


JAPAN MEDIA HIGHLIGHTS

Morning Alert - Friday, July 21, 2017

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HEADLINES

Morning news

NHK gave top play to a report that Democratic Party President Renho is making final arrangements to dismiss Secretary General Noda. NTV led with a report that 30 sharks were spotted in waters off beaches in Ibaraki Prefecture on Wednesday. TBS, Fuji TV, and TV Asahi reported on Defense Minister Inada's possible involvement in the concealment of the existence of daily activity logs of the GSDF in South Sudan.

Major front-page items in national papers included the Bank of Japan's decision to postpone for the sixth time its goal of achieving 2% inflation until about FY2018 and updates on the MOD scandal concerning the concealment of daily activity logs.

POLITICS

Foreign Minister Kishida to remain in his post after cabinet reshuffle

Asahi front-paged the disclosure by several GOJ sources that Prime Minister Abe intends to keep Foreign Minister Kishida in his post when he reshuffles the cabinet on Aug. 3 based on the belief that if Kishida were allowed to leave the cabinet, he might garner strong support from LDP lawmakers as a viable alternative to the premier. Abe asked the foreign minister to stay on at a dinner last night. The article claimed although Kishida had wanted to leave the cabinet to start preparing for the LDP race in the fall of 2018, he chose to heed the premier's request to stay on so that Abe will not steer clear of tapping Kishida faction members as cabinet ministers.

Release of investigative report on SDF log cover-up to be put off

All papers reported on press remarks on Thursday by Chief Cabinet Secretary Suga, who projected that Defense Minister Inada will be questioned by an independent inspection team about her

possible involvement in the concealment of the daily activity logs kept by the GSDF unit in South Sudan. As a result, the release of the final report on the findings will probably be postponed from today until next Friday. Although the defense minister is technically not within the scope of the probe that she commissioned, the administration has decided that she should also be interviewed by the inspectors following recent media reports alleging her endorsement of a decision made by the vice defense minister and others not to reveal the existence of the electronic data of the logs that the ministry initially said had been destroyed.

In a related piece, Yomiuri wrote that MOD civilian officials suspect that uniformed GSDF officials leaked information that would be harmful to Inada out of frustration that the inspectors are apparently inclined to put most of the blame on the GSDF for the concealment scandal. Senior GSDF officials are also alarmed by the growing possibility that due to the scandal, someone from the GSDF may not be tapped as the next chairman of the Joint Staff Council even though the top SDF post is alternately appointed to representatives of the three services. The daily added that the apparent “revolt” by the GSDF raises doubts about “civilian control” of the military. Mainichi ran a similar story, quoting an unnamed GSDF official as saying: “The inspectors were about to write something that is not true. There is no question that the GSDF has reacted strongly. The public has to be given accurate information.”

Sankei chastised Inada for throwing the ministry into confusion, noting that she has often surprised MOD and SDF officials by wearing “unusual” attire during official overseas trips. These officials were also disappointed by the minister’s “erratic” remarks at the Diet. On her part, the minister has complained that uniformed officials have not heeded her instructions.

Abe administration in deep trouble

Asahi and Nikkei wrote that the Abe administration is being pushed into a tight corner over the scandals involving the MOD and Kake Gakuen. The paper noted that the latest allegations, including Regional Revitalization Minister Yamamoto’s notification last November to the Japan Veterinary Medical Association on the selection of Kake Gakuen as the operator of a new veterinary school in Shikoku, are bound to hurt the administration further by compounding the public distrust of the Abe cabinet. Asahi asserted that the administration’s “high-handed” political management has finally backfired, quoting an unnamed senior Kantei official as saying: “The prime minister and other key administration officials have forgotten to be humble. We are witnessing a backlash against the power monopoly enjoyed by the administration over the past 54 months.”

DP President Renho to replace No. 2 party official

Asahi speculated that Democratic Party President Renho may have no choice but to dismiss Secretary General Noda in response to growing calls among party parliamentarians for a major shakeup in the largest opposition party’s leadership following its dismal performance in the July 2

Tokyo Metropolitan Assembly election. When Noda was tapped by Renho as the party's No. 2 official last September, many DP lawmakers were against the appointment.

INTERNATIONAL

Groups propose erecting memorials to forced labor victims in front of consulates in ROK

Asahi and Mainichi reported from Seoul that the GOJ has asked the ROK government to nip in the bud an idea presented by a South Korean civic organization to erect in front of the Japanese Consulate General on Jeju Island a statue in memory of the Korean victims of forced labor by Japanese companies during WWII. A separate NGO has been pursuing similar projects in front of the Japanese Embassy in Seoul and the Consulate General in Busan.

U.S. informed China of plan to penalize Chinese firms

Asahi claimed in a story from Washington that during the U.S.-China economic dialogue held in the U.S. capital on Tuesday, the U.S. side conveyed its plan to impose financial sanctions on more than a dozen Chinese companies and individuals in connection with their trade with North Korea. A major Chinese company that imports DPRK coal and a labor dispatching agency will be among the entities to be penalized by the end of this month. While the sanctions will be adopted as part of the Trump administration's efforts to tighten the noose around the Kim regime to rein in its nuclear and missile programs, the Chinese are expected to react sharply.

Meanwhile, all papers reported on the absence of concrete accomplishments in the Sino-U.S. dialogue, noting that the "political honeymoon" between the two superpowers is apparently coming to an end. They projected that bilateral economic friction may be rekindled, as the Trump administration may be tempted to adopt sanctions on Chinese steel imports.

Japan, India nuclear cooperation pact takes effect

Most papers reported on the effectuation on Thursday of the Japan-India civil nuclear cooperation agreement, noting that as a result, Japanese atomic power generation expertise will be exported to India, a non-NPT signatory that is anxious to address its electricity shortage caused by a population surge. Yomiuri conjectured that Japan agreed to conclude the pact in response to a strong request from New Delhi with the goal of enlisting Indian support for curbing China's growing political and economic presence in South Asia.

SECURITY

"Sympathy budget" funded construction of "mysterious" factory on U.S. base

Asahi reported on an alleged USG document that was illegally disclosed by Edward Snowden, noting that some \$6.6 million in Japanese taxpayer money was spent for constructing at Yokota AB in 2004 a plant for the manufacture of antennas used in electronic intelligence collection in Iraq, South Korea, and Central America. The daily delved into the allegation that was reported in late April

by the U.S. Internet news site “The Intercept,” speculating that the factory’s construction may have been funded from the “sympathy budget,” part of which is allocated for “facilities improvement projects.” The article wrote although the GOJ tries to examine the need for Japanese financial support for each proposed project, it sometimes is not able to turn down U.S. requests for financing certain items.

ECONOMY

Japan logs trade surplus with U.S.

Mainichi and Tokyo Shimbun reported on trade data that was released by the Ministry of Finance yesterday, noting that Japan’s trade surplus with the U.S. in the first half of this year was about 3.2 trillion yen, down 5.4% from the previous year. Noting that Japan has consistently logged a trade surplus with the U.S. of over 3 trillion yen on a six-month basis for the past several years, the papers projected that the Trump administration is bound to step up the pressure on Tokyo to correct the trade imbalance swiftly.

