



Morning Alert - Wednesday, February 1, 2017

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HEADLINES

Morning news

Most networks gave top play to reports that President Trump criticized Japan's exchange policy during a meeting with pharmaceutical company executives on Tuesday. The President's remarks reportedly prompted the yen to rise to a two-month high of 112.08 against the U.S. dollar. Fuji TV led with a report that a video showing a male high school student being kicked repeatedly by another student in a park in Okinawa went viral after it was posted on the Internet.

Top stories in national dailies included the growing criticism within the USG and from American companies against the travel ban issued by President Trump (Asahi, Yomiuri); the National Police Agency's instructions not to record secret investigations using GPS (Mainichi); signs of improvement in earnings of listed Japanese companies last quarter (Nikkei); and the planned start next week of preparations for bank protection work at Henoko (Sankei).

INTERNATIONAL

Abe to confirm U.S. commitment to defense of Japan in meeting with President Trump

Asahi and several other papers reported on remarks made by Prime Minister Abe during an Upper House Budgetary Committee meeting on Tuesday, during which he expressed his intention to confirm the U.S.'s commitment to the defense of Japan under Article 5 of the U.S.-Japan Security Treaty in his meeting with President Trump on Feb. 10. In response to a question from a Komeito lawmaker, Abe stated that Article 5 of the bilateral security treaty is very important and that there has been no change in the basic premise of the treaty that the U.S. military will come to the defense of

Japan in contingencies to deal with a common danger. The premier added that U.S. leadership and the U.S. presence are especially necessary in the Asia-Pacific region. Asahi speculated that the premier is hoping to confirm with the President that the treaty covers the Senkaku Islands in view of China's escalating maritime advancement.

Abe to present comprehensive economic policy package to President Trump

Mainichi front-paged a report saying that Prime Minister Abe is considering presenting a comprehensive economic policy package on increased investment and job creation in the U.S. during his meeting with President Trump on Feb. 10. The premier is hoping to deflect the President's criticism of Japan by emphasizing its specific contributions to the U.S. economy, including investment in high-speed railway projects in California and Texas and the purchase of shale gas. Yomiuri ran a similar report.

Abe mum on U.S. immigration policy out of deference to President Trump

Asahi wrote Prime Minister Abe did not make any specific comment on President Trump's executive order on immigration during a Diet session on Tuesday by saying that he would refrain from commenting on the immigration policy of the U.S. because it is an internal affair. The paper speculated that the premier has been keeping mum on the issue out of deference to the President ahead of their meeting on Feb. 10. The paper pointed out that Abe's attitude marks a sharp contrast with European leaders such as German Chancellor Merkel, who openly criticized President Trump over his immigration policy. Yomiuri ran a report claiming that it is difficult for Japan to criticize the U.S. immigration policy because Japan accepts only a small number of refugees.

President Trump accuses Japan, China of currency devaluation

Most papers wrote that during a meeting with pharmaceutical company executives on Tuesday, President Trump accused Japan and China of devaluing their currencies by saying: "You look at what China's doing, you look at what Japan has done over the years. They play the money market, they play the devaluation market." The remarks prompted the yen to jump to about a two-month high of 112.08 to the U.S. dollar. Saying that it is quite unusual for a U.S. president to directly criticize the monetary policies of other nations, Asahi speculated that the currency issue may be raised in discussions at the U.S.-Japan summit on Feb. 10.

ECONOMY

Keidanren chief expresses concern over protectionist moves by Trump administration

Mainichi wrote that Keidanren Chairman Sakakibara expressed concern over protectionist moves by the Trump administration during a regular press briefing on Tuesday. The business leader said the U.S.'s withdrawal from the TPP will not benefit America and expressed hope that the Trump

administration will gain a proper understanding of Japanese companies' contributions to the U.S. economy.

Japan receives notification from USTR of withdrawal from TPP

Tuesday evening's Yomiuri wrote that Chief Cabinet Secretary Suga stated at a news conference on Tuesday that Japan received notification from the USTR on Monday of the U.S.'s withdrawal from the TPP. Suga commented that Japan will continue to seek the U.S.'s understanding for the strategic and economic significance of the TPP because there has been no change in the fact that the U.S. is a TPP signatory.

SECURITY

Japan preparing detailed explanation on Japan's spending for hosting U.S. troops

Yomiuri wrote that ahead of the meeting between the U.S. and Japanese defense chiefs on Feb 4 and the summit meeting on Feb. 10, the GOJ is preparing a detailed explanation on Japan's robust spending for hosting U.S. forces. The paper wrote that although the U.S. has indicated its intention not to seek additional spending during the defense chiefs' meeting, the GOJ is becoming increasingly concerned about the future moves of the Trump administration.

Possible increase in Japan's defense spending being discussed

Mainichi wrote that there have been growing discussions on a possible increase in Japan's defense spending following the launch of the Trump administration. The paper speculated that although Japan has maintained a policy of keeping its annual defense budget at less than 1% of its GDP, the ruling LDP may call on the GOJ to increase it if the Trump administration asks Japan to play a greater security role. The paper conjectured that the Ministry of Defense may engage in a tug-of-war with the Finance Ministry in budget request discussions ahead of the development of the 2018 Mid-Term Defense Program. The paper added, however, that increased defense spending could provoke criticism from the opposition parties and the Japanese public because the Abe administration has set a goal of achieving a primary budget surplus in fiscal 2020.