



Morning Alert - Friday, June 1, 2018

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HEADLINES

Morning news

NHK gave top play to a report that the Finance Ministry admitted that former Financial Bureau chief Sagawa instructed ministry officials to tamper with documents related to Moritomo Gakuen. NTV, TBS, and Fuji TV led with updates on the scandal involving Nihon University's football team. TV Asahi gave top play to a report that the chief secretary of Kake Gakuen apologized to the Ehime Prefectural Government on Thursday for providing false information about a meeting between its president and PM Abe.

All national dailies except Nikkei gave top play to reports on the decision by the Osaka District Public Prosecutors Office not to indict 38 individuals, including former senior Finance Ministry official Sagawa, for allegedly falsifying documents on a controversial land deal with Moritomo Gakuen. Nikkei led with a report on a plan by Seven & i Holdings, NTT Docomo, and eight other firms to launch joint operations to share customer data.

INTERNATIONAL

Secretary Pompeo holds talks with senior DPRK official

All national dailies reported on Secretary of State Pompeo's talks with Kim Yong Chol, a vice chairman of the Central Committee of the Workers' Party of Korea, in New York on Wednesday. Yomiuri wrote that although the Secretary tweeted, "Substantive talks with the team from #NorthKorea," the details of the talks have not been released. The paper speculated that the extent to which the United States and the DPRK are able to compromise on the procedures for denuclearization will determine whether the two nations will actually hold a summit on June 12. The papers added that President Trump reportedly disclosed on Thursday that the delegation led by Kim

Yong Chol will visit Washington on Friday to deliver a letter from DPRK leader Kim Jong Un.

Busan removes forced laborer statue from sidewalk

All national dailies wrote that on Thursday the office of the eastern district of Busan, South Korea, removed from a sidewalk a statue symbolizing Korean laborers subjected to forced labor by Japan during WWII after a scuffle between the police and the activists. A civic group had left the statue on the sidewalk in hopes of installing it in front of the Japanese Consulate General in Busan. The statue was moved to the National Memorial Museum of Forced Mobilization under Japanese Occupation in the city. Yomiuri and Sankei quoted Chief Cabinet Secretary Suga as saying that Japan welcomes the action taken by the South Korean side and will continue to closely follow developments so that the statue will not be installed in front of the consulate.

Japanese, Vietnamese leaders discuss maritime security cooperation, TPP-11, DPRK

Yomiuri, Nikkei, Mainichi, and Sankei wrote that Prime Minister Abe and Vietnamese President Tran Dai Quang held talks at the Kantei on Thursday and issued a joint statement in which they vowed to ensure maritime security in the Indo-Pacific and confirmed the importance of the rule of law in the region with China's militarization of the South China Sea in mind. Concerning the TPP-11, the statement said that expanding the agreement would benefit both Japan and Vietnam. The two leaders also agreed on the need for the denuclearization of North Korea.

SECURITY

LDP members take advantage of U.S. "pressure" to promote raising Japan's defense spending

Nikkei ran an analytical piece saying that the LDP Research Commission on Security has proposed that Japan review its current policy of setting 1% of its GDP as the target ceiling for its defense budget to 2%, which is the target set for NATO members. The paper conjectured that the LDP lawmakers are taking advantage of the Trump administration's apparent calls for Japan to purchase more American-made defense hardware to promote their desire to increase the nation's defense spending. The paper wrote, however, that there is a view within the GOJ that the 2% idea is unfeasible.

GSDF to participate in international PKO drills

Asahi wrote that the GSDF announced on Thursday that it will take part for the first time in the "Khaan Quest" multinational peacekeeping operation exercises to be held in Mongolia from June 14 through 28. The participation of about 40 GSDF members in the drills, in which 32 nations will participate, was made possible by the enactment of the new security legislation in 2015 that expands the scope of the SDF's involvement in international peacekeeping operations.

ECONOMY

Japan and EU express strong concern over U.S. trade policy

All national dailies reported on the announcement by the United States on Thursday that it will impose tariffs on steel and aluminum imports from the EU, Canada, and Mexico starting Friday. Asahi wrote that Japan and the EU are especially concerned about the possibility of Washington imposing higher tariffs on auto imports. Trade Minister Seko and EU Trade Commissioner Malmstrom met in Paris on Thursday and shared their serious concern that increased tariffs on auto imports would roil global markets and lead to the demise of the multilateral trading system based on WTO rules. The two officials also agreed to cooperate closely in discussing these concerns with the United States. Mainichi and Sankei wrote that Seko and Malmstrom issued a joint statement saying that such tariffs are not justified on national security grounds. According to Asahi, Seko directly expressed Japan's concerns to USTR Lighthizer at a three-way meeting with the EU on Thursday.

