

〈論文〉

TPP Settled? The Later Part of 2014 TPP&TPA TPP 交渉決着なるか：2014 年後半以降の TPP と TPA

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〈要旨〉

米国のオバマ大統領は、2015年6月29日(日本時間30日)、環太平洋経済連携協定(TPP)に関し、米国議会が大統領に通商一括交渉権(TPA)を与える法案に署名する事を提案した。

米国ホワイトハウスによれば、その結果、オバマ大統領は TPA を取得すると同時に TPP 交渉に参加する 12 ヶ国は大筋合意に向けた調整を本格化すると提言する。加えて、同大統領は、自由貿易の拡大で失職者を援助する紛争解決処理法である「貿易調整支援制度」(TAA) 拡充法案にも署名した。これらの法案成立の目標は台頭する中国に対する一つの警告であるとも捉えられている。オバマ大統領は6月29日の記者会見で「世界の経済ルール作りに関しては、中国ではなく米国が主体となりルールを描くということを明確にすべき」であることを強調した。中国主導の銀行 AIIB には、世界銀行などに比べると、まだ不透明な部分が多々存在しているを見なしている。

では、TPP 交渉参加国の多くは、TPA 法案成立をどうみなしているのであろうか? その答えは以下である。先ず TPP 交渉参加国は、今回の TPA 法案の成立を交渉妥結には欠かせない前提条件と位置付けている。もしも、TPA 法案が否決されたならば、TPP 交渉が頓挫し合意は大きく遠のくとみなされていた。

これまでの米議会の争点とは、上院が5月(2015年)に TPA 法案をすでに可決した事であった。動議は賛成 60、反対 37 で可決された。動議を通すには上院(100名)の6割に当たる60人以上の賛成が必要であった。法案成立を目指す共和党(54名)の大半が賛成したが、大統領のお膝元の民主党44名が反対を表明。

また、下院でも TPP 推進派の野党である共和党の中にもオバマ大統領権限強化に反対表明を示した議員が存在していた。また、与党民主党の中にも TPP が実現すれば、国内の雇用が失われる可能性があるのではという懸念を示していた議員も存在していた。そのため採決に必要な紛争処理法の代案一つとして浮上したのが TAA 「貿易調整支援制度」

であり、6月12日（米東海岸時間）を米下院における採決日とした。TAAは民主党の売り看板の政策であり、共和党は交換条件でTAAの法案の成立を急ぐことを約束して民主党の協力を取り付けた。最大の焦点となる日米の関税協議は実質的には合意しており、TPAの成立の見通しが立ったことで、近く最終合意する見通しとなっていた。（上院は6月24日までにTPA法案そのものを採決する見通しで、過半数が賛成すれば可決される。下院は6月18日に可決済みで、大統領の署名を経て成立することを決定。

TPA法案成立を受けTPP交渉参加12カ国は7月中旬に首席交渉官会合を開催するとの報告があった。オバマ大統領がTPA取得することで、TPP交渉は一気に加速するとともに世界の経済圏の地図も塗り替えられることになる。

ところで米国のTPPに対する新たなプレリュードはいつ頃始まったのであろうか？素朴な質問であるが、それに関してはいろいろな説が存在する。しかし、米国側がTPPが国内にとってもメリットがあると知り、本腰を入れTPP運動を本格的に展開し始めたのは、2014年4月に首都ワシントンで行われた安倍・オバマ会談後の事である。

例えば、ここに米国のピュア・リサーチが2014年のTPPの主要目標である日本や他国との貿易拡大について調査した結果がある。74%が対日貿易の拡大は米国にとってメリットがあることだと答えた。注目すべきことは、米国国内においては、特に若者の支持が高かったことである。加えて55%はTPPは米国にとって良いことだと回答し、若い世代の支持率は65%であった。それを受けてTPPに取り組んでいたオバマ政権は、TPA（通商一括交渉権）を取得するための工作に向けた政策を重要視することになったのである。ちなみに米国の次世代は、中国の経済・軍事的プレゼンスによって日米関係が一層重要になると考えいると同時に、アジアにおける選択は日本か中国のいずれかではなく双方の国である。

TPP交渉は2015年の年内に加速され妥結されるのか否か？これについて、現在米国先端政策研究所上級研究員のグレン・フクシマ氏が8月24日（2015年）札幌商工会議所・北海道日米協会主催のフォーラムで『ホワイトハウスから見た日本』と題して講演を行なった。元米通商代表部の交渉の企画・立案者でオバマ政権の外交に詳しいフクシマ氏は、「TPPの閣僚会議の年内の妥結するとの見方が強い。ワシントンの専門家の9割が、交渉がまとまると考えている」。しかし、「来年度（2016年）は米大統領選挙があり、最悪の場合は次の政権に持ち越すことになる」と指摘する。本稿では、2014年5月から2015年8月1日のハワイ・セッションまでのTPPとTPAの成立の動向、並びに交渉担当者の対人交渉スタイルにも焦点を当て、国際交渉理論に基づき考察を試みたい。

Introduction

Twelve nations---members of the Trans-Pacific Partnership (TPP) held a meeting in Maui, Hawaii on July 28,2015. They met in Maui for negotiations that could make or break an ambitious trade deal which aimed to boost growth and set common standards among 12 nations. During the ministerial walking level negotiations, chief negotiators were looking for and searching for establishing economic rules related to government procurement and the environment. Rumor had it that while the remaining problems were limited, an awfully lot of work must be overcome. Those who took part in the talks were hoping to complete a written accord made up of 31 chapters, including stipulations about common economic rules.

During the four-day negotiations, participants were required to focus on the making of common rules and finalizing the round-robin bilateral talks to do away with tariffs on a broad basis. But prior to the minister-level formal negotiations, Japanese TPP minister Akira Amari met one-on-one with U.S. Trade Representative Michael Froman—hoping to proceed with a firm stance to achieve what’s best for the interests of not only Japan and the United States,but also of the rest of the nations.

The sticking points and pending issues between the two countries were said to be the volume of rice imported from the United States and the timing to end the tariffs imposed on Japanese automobiles and auto parts. August 1,2015 was the day ministers representing 12 TPP contries felt that the last ditch effort to conclude the framework for the TPP would come to an end with a note of success. But the TPP trade agreement ended in vain with chief negotiators unable to bridge the gap over such issues as pharmaceutical patents to expanded imports of agricultural, and particularly dairy, products when New Zealand voiced against sticking points regarding butter and other dairy products.

While in the previous thesis, the present author, primarily if not exclusively, delved into on-going TPP negotiations focusing on the theme “How Deals Went in 2014 ~ February through Obama-Abe Summit Meeting in April 2014 ~ . As the reader recalls, the United States and Japan were ready to reach a final agreement in bilateral talks on rice and car tariffs as early as July in the wake of the U.S. Senate’s passage of Trade Promotion Authority (TPA) legislation on June 25,2016. And the final accord would settle on levels close to the Japanese position, the result of steady and repeated working-level negotiations. The United States has demanded that Japan agree to import about 200,000 tons of rice annually, but Japan has pushed for a 50,000 ton limit. It was speculated that the final accord would soon settle on levels close to the Japanese position, the result of steady

and repeated working-level negotiations. Because Japan was thought to succeed in seeing 2.5 percent tariffs on most Japanese auto parts eliminated, a more favorable arrangement than that in the 2012 U.S.-South Korea free trade agreement, according to sources close to the negotiations.

The general feelings and mood prevailed between Japan and the United States was to avoid a situation in which drawn-out bilateral tariff negotiations prevent the overall conclusion of TPP negotiations by the end of the summer. Many members of TPP countries welcomed the news of passage of bills approved at the White House in June, 2015. Prime Minister Shinzo Abe was also pleased to hear the TPA legislation had been passed as it marked substantial progress. On June 26, people at large across the Pacific Ocean felt that hopes were high that the Trans-Pacific Partnership would be worked out fine due largely to the passage in the U.S. Congress of a crucial trade bill. But negotiation sources warned that the ambitious free trade agreement would still be hanging in the balance.

The following poll result compiled by Bruce Stokes of Johns Hopkins University (SAIS) shouldn't be overlooked. Because the recent poll by the Pure Research in the United States 2014 reveals that more and more young generations of Americans are for the endorsement of TPP negotiations, and 65% of those who responded are in favor of TPP, and 55% of them would go along with TPP. This prompted the Obama administration to make a swift move towards a new legislation called TPA. It is also essential to note that young generation of Americans who are fully aware of the military presence and the economic viability of China are inclined to support U.S.-Japan relations, and they are, at the same time, under the notion that both Japan and China are vital partners for the United States. The outcome of this research was to examine forces which had exerted influence upon the TPP negotiation strategies initiated by the Obama administration, and in what way these forces gave rise to the endorsement plan for TPA movement within the Obama administration after the summit meeting held between Japan's Prime Minister Shizo Abe and President Obama.

Countries participating in negotiations for the proposed TPP---a key part of U.S. policy to focus on the Asia-Pacific region — long waited for the enactment of the legislation known as trade promotion authority (TPA). Because the TPA allows U.S. President Obama to sign trade deals by only asking for a yes or no vote in Congress, and negotiating countries are now expected to engage in bolder bargaining without fearing that U.S. lawmakers could then tear apart the deal. But New

Zealand, which makes competitive dairy products, has muddied the waters by declaring that unless the markets in each TPP nation, including Japan, were opened to some extent for its own products, it refused to offer concessions on rules for intellectual property. Canada also proceeded slowly in tariff discussions with other nations such as Japan and the United States. Although other nations were apprehensive of and worried about this this point---the entire agreement might be delayed because of Canada. Canada has proceeded slowly in tariff discussions with other nations such as Japan and the United States. That was the it way in Hawaii at the end of July, 2015.

This thesis attempts to: 1) overview the Trans Pacific Partnership (TPP) negotiations took place during the later part of 2014---from April 28, 2014 until the end of 2014--; and 2) explore what may be termed driving forces, more specifically, primary factors which accelerated the speed of on-going TPP in preparation for Hawaii session at the end of July 2015. Special attentions is paid to driving forces and the intricate human interactions interplayed during the course of the TPP negotiations for the Hawaii session.

The Later Part of 2014 TPP Negotiations

In looking back upon the later part of TPP negotiations in 2014, the forecast looked good right after the Obama-Abe summit meetings held in April in Washington D.C. ---until the end of the 2014. But in reality, when it come to the conclusion of broad agreement, the forecast looked cloudy. Because the twelve TPP nations found themselves tackling astronomical number of TPP negotiation items and products. Additionally, Japan and the United States, so-called the key TPP negotiating players, often did not see eye to eye with each other, and they remained divided over sensitive issues. The U.S.-Japan bilateral talks wasince in a while delayed and deadlocked primarily because of differences over issues related to this matter--how to make market access for agricultural products and autos.

On September 24, 2014, economy minister Akira Amari in charge of TPP issues, and U.S. Trade Representative Michael Froman ended their ministerial meeting, but no progress was made on pending trade issues. During the two-day meeting in Washington in September, Japan made a new compromise proposal, but the United States kept a firm stance. While Amari told reporters that the Japanese side proposed a flexible proposal and received a positive response to some extent, but discussions afterward didn't go well. When it comes to the U.S. side, they told reporters that they

failed to make further progress on the key important issues. In April, 2014, Japan and the United States reached a basic agreement to significantly cut Japanese tariffs on U.S. beef and pork. Their future negotiations on the details stalled because both Japan and the United States split over such issues as how to come up with conditions for invoking safeguard measures---which intended to bring the Japanese tariffs back to the current levels in the event of an import surge of U.S. beef and pork.

The two countries held the ministerial meeting without setting a negotiation time by the end of September 2014, although the talks lasted for four hours on the first day and ended in less than an hour on the second day. It was reported that Japan pulled a wild card, but the United States never made a compromise. Washington also took a tough stance on Japan calling for the immediate removal of U.S. tariffs on automobile parts.

Behind such an unyielding stance were political climate in the United States. The Obama administration believed that the ruling Democrats would be at a disadvantage in the November 4 midterm election if Washington were to make an essay compromise with Japan on TPP issues before then. Moreover, labor unions and environmental groups comprised support bases for the Democrats. The Obama administration had been wary that a TPP deal might result in worsening U.S. employment by driving domestic companies to relocate to overseas and causing more cost-competitive products to flow into the United States. The Republican Party, which has many members supporting the TPP framework, has also been critical that the Obama administration had yet clinched a deal with Japan to scrap tariffs on U.S. beef and pork. Major U.S. farmers' groups, including the National Pork Producers Council, have called for a TPP deal without Japan if the country continues to refuse to remove the tariffs. The conclusion of the TPP negotiations with the tariffs remaining could provide an excuse for the Republicans to criticize the Democrats. Because of these political circumstances, the United States found it necessary to proceed with the TPP talks while giving consideration to the upcoming election.

The bilateral consultations between Japan and the United States — the key TPP negotiating players were expected to conclude first to find a kind of settlement for the overall TPP negotiations to reach a board agreement. The Obama administration looked for such an agreement to come before Asia Pacific Economic Cooperation (APEC) leaders meet on November 10-11 right after

the U.S. midterm election. Regarding Japan's future plans on TPP matters, many foreign economic observers voiced opinions telling Japan should make other participating countries be aware of Washington's uncompromising attitude and build a consensus to induce a U.S. compromise. While Japan wanted to speed up bilateral talks with other countries rather than the United States, it was essential and necessary for Japan to hold ministerial meetings with 12 participating countries.

Not only Japan and the United States, but also other ten countries were concerned over this issue--the TPP negotiations could fall apart unless a broad agreement is reached in November. The United States and Japan found themselves at crossroads at the same time facing a test as to whether they can narrow their gap and come up with a new economic framework.

On November 8, 2014 in Beijing, trade chiefs involved in a Pacific Rim free trade initiative failed to find a clear path for concluding a negotiation by the end of the year as proposed by the United States, meanwhile they agreed to accelerate their talks at their earliest conveniences. U.S. President Barack Obama had hoped to have a substantial outcome in time for his trip to Beijing for an Asia-Pacific leaders' summit starting Monday, but that goal is now "hard" to achieve, Akira Amari, minister in charge of the Trans-Pacific Partnership talks, told reporters after 12 TPP trade chiefs met in the Chinese capital.

The ministers fell short of sharing a clear vision of when they will be able to end their negotiations that have entered the fifth year, but they were unable to agree on the need to accelerate negotiations" given a tight political schedule in the United States — which leads the TPP — toward the presidential election in 2016. The rest of the TPP countries---Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam--- have struggled to secure a deal due partly to Japan-U.S. differences over market access for agricultural and auto products, while the process of establishing unified trade rules among all 12 economies in such areas as intellectual property rights, business competition and environmental protection issues have also proven to be difficult.

Meanwhile, the TPP negotiating ministers met at the U.S. Embassy in Beijing, they were unable to hold a joint press conference apparently out of consideration for China, which is hosting this year's APEC forum. China was hoping that the spotlight might be shed on the TPP rather than the series of APEC meetings. On November 10, 2014, 11 leaders of countries involved in a U.S.-

led Pacific free trade initiative said Monday they now have a clearer vision for completing an agreement, but they did not set a new deadline after it became unlikely that a deal would be reached by year-end as proposed by Washington.

Thrusts Pushing TPP Negotiations

Now our attention must be paid not only to the major thrusts and factors, but to very complex and intricate human interactions interplayed during the course of the TPP negotiations in preparation for the Hawaii session held at the end of July 2015. Expectations did run high for the final TPP accord at the end of July 2015 on the island of Hawaii.

The first thrust or driving force which accelerated the speed of TPP negotiations preparing for Hawaii's July session (2015) was the startling announcement made by U.S. National Pork Producers Council in a statement on forgotten U.S. pork matter on January 26, 2015. NPPC President Haward Hill, in particular, stressed that "significant progress had been made in Trans-Pacific Partnership negotiations between the United States and Japan on the pork trade front pertaining to Japan's market access offer on pork. In fact, the major progress was made through the efforts of American trade officials and the strong support gained from the U.S. Congress," NPPC. The NPPC had requested Japan to scrap pork import tariffs. The statement was a sign that its stance was easing.

The second thrust was at the time when the Japanese government proposed cutting Japan's tariff on a certain amount of U.S. pork over a 10-year period in TPP in the early part of February 2015. Japan proposed safeguards during ministerial-level negotiations with Washington in September 2014 that would be triggered if pork imports from the United States exceed a quota to be set. The bilateral-level proposal between Tokyo and Washington was made ahead of the latest round of broader negotiations by TPP chief negotiators that wrapped up on February 1, 2015 in New York. In the broader negotiations, gaps remained over such issues as intellectual property and the reform of state-owned enterprises. Both Japan and the United States continued talks.

Twelve nations in TPP negotiations decided to convene a ministerial level talks in mid-March 2015 when Singapore emerged as a candidate host country. Japan's proposal to lower tariffs on U.S. pork became an issue, but it was to be applied as a quota based on current import levels. On the one hand, the proposal was construed as a sign of compromise by Japan in an area it had been

defending. But the United States might press Tokyo to apply reduced tariffs to a larger quota than it plans. Japan was looking for lower-priced pork. Japanese team proposed to incrementally cut the current tariff of ¥482 per kilogram of U.S. pork to ¥50 over 10 years. As a measure to guard against a surge in imports, the tariff would be raised to ¥100 per kilogram for imports exceeding the quota. But pork that exceeds the quota during the initial 10-year period, when the tariff is still above ¥100, would be subject to the ¥482 tariff again.

Thus, the United States and Japan were expected to discuss the matter at working-level talks starting February 2, 2015. Japanese trade officials in talks with the American counterparts from January 28 to narrow some of the gaps over TPP-related matters. The negotiations were different from the TPP negotiations in New York. Takeo Mori, Ambassador for economic diplomacy, and Wendy Cutler, acting deputy U.S. trade representative met and continued the negotiations on February 2.

Both Japan and the United States planned to initiate another channel of bilateral talks on February 2 with Hiroshi Oe, Japan's deputy chief TPP negotiator, and Cutler discussing Japan's exceptional tariffs on some agricultural products under the trade pact. Both Japan and the United States account for some 80 percent of the 12 TPP nations' combined economy and their remaining differences were looked upon as a drag on the overall effort to push forward the free trade initiative.

The bilateral talks had been delayed and deadlocked primarily because of differences over issues related to how to make market access for agricultural products and autos. Howard Hill, Head of the National Pork Producers Council in the United States, announced by saying "significant progress" in the talks on pork market access had been made. So Japan was in a position of retaining tariffs on rice, wheat, beef and pork, dairy products and sugar, although American led TPP were searching for abolition of all tariffs in principle. Although the rest of 10 TPP negotiating countries are Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Singapore, Peru and Vietnam, during the two-day talks in New York, the chief TPP negotiators at least made progress on rules to determine the country of origin for products to be traded under the TPP.

The main issue was how to proceed and keep TPP negotiations going in the right direction---how long to protect data on the development of new drugs could be carried over to the ministerial talks.

Those who were assigned to take part in TPP negotiations were wanting to see the spring period in 2015 as the deadline for ending the 5-year-old negotiations given that the United States would enter campaign mode later this year for the 2016 presidential election.

So it can be pointed out that by the early February, officials from the 12 countries discussing a Trans-Pacific Partnership free trade pact were able to make progress on some contentious issues. Progress was made particularly on such issues as state-owned enterprises, environment protection and investment at the seven-day chief negotiators' session. Negotiators, however, failed to fill gaps on intellectual property rights, including how long pharmaceutical development data should be protected. Tariff abolition and reductions were also discussed at bilateral talks. And Japan, the United States and some others wanted that 12 nations be hold a ministerial session as early as March, 2015 to reach a broader area of agreement. Japan and the United States decided to hold bilateral working-level talks in Washington on February 2 and February 3 to discuss areas on agriculture and auto trade. Both the United States and Japan were anxious to reach a broad agreement early to give an impetus to the broader negotiations involving the 12 nations.

The third factor was when Japan and the United States on February 2, 2015 restarted working-level talks pertaining to the proposed Trans-Pacific Partnership, aiming to resolve bilateral disagreements with regard to the scope of tariff reduction on farm products and autos. When it comes to talks on agricultural trade, the two countries decided to continue their talks until February 3. What Japan wanted was to maintain the gate-price system designed to block an inflow of low-priced imported pork. Japan was desirous of holding the gate price unchanged at ¥524 per kilogram. But Japan was considering to cut the maximum special tariff in stages to around ¥50 per kilogram from the current ¥482 if it is allowed to impose higher tariffs for pork that exceeds a volume quota. One issue in this regard was the fact that Japan was prepared to scrap its 4.3 percent tariff on high-priced pork in stages, because little of it is sold in Japan and removing the tariff would purportedly have little impact on domestic pig farmers.

The two countries also decided to discuss Japan's rice import quotas, as well as under what conditions it would invoke import restrictions on beef imports. While on the agenda the United States and Japan understood that if we could see a possible increase in the nation's annual import quota of U.S. rice for human consumption to some 50,000 tons, and a gradual decrease in beef

tariffs to around 9 percent from the current 38.5 percent, Japan was looking for introducing a beef import safeguard system that would allow the country to impose emergent high tariffs if beef imports from its 11 TPP counterparts, including the United States, exceed a preset level. When it comes to auto trade, much attention is paid on the U.S. import tariff of 2.5 percent on Japanese passenger cars and the timing of the expected removal by the U.S. of tariffs on imported auto parts.

With regard to the planned removal of the U.S. tariff on vehicles, Japan and the United States agreed in April 2013 to delay such a measure for as long as possible. This is now expected to take place over a period of one to two decades—not within one year or two years. For instance, Michael Froman American, chief negotiator stated in a speech at a different conference in Washington that “the contours of a final TPP agreement (are) coming into focus.” In Tokyo on Tuesday, TPP minister Akira Amari said he would work to resolve bilateral issues with Froman so that they could move on to the next stage of negotiations.

The fourth factor was when the Japan Agriculture Cooperative (JA) made a move and started its reforms on February 12, 2015. As the reader can recall, last October, 2014, Japan's powerful farm lobby, the Japan Agriculture Cooperative (JA), still had the clout to stall Trans-Pacific Partnership (TPP) ministerial negotiations between Japan and the United States over tariffs on sensitive farm products. However, recent reforms tipped the balance of power firmly in favor of the government, accelerating JA's slow demise and paving the way for greater market liberalization and deregulation in Japanese agriculture.

While it was quick and easy to fire the first and second arrows of Abenomics - monetary easing and government spending - Prime Minister Abe has long struggled to define the third arrow of Abenomics, "structural reforms." With this concrete and tangible victory over an entrenched interest, it appears that he has finally found his footing. The government plans to abolish the Central Union of Agricultural Cooperatives (JA-Zenchu)'s authority to supervise and audit agricultural cooperatives, destroying JA-Zenchu's "source of power." JA-Zenchu was vested with the responsibility to ensure uniform standards throughout the country.

But the debate matter was this triangular or pyramid structure had led to stagnation and lack of innovation and incentive in the base. By March 2019, JA Zenchu will become a general

incorporated association, and co-ops will have the option of being audited by independent accountants. Another issue being discussed is that JA Zenchu will sooner or later lose some 8 billion yen (\$67 million) that it collects in dues from regional cooperatives and its privilege of face-to-face meetings with senior agriculture ministry officials. These reforms, though drastic by the glacial standards of Japan's agricultural lobby, can be made by a compromise. The reform plan will allow JA-Zenchu to maintain its status as representative of regional agricultural cooperatives. They are still able to retain their coordinating function. Furthermore, these reforms do not address the high-cost structure of the National Federation of Agricultural Cooperative Association (JA Zen-Noh), which ships and markets farmers' products. JA Zen-Noh is and has been criticized for selling goods, such as fertilizers, to farmers at much higher prices, which the farmers purchase because of ties with the organization -

The fifth factor was at the time when the working-level talks were conducted on April 16, 2015 by Japan and the United States, key negotiating players, more specifically between Mr. Akira Amari of Japan's Economic Minister and U.S. trade representative Mr. Michael Froman known as a hardnosed and tough negotiator reached an understanding that they had made certain progress and announced that both the United States and Japan would deal with issues by holding ministerial talks.

The United States and Japan on April 16 agreed on market-opening measures before the 12 countries involved in the U.S.-led TPP. The agreement read that it could reach a long-delayed final accord to seal the Pacific Rim trade pact, which had been led by Washington. The major conflicting points had been barriers to Japanese auto exports to the U.S. and barriers to U.S. farm exports to Japan. And on April 16, 2015 it was found that an agreement by U.S. lawmakers to propose legislation---giving President Obama an opportunity to use fast-track authority to negotiate trade agreements for overall congressional review---could help move things along and forward.

As a result, that plan allowed both the United States and Japan to resolve differences over the pace and scale of market opening—providing both sides a growing motivation for the need to wrap up matters under negotiation. As the reader can recall, when the TPP talks got underway, all Japan did was to identify five categories of agricultural products as “sensitive and sacred areas,” given its long-standing protections for politically powerful farm related interest groups. They included beef and pork, wheat and barley, sugar, rice and dairy products. Here we should not overlook

an interesting trend and eating habits of the Japanese. Recently in Japan, an aging population and changing tastes among the Japanese reveal that Japanese consumers eat less rice, and has a significant surplus of its own, protected by tariffs and other supports that cost taxpayers and consumers in Japan some ¥1 trillion (\$8.4 billion), according to a survey done by Canon Institute of Global Studies in Japan. It is true that on the one hand, price-conscious consumers are happy to purchase cheaper dairy and meat products, but on the other hand, those who live outside of major cities-- mainstay of support farmer oriented groups for Liberal Democratic Party since the 1950s want to protect the current price for rice. As time goes by, it can be conjectured that Japan would likely agree to increase its imports of American grown rice, while keeping costly price supports to protect local farmers.

The sixth factor has to do with an interesting development which had been made on April 28, 2015 when Prime Minister Shinzo Abe and U.S. President Barack Obama agreed to strengthen the two countries' alliance on a global scale under the recently revised defense cooperation guidelines. They also cited progress in talks toward a Pacific trade pact but noted hurdles remain to reaching a breakthrough---aiming at strengthening bilateral cooperation. In fact, bilateral cooperation covers a wide range of fields, including security based on new defense cooperation guidelines and the Trans-Pacific Partnership multilateral trade agreement. The joint statement reads "TPP will drive economic growth and prosperity in both countries and throughout the Asia-Pacific region." In recent TPP-related bilateral talks, the two countries have made only limited progress. Although the statement did not directly point out China for its expansion in the East and South China Seas or Russia for its annexation of Crimea, the statement reads "State actions that undermine respect for sovereignty and territorial integrity by attempting to unilaterally change the status quo by force or coercion pose challenges to the international order."

Here let us take a look at the bilateral U.S.-Japan political commitment---at the time when Prime Minister Shinzo Abe made a speech entitled "Toward an Alliance of Hope" on April 29, 2015 on Capitol Hill in Washington, D.C. Because Abe strongly convinced the audience stressing the significance of TPP, and he received applause when speaking before a joint meeting of Congress: "In this way, prosperity was fostered first by the U.S., and second by Japan. And prosperity is nothing less than the seedbed for peace"---which involves countries in Asia-Pacific whose backgrounds vary, the U.S. and Japan must take the lead. Furthermore, he placed an emphasis on the role Japan

and the United States could play by saying “we must take the lead to build a market that is fair, dynamic, sustainable, and is also free from the arbitrary intentions of any nation. In the Pacific market, we cannot overlook sweat shops or burdens on the environment. Nor can we simply allow free riders on intellectual property.” And “Japan and the United States can spread our shared values around the world and have them take root: the rule of law, democracy, and freedom. That is exactly what the TPP is all about.”

Moreover, “the TPP goes far beyond just economic benefits. It is also about our security. Long-term, its strategic value is awesome. We should never forget that. The TPP covers an area that accounts for 40 per cent of the world economy, and one third of global trade. We must turn the area into a region for lasting peace and prosperity. That is for the sake of our children and our children's children.” When it comes right down to U.S. - Japan negotiations, the goal is near. Let us bring the TPP to a successful conclusion through our joint leadership.” (Abe’s Speech to U.S. Congress in the United States on April 29, 2015).

Prime Minister started off the speech by saying on behalf of the Japanese people, thank you so very much for sending us such shining champions of democracy. Ambassador Caroline Kennedy also embodies the tradition of American democracy. Thank you so much, Ambassador Kennedy, for all the dynamic work you have done for all of us. We all miss Senator Daniel Inouye, who symbolized the honor and achievements of Japanese-Americans. Ladies and gentlemen, we agreed on a document that is historic.-- Japan's New Banner --In the early 1990s, in the Persian Gulf Japan's Self-Defense Forces swept away sea mines. For 10 years in the Indian Ocean, Japanese Self-Defense Forces supported your operation to stop the flow of terrorists and arms. Meanwhile in Cambodia, the Golan Heights, Iraq, Haiti, and South Sudan, members of our Self-Defense Forces provided humanitarian support and peace keeping operations. Their number amounts to 50,000. Based on this track record, we are resolved to take yet more responsibility for the peace and stability in the world. It is for that purpose we are determined to enact all necessary bills by this coming summer.

And we will do exactly that. We must make sure human security will be preserved in addition to national security. That's our belief, firm and solid. We must do our best so that every individual gets education, medical support, and an opportunity to rise to be self-reliant. Armed conflicts have

always made women suffer the most. In our age, we must realize the kind of world where finally women are free from human rights abuses. Our servicemen and women have made substantial accomplishments. So have our aid workers who have worked so steadily. Their combined sum has given us a new self-identity. That's why we now hold up high a new banner that is "proactive contribution to peace based on the principle of international cooperation." Let me repeat. "Proactive contribution to peace based on the principle of international cooperation" should lead Japan along its road for the future.

Problems we face include terrorism, infectious diseases, natural disasters and climate change. The time has come for the U.S.-Japan alliance to face up to and jointly tackle those challenges that are new. After all our alliance has lasted more than a quarter of the entire history of the United States. It is an alliance that is sturdy, bound in trust and friendship, deep between us. No new concept should ever be necessary for the alliance that connects us, the biggest and the second biggest democratic powers in the free world, in working together. Always, it is an alliance that cherishes our shared values of the rule of law, respect for human rights and freedom.

And that day, March 11, 2011, a big quake, a tsunami, and a nuclear accident hit the northeastern part of Japan. The darkest night fell upon Japan. But it was then we saw the U.S. armed forces rushing to Japan to the rescue at a scale never seen or heard before. Lots and lots of people from all corners of the U.S. extended the hand of assistance to the children in the disaster areas. Yes, we've got a friend in you. Together with the victims you shed tears. You gave us something, something very, very precious. That was hope, hope for the future. Ladies and gentlemen, the finest asset the U.S. has to give to the world was hope, is hope, will be, and must always be hope. Distinguished representatives of the citizens of the United States, let us call the U.S.-Japan alliance, an alliance of hope. Let the two of us, America and Japan, join our hands together and do our best to make the world a better, a much better, place to live. Alliance of hope.... Together, we can make a difference. Thank you so much.

The seventh driving force is closely linked with "New York January secret session," for, it pushed and helped TPP negotiations move forward. The secret session was held on January 26, 2015 and the 12 nations participating in TPP free trade talks secretly gathered in New York--- six-day discussions among their top negotiators. Those who participated in New York secret session made

in-depth talks on sensitive areas and sectors---which included the protection of intellectual property rights. The main focus for discussion was whether the 12 countries could make progress that also could lead to the holding of a ministerial session.

The key negotiating players, Japan and the United States, wanted to arrange a ministerial meeting for March so that both sides could reach a broad agreement. Japan's top negotiator, Koji Tsuruoka, told reporters that he could expect that major progress could be in the New York session. For Mr. Tsuruoka felt that Japan was ready to engage in active discussions with the aim of helping the 12 nations could move onto a ministerial session; and he had confidence that aside from intellectual property rights, the 12 nations could discuss five areas including the environment, state-run enterprises and investment. In intellectual properties, advanced and emerging members were at loggerheads over how long the period should be for protecting data on drug development(Jiji press, January 26, 2015). It can be interpreted that in parallel with plenary discussions like a series of bilateral talks could be held focusing on tariff cuts and elimination. One interesting aspect which had been overlooked was the fact that in addition to the New York January secret session, both Japan and the United States were slated to hold bilateral working-level TPP negotiations in Washington starting January 27, 2015—which added the momentum for on-going TPP negotiations.

The eighth factor is when a certain breakthrough was made regarding Japan's stance on rice import matter---especially at the time when senior U.S. lawmakers agreed on the wording of a bill to give Congress a yes-or-no vote on TPP, but not the power to alter a deal. On April 19, 2015 Japan took a hard line on defending its rice market in trade talks with the United States, as ministers prepared for negotiations that could pave the way for a broader trans-Pacific trade deal. Access to Japan's farm market and the U.S. car market remain obstacles to a bilateral deal, vital to the success of a long-delayed Trans-Pacific Partnership pact. The world's biggest and third-biggest economies account for about 80 percent of the economic output of the 12-member TPP. On April 19, Akira Amari, minister in charge of TPP talks, said Japan would not accept a U.S. demand to boost minimum access for its rice imports, ahead of two days of talks with his counterpart, U.S. Trade Representative Michael Froman. Staking out Japan's position, Amari told at talk show that Tokyo would not accept U.S. demands on access for American rice, while pressing Washington to further open the U.S. car-parts market---stating "Negotiations can't work if one side makes no concessions, but there are various domestic restrictions," On NHK news Amari reported that rice, in particular, is produced across Japan, so the Japan is carefully negotiating while feeling a domestic sense of crisis.

Amari also stressed that anything shocking wouldn't happen. Amari reiterated that he did not expect a deal before a bilateral summit in Washington on April 28, but hoped for progress enough to be welcomed by President Barack Obama and Prime Minister Shinzo Abe. Prospects for the bilateral deal improved on Thursday, when senior U.S. lawmakers agreed on the wording of a bill to give U.S. Congress a yes-or-no vote on TPP, but not the power to alter a deal.

The ninth factor is tied in with President Obama's statement of warning—its slogan was TPP failure will let China write its own trade rules. Surprisingly enough, President Obama said it at a White House news conference with Italian Prime Minister Matteo Renzi's presence on April 18, 2015. While the tactics taken by President Obama can be construed as a certain threat, he was trying to sway skeptics on free trade among his supporters telling if the United States was unable to come to terms on an accord being worked on with other Pacific nations, China would undoubtedly jump in to fill the void. Because Asia occupies the globe's most populous and fastest-growing markets. So that the United States is able to have access to sustain economic growth.

President Obama stated that "if we do not help to shape the rules so that our businesses and our workers can compete in those markets, then China will set up rules that advantage Chinese workers and Chinese businesses" at the White House News conference. President Obama was trying to give momentum to a bipartisan deal announced on April 16 (Thursday) for legislation that, if it was passed, it would make it easier for the administration to negotiate trade deals. He was seeking to close a deal with 11 other nations on an accord because the Trans-Pacific Partnership covers about 40 percent of global trade. U.S. Trade Representative Michael Froman who left for Tokyo after April 17 for high-level talks aimed at narrowing differences between the U.S. and Japan, Forman stressed on April 16 that the broader group of countries is also nearing completion of the Asia-Pacific pact. But Forman had an impression that although there are open issues across the agreement, everyone was in a closing mode. Froman's trip was made possible ahead of a visit by Prime Minister Shinzo Abe to Washington on April 28, 2015.

The tenth factor is when an interesting development was made—at the time when Republicans were holding majorities in the House of Representatives and Senate, and furthermore, they became more supportive of free trade deals than the Democrats. Resistance came not from Republicans, but from Obama's fellow Democrats that believe TPP deals might hurt middle-class incomes. President

Obama praised the bipartisan deal on legislation to grant him fast-track negotiating authority both by the Republican chairman of Finance Committee and the top Democrat—believing it would allow the White House send Congress to endorse trade pacts for votes without amendments that would change the terms. Supporters of fast track need bipartisanship in both houses. Republicans control the Senate 54-46, but 60 votes are needed to advance legislation. President Obama understands that labor unions and middle-income Americans are wary about free trade.

Final Remarks

The chief 12 trade representatives engaged in TPP free trade negotiations found themselves at a loss and in a predicament at the end of Hawaii conference in July 2015--- when New Zealand Prime Minister Joh Key voiced against the final TPP pact. One major issue among 12 TPP countries was how to initiate preparatory work and how to ensure an agreement for resolving remaining pending negotiation matters. But no chief representative negotiators attended TPP negotiations are for sure—particularly about the prospect for the future course of the TPP negotiations after Hawaii’s July TPP session. But time was running short.

Therefore, working to arrange the next ministerial meeting at the earliest possible date must be discussed among ministers who were in the final stage of the TPP negotiations. In looking into the issue of the import volume of tariff-free rice, Japan was proposing that for the U.S. market, it would be augmented by approximately 70,000 to 80,000 tons. What the United States requested was that the Japanese government should guarantee the import volume to secure the augmentation. With regard to the duty levied on Japanese automobiles---as of July 2015, at 2.5 percent, the two countries had made a deal setting the longest possible moratorium allowed under the TPP framework before abolition. The time span set for that is within 20 years.

Japan’s another demand was that the United States further widen the range of auto parts to which the immediate elimination of tariffs be applied. But the two nations were not able to reach a compromise on whether high-priced major parts, such as engines and gearboxes, should be included. Both Japan and the United States were aware of the fact that settling all the issues at once would be a tall order. The United States advocated the abolition of its tariffs on imports of Japanese beef over a period of around 10 years under the free trade agreement shared by 12 TPP negotiating members, and hoped to expand its low-tariff quota to 3,000 tons — a 15-fold increase—soon after the pact took effect.

Before the second day of a TPP ministerial level meeting, economic and fiscal policy minister Akira Amari indicated that the important thing was that tariffs (on Japanese beef) would be done away with or abolished in the end.

On beef issues, the United States levied a tariff of 4.4 cents per kilogram on Japanese beef. The tariff rate goes up drastically when the amount of imports exceeds 200 tons. Given the growing popularity of the Japanese beef brand—like Kobe branded beef, Japan exported 153 tons of beef (worth about ¥1.25 billion), to the United States in 2014. Japan was seeking to make Japanese branded beef a nontariff item in the future, and at the same time, hoping to expand the low-tariff import quota on beef. The key issue was whether the volume by which the quota might be increased, and tariffs be imposed on Japanese branded beef in the future or not. Currently, the United States imposes a low tariff of 4.4 cents (about ¥5.5) per kilogram on up to 200 tons of Japanese domestic beef, but imposes a tariff of 26.4 percent of the meat's value if the volume exceeds 200 tons.

During the Hawaii session, Japan requested the United States to increase its low-tariff import quota on Japanese beef, from the current 200 tons to 3,000 tons so as to increase Japanese beef exports. On rice issue, Japan was expected to import 70,000 tons of U.S. rice under a special TPP tariff-free quota, with the government guaranteeing 50,000 tons while leaving the remaining 20,000 tons to private trade, according to sources. Inasmuch as the negotiations entered a final stage, and the Japanese government was arranging to establish the special TPP quota on U.S. rice imports at 50,000 tons for the first fiscal year—increasing it to 70,000 tons in stages over the next 10 years. It also plans to allocate a volume of about one-tenth the U.S. quota to Australia. Consequently, the import volume, to be augmented through TPP negotiations, would be kept at less than 100,000 tons in total. The formula was in a way a compromise or concession because it incorporated the needs of both the United States and Japan. Under the Japanese plan, the Japanese government would be requested to fulfill 50,000 tons of the nation-guaranteed quota through private transactions at first and later cover any deficit.

It should be added here that the TPP, which is said to cover around 40 percent of global output, involves such countries as Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New

Zealand, Peru, Singapore, the United States and Vietnam. Meanwhile, Japan found itself in a position to accept an effective tariff cut for imported wheat from the United States and Australia as part of talks on the proposed Trans-Pacific Partnership during the Maui conference.

Pertaining to wheat issue—which is Japan’s five key farm product categories for which it wants to keep import tariffs. The United States and some others are pushing Japan to halve the effective wheat tariff. While Japan wanted to refuse to cut the effective tariff by 50%, some concession was inevitable in the final stages of the trade negotiations. Japan on July 28 held bilateral consultations with his U.S., New Zealand and Australian counterparts on the sidelines of the talks. One important deal has yet to be made with the United States on the five farm categories and U.S. tariffs on Japanese automobile parts.

On drugs and investments, in plenary negotiations, the 12 TPP negotiators were close to making a deal on the length of data protection granted to pharmaceutical companies that hold patents on biologic drugs. The issue had been a stumbling block until recently in the free trade deal talks. During talks, the United States, which is home to a number of major pharmaceutical companies, had requested 12 years, while Japan and several other countries appealed for eight years. Emerging economies, such as Malaysia and New Zealand, which have an interest in exploiting generic drugs, pushed for 5 years or less.

However, in recent talks, the United States acceded to the idea of less than 10 years, while Malaysia and New Zealand agreed in general to set the length to seven to eight years under the condition that a moratorium be set before implementation. New Zealand Prime Minister John Key who made a conciliatory gesture reported that the length of data protection was most likely to be extended from the number of years they have been contesting for. The negotiators were hoping for a settlement at seven to eight years.

On another front, plenary talks on the comprehensive rules for trade and investment have been making considerable progress. During the working-level chief negotiators meeting, a certain degree of progress was made in four fields including those of intellectual property and investments, which the ministers aimed to settle during their talks. But vis-a-vis investments, another area that has been a stumbling block, a new system must be introduced under which companies could demand

compensation from the governments of countries in which they had invested if they were to suffer from irrational regulation revisions or other actions. Of course, it holds true that in the trade liberalization negotiations, setting up rules for the protection of intellectual property rights looks like the stickiest issue. But how to coordinate disputes on tariff cuts and elimination for such items as dairy products remained pending. No final deals were made in TPP trade talks in Hawaii at the end of July 2015.

As Fredrik Stanton aptly points out that negotiating, always at the heart of diplomacy, remains one of the indispensable tools of statecraft. Thus, we understand what has works in the past and which mistakes to avoid, the less often states may find the need to resort to violence to settle differences.

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