



Morning Alert - Friday, February 3, 2017

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HEADLINES

Morning news

NHK and TV Asahi gave top play to reports that Secretary of Defense Mattis will visit Japan today to meet with Prime Minister Abe this evening and Defense Minister Inada on Saturday. Noting that the visit was arranged in accordance with a strong request from Secretary Mattis, NHK speculated that it is aimed at dispelling concerns over President Trump's comments during the election campaign on requiring U.S. allies to pay more for the stationing of U.S. troops. Fuji TV led with a report on a speech given by President Trump in Washington on Thursday, during which he defended his executive order on immigration by saying that it is aimed at protecting America from terrorists and pledged to eradicate terrorism. TBS reported on the President's Mar-a-Lago estate in Palm Beach, Florida, where he and Abe are expected to play golf together. NTV led with a report on windy conditions in the Kanto region on Thursday.

Major front-page stories in national dailies included a GOJ package on the economic contributions to the U.S. that Prime Minister Abe plans to propose during his meeting with President Trump next week, Secretary of Defense Mattis' visit to South Korea on Thursday, GE's plan to build a thermal power generation plant in Japan in cooperation with a local engineering firm, and a TEPCO announcement regarding extremely high radiation levels recorded inside the containment vessel of Reactor No. 2 at the Fukushima Daiichi Nuclear Power Plant.

SECURITY

Secretary Mattis to visit Japan today

All papers gave front- or inside-page coverage to Secretary of Defense Mattis' visit to Japan today, projecting that during his meeting with Prime Minister Abe tonight, he is likely to confirm the U.S. defense commitment to Japan by reconfirming extended deterrence. The premier is keen to obtain from Secretary Mattis the Trump administration's assurance that the Senkaku Islands fall under the scope of the U.S.-Japan Security Treaty since some Japanese are concerned that President Trump may not be proactive in extending security support for the defense of the outcrops in the event of China's aggression. Noting that the Secretary's courtesy call on Abe is scheduled to be about 50 minutes long, Asahi said the "unusually long" meeting signals that Tokyo is ready to roll out the red carpet for him. Nikkei said that according to former Deputy Secretary of State Armitage, Secretary Mattis will play a key role in the Trump administration's Asia policy because Secretary of State Tillerson has little diplomatic expertise.

Sankei asserted that the Abe administration turned down an initial offer from the U.S. for Secretary Mattis to visit Japan ahead of South Korea on account of the Diet schedule for Abe and Defense Minister Inada. The GOJ reportedly explained that the opposition would react strongly and make the swift passage of the FY2017 budget legislation difficult if Abe and Inada were to leave in the middle of Lower House Budget Committee sessions for meetings with the U.S. defense chief.

In a related story, Asahi reported on the Secretary's visit to South Korea yesterday, expressing qualms that the U.S. military may choose to relocate some of the functions currently borne by the USFK to the USFJ given that Seoul has been rather unresponsive to U.S. moves to mobilize its Korea-based troops and hardware for operations in other theaters. The daily speculated that as a result, the SDF, which has been viewed as a logistical supporter of the U.S. and South Korean militaries in the event of a Korean Peninsula contingency, may become a "frontline" military.

New surveillance planes deployed at Iwakuni

Asahi reported on yesterday's arrival of five USN E-2D airplanes at MCAS Iwakuni, noting that a fleet of tactical airborne early warning aircraft was relocated from NAF Atsugi to deal with China's rapid military buildup. Explaining that the Navy is currently building an advanced air-defense system called Naval Integrated Fire Control-Counter Air (NIFC-CA) and that E-2D is a key component of the updated defense architecture, the article said Japan is considering procuring the same model for the SDF.

Japan to update search-and-rescue airplane

Sankei front-paged an MOD plan to develop a successor to the MSDF US-2 amphibious aircraft designed for air-sea rescue operations so that it can be exported to ASEAN countries and India at low prices. By doing so, Japan hopes to strengthen defense cooperation with these nations to deal with China's maritime advancement.

INTERNATIONAL

Abe to propose Japanese contributions to U.S. economy in summit with President Trump

Thursday evening's Yomiuri led with a draft package of economic cooperation programs that Prime Minister Abe is expected to present when he holds a summit with President Trump on Feb. 10, claiming that under the "U.S.-Japan growth and employment initiative," Japan will be committed to assisting the U.S. in producing an infrastructure market worth \$450 billion by offering \$150 billion in financial contributions as well as engineering and technical support for three high-speed rail projects in Texas, California, and the East Coast. Abe will reportedly convey that some 700,000 jobs will be created through this Japanese contribution. The premier is also set to propose the joint development of commercial planes, AI, and robots; imports of U.S. shale gas; and joint marketing of nuclear generation technology for overseas customers, as well as greater collaboration in the field of cybersecurity, with the goal of reminding the new U.S. leader of the huge economic benefits to be gained through greater economic cooperation.

In a follow-up report, today's Yomiuri front-paged Japan's idea of launching a ministerial-level dialogue forum on a range of economic issues, such as macroeconomic policy coordination, sector-by-sector cooperation, and trade and investment rules. The framework would be co-chaired by Vice President Pence and Deputy Prime Minister Aso, and attended by Secretary of State Tillerson, Foreign Minister Kishida, and other relevant cabinet ministers. With these proposals, the Abe administration is hoping to enhance relations with the Trump administration.

In a separate piece, the daily said the GOJ is desperate to maintain the U.S. commitment to Asia, which appears to be waning, as evidenced by President Trump's decision to withdraw from the TPP, so as to counter China's military and economic rise. Claiming that the planned package does not address auto trade issues, which are of great interest for the U.S. leader, the daily said the prime minister will hold talks with Toyota President Toyoda today to discuss what Japan can do to respond to President Trump's repeated criticism of the auto trade imbalance.

Other papers ran similar stories this morning, with Asahi taking issue with the administration's plan to tap Japanese pension funds for U.S. infrastructure projects, quoting a source close to the prime minister as saying: "Japan could be regarded as a vassal [of the U.S.]" Sankei said the package is being prepared to defend the Japanese auto industry from President Trump's criticism, adding that some GOJ officials are worried that the U.S. leader may not ease his hard line toward Tokyo on the trade front even after being informed of the contribution package.

Abe dismisses idea of including currency stipulations in trade deals with America

Several Thursday evening papers took up remarks made at the Diet earlier in the day by Prime Minister Abe, who reiterated his opposition to a suggestion put forward by President Trump to make "strong controls over monetary manipulation and devaluation" part of bilateral trade talks with Japan

and other partners. Abe stressed that such currency provisions are “not appropriate.” He went on to say: “Currency issues are not something that state leaders should engage in heated arguments over,” adding that the easy monetary policy practiced by the Bank of Japan should not be construed as currency devaluation.

Abe to ride on Air Force One

Most papers reported that arrangements are being made for Prime Minister Abe to ride on Air Force One together with President Trump when they travel from Washington D.C. to Palm Beach, Florida, on Feb. 10 for a second meeting the next day in order to showcase the close bonds between the two leaders.

Two JAL passengers decide not to board flights to U.S. due to travel restrictions

Sankei reported on the disclosure by JAL that two foreign passengers chose not to use flights bound for the U.S. on account of the U.S. executive order on immigration. On Jan. 30, one JAL passenger at an undisclosed foreign airport gave up on travelling to the U.S. via Japan, while another one decided not to board a U.S.-bound flight from an undisclosed Japanese airport. The air service operator did not reveal the nationalities and other details of the two customers.

ECONOMY

Toyota CEO calls his firm “American manufacturer”

Mainichi and Sankei took up press remarks made yesterday by Toyota President Toyoda, who commented on President Trump’s criticism of unfair auto trade between the U.S. and Japan by saying: “Toyota vehicles are assembled by American workers at American factories. We are one of the U.S. car manufacturers.” On the U.S. leader’s plan to renegotiate NAFTA, the businessman said: “We’ve been making efforts under the trade framework. If the trade rules are changed, we will make extra efforts to comply with the new rules.”

