



Morning Alert - Tuesday, August 1, 2017

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## HEADLINES

### Morning news

NHK gave top play to a report that Prime Minister Abe is making arrangements to appoint LDP Policy Research Council Chairman Motegi and Deputy Chairman Onodera to important cabinet posts when he reshuffles his cabinet and the LDP leadership on Aug. 3. The network said the premier is planning to retain Finance Minister/Vice Prime Minister Aso, Chief Cabinet Secretary Suga, LDP Secretary General Nikai, and LDP Vice President Komura. All commercial networks led with reports that Former Moritomo Gakuen President Yasunori Kagoike and his wife were arrested on Monday on charges of fraudulently receiving public subsidies for the company's school businesses.

Main front-page items in national dailies included the arrest of the Kagoikes, PM Abe's planned cabinet reshuffle, and a set of guidelines drafted by a GOJ panel regarding the launch of integrated resorts featuring casinos.

## INTERNATIONAL

### U.S. poised to apply greater pressure on China

All papers highlighted yesterday's teleconference on North Korea between Prime Minister Abe and President Trump, noting that it lasted more than 50 minutes, the longest phone conversation the two leaders have ever had. The papers speculated that the two leaders probably discussed enhanced punitive measures against the DPRK, including secondary sanctions on Chinese firms. Yomiuri and Nikkei said Trump asked Abe a number of questions about the history of North Korea's nuclear and missile development, adding that the U.S. leader made derogatory comments about Kim Jong Un. Sankei claimed that during the conversation, President Trump apparently expressed strong confidence in Abe's views on the DPRK, reflecting his disappointment with China's handling of the

situation. Asserting that U.S.-Japan political honeymoon has recently been somewhat overshadowed by the rapprochement between President Trump and Chinese President Xi, the daily expressed hope that the U.S. leader will now attach more importance to Tokyo than to Beijing. The paper cautioned, however, that unless the GOJ makes more proactive moves on the security front, the Trump administration may become critical of Japan again. Nikkei said that in order to demonstrate the U.S. defense commitment to Japan, the U.S. military and the SDF plan to carry out joint training involving PAC-3 anti-missile batteries at Yokota AB in late August.

The dailies also took up a statement on the latest DPRK missile launch released by U.S. Ambassador to the UN Nikki Haley on Sunday, in which she said: “[Any new UN Security Council resolution] that does not significantly increase the international pressure on North Korea is of no value.... China must decide whether it is finally willing to take this vital step. The time for talk is over.” While quoting her as also saying: “There is no point in having an emergency session [of the Security Council] if it produces nothing of consequence,” Asahi said as the Trump administration’s patience is rapidly wearing thin, it is inclined to impose secondary sanctions on Chinese enterprises unless Beijing quickly takes effective steps to rein in its defiant neighbor. The articles added that China has already reacted strongly to Ambassador Haley’s assertion.

### **South Korea starts reviewing process leading to comfort women pact**

Most papers reported from Seoul that the ROK government on Monday launched a special taskforce charged with scrutinizing the administrative process leading up to the conclusion of the comfort women agreement with Japan in December 2015 from the victims’ standpoint. Noting that the chair of the panel is the chief editorial writer of a major daily that has been critical of the accord with Tokyo, the articles said the Moon administration may have tapped the journalist with the public’s critical view of the pact in mind. The panel’s findings will be released by the end of this year. Nikkei said that depending on the outcome of the deliberations, bilateral ties between Tokyo and Seoul may sour again. The paper wrote that although the GOJ is displeased with the actions on the matter taken by the Moon administration, such as the proposed establishment of a “comfort women memorial day,” Tokyo will probably take a wait-and-see attitude toward the review in order to prioritize enhancing mutual coordination in dealing with North Korea’s provocations.

### **China installs new drilling platform in East China Sea**

Yomiuri and Sankei took up the disclosure by a GOJ source that China has set up a new mobile platform in the East China Sea apparently intended to drill for natural gas. The GOJ reportedly filed a protest with the Chinese government in late July by saying that “unilateral development cannot be accepted.” If China builds an offshore facility by using the drilling platform in question, it will be the 17th facility of its kind that has been built in the vicinity.

## **POLITICS**

### **Motegi, Onodera to be given key cabinet posts**

Most papers reported on Prime Minister Abe's plan to reshuffle his cabinet on Thursday, with Sankei claiming that Abe has decided to give LDP Policy Research Council Chairman Motegi and Deputy Chairman Onodera key portfolios. Minister of Land, Infrastructure, Transport and Tourism Ishii from the Komeito party will be retained. The papers predicted that the premier will probably avoid tapping politicians close to him to head off allegations of favoritism and instead reach out to veteran lawmakers with the goal of restoring public confidence in the cabinet. Nikkei said in a front-page article that Abe has decided not to give former Economic and Fiscal Policy Minister Amari any cabinet or senior LDP post out of concern that appointing the scandal-hit politician would trigger strong criticism.

### **GOJ panel drafts guidelines on opening of casinos**

Most papers front-paged a set of guidelines put together by a GOJ blue-ribbon commission regarding the launch of integrated resorts, noting that a large hall for international conferences and a theater must be built in conjunction with a casino in order to promote tourism. Only one gambling facility will be admitted at each resort. Japanese customers will be charged admission fees and be required to undergo ID checks upon entry to prevent gambling addiction. Stringent regulations will also be enforced on their visits to be applied on a weekly and/or monthly basis. The GOJ is expected to select two to three sites to host integrated resorts. The facilities are scheduled for launch in the first half of the 2020s at the earliest.

Asahi said in an accompanying article that although the commission members have emphasized that the proposed regulations to address gambling addiction are the "toughest in the world," some experts are doubtful about their effectiveness. Yomiuri wrote that although the GOJ is aiming to enact a bill for casino implementation in the extraordinary Diet session in the fall, some ruling coalition officials are cautious about approving the controversial legislation especially at a time when public support for the Abe cabinet is plummeting.

Meanwhile, Mainichi wrote that some foreign casino operators are displeased with the proposed strict regulations, quoting Executive Vice President Jan Jones Blackhurst of Caesars Entertainment as saying in late July: "Restrictions on casino floor area may impede investors' willingness." The U.S. businesswoman stressed that her firm is confident about addressing the concerns held by Japanese about gambling by capitalizing on the expertise it has obtained through operating casino facilities in more than 20 regions across the globe.

**SECURITY**

### **Local LDP politician to run in Nago mayoral race**

Yomiuri and Tokyo Shimbun wrote that the LDP chapter in Nago City, Okinawa, has decided to field its city assembly member Toguchi in the mayoral election in February next year, explaining that the local legislator is a strong proponent of the FRF construction off Camp Schwab. He will probably

face off with incumbent Mayor Inamine, who is determined to derail the relocation initiative in close partnership with Governor Onaga.

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