono"). Members of the Gannenmono Committee included the Government of Hawaii, City and County of Honolulu, the Bernice Pauahi Bishop Museum, and the University of Hawaii, among others.

About 150 of the "Gannenmono" arrived in Hawaii on the ship from Yokohama and landed on June 20, 1868. For this reason, the Gannenmono Committee planned for the commemorative event to take place in June 2018 in Hawaii, and proceeded with the preparations. At the same time, the Association of Nikkei & Japanese Abroad ("the Association") decided to hold the Convention of Nikkei & Japanese Abroad, usually held in Japan, in Hawaii, the land to which the Japanese people first migrated. Hence, it was decided that preparations for the commemorative event would move forward in collaboration with the Association. Incidentally, the Association also held a commemorative event 50 years ago, in 1968, to celebrate the 100th anniversary of the "Gannenmono."

After various consultations with the Association, the decision was made to hold the Convention of Nikkei & Japanese Abroad on June 6, and the Gannenmono Commemoration Ceremony and Symposium organized by the Gannenmono Committee on June 7, at the same venue in Honolulu. The Convention of Nikkei & Japanese Abroad was attended by about 300 Nikkei people (non-Japanese nationals of Japanese descent) from 15 countries around the world, who engaged in a wide range of discussions about Nikkei people around the world. The Gannenmono Commemoration Ceremony and Symposium held on June 7 drew about 500 participants including the descendants of "Gannenmono," local residents of Hawaii, and participants of the Convention of Nikkei & Japanese Abroad. Various activities were held, including an introduction to the history of the "Gannenmono," and the event was a great success. Up to the eighth generation of descendants of the "Gannenmono" were present, counting back from the "Gannenmono" themselves.

These events also coincided with the visit of Their Imperial Highnesses Prince and Princess Akishino to Hawaii. Their Imperial Highnesses made addresses at the Convention of Nikkei & Japanese Abroad as well as the Gannenmono Commemoration Ceremony, talked to individual participants at the respective receptions, and visited numerous facilities in Hawaii associated with Nikkei people. It was an unforgettable visit for the people of Hawaii. Many elderly Nikkei people who had the opportunity to exchange handshakes directly with Their Imperial Highnesses Prince and Princess Akishino were moved to tears.

In 1868, Hawaii had not yet been incorporated into the United States, but there was a growing momentum for accepting migrants from Japan partly because the "Gannenmono" in Hawaii had worked hard and overcome much hardship. Consequently, migration from Japan to Hawaii began in earnest in 1885; by 1924 before the war, about 200,000 Japanese people had migrated to Hawaii, and made up about 43% of the population of Hawaii at one point. For about a century after that, Nikkei people contributed significantly to Hawaii's development to become



Scene at the Gannenmono Symposium (Photo: Gannenmono Committee)

a very hospitable multiethnic society. In the 1970s, Hawaii had a Nikkei governor who assumed office as the first Asian state governor in the whole of the United States, as well as other successful figures in the United States Congress such as the late Daniel Inouye who was a United States Senator. Hawaii and Japan have a very close relationship that goes beyond mere tourism and is deeply rooted in everyday life. \*Position held at the time



in addition to previously signed memoranda of cooperation on economic and trade relations with the States of California, Washington, Maryland and Indiana. Moreover, Japan newly signed a memorandum of cooperation concerning reciprocal partial exemptions of driving license tests with the State of Hawaii in December from the viewpoint that it is important to reduce the burden on Japanese citizens associated with acquiring a local driving license at the time of settling down in the U.S. Japan previously signed similar memoranda of cooperation with the States of Maryland and Washington. As a result of these efforts, applicants holding a Japanese driving license are now exempted from the knowledge and skill examination of driving license tests in these states. Japan intends to expand this effort to other areas based on comprehensive evaluations of various factors including traffic conditions.

Based on the understanding that implementing grassroots initiatives that reach members of the general public is an important way to further strengthen Japan-U.S. ties, the "Grassroots Government Taskforce on Strengthening Japan-U.S. Ties" was launched in April 2017. The Taskforce was held three times under Deputy Chief Cabinet Secretary Koichi Hagiuda and produced an action plan setting out guidelines for the implementation of concrete initiatives. At the 2nd follow-up meeting held in June 2018 under Deputy Chief Cabinet Secretary Yasutoshi Nishimura, initiatives implemented in accordance with the above-mentioned action plan were reported and measures to enhance such initiatives were discussed. Based on the understanding set out in the action plan that a tailor-made approach that accords with the characteristics of each region and the level of interest in Japan of the target regions is necessary, a wide range of initiatives are being implemented in different parts of the U.S. under the cooperation among relevant ministries and agencies. Such initiatives include a "regional caravan" that travels to areas in which multiple Japanese companies operate, combined events that promote understanding of Japan, and sports days. A wide range of all-Japan initiatives will continue to be implemented to further boost Japan-U.S. economic relations and further strengthen the Japan-U.S. Alliance.

### 2 Canada

### (1) Situation of Canada

The Trudeau administration has been running the Government steadily for three years since November 2015, despite a slight fall in its approval rating.

On the diplomatic front, Canada led the G7 in dealing with various issues among the international community, commencing with holding a series of meetings including the G7 Charlevoix Summit in June as the G7 presidency in 2018. With regard to the issue of North Korea, Canada and the U.S. co-hosted the Foreign Ministers' Meeting on Security and Stability on the Korean Peninsula in January, and issued a statement that the international community would demonstrate solidarity to maximize pressure on North Korea. In addition, Canada is strengthening its participation on security aspects in the Asia-Pacific region, through dispatching patrol aircrafts and frigates to conduct monitoring and surveillance activities of illegal maritime activities including "ship-to-ship" transfers by North Korean-flagged vessels. In terms of bilateral relations, Canada experienced temporary deterioration of relations with the U.S., which is traditionally Canada's closest ally, due to high-level criticism from each other's country concerning interaction after the G7 Summit Meeting. In addition, Canada faced a number of challenges, concerning the human rights issue in Saudi Arabia, as well as the detention of Canadian citizens in China following the arrest of the Chief Financial Officer (CFO) of Huawei.

On the economic front, against the backdrop of favorable economic conditions. Canada implements proactive policies to enhance investment in domestic infrastructures, iucluding through the establishment of the Canada Infrastructure Bank and create employment and wealth for the middle class. On the international economic front, Canada is advancing its basic policy of promoting progressive trade aimed at the creation of employment for the middle class, under which it signed and concluded the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (TPP11 Agreement), signed the USMCA following the NAFTA renegotiations, promoted the Canada-EU Comprehensive Economic and Trade Agreement (CETA), and strengthened economic relations with emerging markets.

### (2) Japan-Canada Relations

Japan and Canada are important partners for each other in the Asia-Pacific region. As



Japan-Canada Summit Meeting (November 18, Papua New Guinea; Photo: Cabinet Public Relations Office)

G7 members, the two countries also cooperate closely in a wide range of fields including politics, economics, security, and people-to-people exchanges. 2018, the 90th anniversary of Japan-Canada Diplomatic Relations, saw extensive development of bilateral relations, marked by frequent high level talks and increased cooperation in the areas of both security and economy.

At the summit level, Prime Minister Abe visited Canada for the G7 Charlevoix Summit in June and held a Summit Meeting with Prime Minister Trudeau. In addition, they held a Summit Meeting during the Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting held in Papua New Guinea in November. At the foreign ministerial level, Foreign Minister Kono visited Canada three times: the Foreign Ministers' Meeting on Security and Stability on the Korean Peninsula held in Vancouver in January, the G7 Foreign Ministers' Meeting held in Toronto in April, and the Women Foreign Ministers' Meeting (G7 foreign ministers were invited regardless of their gender) held in Montreal in September. In addition, Foreign Minister Freeland paid an official working visit to Japan in March. Both Foreign Ministers held a Foreign Ministers' Meeting during the ASEANrelated Foreign Ministers' Meetings held in August in Singapore. Through such frequent meetings at

On the security front, Foreign Minister Kono and Foreign Minister Freeland signed the Japan-Canada Acquisition and Cross-Servicing Agreement (ACSA) in April. In addition, Japan and Canada are closely cooperating to respond with monitoring and surveillance activities against illegal maritime activities, including ship-to-ship transfers with North Korean-flagged vessels. Against the backdrop of the development of security cooperation, at the Summit Meeting in Papua New Guinea in November, the two countries shared the view that they would deepen their strategic relationship in security and defense cooperation. In addition, a Japan-Canada Foreign and Defense Vice-Ministerial Meeting ("2+2") was held in December, during which the two countries welcomed the development of cooperation on diplomatic and security aspects between Japan and Canada, and confirmed that they would strengthen specific cooperation to an

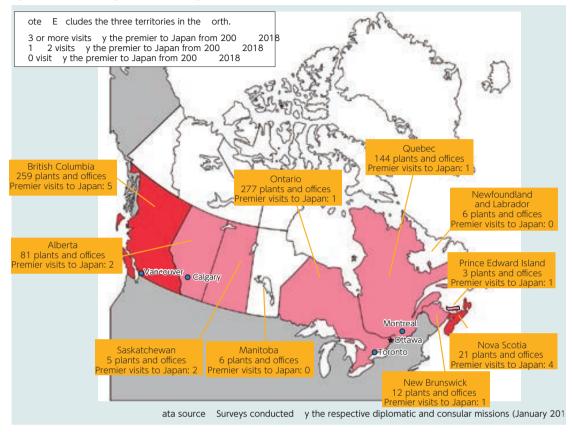


Japan-Canada Foreign Ministers' Meeting (March 27, Tokyo)

unprecedented level.

On the economic front, Canada signed the TPP11 Agreement with 10 other countries including Japan in March, and concluded it in October. Further deepening of economic relations between Japan and Canada is expected following the entry into force of the Agreement on December 30. In addition, the 28th Meeting of the Japan-Canada Joint Economic Committee was held in Tokyo in June, and discussions were held regarding international trade conditions and priority fields of cooperation.

# Number of plants and offices of Japanese companies in each province and visits by the premier of each province to Japan



Chapter 2