



Morning Alert - Wednesday, June 28, 2017

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HEADLINES

Morning News

NHK gave top play to a report on the ongoing EPA talks between Japan and the EU, saying that while there has been some progress in the railway sector, talks in the agricultural sector are stalled. TBS and TV Asahi led with reports on remarks by Defense Minister Inada on Tuesday during a campaign speech for the Tokyo Metropolitan Assembly race, in which as the head of the SDF she asked those present to support an LDP candidate. NTV reported that papers were filed with prosecutors against employees of a supermarket that sold water claiming it cures cancer. Fuji TV continued to report on shogi player Sota Fujii who set a new record by achieving 29 consecutive victories.

Major front-page items in national papers included Defense Inada's controversial remarks on the SDF and the Tokyo Metropolitan Assembly race, a record fine of \$2.7 billion imposed on Google by the EU for antitrust violations, brisk sales by Internet shopping site operators such as Amazon Japan, and the conclusion of the police investigation into a fatal traffic accident involving a tour bus in Nagano last year that claimed the lives of 15 college students.

POLITICS

Inada retracts remarks on SDF and election campaign

All papers gave front- or inside-page coverage to a controversy caused by remarks made last night by Defense Minister Inada, who called for support for an LDP contestant running in the Tokyo Metropolitan Assembly election. In a stump speech she said: "I would like to ask for your support as [a representative of] the Defense Ministry, the SDF, and the LDP." The opposition bloc reacted

strongly to the statement, which it considered to be inappropriate since it gave the impression that the SDF as an institution supports the candidate in question. The SDF Law prohibits “political activities” by SDF personnel. The cabinet minister withdrew the remark later by saying: “It was perhaps misleading. A government institution, whether it is the Defense Ministry or the SDF, must be politically impartial. It is a fact that these institutions do not support specific candidates.” However, opposition parties are demanding her resignation, with Democratic Party President Renho saying in a released statement: “Political use of the SDF cannot be overlooked. Minister Inada must step down immediately.”

In a related story, Yomiuri wrote that LDP officials are apprehensive that the party may suffer a crushing defeat in the Tokyo assembly race because of mounting public criticism of the Abe administration for its poor handling of the Kake Gakuen scandal, the controversial enactment of the “anti-conspiracy” law, and a female LDP Diet member’s harassment of her secretary. The paper projected that Inada’s gaffe may provide another source of trouble for LDP candidates seeking seats in the Tokyo legislature.

With regard to the Kake Gakuen scandal, Yomiuri and Nikkei reported that a remark made by Prime Minister Abe on the subject over the weekend has triggered controversy as it may have implied a turnaround in the administration’s policy on veterinary schools. The prime minister said in a speech in Kobe that his administration will allow new veterinary schools to be launched “one after another” apparently in a bid to deflect public suspicion that he favored Kake Gakuen, which is run by a friend of his, over another institution in opening a veterinary school in Ehime. The dailies said the central government’s policy on veterinary schools has been that new schools can be launched only in areas where there are no such facilities.

INTERNATIONAL

U.S., Japan arranging “2+2” meeting on July 14

NHK reported this morning that the GOJ is making final arrangements with the U.S. to hold a “2+2” meeting of foreign and defense ministers in Washington on July 14. This will be the first such meeting under the Trump administration. The network said the ministers are likely to discuss the role and mission of the SDF for a stronger bilateral alliance to respond to the severe security situation in the Asia-Pacific region. They are also likely to confirm close trilateral cooperation by Japan, the U.S., and South Korea against North Korea and exchange views on China following the first Diplomatic and Security Dialogue held between the U.S. and China. The network said the two governments are expected to release a joint statement after the meeting.

U.S. human trafficking report takes up “JK business”

Mainichi printed a Jiji piece from Washington on the State Department's release on Tuesday of the 2017 Trafficking in Persons report, noting that it once again highlighted the "JK business," or "compensated dating" involving junior high and high school students. The DOS report also took issue with a widespread practice within Japan's modeling industry of coercing young women to appear in pornographic videos. The USG document said: "The Government of Japan does not fully comply with the minimum standards for the elimination of trafficking."

Japanese scholar refused entry into U.S.

In a prominent inside-page article related to the U.S. Supreme Court's decision allowing the partial enforcement of President Trump's executive order restricting immigration from seven predominantly Muslim nations, Sankei said a Japanese researcher's request through ESTA to visit the U.S. to attend a UN meeting in New York has been rejected because he has traveled to Syria in the past. U.S. immigration authorities reportedly turned down the ESTA request filed by Professor Kazuhiro Yoshida of Hiroshima University, who was invited by the UN General Assembly chairman to a UN sponsored meeting on education that starts today, by citing his two-week stay in Syria for research purposes in May 2011. Noting that the academic has previously been admitted to the U.S. on similar scholarly programs, the daily wrote that this episode indicates that U.S. Customs and Border Control has begun enforcing its visa screening process more tightly in response to the Trump administration's strict policy on visa vetting.

GOJ fact-finding mission visits Northern Territories

All papers reported that a group of almost 70 Japanese government officials and businesspersons led by Special Advisor to the Prime Minister Hasegawa arrived in the Northern Territories on Tuesday to conduct a fact-finding survey for the implementation of "joint economic activities" on the contested islands. The delegation, which will stay there through Saturday, will be split into three groups to examine business feasibility in such areas as fisheries, energy, tourism, and medicine by visiting a local hospital, a power generation plant, a fisheries processing factory, and other facilities on three of the four disputed isles.

The dailies projected that identifying potential business projects may be difficult as the Russians are increasingly concerned that their sovereignty over the Northern Territories may be undermined through the implementation of joint economic programs. Yomiuri said even after concrete economic projects are identified, the two governments will still have to complete the daunting task of working out the details of a "special system" that does not compromise each nation's legal position on the disputed islets.

Former Premier Mori to meet with Putin

Yomiuri wrote that arrangements are being made for former Prime Minister Mori to visit the central Russian city of Yekaterinburg from July 8 to 10 to meet with Russian President Putin. Since Mori has close personal ties with the Russian leader, the Japanese statesman is hoping to discern Putin's

views on the Northern Territories dispute following his meeting with Prime Minister Abe on the margins of the G20 summit to be held in Hamburg on July 7-8.

ECONOMY

Cabinet ministers to negotiate tariffs on autos, cheese in Japan-EU free trade talks

Nikkei and Mainichi reported that in order to achieve a breakthrough in ongoing EPA talks between Japan and the EU, European Commissioner for Trade Malmström and Commissioner for Agriculture Hogan will visit Japan tonight for talks with Foreign Minister Kishida and Agriculture Minister Yamamoto. The primary focus of the planned negotiations will be on the scope and speed of import tariff reductions on Japanese cars and European cheese. Japan's existing restrictions on government procurement, such as international bidding for projects sponsored by local authorities, are another sticking point. The dailies said these outstanding issues need to be resolved to achieve the goal of reaching a rough consensus on a bilateral EPA when Prime Minister Abe holds a summit with EU leaders in Brussels on July 7.

Toshiba unlikely to seal contract with U.S.-Japan-ROK consortium soon

Most papers reported that Toshiba's goal of concluding by today a formal contract for the sale of its semiconductor division with a consortium made up of the Innovation Network Corporation of Japan (INCJ), U.S. equity fund Bain Capital, and South Korea's SK Hynix appears to be elusive. Western Digital renewed its bid to acquire Toshiba Memory by forging a new partnership on Tuesday with U.S. equity fund KKR, which had been cooperating with the INCJ. Yomiuri said some Toshiba executives are concerned about SK Hynix's membership in the consortium given that Toshiba's classified research data was stolen by the Korean firm in the past. Mainichi wrote that some consortium partners are hesitant to seal an official deal with Toshiba until the electronics giant settles the dispute with Western Digital.

SECURITY

Container ship captain says his vessel warned Fitzgerald before impact

Sankei reported on the disclosure by a source connected to the ongoing Japan Coast Guard investigation into the collision between the USS Fitzgerald and a container ship that the skipper of the latter told investigators that two of his crew spotted the U.S. warship on their vessel's portside before the impact and flashed lights in warning. The captain reportedly stated that the Fitzgerald appeared to be dead in the water and then to get underway, so he had his ship veer to starboard in an attempt to avoid a collision.



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