



Morning Alert - Thursday, March 2, 2017

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HEADLINES

Morning news

NHK led with a report that the Dow Jones Industrial Average broke the 21,000-point mark on Wednesday following President Trump's speech to Congress. TBS and TV Asahi led with reports that LDP lawmaker Konoike told reporters that the head of Moritomo Gakuen apparently attempted to bribe him in 2014 to obtain a discount on state-owned land. NTV and Fuji TV gave top play to reports that singer Monsieur Kamayatsu passed away yesterday at the age of 78.

All national papers gave front-page play to President Trump's first speech to Congress on Tuesday. Several dailies also gave prominent coverage to the finding that LDP lawmaker Konoike was asked by Moritomo Gakuen to exercise his political influence.

INTERNATIONAL

Vice President to visit Japan in April

Yomiuri claimed in a front-page article that Vice President Pence is likely to visit Japan in mid-April to hold "economic dialogue" with Deputy Prime Minister Aso. The Vice President, who is likely to arrive in Tokyo on either April 17 or 18 and stay through April 20, may possibly visit Kyoto as well. As for the economic dialogue, the GOJ is hoping to focus on infrastructure investment in the U.S. based on the judgment that Japan's financial and technical cooperation on such proposed projects as high-speed rail systems in California and Texas may benefit both countries. The article added, however, that Japan may be put in a difficult position if the Vice President chooses to place greater emphasis on discussions on a bilateral trade framework, including the auto trade imbalance.

In a separate piece, the daily said given that the Trump administration is very interested in infrastructure investment as evidenced by President Trump's speech at Congress on Tuesday, the Abe administration is anxious to concentrate on this aspect of the planned economic dialogue so as to prevent the Vice President from bringing up a bilateral trade agreement. As the President did not specify in Tuesday's address what concrete steps he plans to take in pursuing a "protectionist" approach, the GOJ is reportedly hoping to learn more about the USG's trade policy when Aso holds talks with Treasury Secretary Mnuchin in mid-March.

Trade minister to visit Washington for talks with commerce chief

Yomiuri wrote that arrangements are being made for Trade Minister Seko to visit the U.S. capital in early March for talks with Commerce Secretary Ross, projecting that they will probably discuss such issues as bilateral and regional trade frameworks.

Sankei took up press remarks made on Tuesday by Secretary Ross after the President's speech, in which the commerce chief voiced hope for Japanese funding when implementing the President's \$1 trillion infrastructure investment initiative. The Secretary mentioned the huge amount of funds owned by Japanese financial institutions and said: "Japan is a wonderful provider of capital." Secretary Ross also suggested the U.S. would like to use Japanese pension money for infrastructure investment in America by saying: "The pension funds maintained by the Japanese government are enormous. The Japanese government plans to diversify its portfolio." The Secretary disclosed that in his meeting with President Trump in February, Prime Minister Abe hinted at Japan's readiness to offer financial assistance for the President's infrastructure investment plan.

President Trump eases confrontational line in outlining policy agenda

All papers reportedly heavily on President Trump's speech on Tuesday before a joint session of Congress, highlighting that in his first address before the legislature, the U.S. leader chose not to use combative language and instead took a conciliatory approach toward his political enemies. They speculated that the President called for reconciliation with the Democrats and some Republicans who have been critical of the White House since many of his policy agenda items require congressional funding. As the President only offered an "outline" of his agenda and failed to present details, the Japanese media stressed that it remains unclear whether he will be able to elicit congressional support in moving forward with his policies especially from the Democrats. Mainichi conjectured that the President's unexpected "turnaround" perhaps reflects the administration's frustration that his key initiatives have run into difficulties, wondering if his moderate line will last long because the U.S. leader tends to be "unpredictable."

Japan welcomes President's speech calling for strong America

Mainichi reported on Japanese reactions to President Trump's address before Congress on Tuesday, quoting Chief Cabinet Secretary Suga as saying: "Further enhancement of the alliance with a strong America will contribute to the peace and prosperity of not only the two nations but also the region

especially at a time when global uncertainties are likely.” Speaking about the President’s call for U.S. allies to spend more on defense, the government spokesman said: “Japan’s policy of taking the necessary steps for peace and prosperity in close coordination with the U.S. remains unchanged.” The daily added that GOJ officials were pleased that the U.S. leader toned down his confrontational rhetoric and underscored his readiness to engage with the international community.

The daily said in a separate piece that Abe administration officials in charge of economic and trade issues heaved a sigh of relief as the President did not mention Japan’s trade and monetary policies in his speech. However, some of them cautioned against becoming optimistic that the Trump administration will not take a hard line toward Japan on the trade front.

Nikkei ran a similar story, adding that the Trump administration’s plan to make massive investments in infrastructure will present Japanese firms with golden opportunities to expand their business in America. The paper projected that Japanese railway and energy plant companies may be able to cash in on the potentially huge demand to be created in America.

President Trump critical of Japan’s food safety standards?

Asahi highlighted a telephone conversation that allegedly took place on Dec. 13 last year between then President-elect Trump and Commerce Secretary-designate Ross, during which they exchanged views on food safety criteria in Japan. According to the audio of the alleged talks released by U.S. net media outlet Gizmodo, a person believed to be the President-elect said: “If you look at Japan, what they do with food – they say it’s not clean enough, and you have to send it back.” In reply, Ross reportedly advised Trump “not to say it’s punitive, but in the interest of American safety” when strengthening quarantine measures on Japanese food imports. The daily said if the audio proves to be genuine, the Trump administration may take issue with Japan’s food safety policies in the planned bilateral economic dialogue.

Yachi holds talks with White House counterpart

Mainichi reported from Washington that Secretary General Yachi of the National Security Secretariat held talks with National Security Advisor McMaster on Tuesday, during which they exchanged views on the regional situation. The two officials confirmed enhancing bilateral security coordination to deal with North Korea’s nuclear and missile development and China’s militarization of the South China Sea. According to the daily, Secretary of State Tillerson participated in a portion of Yachi’s separate meeting with Acting Deputy Secretary of State Shannon.

POLITICS

Suga criticizes Onaga over suspension of runway work at Naha Airport

Asahi and Mainichi took up press remarks yesterday by Chief Cabinet Secretary Suga, who criticized Okinawa Governor Onaga for not renewing a permit for rock reef destruction, which the

central government spokesman claimed has resulted in the suspension of construction work for a new runway at Naha Airport. Noting that people in Okinawa have been strongly calling for a new runway for many years, Suga said the governor's failure to act runs counter to the wishes of the local residents. The existing permit was issued by Onaga's predecessor.

