

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: FBIS Foreign Media Note [partial] (1 page)	03/22/1996	P3/b(3)
002. cable	Re: FBIS Foreign Media Note [partial] (1 page)	03/29/1996	P3/b(3)

COLLECTION:

Clinton Presidential Records
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FOLDER TITLE:

[03/21/1996 - 03/29/1996]

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHLOA3551 0811329-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 211329Z MAR 96

LINE4: FM AMEMBASSY LONDON

OSRI: RUEHLO

DTG: 211329Z MAR 96

ORIG: AMEMBASSY LONDON

TO: RUEHIA/USIA WASHDC IMMEDIATE 5132

INFO: RUEHBS/AMEMBASSY BRUSSELS 3880

RUEHVB/AMEMBASSY ZAGREB 2784

RUEHIN/AIT TAIPEI 0517

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SUBJ: MEDIA REACTION REPORT, LONDON, THURSDAY MARCH 21
1996

TEXT:

UNCLAS SECTION 01 OF 09 LONDON 003551

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E.O.12356:N/A

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A. BROADCAST MEDIA

LAST NIGHT'S BROADCAST MEDIA, AND TO A CERTAIN EXTENT
THIS MORNING'S, WAS DOMINATED BY THE BRITISH GOVERNMENT'S
ADMISSION THAT THERE MAY AFTER ALL BE A LINK BETWEEN MAD
COW DISEASE AND THE HUMAN EQUIVALENT, AND THE
RAMIFICATIONS THEREOF.

U.S. POLITICS

ON BBC TV'S BREAKFAST NEWS THIS MORNING, VETERAN U.S.
CORRESPONDENT CHARLES WHEELER, WHO COVERED HIS FIRST
PRESIDENTIAL ELECTION IN 1968 AND WHO HAS A DOCUMENTARY
SERIES ON THE COUNTRY CURRENTLY RUNNING ON BBC TV, GAVE
HIS PERSONAL VIEW OF THE UNITED STATES:

"I THINK THE OPPORTUNITIES THERE ARE FAR GREATER THAN
THEY ARE IN THIS ONE -- LOOK AT COLIN POWELL, FOR
EXAMPLE. ... YOU CANNOT IMAGINE THAT HAPPENING IN
BRITAIN. ON THE OTHER HAND, THE GAP BETWEEN THE RICH AND
THE POOR IN AMERICA IS FAR GREATER THAN IN ANY OTHER
INDUSTRIALIZED COUNTRY IN THE WORLD."
ASKED ABOUT PRESIDENTIAL ELECTIONS OVER THE YEARS,
WHEELER SAID:

"I THINK THE QUALITY OF PRESIDENTIAL CANDIDATES HAS GONE
DOWN ENORMOUSLY. ... NOWADAYS, MAJOR FIGURES DO NOT RUN
FOR THE PRESIDENCY. ... I DO NOT THINK THE QUALITY OF
CANDIDATES IS AS GOOD AS IT SHOULD BE FOR A COUNTRY OF
THAT SIZE."

B. TODAY'S MAJOR NEWS STORIES

1. NATO EXPANSION / BOSNIA
2. U.S. FOREIGN POLICY : MIDDLE EAST, CHINA, JAPAN

C. SUMMARY

1. NATO EXPANSION / BOSNIA

SECRETARY CHRISTOPHER'S SPEECH IN PRAGUE YESTERDAY
ATTRACTS AN EDITORIAL AND SOME REPORTS, WHILE BOSNIA
CONTINUES TO CAST GLOOM OVER COMMENTARIES.

"CHRISTOPHER PROMISES BIGGER NATO"

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THE LIBERAL GUARDIAN REPORTED:

"NATO ENLARGEMENT IS ON TRACK AND IT WILL HAPPEN, THE
U.S. SECRETARY OF STATE, WARREN CHRISTOPHER, DECLARED
YESTERDAY -- BUT NO DECISIONS WILL BE MADE UNTIL
DECEMBER, AFTER THE RUSSIAN AND U.S. PRESIDENTIAL
ELECTIONS.

"RESPONDING TO THE WAVE OF ALARM WHICH SWEPT RUSSIA'S
NEIGHBORS AFTER A PARLIAMENTARY VOTE IN MOSCOW LAST WEEK
SOUGHT TO RESCIND THE DISSOLUTION OF THE OLD SOVIET
UNION, MR CHRISTOPHER TOLD THE FOREIGN MINISTERS OF 12
CENTRAL AND EASTERN EUROPEAN COUNTRIES MEETING IN PRAGUE:
'WE ARE DETERMINED TO MOVE FORWARD.'
'NATO, HE SAID, 'HAS MADE A COMMITMENT TO TAKE IN NEW
MEMBERS AND IT MUST NOT AND WILL NOT KEEP NEW DEMOCRACIES
IN THE WAITING ROOM FOREVER.' AND HE VOWED: 'NEW ALLIES
WILL BE FULL MEMBERS OF NATO.'

"BUT THE CLINTON ADMINISTRATION IS TREADING CAREFULLY,
FEARFUL OF THE DOMESTIC IMPACT OF A DEFEAT FOR BORIS
YELTSIN IN RUSSIA'S ELECTION IN JUNE, AND OF THE
UNRAVELLING OF U.S. DIPLOMACY AROUND THE WORLD IF RUSSIA
CHANGES ITS BROADLY CO-OPERATIVE ATTITUDE TOWARDS THE
U.S."

2. U.S. FOREIGN POLICY : MIDDLE EAST, CHINA, JAPAN

A CLUTCH OF ITEMS THIS MORNING. SEE TEXTS BELOW.

D. TEXT

1. NATO EXPANSION / BOSNIA

"NATO'S PROMISES"

THE INDEPENDENT FINANCIAL TIMES EDITORIALIZED:

"MR WARREN CHRISTOPHER, THE U.S. SECRETARY OF STATE, HAS MADE ANOTHER ATTEMPT TO SQUARE THE CIRCLE BY ASSURING THE EX-COMMUNIT NATIONS OF CENTRAL EUROPE THAT THEY WILL IN DUE COURSE JOIN NATO -- WHILE PROMISING RUSSIA THAT IT MUST ALSO HAVE AN IMPORTANT PLACE IN THE EUROPEAN ORDER. "HIS STATEMENT IN PRAGUE THAT 'NATO ENLARGEMENT IS ON TRACK AND WILL HAPPEN' WILL GO SOME WAY TOWARDS REASSURING THE POLES, CZECHS AND HUNGARIANS THAT RUSSIA DOES NOT, AFTER ALL, HAVE A VETO OVER THEIR SECURITY UNCLAS SECTION 03 OF 09 LONDON 003551

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ARRANGEMENTS. AT THE SAME TIME, THE SPEECH WILL CONFIRM THE SUSPICION AMONG RUSSIANS OF ALL IDEOLOGICAL COMPLEXIONS THAT NATO IS TAKING ADVANTAGE OF THEIR COUNTRY'S WEAKNESS.

"NEVERTHELESS, THE CENTRAL EUROPEANS ARE UNLIKELY TO BE FULLY SATISFIED BY MR CHRISTOPHER'S PROMISE, AND THE RUSSIANS WILL NOT REGARD THE MATTER AS SETTLED EITHER. THERE IS NO SIGN THAT MOSCOW HAS GIVEN UP HOPE OF INDEFINITELY DELAYING A PROJECT WHICH IT VIEWS AS DAMAGING TO ITS GEOPOLITICAL INTERESTS.

"IT IS FAR FROM CERTAIN, DESPITE MR CHRISTOPHER'S BOLD WORDS, THAT NATO WILL EXPAND. HE CANNOT PREJUDGE THE RESULT OF THE FORTHCOMING PRESIDENTIAL ELECTIONS IN EITHER THE U.S. OR RUSSIA, OR THE OPINION OF LEGISLATURES, INCLUDING THE U.S. SENATE, IN NATO'S 16 MEMBER STATES.

"THERE WILL BE TOUGH DEBATES IN ALL THOSE ASSEMBLIES, WITH SKEPTICS ARGUING THAT, BY INCORPORATING A FEW COUNTRIES, NATO MAY CAST OTHERS INTO A DE FACTO SPHERE OF RUSSIAN INFLUENCE. THAT IS A STRONG ARGUMENT, AND IT UNDERLINES THE NEED TO DEVELOP SECURITY LINKS WITH THOSE COUNTRIES LIKE UKRAINE AND THE BALTIC STATES WHICH WILL NOT JOIN NATO SOON.

"BECAUSE OF THE COMPLEXITY OF THESE DEBATES, THERE IS A REAL RISK THAT NATO WILL HAVE THE WORST OF ALL WORLDS. IT MAY INCUR CONSIDERABLE DAMAGE TO ITS RELATIONS WITH RUSSIA BY PREPARING TO ENLARGE -- AND THEN ABANDON THE WHOLE PROJECT THROUGH A FAILURE OF NERVE.

"HAVING RAISED EXPECTATIONS, NATO COULD HARDLY TELL THE CANDIDATE MEMBERS IN CENTRAL EUROPE THAT THEY WILL NOT, AFTER ALL, BE ALLOWED INTO THE ALLIANCE WITHOUT INCURRING HUGE LOSS OF FACE. BUT THIS PROBLEM WOULD BE CONSIDERABLY LESS ACUTE IF THE EXISTING MEMBERS OF THAT OTHER WESTERN CLUB, THE EU, WERE MORE GENEROUS, AND LESS BEHOLDEN TO THEIR OWN DOMESTIC LOBBIES, IN OPENING THEIR DOORS.

"IN SUCH AN IDEAL WORLD, NATO MIGHT THEN BE ABLE TO TELL CANDIDATE MEMBERS THAT IT SEES NO NEED TO ENLARGE NOW -- BUT WOULD DO SO IMMEDIATELY IF A THREAT WERE TO EMERGE FROM ANY QUARTER. IN PRACTICE, HOWEVER, THE CZECHS, POLES AND HUNGARIANS WOULD BE SKEPTICAL OF SUCH A CONDITIONAL PROMISE. HAVING OBSERVED THE WEST'S UNCLAS SECTION 04 OF 09 LONDON 003551

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E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, THURSDAY MARCH 21 1996

UNCERTAIN RESPONSE TO BOSNIA, AND THE SELFISH ATTITUDE OF SOME EU MEMBERS TO EXPANDING THAT CLUB, THEIR SKEPTICISM IS UNDERSTANDABLE. NATO MUST RESPOND ACCORDINGLY."

(REPRODUCED IN FULL)

"LEARNING THE BITTER LESSONS OF BOSNIA"

THE CENTRIST INDEPENDENT'S EUROPE EDITOR TONY BARBER COMMENTED:

"SARAJEVO IS REUNITED AND BOSNIA-HERCEGOVINA PARTITIONED -- IN FACT, IF NOT IN LAW. SUCH IS THE PARADOXICAL OUTCOME OF THE DAYTON PEACE AGREEMENT, SIGNED ALMOST FOUR MONTHS AGO, THE PRINCIPLE UNDERLYING THE SETTLEMENT, THAT SERBS, CROATS AND BOSNIAN MUSLIMS SHOULD WORK

TOGETHER TO RECONSTRUCT BOSNIA'S PRE-WAR SPIRIT OF MULTI-NATIONAL TOLERANCE, LOOKS INCREASINGLY LIKE AN EXERCISE IN WISHFUL THINKING. ...

"SARAJEVO, ONCE A BEACON OF BALKAN MULTICULTURALISM, HAS EARNED THE DUBIOUS DISTINCTION OF BECOMING THE SETTING FOR A FINAL, FRENZIED BURST OF 'ETHNIC CLEANSING' -- THE SEPARATION BY VIOLENCE OF ONE NATIONALITY FROM ANOTHER. ACROSS BOSNIA, MIXED COMMUNITIES ARE MOSTLY A THING OF THE PAST. ...

"BOSNIA'S DE FACTO PARTITION SETS A BAD PRECEDENT FOR COUNTRIES IN SOUTH EASTERN EUROPE, WHERE DEMOCRATIC INSTITUTIONS ARE FRAGILE AND MUTUALLY HOSTILE NATIONALISMS RUN DEEP. DISCONTENT RUNS DEEP IN THE ETHNIC ALBANIAN COMMUNITIES OF KOSOVO, SERBIA'S SOUTHERN PROVINCE, AND IN THE FORMER YUGOSLV REPUBLIC OF MACEDONIA. IT IS NOT HARD TO IMAGINE THE TENSIONS BOILING OVER. ...

"IDEALLY, ETHNIC CONFLICTS IN TURBULENT PARTS OF EUROPE SUCH AS THE BALKANS WOULD ENJOY COMPLETE SECURITY IN POLITICAL SYSTEMS FRAMED BY TOLERANCE AND RESPECT FOR THE LAW. THE HARSH TRUTH IS THAT SUCH CONDITIONS DO NOT OBTAIN IN MUCH OF THE REGION.

"INDEED, IN SOME AREAS THE PROSPECTS FOR INTER-ETHNIC VIOLENCE ARE RATHER GREATER THAN THOSE FOR THE CONSOLIDATION OF DEMOCRACY. THEY ARE LIKELY TO REMAIN SO AS LONG AS STRIDENT NATIONALISM REMAINS THE STOCK IN TRADE OF LEADING POLITICAL PARTIES.

UNCLAS SECTION 05 OF 09 LONDON 003551

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"IN SUCH CIRCUMSTANCES, IF WAR DOES BREAK OUT ON THE SCALE SEEN IN BOSNIA, IT MAY BE NECESSARY ACCEPT AS A HARD REALITY THE FORCED TRANSFERS OF POPULATION PROVOKED BY THE FIGHTING. IN WESTERN EUROPEAN EYES, THE SEPARATION OF NATIONALITIES IS NOT A NOBLE IDEAL, BUT IN EASTERN EYES IT CAN HAVE THE VIRTUE OF OFFERING A RESPITE

FROM LENGTHY WARS."

2. U.S. FOREIGN POLICY : MIDDLE EAST, CHINA, JAPAN

"U.S. DRIVING IRANIAN REGIME INTO RUSSIAN ARMS"

THE INDEPENDENT FINANCIAL TIMES REPORTED:

"WHEN MR ALI AKBAR VELAYATI, THE IRANIAN FOREIGN MINISTER, TOURED THE NEWLY INDEPENDENT STATES OF THE CENTRAL ASIA (REGION) IN 1991, ALARM BELLS RANG IN BOTH WASHINGTON AND MOSCOW: FUNDAMENTALIST ISLAM SEEMED TO BE MARCHING NORTH.

"NEARLY FIVE YEARS ON, IRAN HAS ESTABLISHED ITSELF AS AN IMPORTANT DIPLOMATIC AND COMMERCIAL PLAYER IN THE SOUTHERN STATES OF THE FORMER SOVIET UNION -- BUT SPREADING MILITANT ISLAM APPEARS TO BE THE LAST THING ON ITS MIND.

"INSTEAD, IRAN IS PROJECTING ITS INFLUENCE AS AN ECONOMIC LIFELINE FOR ARMENIA, A WOULD-BE PEACEMAKER AMONG ITS ETHNIC KIN IN TAJIKISTAN, AND A PRIVILEGED COMMERCIAL PARTNER FOR THE ENERGY-RICH REPUBLIC OF TURKMENISTAN. ...

"ALL RECENT SIGNALS FROM BOTH MOSCOW AND TEHRAN HAVE INDICATED THAT THEY SEE EACH AS PARTNERS, NOT COMPETITORS.

"U.S. OFFICIALS, WHO ARE FURIOUS CRITICS OF IRAN'S BEHAVIOR IN OTHER AREAS -- AND OF RUSSIA'S ROLE IN HELPING IRAN WITH NUCLEAR TECHNOLOGY -- HAVE BEEN RELATIVELY SILENT ON THE SUBJECT OF IRAN'S ROLE IN CENTRAL ASIA.

"BUT THE ISSUE OF IRANIAN INFLUENCE IN THE CIS IS LIKELY TO COME TO A HEAD IN THE COMING WEEKS, AS THE U.S. CONGRESS REDOUBLES ITS EFFORT TO TIGHTEN THE BLOCKADE ON IRAN AND IMPOSE PUNITIVE MEASURES ON COMPANIES WHICH DEAL WITH IT.

"SEN ALFONSE D'AMATO, ONE OF THE HARSHTEST U.S. CRITICS OF UNCLAS SECTION 06 OF 09 LONDON 003551

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IRAN, PROTESTED FURIOUSLY TO PRESIDENT BILL CLINTON OVER A UN AGENCY'S SUPPORT FOR A GAS PIPELINE THAT WOULD CROSS SEVERAL STATES INCLUDING IRAN.

"THE INTERNATIONAL RELATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES IS TODAY EXPECTED TO PASS ON TO THE FULL HOUSE A BILL THAT COULD BIND MR CLINTON TO IMPOSE HARSH PENALTIES ON NON-U.S. COMPANIES DEALING WITH IRAN.

"THE BILL WOULD REQUIRE MR CLINTON TO CHOOSE AT LEAST TWO OUT OF FIVE POSSIBLE SANCTIONS AGAINST ANY COMPANY THAT INVESTED MORE THAN \$40M IN IRAN'S OIL INDUSTRY OR TRADED WITH IRAN IN OIL-RELATED GOODS. ...

"THE WHITE HOUSE IS NERVOUS OF SPARKING A TRADE WAR WITH ITS EUROPEAN ALLIES, AND WILL PRESS CONGRESS FOR MAXIMUM FLEXIBILITY. BUT CONGRESSIONAL CRITICS OF IRAN ARE CONFIDENT OF PASSING MOST OF THEIR PROPOSALS.

"ON THE FACE OF THINGS, THE U.S. MEASURES COULD KILL STONE DEAD ANY INTEREST AMONG WESTERN COMPANIES IN THOSE PROJECTS -- SUCH AS NEW PIPELINES FROM TURKMENISTAN TO IRAN -- WHICH MIGHT SERVE TO CONSOLIDATE IRAN'S REGIONAL INFLUENCE.

"BUT IRAN'S ISOLATION MAY PROMPT IT TO CO-OPERATE EVEN MORE CLOSELY WITH PARTNERS IN THE FORMER SOVIET UNION -- AND THE MOSCOW-TEHRAN AXIS COULD GROW EVEN STRONGER."

"HEZBOLLAH BOMBER KILLS ISRAELI OFFICER"

THE CENTRIST INDEPENDENT REPORTED:

"THE DANGER OF AN ISRAELI ASSAULT ON SOUTHERN LEBANON INCREASED DRAMATICALLY LAST NIGHT AFTER A LONE HEZBOLLAH SUICIDE BOMBER ATTACKED ISRAELI OCCUPATION TROOPS IN THE SOUTH OF THE COUNTRY, KILLING AN OFFICER AND WOUNDING SEVEN OTHER SOLDIERS.

"THE ATTACK -- IN WHICH THE HEZBOLLAH MAN WALKED UP TO AN ISRAELI MOTORCADE IN THE VILLAGE OF TAIBE AND DETONATED EXPLOSIVES STRAPPED TO HIS WAIST -- CAME ONLY HOURS AFTER THE UNITED STATES AMBASSADOR TO ISRAEL URGED THE PRIME MINISTER, SHIMON PERES, NOT TO STRIKE INTO LEBANON.

"ACCORDING TO ISRAELI PRESS REPORTS, MARTIN INDYK, THE U.S. AMBASSADOR, TELEPHONED MR PERES AND ASKED FOR UNCLAS SECTION 07 OF 09 LONDON 003551

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RESTRAINT WHILE AMERICA ASKED THE SYRIAN PRESIDENT,
ASSAD, TO RESTRAIN HEZBOLLAH. SYRIA REPORTEDLY PROMISED
TO CALM THE AREA, WHILE DENYING THAT IT CONTROLLED
HEZBOLLAH ACTIONS."

"U.S. URGES RESTRAINT AFTER SUICIDE BLAST"

THE LIBERAL GUARDIAN REPORTED THE SAME STORY THUS:
"THE UNITED STATES WAS MAKING FORCEFUL DIPLOMATIC EFFORTS
YESTERDAY TO PREVENT ISRAEL FROM LAUNCHING A BIG STRIKE
AGAINST GUERRILLAS FIGHTING TO PUSH ISRAELI FORCES OUT OF
SOUTHERN LEBANON.

"THE STATE DEPARTMENT SAID IT WAS URGING RESTRAINT ON
ISRAEL, LEBANON AND SYRIA AFTER AN APPARENT SUICIDE
BOMBING BY THE ISLAMIST GUERRILLA MOVEMENT HEZBOLLAH
KILLED AN ISRAELI SOLDIER IN SOUTH LEBANON EARLIER IN THE
DAY."

"OUR PRINCIPLES ARE BETTER THAN CHINESE PRACTICES"

WRITING IN THE CONSERVATIVE DAILY TELEGRAPH, COLUMNIST
BARBARA AMIEL COMMENTED ON CHINA:

"BY DEFINITION, CHINA IS LESS LIKELY TO RESOLVE DISPUTES
BY WAR IF IT IS A DEMOCRACY; DEMOCRACIES FIND IT HARDER
TO WIN THE CONSENSUS AND UNITY OF PURPOSE REQUIRED TO GO
TO WAR IN THE ABSENCE OF AN OVERWHELMING REASON.
THEREFORE THE WEST (READ AMERICA) SHOULD SUPPORT
UNEQUIVOCALLY WHATEVER IT IS A DEMOCRATIC TAIWAN DECIDES
TO DO. IF IT CHOOSES TO SECEDE WE SHOULD POINT TO THE UN
CHARTER WHICH PROVIDES THE RIGHT TO SELF-DETERMINATION
AND TO WHICH ALL PEOPLE SUBSCRIBE, EXCEPT UN SECRETARY
GENERAL BOUTROS BOUTROS GHALI WHO SHAMEFULLY CALLED
TAIWAN AN INTERNAL MATTER FOR THE CHINESE -- UNLIKE THE
NORWEGIANS WHO SEPARATED FROM SWEDEN, THE BELGIANS FROM
THE DUTCH, THE IRISH FROM BRITAIN, THE SLOVAKS FROM
CZECHOSLOVAKIA AND POSSIBLE QUEBEC FROM CANADA. ...

"WE CANNOT PREDICT WHAT CHINA WILL BECOME, NOR CAN WE
INFLUENCE HER WITH LECTURES ABOUT HUMAN RIGHTS OR THREATS
TO WITHDRAW MFN STATUS. ALL WE CAN DO IS PROTECT OUR OWN
VALUES BY SUPPORTING WHAT IS RIGHT AND REFUSING TO
CONDUCT OURSELVES ACCORDING TO CHINA'S NOTIONS WHEN SHE

IS WRONG. THE UN COMMISSIONED TWO AUTHORS TO WRITE A BOOK CELEBRATING ITS 50TH ANNIVERSARY. WHEN THEY INCLUDED A STATEMENT ON LOVE AND PEACE BY THE DALAI LAMA, UNCLAS SECTION 08 OF 09 LONDON 003551

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CSD ISA FOR ILN; FOR NEA; OASD/PA;
USDOC PASS USTR/PA
WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;
USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, THURSDAY MARCH 21 1996

THE UN'S BUREAUCRATS WITHDREW IT ON GROUNDS THAT IT WOULD BE A SLAP IN THE FACE TO CHINA.

"THE UN, IT SEEMS, WOULD NOT ALLOW THE DALAI LAMA TO ENDORSE THE UN'S OWN PRINCIPLES. WE SHOULD NOT MAKE THE SAME MISTAKE."

"OKINAWA SEEKS A LIGHTER DEFENSE BURDEN"

THE INDEPENDENT FINANCIAL TIMES REPORTED FROM JAPAN:

"OKINAWA'S PACIFIC LOCATION IS OF PECULIAR STRATEGIC IMPORTANCE. HOME TO 28,000 OF THE 47,000 U.S. TROOPS IN JAPAN AND THE SITE OF THREE QUARTERS OF THEIR INSTALLATIONS, IT IS THE CORNERSTONE OF THE U.S.-JAPAN SECURITY ALLIANCE.

"THE ALLIANCE, AS MOST DEFENSE EXPERTS RECOGNIZE, IS THE CORNER STONE OF THE ENTIRE REGION'S SECURITY, NOT JUST THAT OF JAPAN. FEW ASIANS WANT TO SEE IT WEAKENED JUST AS TENSION IS RISING IN THE TAIWAN STRAIT.

"THE SEARCH FOR A WORKABLE COMPROMISE WILL BE HIGH ON THE AGENDA FOR PRESIDENT BILL CLINTON'S VISIT TO JAPAN NEXT MONTH. ...

"THE IMMEDIATE SPARK FOR A CAMPAIGN TO CLOSE THE BASES WAS THE RAPE OF A 12-YEAR-OLD SCHOOLGIRL ON OKINAWA LAST SEPTEMBER, FOR WHICH THREE U.S. SERVICEMEN WERE CONVICTED. AMERICANS OF ALL RANKS HAVE APOLOGIZED PROFUSELY FOR THAT INCIDENT, BUT THEY CAN DO LITTLE TO OVERCOME THE DEEP-SEATED FEELING AMONG OKINAWANS THAT THEIR REMOTE ISLAND HAS LONG BEEN UNFAIRLY IMPOSED ON.

...

"RESENTMENT GOES BACK TO THE SECOND WORLD WAR. ... 'THE GASOLINE WAS SLOSHING AROUND ON THE FLOOR AND A MATCH WAS THROWN IN IT,' SAYS LT COL MARC SMITH, CHIEF OF THE U.S. ARMY AREA FIELD OFFICE.

"OKINAWANS BEAR A REMARKABLE LACK OF PERSONAL ANIMOSITY TO THE AMERICANS IN THEIR MIDDLE. SINCE THE RAPE INCIDENT, THE U.S. HAS STEPPED UP ITS EFFORTS AT GOOD NEIGHBORLINESS. LAST WEEK, FLIGHTS WERE TEMPORARILY HALTED DURING THE ANNUAL JAPANESE HIGH SCHOOL ENTRANCE EXAMS.

"'THERE IS NO HATRED FOR INDIVIDUAL AMERICANS,' SAYS MR UNCLAS SECTION 09 OF 09 LONDON 003551

USIA

PERISHABLE INFORMATION - DO NOT SERVICE
USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL
LSECREST; B/TV/WP;
STATE FOR EUR/P AND PLS PASS ACDA/PA; EUR/PA; EUR/P/SP;
EUR/WE; EUR/NE; IO/CU; NEA/P; EB/TT; INR/P; PM; S/IR;
CSD ISA FOR ILN; FOR NEA; OASD/PA;
USDOC PASS USTR/PA
WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;
USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, THURSDAY MARCH 21
1996

KANKO TARE, A SENIOR OFFICIAL IN (GOVERNOR) OTA'S OFFICE. INSTEAD, HE ARGUES, OKINAWANS ARE FRUSTRATED AT THE WAY THEIR CONCERNS HAVE BEEN IGNORED. THE PRESENT CAMPAIGN IS PART OF A CAREFULLY PLANNED POLICY FOR PHASED REMOVAL OF THE BASES IN TRAIN BEFORE THE RAPE INCIDENT.

...

"FOR NOW, THE U.S. AND JAPANESE GOVERNMENTS ARE CONCENTRATING ON PRACTICAL WAYS OF MAKING LIFE EASIER. AGREEMENT IS NEAR ON THE REDUCTION OF NOISE AND ON PLATES FOR MILITARY VEHICLES. A SPECIAL COMMITTEE IS DUE TO REPORT IN NOVEMBER ON WAYS OF CONSOLIDATING AND REDUCING THE BASES.

"BY THE TIME OF PRESIDENT CLINTON'S VISIT TO JAPAN IN APRIL, MANY OF THESE MEASURES WILL HAVE TAKEN SHAPE,' SAYS MR YUKIHIKO IKEDA, JAPAN'S FOREIGN MINISTER.

"LESS CLEAR IS WHETHER WHAT PROMISE TO BE LARGELY COSMETIC MEASURES WILL BE ACCEPTABLE TO OKINAWANS. AMONG THE FIRST BATCH OF FACILITIES THEY WANT RETURNED IS FUTENMA BASE ITSELF, WHICH IS THE ONLY FORWARD DEPLOYMENT BASE FOR THE U.S. MARINES OUTSIDE THE U.S. THERE IS SCANT CHANCE OF EITHER WASHINGTON OR TOKYO AGREEING TO

THAT.

"OFFICIALS IN TOKYO TRY TO BE UNDERSTANDING BUT THEY KNOW THAT ULTIMATELY THEY MAY HAVE TO BE TOUGH. 'THE GOVERNMENT HAS NO INTENTION OF LETTING THE U.S. FACE THE AWKWARD SITUATION OF EVICTION,' SAYS ONE SENIOR OFFICIAL. 'WE HAVE TO ENSURE THE SECURITY OF JAPAN'. "GOVERNOR OTA, A PEACEABLE HISTORY PROFESSOR BEFORE HE ENTERED POLITICS, MAY NOT RELISH THE THOUGHT OF GOING TO WAR, BUT HE SEEMS LIKELY TO FACE A LONG AND BITTER CAMPAIGN." O'BRIEN

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SECT: SECTION: 01 OF 09

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PREC: PRIORITY
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RUEKJCS/SECDEF WASHINGTON DC//OASD/ISA/EAPR FOR LEW STERN//
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RUEHC/SECSTATE WASHINGTON DC//INR/EAP/NA/FOR/BROOKS//
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RUEHBJ/AMEMBASSY BEIJING
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RUEHLO/AMEMBASSY LONDON//POL/L//
RUEHGP/AMEMBASSY SINGAPORE
RUEHGP/AMEMBASSY SINGAPORE//FOR REGIONAL AFFAIRS//
RUHPHQ/CDR JTF-FA HONOLULU HI//J2//
RUAGTBU/CDR1STBN1STSFGA TORII STA JA//SSO//
RUCMACC/CDR9THPSYOPBN FT BRAGG NC//AFVS-POG-N-SSD//
RUAGYIN/CDRCSCTTHREE YONGIN KOR//EACT-T-I//
RUAGAMS/CINC UNC CFC SEOUL KOR//UNCMAC//
RUHDBKT/DATT-TLO BANGKOK TH
RUEALGX/DEFINTAGNCY WASH DC
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RUESDP/FBIS SEOUL KOR
RUALJDT/JDET YOKOTA AB JA
RUDGFT/HQ AFTAC PATRICK AFB FL//DOB//
RUEBNBA/HQ AFTAC-IN PATRICK AFB FL
RHHJDHA/HQ PACAF IDHS HICKAM AFB HI
RHHJJAA/JICPAC HONOLULU HI
RUDMQAN/MARCORINTACT DET QUANTICO VA
RUEAIJU/NPIC WASHINGTON DC//IEG EXEC OFF//
RAYWBFA/ONA CANBERRA AS
RHHMUNA/USCINCPAC HONOLULU HI
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RUHPCVV/USS CARL VINSON
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INFO: ////

SUBJ: FBIS FOREIGN MEDIA NOTE-21MAR96

TEXT:

UNCLAS 4Z/LD

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SERIAL: WA2203042996
PASS: ATTN BLOUGH/MILLER
ATTN BBC RDSUP

COUNTRY: JAPAN
SUBJ: FBIS FOREIGN MEDIA NOTE-21MAR96

SOURCE: FOREIGN BROADCAST INFORMATION SERVICE
TEXT:

Japan-U.S.: Japanese Media Report Tokyo Concerned About Impact
of Tensions in Taiwan Straits on Base Negotiations

Although Japanese Government officials have publicly signaled that they do not intend to allow the current tensions in the Taiwan Straits to affect negotiations on the consolidation of the U.S. bases on Okinawa, some officials appear to be using the situation to argue against base consolidation and for broader security cooperation with Washington, and to prepare the Japanese public for a more narrow range of U.S. concessions on the bases issue.

Since China began its military exercises in the Taiwan Straits in early March, a number of senior Japanese officials have sought to reassure the Japanese public--who, according to media polls, strongly favors base consolidation--that the tensions in the region will not have any impact on the base negotiations.

Prime Minister Ryutaro Hashimoto told reporters on 14 March that although Washington and Tokyo were "seriously concerned" about the situation in the Taiwan Straits, allowing the tensions in the region to "drown out" Okinawan demands for base consolidation would be a "serious problem" (Okinawa Times, 15 March).

Tokyo's ambassador to Washington, Kunihiro Saito told a press conference on 5 March that neither the final shape or the timing of any base consolidation plan will be influenced by tensions in the Taiwan Straits (Kyodo, 6 March).

Supporting the U.S. Presence

However, some officials who have traditionally supported a strong bilateral security relationship appear to be using the situation in the Taiwan Straits to reinforce their arguments in favor of a strong U.S. military presence in Japan.

The 14 March Yomiuri Shimbun, for example, quoted an unnamed Defense Agency official as saying that the tensions "strengthen the argument about the necessity of the U.S. forces in times of emergency.

Some officials also appear to be using the tensions to prepare the Japanese public for a smaller base consolidation package than the Japanese media have until recently been leading the public to expect--particularly with regard to such issues as the return of Futenma Air Base.

An unidentified senior government official told reporters on 13 March that the tensions in the Taiwan Straits may "wipe out the mood of a thaw" in East Asia and cause the U.S. Defense Department to "toughen its stance" in the base negotiations (Yomiuri Shimbun, Sankei Shimbun, 14 March).

Government sources were also quoted in the 14 March Sankei Shimbun as saying that the tensions provided Washington with a "card up its sleeve" and that U.S. negotiators had begun to "take a negative position" on relocating and returning major facilities like Futenma Air Base because of the situation in the Taiwan Straits.

Broader Security Cooperation

Other Japanese political figures who support a strong bilateral security relationship have used the Chinese military exercises to argue for closer bilateral military cooperation at times of tension in East Asia.

Taku Yamasaki, chairman of the Liberal Democratic Party's Policy Affairs Research Council, ordered the party's Security Research Commission on 12 March to study what measures Japan can take to support U.S. military operations during "emergencies that threaten security" in the region (Asahi Shimbun, 13 March).

Media Views

Although the Japanese national media have so far not been observed to voice any opinions about whether base consolidation should be reconsidered in light of the situation in the Taiwan Straits, some media treatment of the Chinese military exercises has tended to tacitly support arguments in favor of strong security ties with Washington by noting the Japanese Self Defense Forces' heavy dependence on the U.S. military for information about the exercises.

The 9 March Yomiuri Shimbun reported that during Chinese missile tests the previous day, the Japanese Government was unable to detect the high-speed ballistic missiles on its own radar systems and had to rely on information provided by the United States.

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COLLECTION:

Clinton Presidential Records
NSC Cables
Jan 1995-Dec 1996 ([Futenma])
OA/Box Number: 510000

FOLDER TITLE:

[03/21/1996 - 03/29/1996]

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RESTRICTION CODES

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SECT: SECTION: 01 OF 01

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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 25

TOP HEADLINES

TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 002620

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA
WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS;
USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 25

TOP HEADLINES

ASAHI: ONO BACKED BY RULING COALITION WINS OVERWHELMING
VICTORY IN UPPER-HOUSE GIFU BY-ELECTION; SHINSHINTO
CONSIDERING LIFTING PICKET LINE; FOCUS NOW ON REVISION OF
JUSEN BAILOUT PACKAGE; NEGOTIATIONS START NORMALIZE NOW-
STALLED DIET SESSION (TRANSLATION BELOW)

NIHON KEIZAI: MATSUSHITA ELECTRIC INDUSTRY TO ADVANCE
INTO SATELLITE DIGITAL BROADCASTING BUSINESS; TO MAKE 10-
PERCENT CAPITAL INVESTMENT IN BROADCASTING FIRM THIS
MONTH

TOKYO SHIMBUN: "RULING CAMP'S" ONO HAS OVERWHELMING VICTORY IN UPPER-HOUSE GIFU BY-ELECTION; "SHINSHINTO'S" PICKETING AFFECTED; COMMUNIST PARTY-RECOMMENDED CANDIDATE GETS WIDER SUPPORT; VOTING RATE AT 50.26 PERCENT, DOWN FROM THAT IN LAST YEAR'S UPPER HOUSE ELECTION

MAINICHI: RULING PARTIES' BACKED ONO'S SWEEPING VICTORY IN UPPER-HOUSE GIFU BY-ELECTION; AVOIDS "CRITICISM" OF JUSEN BAILOUT SCHEME; SHINSHINTO INEVITABLY TO RECONSIDER ITS PICKETING LINE

YOMIURI: UPPER-HOUSE GIFU BY-ELECTION: RULING CAMP'S ONO'S SWEEPING VICTORY; STALLED DIET SESSION DUE TO JUSEN PROBLEM MAY GET MOMENTUM; SHINSHINTO'S CANDIDATE OBTAINS MORE SUPPORT THAN THAT OF COMMUNIST PARTY-RECOMMENDED CANDIDATE

SANKEI: UPPER-HOUSE GIFU BY-ELECTION: RULING PARTY'S ONO'S OVERWHELMING VICTORY; DODGES "CRITICISM" OF JUSEN BAILOUT PLAN

COALITION BACKED CANDIDATE OHNO WINS BIG IN GIFU ELECTION (ASAHI - TOP PLAY)

THE UPPER-HOUSE BY-ELECTION IN GIFU PREFECTURE TOOK PLACE ON THE 24TH, IN WHICH THE JUSEN (HOUSING LOAN COMPANIES) LIQUIDATION SCHEME THE MAJOR ISSUE. THE VOTES BEING COUNTED THE SAME DAY, THE RESULT WAS THAT TSUYAKO OHNO, A CANDIDATE BACKED BY THE THREE RULING PARTIES, ACHIEVED A VICTORY, DEFEATING SHINSHINTO AND JAPAN COMMUNIST PARTY RIVALS. WITH THE VICTORY IN HAND, THE RULING CAMP WILL AIM AT NORMALIZATION OF THE DIET ON THE 25TH. THE SHINSHINTO, ON THE OTHER HAND, IS EXPECTED TO BE PRESSED TO REEXAMINE ITS DIET STRATEGY. SHINSHINTO EXECUTIVES HAVE NOW BEGUN TO LOOK INTO THE POSSIBILITY OF REMOVING THEIR SIT-INS, WHO ARE STILL BLOCKING THE LOWER-HOUSE BUDGET COMMITTEE ROOM. BUT THE GENERAL PUBLIC IS STILL STRONGLY AGAINST THE PLAN TO INJECT IN 685 BILLION YEN IN TAX MONEY TO LIQUIDATE THE JUSEN. UNDER THE CIRCUMSTANCES, ONCE THE DIET IS NORMALIZED THE GOVERNMENT AND THE RULING CAMP ARE EXPECTED TO CARRY OUT DEBATES ENERGETICALLY REGARDING A JUSEN REVIEW IN AN EFFORT TO PASS THE BUDGET SMOOTHLY IN THE LOWER HOUSE.

GIFU ELECTION MAY INFLUENCE STRUGGLE TO NORMALIZE DIET DEBATE AND SHINSHINTO SIT-IN (NIHON KEIZAI - PAGE 1)

THE CANDIDATE BACKED BY THE RULING COALITION HAS ACHIEVED A VICTORY IN THE UPPER-HOUSE BY-ELECTION IN GIFU PREFECTURE, IN WHICH THE JUSEN (HOUSING LOAN COMPANIES) LIQUIDATION SCHEME WAS A CAMPAIGN ISSUE. WITH THIS MAJOR EVENT OVER, THE DIET WILL FACE THIS WEEK A DEFINING POINT IN BREAKING THE IMPASSE IN THE DIET. THE RULING CAMP PLANS TO TAKE THE OFFENSIVE AGAINST THE SHINSHINTO (NEW FRONTIER PARTY) TO PRESSURE IT TOWARD NORMALIZATION OF THE DIET. THE SHINSHINTO WILL BE UNDER PRESSURE TO DECIDE WHETHER TO SHIFT ITS POLICY DIRECTION. A MOOD OF EXPECTATION IN BOTH CAMPS SEEMS LIKELY TO HEIGHTEN

REGARDING COORDINATION BY LOWER HOUSE SPEAKER TAKAKO DOI.

THE RULING CAMP IS ADAMANT OPPOSED TO ANY MAJOR COMPROMISE ON REMOVAL OF THE JUSEN WRITE-OFF ELEMENT FROM THE FY1996 BUDGET, OR OTHER FACTOR THAT WOULD LEAD TO AN ALTERATION OF THE OVERALL JUSEN LIQUIDATION SCHEME.

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UNCLAS SECTION 02 OF 08 TOKYO 002620

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A
SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 25

BUT SOME IN THE RULING CAMP ARE STILL CAUTIOUS, REASONING, "THIS (VICTORY IN GIFU) DOES NOT NECESSARILY MEAN THAT THE PEOPLE HAVE APPROVED THE JUSEN PLAN." THEY STILL HOPE TO AVOID EVICTING THE SHINSHINTO FROM THEIR SIT-IN. A DIET AFFAIRS COMMITTEE CHAIRMEN'S MEETING OF THE RULING COALITION AND THE SHINSHINTO IS SLATED FOR THE MORNING OF THE 25TH. BUT SOME ARE CALLING FOR HOLDING A PARTY LEADERS' MEETING INSTEAD UNDER SPEAKER DOI IN ORDER TO FIND A BREAKTHROUGH.

IN THE SHINSHINTO, THE VIEW CALLING FOR REEXAMINATION OF PARTY STRATEGY IS EXPECTED TO GROW STRONGER. IN ADDITION, A SHINSHINTO MOVE TO SEARCH FOR WAYS TO NORMALIZE THE DIET IS EXPECTED TO GAIN STRENGTH IF THE PARTY CAN OBTAIN A FORWARD-LOOKING RESPONSE FROM THE LIBERAL DEMOCRATIC PARTY REGARDING LDP SECRETARY GENERAL KOICHI KATO'S DIET TESTIMONY.

PRIME MINISTER TELLS OKINAWAN GOVERNOR REVERSION OF FUTENMA QDIFFICULTQ (ASAHI - TOP PLAY, MARCH 23 EDITION)

PRIME MINISTER RYUTARO HASHIMOTO MET WITH GOVERNOR MASAhide OTA IN THE CITY LAST NIGHT FOR ABOUT THREE HOURS OF DISCUSSION. THE GOVERNOR ASKED FOR AN EARLY DECISION ON THE ISSUE OF REALIGNMENT AND REDUCTION OF U.S. MILITARY BASES ON OKINAWA, INCLUDING FUTENMA AIR STATION. IN RESPONSE, THE PRIME MINISTER REPLIED, "THE REALITY IS THAT IT IS DIFFICULT (TO RESOLVE). I WOULD LIKE TO PUT

MY BEST EFFORT INTO SETTING A CERTAIN DIRECTION BY THE FALL." ON THE ISSUE OF THE OKINAWA BASES, WHICH IS SYMBOLIZED BY FUTENMA, THE GOVERNMENT UNTIL NOW HAS INDICATED THAT IT WOULD LIKE TO HOLD UP "RESULTS" DURING THE VISIT TO JAPAN BY PRESIDENT CLINTON IN APRIL, BUT TAKING INTO CONSIDERATION THAT NEGOTIATIONS BETWEEN JAPAN AND THE UNITED STATES GOVERNMENT IN THE SPECIAL ACTION COMMITTEE (SACO) HAVE NOT BEEN GOING WELL, THE PRIME MINISTER'S STATEMENT REVEALED HIS PERCEPTION THAT A TARGET DATE FOR A DECISION BY SACO WOULD HAVE TO BE DELAYED UNTIL AROUND NOVEMBER.

THIS WAS THE SECOND MEETING BETWEEN THE PRIME MINISTER AND THE GOVERNOR, THE FIRST BEING JANUARY 23. IT WAS HELD AT NIGHT AT A RESTAURANT AND ATTENDED BY THE DEPUTY CHIEF CABINET SECRETARY FURUWAWA AND DEPUTY GOVERNOR YOSHIMOTO.

ON THE BASES ISSUE IN GENERAL, THE GOVERNOR SAID, "I RECOGNIZE THAT THE (RESPONSE BY THE U.S. SIDE) HAS BEEN SEVERE, BUT JUST BEING TOUGH DOES NOT RESOLVE ANYTHING. IF THE BILATERAL RELATIONSHIP IS INDEED THAT IMPORTANT, THEN I WOULD LIKE TO SEE AN EARNEST SPEEDING UP (OF THE RESOLUTION OF THIS ISSUE)." HE STRONGLY SOUGHT THE GOVERNMENT'S EFFORTS TO DO SO. HE REFERRED TO THE ISSUE OF REVERSION OF FUTENMA AIR STATION, WHICH THE PREFECTURE HAS ESPECIALLY DESIGNATED AS A PRIORITY ITEM ON THE AGENDA. "IF THERE IS AN ACCIDENT AT FUTENMA THAT TAKES LIVES, THE EMOTIONS OF THE CITIZENS OF THIS PREFECTURE WOULD SEATHE, AND THIS WOULD HURT JAPAN-U.S. RELATIONS," HE SAID, PRESSURING FOR REALIZATION OF REVERSION.

IN RESPONSE, THE PRIME MINISTER EXPLAINED, "CONDITIONS ARE NOT NOW THERE TO BE ABLE TO SPEAK IN CONCRETE TERMS (ABOUT A REVERSION DATE). HE HAD IN MIND THE MEETING OF THE WORKING GROUP OF SACO IN WASHINGTON ON THE 21ST WHERE IT WAS DECIDED THAT "IT IS DIFFICULT TO HAMMER OUT A DIRECTION BY APRIL" FOR REVERSION OF FUTENMA, GIVEN SUCH CONDITIONS AS THE TENSIONS BETWEEN CHINA AND TAIWAN.

THE PRIME MINISTER ADDITIONALLY EXPLAINED THAT IN HIS SUMMIT MEETING AT THE TIME OF HIS VISIT TO THE U.S. IN FEBRUARY, PRESIDENT CLINTON "GAVE ME THE IMPRESSION OF HIS WILLINGNESS TO TAKE A FLEXIBLE RESPONSE" TO SUCH ISSUES AS FUTENMA AIR STATION. HE THEN SUGGESTED TO THE PREFECTURAL SIDE THE VIEW THAT AFTER THAT THE HEIGHTENING OF MILITARY TENSIONS BETWEEN CHINA AND TAIWAN HAD INFLUENCED THE RESPONSE OF THE AMERICAN GOVERNMENT.

ON THE OTHER HAND, DEPUTY CABINET SECRETARY FURUKAWA
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UNCLAS SECTION 03 OF 08 TOKYO 002620

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 25

MENTIONED THAT THERE WAS A HIGH PROBABILITY THAT WITH THE LAND-USE DEADLINE RUNNING OUT ON MARCH 31, A PORTION OF SOBE COMMUNICATIONS FACILITY (YOMITAN VILLAGE) WOULD FALL INTO A CONDITION OF BEING "ILLEGALLY OCCUPIED." HE SAID, "IT IS DESIRABLE THAT THE VACUUM PERIOD (OF LAND-USE RIGHT) BE AS SHORT AS POSSIBLE," AND SOUGHT THE PREFECTURE'S UNDERSTANDING. THE GOVERNOR REPLIED, "IT BEING A PROBLEM UNDER THE PREFECTURAL EXPROPRIATION COMMITTEE, WHICH IS AN INDEPENDENT ORGAN, THERE IS NOTHING THAT I CAN SAY ON THE MATTER."

COURT TO RULE TODAY ON OKINAWA FORCED LAND-LEASES SUIT (SANKEI - PAGE 2)

ON THE PROBLEM OF TAKING PROCEDURES TO THE (CONTINUED) EXPROPRIATION OF LAND FOR U.S. MILITARY BASES, THE GOVERNMENT HAS INSTITUTED A LAWSUIT AGAINST OKINAWA PREFECTURE'S GOVERNOR MASAHIDE OTA FOR A COURT ORDER OF OFFICIAL EXECUTION IN PURSUIT OF THE GOVERNOR'S PROXY-SIGNING OF A PROTOCOL OF LANDED PROPERTY. ON THIS CASE, THE FUKUOKA HIGH COURT'S NAHA BRANCH (CHIEF JUDGE: ICHIRO OTSUKA) WILL HAND DOWN A DECISION ON MARCH 25, AT 10:00 A.M. THE COURT DECISION IS CERTAIN TO BE IN FAVOR OF THE GOVERNMENT SIDE, AND IS EXPECTED TO ORDER GOVERNOR OTA TO SIGN THE DOCUMENT WITHIN THREE DAYS (BY MARCH 28).

IN CASE GOVERNOR OTA REFUSES TO SIGN IT, PRIME MINISTER RYUTARO HASHIMOTO WILL THEN EXECUTE PROXY SIGNING ON MARCH 29 AT THE EARLIEST. BUT THE CURRENT USE OF SOME EXPROPRIATED LAND LOTS IN THE AREA OF THE "SOBE RADIO STATION" (LOCATED IN YOMITAN VILLAGE) WILL REACH THE TIME LIMIT, AND THOSE LAND LOTS WILL UNAVOIDABLY BE IN A STATE OF "ILLEGAL OCCUPATION" FOR SEVERAL DAYS FROM APRIL 1.

THE OKINAWA PREFECTURE SIDE IN A COURT TRIAL CRITICIZED THE GOVERNMENT'S POSTURE TOWARD THE ISSUE OF U.S. MILITARY BASES, CLAIMING THAT "OKINAWA MUST NOT BE SACRIFICED IN ORDER TO PROTECT THE WHOLE NATION" (GOVERNOR OTA). ON THE OTHER HAND, THE OKINAWA PREFECTURE SIDE SHOWED A STANCE OF FOCUSING ON SUCH MATTERS AS THE PROPRIETY OF THE GOVERNMENT'S AUTHORIZATION OF USE WITH ITS DECISION ON EXPROPRIATION. HOWEVER, THE COURT WILL PRESUMABLY SHOW A JUDGMENT TO

REJECT THE PREFECTURAL SIDE'S CALL FOR SUBSTANTIVE EXAMINATION FOR THE REASON THAT "THE AUTHORIZATION OF USE (BASED ON A POLITICAL JUDGMENT) IS OUTSIDE A COURT TRIAL." AND THE GOVERNMENT SIDE IS EXPECTED TO WIN IN THE LAWSUIT WITHOUT FAIL.

EVEN AFTER THE COURT DECISION, THE GOVERNOR IS EXPECTED TO REFUSE PROXY SIGNING ON THE GROUNDS THAT HE "CANNOT DO ANYTHING AGAINST THE PREFECTURAL PEOPLE'S WILL." AFTER PRIME MINISTER HASHIMOTO EXECUTES OF PROXY SIGNING, THE GOVERNMENT WILL MAKE AN APPLICATION TO THE PREFECTURE'S EXPROPRIATION COMMISSION WITHIN MARCH 29 UNDER THE LAND EXPROPRIATION LAW FOR ITS PERMISSION TO "EMERGENCY USE" FOR A PERIOD OF SIX MONTHS IN ORDER TO OBTAIN AN AUTHORIZATION TO USE SOME LAND LOTS CURRENTLY USED AS PART OF THE SOBE RADIO STATION.

THE OUTLOOK, HOWEVER, IS THAT "IT WILL TAKE ABOUT TEN DAYS," ACCORDING TO A GOVERNMENT SOURCE, TO HAVE THE EXPROPRIATION COMMISSION'S PERMISSION. ACCORDINGLY, THE RADIO FACILITY WILL INEVITABLY BRING ABOUT A STATE OF "ILLEGAL OCCUPATION" FROM APRIL 1. THE GOVERNMENT, THEREFORE, INTENDS TO JUSTIFY THE CONTINUED USE OF THOSE LAND LOTS FOR THE TIME BEING ON THE GROUNDS OF THE RIGHT OF ADMINISTRATION UNDER THE CIVIL LAW CODE AND THE LIKE. AT THE SAME TIME, THE GOVERNMENT WILL ALSO TAKE SUCH MEASURES AS SETTING UP A FENCE AROUND THE FACILITY TO PREVENT THE LANDOWNERS CALLING FOR EVACUATION FROM ENTERING THE FACILITY.

FOREIGN MINISTER IKEDA EXPECTS CHINA-TAIWAN DIALOGUE, CHANCE NOW FOR PEACEFUL RESOLUTION
(SANKEI - PAGE 2, MARCH 24 EDITION)

FOREIGN MINISTER YUKIHIKO IKEDA ON THE NIGHT OF THE 23RD
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UNCLAS SECTION 04 OF 08 TOKYO 002620

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A
SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 25

REFERRED TO PRESIDENT LEE TENG-HUI BEING RE-ELECTED IN THE FIRST DIRECT PRESIDENTIAL ELECTION IN TAIWAN AND COMMENTED, "IT IS TRULY SIGNIFICANT THAT A LEADER WAS PICKED FOR THE FIRST TIME BY A POPULAR ELECTION." WITH THIS, HE HIGHLY PRAISED THE FACT THAT THE PRESIDENT WAS ELECTED BY THE DIRECT ELECTION. HE THEN ADDED: "I STRONGLY HOPE THAT WITH THIS THE TWO SIDES OF THE TAIWAN STRAITS WILL OVERCOME THE PRESENT CRUCIAL SITUATION AND FIND A PEACEFUL SETTLEMENT." HE EXPRESSED EXPECTATIONS FOR THE EASING OF THE TENSION IN THE TAIWAN STRAITS THROUGH DIRECT DIALOGUE BETWEEN CHINA AND TAIWAN.

FOREIGN MINISTER IKEDA ALSO STRESSED JAPAN'S CONVENTIONAL STANCE IN CONSIDERATION OF CHINA, SAYING, "THERE WILL BE NO CHANGE IN OUR COUNTRY'S POLICY LINE BASED ON THE JAPAN-CHINA JOINT COMMUNIQUE THAT JAPAN PROMOTES STABLE, COOPERATIVE RELATIONS WITH CHINA, WHILE MAINTAINING RELATIONS WITH TAIWAN AT THE NON-GOVERNMENTAL LEVEL."

REGARDING JAPAN'S FOREIGN POLICY TOWARD TAIWAN IN THE FUTURE, (A SENIOR OFFICIAL) OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA) ANALYZED THAT "(SINCE) DURING HIS PRESIDENTIAL ELECTION CAMPAIGN, PRESIDENT LEE HAD UNDERSCORED HE WOULD MAKE EFFORTS FOR PROMOTING RECONCILIATION WITH CHINA, HE WILL NOT TAKE A PROVOCATIVE POLICY LINE TOWARD CHINA," FOR THE TIME BEING.

HOWEVER, IN THE JAPANESE GOVERNMENT, SOME OFFICIALS VIEW THAT "PRESIDENT LEE CANNOT BE IGNORE PUBLIC OPINION CALLING FOR TAIWAN'S INDEPENDENCE" (GOVERNMENT SOURCE); THEREFORE, THERE IS A POSSIBILITY THAT TAIWAN, WHICH HAS GAINED CONFIDENCE WITH ITS ECONOMIC DEVELOPMENT AND THE DIRECT DEMOCRATIC ELECTION THIS TIME, MIGHT EXPAND ITS ACTIVIST DIPLOMACY NOW IN ORDER TO WIN INTERNATIONAL RECOGNITION.

ON MOVES OF CHINA IN THE FUTURE, (SENIOR MOFA OFFICIAL SAID) THAT "BEIJING HAS A SENSE OF ALARM REGARDING TAIWAN'S MOVE TOWARD SEEKING ITS INDEPENDENCE AFTER PRESIDENT LEE WAS ELECTED. THERE WILL BE A POSSIBILITY OF CHINA'S CONTINUING MILITARY EXERCISES UNTIL MAY WHEN PRESIDENT LEE'S INAUGURAL CEREMONY TAKES PLACE." SO THE JAPANESE GOVERNMENT INTENDS TO ASK FOR CHINA'S SELF-RESTRAIN DURING THE VISIT TO JAPAN BY CHINESE FOREIGN MINISTER QIAN QICHEN AND ON OTHER OCCASIONS.

THE JAPANESE GOVERNMENT ALSO INTENDS TO KEEP CLOSE TABS ON TAIWAN'S FUTURE DIPLOMACY.

IKEDA TO MEET CHINA'S FOREIGN MINISTER ON THE 31ST (NIHON KEIZAI - PAGE 2, MARCH 23 EDITION)

THE MINISTRY OF FOREIGN AFFAIRS (MOFA) ON MARCH 22 FORMALLY ANNOUNCED THAT CHINESE FOREIGN MINISTER QIAN QICHEN WOULD COME TO JAPAN ON MARCH 31 FOR A MEETING WITH FOREIGN MINISTER YUKIHIKO IKEDA. AT THAT TIME, THE JAPANESE GOVERNMENT PLANS TO URGE CHINA TO RELAX MILITARY TENSIONS NOW MOUNTING ACROSS THE TAIWAN STRAITS, AS WELL

AS TO RESUME THE DIALOGUE BETWEEN CHINA AND TAIWAN. IN ADDITION, JAPAN INTENDS TO SEEK SELF-RESTRAINT FROM CHINA IN ITS UNDERGROUND NUCLEAR BLASTS, SCHEDULED FOR AFTER THIS SPRING. IN ADDITION, ON BILATERAL ISSUES, VIEWS WILL BE EXCHANGED ON THE PROBLEM OF 200-NAUTICAL-MILE EXCLUSIVE OCEANIC WATER ZONE IN CONNECTION WITH RATIFICATION OF THE UNITED NATIONS LAW OF SEA. FOREIGN MINISTER QIAN WILL REMAIN IN JAPAN UNTIL APRIL 3. HE WILL PAY A COURTESY CALL ON PRIME MINISTER RYUTARO HASHIMOTO ON APRIL 1.

FOREIGN MINISTER QIAN, ACCORDING TO MOFA, IS COORDINATING HIS SCHEDULE FOR POSSIBLE MEETINGS WITH DEPUTY PRIME MINISTER/FINANCE MINISTER WATARU KUBO, SAKIGAKE PARTY HEAD MASAYOSHI TAKEMURA, FORMER PRIME MINISTER TOMIICHI MURAYAMA (SOCIAL DEMOCRATIC PARTY HEAD), AND SHINSHINTO (NEW FRONTIER PARTY) HEAD ICHIRO OZAWA.

GOVERNMENT SEEKING CHANCE TO RESTART NORMALIZATION TALKS WITH NORTH KOREA (NIHON KEIZAI - PAGE 2)

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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 25

AS A MEANS TO COPE WITH THE NOW EVEN MORE DIFFICULT TO PREDICT SITUATION IN THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA), THE JAPANESE GOVERNMENT IS NOW SEARCHING FOR WAYS TO RESUME AT AN EARLY DATE BILATERAL TALKS FOR NORMALIZATION OF RELATIONS. THE AIM IS TO HAVE A CHANNEL WITH NORTH KOREA OPEN FOR NEGOTIATIONS AND THEN TO BE READY FOR ANY UNFORESEEN CIRCUMSTANCES. WHAT THE GOVERNMENT HAS IN MIND IS FOR PRELIMINARY CONTACTS WITH THE NORTH KOREANS TO BE MADE IN MID-APRIL OR AFTER THE GENERAL ELECTION IN THE REPUBLIC KOREA. BUT THE POSSIBILITY IS STRONG THAT THE ROK WILL ONCE AGAIN BE SENSITIVE TO "JAPAN AND NORTH KOREAN TIES GROWING CLOSER WHILE BYPASSING THE ROK." SO NOTHING IS CERTAIN YET WHETHER (JAPAN) CAN SMOOTHLY MANAGE TO RESUME BILATERAL

TALKS.

JAPAN-NORTH KOREAN NEGOTIATIONS TO NORMALIZE DIPLOMATIC RELATIONS HAVE BEEN ON HOLD SINCE NOVEMBER 1992. IN MARCH 1995, A RULING PARTIES' DELEGATION VISITED THAT COUNTRY AND AGREED WITH THE KOREAN WORKERS PARTY TO "REOPEN BILATENAL TALKS AT AN EARLY TIME." BUT OUT OF CONSIDERATION FOR WORSENING SOUTH-NORTH RELATIONS OVER THE RICE AID ISSUE AND THE ROK'S STANCE OF DEPLORING "JAPAN HAVING A CLOSER RELATIONSHIP WITH NORTH KOREA WHILE NO PROGRESS IS SEEN IN RELATIONS BETWEEN SOUTH AND NORTH KOREA," THE JAPANESE GOVERNMENT HAS SO FAR ADOPTED A POLICY LINE OF BEING CAUTIOUS ABOUT RESUMING TALKS WITH NORTH KOREA AND OF GIVING HIGHER PRIORITY TO JAPAN-ROK FhLGINNING TO GROPE FOR WAYS TO RESUME TALKS WITH THE NORTH. THE MAJOR REASON LIES IN ITS STRONG CONCERN OVER THE POSSIBLE COLLAPSE OF THE NORTH KOREAN REGIME OVER THE MEDIUM TO LONG TERM, AS THE SITUATION IN NORTH KOREA BECOMES MORE UNCERTAIN AS SEEN IN ITS SERIOUS ECONOMIC CRISIS AND IN POLITICAL REFUGEES COMING FROM THE "PRIVILIGED CLASSES" IN THAT COUNTRY. (THE GOVERNMENT) IS NOW INCLINED TO THE JUDGMENT THAT TO AVOID "ANY TURMOIL CAUSED BY COLLAPSE OF THE POLITICAL SYSTEM IN NORTH KOREA," AN ISSUE THAT WILL BE DIRECTLY LINKED TO SECURITY OF JAPAN, "IT IS ESSENTIAL TO RESUME JAPAN-NORTH KOREA TALKS AND THEN TO ASSIST THE NORTH INDIRECTLY SO THAT IT CAN MAKE A SOFT-LANDING" (SENIOR MOFA OFFICIAL).

DESPITE (JAPAN'S) 500,000 TONS IN RICE AID TO NORTH KOREA, NORTH KOREA REPEATEDLY CRITICIZED JAPAN LAST YEAR, BUT AFTER THIS YEAR STARTED, "THE NORTH HAS SHOWN SOME SIGNS OF CHANGE. FOR EXAMPLE, THAT COUNTRY HAS KEPT SILENT ABOUT THE TAKESIHIMA ISLAND ISSUE (SAME OFFICIAL). THE GOVERNMENT'S JUDGMENT IS THAT, "THE ROAD FOR RESUMING BILATERAL TALKS BETWEEN JAPAN AND NORTH KOREA IS BEING NOW PAVED IN TERMS ALSO OF NORTH KOREA'S ACTIONS."

EIGHT LAW-OF-SEA-RELATED BILLS TO BE SUBMITTED TO THE DIET TOMORROW (MAINICHI - PAGE 2)

THE GOVERNMENT WILL APPROVE EIGHT BILLS RELATED TO THE UNITED NATIONS CONVENTION ON THE LAW OF THE SEA (UNCLOS) AT A CABINET MEETING ON MARCH 26, AND THEN PRESENT THE BILLS TO THE DIET. THE BILLS INCLUDE A BILL FOR A REVISION OF THE TERRITORIAL WATERS LAW. THE GOVERNMENT INTENDS TO RATIFY UNCLOS AND HAVE THOSE BILLS PASSED BY THE CURRENT DIET SESSION, AND IT WILL ALSO START FISHERIES NEGOTIATIONS WITH THE REPUBLIC OF KOREA AND CHINA AT AN EARLY DATE.

SO FAR JAPAN HAS NOT DECLARED A FISHING ZONE OF 200 NAUTICAL MILES WEST OF THE 135TH DEGREE OF EAST LONGITUDE, AND CHINESE AND ROK FISHING BOATS, IN EFFECT, HAVE NOT BEEN SUBJECTED TO FISHING RESTRICTIONS. HOWEVER, THE GOVERNMENT HAS NOW DECIDED TO DECLARE AN ALL-OUT ZONE OF EXCLUSIVE ECONOMIC WATERS (UP TO 200 NAUTICAL

MILES) ALONG WITH JAPAN'S RATIFICATION OF UNCLOS, SO THOSE TWO COUNTRIES' FISHING BOATS WILL BE RESTRICTED FROM THE ZONE.

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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 25

SINCE BOTH CHINA AND THE ROK HAVE AGREED TO START NEGOTIATIONS AT AN EARLY DATE, THE GOVERNMENT IS GOING TO ENTER INTO SCHEDULE COORDINATION, AIMING TO HOLD A WORKING-LEVEL MEETING WITHIN THIS MONTH FOR THE FIRST ROUND OF NEGOTIATIONS. BUT THE NEGOTIATIONS ARE CERTAIN TO BE ROUGH GOING.

OVER THE RATIFICATION OF UNCLOS, THE ISSUES OF DOMINIUM OVER THE TAKESHIMA ISLETS AND OVER THE SENKAKU ISLANDS HAVE NOW SPARKED AGAIN. BUT THE GOVERNMENT WILL SEPARATE THE FISHERIES TALKS AND THE ISSUES OF OWNERSHIP FROM EACH OTHER AND WILL DEAL WITH THE MATTER AS A PRAGMATIC ECONOMIC ISSUE.

THE RULING COALITION HAS THEREFORE CONFIRMED A COURSE OF ACTION TOWARD "SETTING A TIME LIMIT OF ONE YEAR ON THE FISHERIES NEGOTIATIONS" SO AS TO PREVENT THE PRESENT STATE WITH NO FISHERY RESTRICTION FROM BECOMING FIXED AS A RESULT OF PROTRACTED NEGOTIATIONS. BASED ON THIS CONFIRMATION, THE COALITION HAS MADE A PROPOSAL TO THE GOVERNMENT. THE COALITION'S REQUEST IS THAT IN CASE THE NEGOTIATIONS WITH THE TWO COUNTRIES ARE NOT SETTLED WITHIN ONE YEAR AFTER UNCLOS TAKES EFFECT, JAPAN SHOULD ANNOUNCE ITS INTENTION TO TERMINATE THE FISHERIES AGREEMENTS CURRENTLY CONCLUDED WITH THE TWO COUNTRIES, AND AFTER THOSE BILATERAL AGREEMENTS ARE INVALIDATED, JAPAN SHOULD THEN APPLY A TOTAL ALLOWABLE CATCH (TAC) AS STIPULATED IN UNCLOS.

U.S. GOVERNMENT PREPARING TO TAKE PHOTOFILM ISSUE TO THE WTO (NIHON KEIZAI - PAGE 5, MARCH 23 EDITION)

(WASHINGTON, MARCH 22, YASUHIKO OTA) THE UNITED STATES GOVERNMENT HAS STARTED PREPARATIONS TO FILE A COMPLAINT WITH THE WORLD TRADE ORGANIZATION (WTO) AGAINST JAPAN REGARDING THE PHOTOFILM ISSUE THAT IS PENDING BETWEEN JAPAN AND THE U.S. THE U.S.' TACTIC IS TO UNDERScore A STANCE OF SEEKING RESOLUTION OF THE ISSUE IN THAT MULTILATERAL FORUM WHILE SHELIVING BILATERAL NEGOTIATIONS BASED ON THE U.S. TRADE ACT. THE JAPANESE GOVERNMENT HAS FIERCELY REACTED TO SUCH BILATERAL TALKS. MOREOVER, EASTMAN KODAK, AS THE PARTY CONCERNED, HAS SOUGHT TOUGH MEASURES FROM THE U.S. CONGRESS, INCLUDING SANCTIONS. IN SUCH A CONTEXT, THE U.S. GOVERNMENT MAY ADOPT A TWO-PRONGED PARALLEL APPROACH: APPEALING TO THE WTO WHILE CONTINUING PROCEDURES UNDER THE TRADE ACT.

THE OFFICE OF U.S. TRADE REPRESENTATIVES (USTR) IS NOW STUDYING LEGAL PROCEDURES FOR RESORTING TO THE WTO ON PHOTOFILM, ACCORDING TO A RESPONSIBLE U.S. GOVERNMENT OFFICIAL. THE AGENCY IS ASSUMING SUCH POSSIBILITIES AS AN APPLICATION OF THE "SERVICES AND TRADE GENERAL ACCORD," WHICH WAS INCLUDED IN THE URUGUAY ROUND AGREEMENT IN 1994, FOCUSING ON THE DISTRIBUTION SYSTEM FOR PHOTOFILM IN THE JAPANESE MARKET.

WITH THE PHOTOFILM ISSUE DEEPLY TINGED BY THE ROW BETWEEN KODAK AND FUJI FILM, THE TWO GOVERNMENTS FIND IT DIFFICULT TO HOLD NEGOTIATIONS. AT WTO AS WELL, IT IS IMPOSSIBLE TO SETTLE A STANDOFF INVOLVING INTERESTS OF SPECIFIC CORPORATIONS, THE U.S. IS LIKELY TO RESORT TO THE TACTIC OF PURSUING THE JAPANESE GOVERNMENT ON ITS RESPONSIBILITY FOR "BUSINESS PRACTICES" AND "OFFERING OF SERVICES IN A MONOPOLISTIC AND EXCLUSIONARY WAY," CLAIMING THAT SUCH HAVE RESULTED IN CLOSING THE MARKET TO FOREIGN PRODUCTS.

IN THE U.S. GOVERNMENT, THE VIEW HAS BEGUN TO GAIN INFLUENCE THAT EVEN IF THE U.S. INSISTS ON APPLYING SECTION 301 (SANCTIONS AGAINST THE OTHER SIDE'S UNFAIR TRADE PRACTICES) OF THE TRADE ACT, IT MAY END UP FAILING TO DRAW OUT A CONCESSION FROM THE JAPANESE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI). GOVERNMENT OFFICIALS, WITH AN EYE ON THE PRESIDENTIAL ELECTION, HOPE TO CIRCUMVENT A PROTRACTED DEADLOCK IN NEGOTIATIONS WITH JAPAN AND TO BREAK THE IMPASSE BY UTILIZING WTO.

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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 25

NEGATIVELY REACTING TO SUCH A POSTURE OF THE U.S. GOVERNMENT, KODAK HAS APPLIED GREATER PRESSURE ON THE USTR THROUGH THE CONGRESS. CHAIRMAN FISHER, TOGETHER WITH D'AMATO (REPUBLICAN PARTY), SENATE BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE CHAIRMAN, WILL HOLD A PRESS CONFERENCE ON THE 21ST AND ANNOUNCE HIS INTENTION OF FORMING A BIPARTISAN GROUP OF CONGRESSMEN SUPPORTING KODAK'S APPEAL BASED ON SECTION 301.

MITI WELCOMES REVISION OF SANCTION APPROACH

MITI HAS WELCOMED THE DECISION OF THE U.S. GOVERNMENT TO REVISE THE SANCTION-BASED STANCE IT HAD TAKEN IN THE JAPANESE PHOTOFILM MARKET ISSUE BY SHIFTING TO AN APPROACH OF FILING A COMPLAINT WITH THE WTO. A MITI INDUSTRIAL POLICY BUREAU OFFICIAL SAID, "WE WELCOME THAT THE OTHER SIDE WILL TAKE INTERNATIONAL RULES INTO ACCOUNT AND MAKE USE OF THE WTO, INSTEAD OF UNILATERAL MEASURES." YET, HE WILL CONTINUE THE POSTURE OF "PAYING CLOSE ATTENTION TO HOW THE U.S. GOVERNMENT WILL NOW MOVE," POINTING OUT: "SINCE THIS IS AN ISSUE INVOLVING COMPETITION POLICY, IT IS REASONABLE FOR THE FAIR TRADE COMMISSION TO DEAL WITH IT."

REGARDING THE U.S. GOVERNMENT'S CHANGE IN ITS STRATEGY, SOME MITI OFFICIALS HAVE A SKEPTICAL VIEW WHETHER: (1) EASTMAN KODAK WILL CONSENT TO TAKING THE APPEAL TO THE WTO; AND (2) WTO WILL ACCEPT A COMPLAINT INVOLVING COMPETITION POLICY. EVEN SO, SHOULD THE U.S. FILE A COMPLAINT AND WTO ACCEPTS IT, THE JAPANESE SIDE WILL ACCEPT THE CHALLENGE, ONE OFFICIAL REMARKING "WE WILL RESPOND TO THE CASE FAITHFULLY, TAKING IT AS AN OBLIGATION OF A MEMBER COUNTRY."

FUJI FILM HAS TAKEN THE STANCE:

"THE U.S. ASSERTIONS ARE GROUNDLESS. JAPAN HAS TURNED DOWN ITS PROPOSAL TO HOLD NEGOTIATIONS BASED ON THE TRADE ACT. EVEN SO, THE U.S. FINDS IT DIFFICULT TO TAKE UNILATERAL SANCTIONS. UNDER SUCH CIRCUMSTANCES, IN ORDER TO MAINTAIN ITS FACE, THE U.S. GOVERNMENT APPARENTLY WILL RESORT TO THE MEANS OF FILING A COMPLAINT WITH THE WTO" (LEGAL AFFAIRS DEPARTMENT).

FOCUSING ON EXPANDED RIGHTS, U.S.-JAPAN ALL-CARGO TALKS RESTART TODAY (NIHON KEIZAI - PAGE 3)

THE GOVERNMENTS OF JAPAN AND THE UNITED STATES WILL TODAY RESTART ALL-CARGO CIVIL AVIATION NEGOTIATIONS TODAY AT THE MINISTRY OF TRANSPORT (MOT) IN KASUMIGASEKI. THIS WILL BE THE FINAL ROUND OF TALKS WITH THE END-OF-MARCH DEADLINE APPROACHING. THE TWO COUNTRIES INTEND TO "AIM AT REACHING A REALISTIC SETTLEMENT" (RANKING U.S. OFFICIAL) IN THE FORM OF EXPANDING OPERATIONAL RIGHTS FOR BOTH SIDE'S CARRIERS, WHILE AVOIDING A DECISIVE CONFRONTATION OVER "BEYOND RIGHTS," AN ISSUE IN WHICH THE TWO COUNTRIES' VIEWS REMAIN POLES APART. THE MAIN POINT AT ISSUE WILL BE WHETHER THE TWO SIDES CAN COMPROMISE DURING THE DISCUSSIONS ON SPECIFIC OPERATIONAL RIGHTS.

AT THE PREVIOUS TALKS HELD IN WASHINGTON IN LATE FEBRUARY, THE JAPANESE SIDE MADE THE FOLLOWING PROPOSALS: (1) DISCUSSION OF THE ISSUE OF THE INTERPRETATION OF THE FIFTH FREEDOM (RIGHT TO FLY BEYOND EACH OTHER'S COUNTRY), THE MOST IMPORTANT AREA OF DIVERGENCE, SHOULD BE PUT OFF FOR THE NEXT THREE YEARS; (2) THE RESTRICTION IMPOSED ON THE NUMBER OF FLIGHTS OPERATED BY JAPAN AIR LINES AND JAPAN CARGO AIRLINES SHOULD BE SCRAPPED; AND (3) NEW ROUTES UNDER THE FIFTH FREEDOM SHOULD BE GRANTED TO U.S. INCUMBENTS IN A LIMITED WAY, AND THE RIGHTS OF LATE COMERS SHOULD BE INCREASED. AT THE MEETING TO BE HELD TODAY, THE U.S. WILL FIRST PRESENT A COUNTERPROPOSAL TO THE JAPANESE PLAN, AND THEN THE TWO COUNTRIES WILL ENTER NEGOTIATIONS OVER SPECIFIC OPERATIONAL RIGHTS. THE POSSIBILITY IS THAT THE TALKS COULD HEAT UP AGAIN, DEPENDING ON THE PROPOSAL FROM THE U.S. SIDE. IF THAT HAPPENS, THE TALKS MAY BE DRAG ON TO THE TIME OF
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UNCLAS SECTION 08 OF 08 TOKYO 002620

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 25

PRESIDENT CLINTON'S VISIT TO JAPAN. BLACKBURN
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CLASS: UNCLASSIFIED

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LINE3: R 250855Z MAR 96

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 250855Z MAR 96

ORIG: AMEMBASSY TOKYO

TO: RUEHIA/USIA WASHDC 8177

INFO: RUEHC/SECSTATE WASHDC 0421

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SUBJ: WORLDNET INTERACTIVE ON "U.S. POLICY IN EAST ASIA AND THE PACIFIC," WITH AMBASSADOR WINSTON LORD, ASSISTANT SECRETARY OF STATE FOR EAST ASIAN AND PACIFIC AFFAIRS, MARCH 29, 01:00 - 02:00 GMT.

TEXT:

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(1) Administrative Reform Committee "Gives Ratings" to Deregulatory Efforts by Various Government Agencies; "Showcase Items" Get Unsatisfactory Marks; Committee Members Disgruntled, Stating, "That Is Not What We Were Promised"; Industries Choose Whether or Not to Scrap Regulations

ASAHI (Page 3) (Excerpts)
March 22, 1996

With the revision of the deregulation promotion plan slated for the end of the month, the government's Administrative Reform Committee (chaired by Yotaro Iida) yesterday informally gave marks to deregulatory efforts made by various government offices at Kasumigaseki (bureaucratic center). As a result, progress was recognized in many areas, but deregulatory efforts for areas at issue, such as the fee-charging job placement business by the private sector, hospital management by private firms and the like, received "unsatisfactory marks." Deregulation is the showcase of "administrative reform," which Prime Minister Hashimoto is trying to adopt as his policy theme. However, due in part to the turmoil in the jusen (housing loan corporation) Diet and discord in the views of the ruling camp, the Prime Minister has apparently been unable to exercise leadership. The Prime Minister showed his resolve to Administrative Reform Committee members, declaring, "I will give it a try for another week," but he stopped short of specifically mentioning how he is

going to touch the structure that is hampering progress.

Prime Minister Complains

"This is not what we were told in December" --
participants at the joint meeting of the
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Administratiw@sm Committee and the Committee's
Deregulation Sub-Committee (chaired by Isamu
Miyazaki) unhappily made a comment on a "list of
marks" the administrative office presented.

A revised report on the deregulation plan presented
to the government last December by the
Administrative Reform Committee included 12 areas
covering 53 items. The report was supposed to "be
something that is acceptable for both sides -- the
Committee and government agencies, because the two
parties boiled down details, by sitting up all
night, but many agencies are now taking a stance of
retreating from the December line.

The Labor Ministry responded to a call for the
liberalization in principle of the fee-charging job
placement business with contents that have greatly
retreated from the original plan. Masahiko
Nakanishi, Vice President of the Tokyo Chamber of
Commerce and Industry, who is responsible for the
"employment and labor" sector as a counselor to the
sub-committee, held negotiations in the middle of
this month with Liberal Democratic Party (LDP)
members connected with the Administrative Reform
Committee. In the meeting, he declared, "Are you
making allowances for the ruling coalition, because

the Labor Minister is a Social Democratic Party (SDP) member? If that is so, the industrial community will abandon the Hashimoto Administration."

Those LDP members on the 19th arranged a round table discussion meeting between the LDP Administrative Reform Promotion Headquarters (chaired by Kiyoshi Mizuno) and business leaders, such as Nakanishi, and Prime Minister Hashimoto. After the meeting, the Prime Minister reportedly complained to Labor Ministry senior officials, "I want you to be more positive toward deregulation."

The subcommittee divided areas subject to deregulation into 13, and installed in each group academics and business managers who are well-versed in each sector. It was an "individual blasting" operation targeting government agencies. However, government agencies have responded to the subcommittee with a stance of "trying to gain bargaining or make piecemeal concessions." "They also showed an attitude of settling the issue on their own turf, such as in advisory councils under their charge" (Administrative Reform Committee member Naoki Tanaka).

Loud voices are being heard in the Administrative Reform Committee, complaining, "We have come this far. Politics should be responsible for the rest" (Nakanishi). However, the proposed scrapping of regulations on holding companies, which was supposed to have become a showcase of the government's effort to deregulate, is now up in the air because of opposition lodged by the SDP, which has claimed, "The abolition of such a regulation will give rise to monopoly enterprises." As to the breaku of Nippon Telegraph and Telephone Corporation (NTT), the LDP on the 19th adopted a policy approach of postponing a decision until the next regular Diet session.

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Administrative Committee members who are in charge of sectors that received "unsatisfactory marks," such as the "employment and labor" sector, "the competition policy" sector and the "financial system" sector, yesterday evening called on Prime Minister Hashimoto at his residential office. Subcommittee Chairman Miyazaki asked the Prime Minister, "Please give it one more push." The Prime Minister replied, "I would like to do as much as possible," but there is not much time left.

Solid "Bedrock"

The bipolarization of government controls that are up for deregulation has become noticeable through the process of revising the promotion plan -- "regulations" that can move toward deregulation, although the pace would be slow, and "immovable regulations" coming up against the bedrock of industrial circles' vested interests.

When the Ministry of Finance (MOF) yesterday announced its plan to dismantle a regulation on an increase in public subscription of stocks issued at market prices, Kaname Seki, Vice Chairman of the Japan Securities Association, welcomed the decision: "The securities market should not be artificially constrained." The call from private industry for removing "(restrictions) that are blocking free capital procurement" has been addressed.

The railway-fare setting formula also will be revised. Under a new formula, fares can be freely set by each railway company within the region based on a set price cap. JR East Japan proposed adopting a more flexible fare-setting system three years ago, and the Ministry of Transport has at last taken action.

The Fair Trade Commission (FTC) has decided to basically scrap a notification system regarding international contracts with overseas firms for technology tie-ups and the like. The regulation had once served to protect Japanese firms that were not familiar with concluding contracts with foreign firms, but Keidanren (Association of Economic Organizations) applied pressure, arguing, "The system does not match the age of a global economy." A senior FTC official revealed, "We think that it

is necessary, but we have taken into account changes in the times."

What is common to these "movable regulations" is that they have a strong nature of being "excessive restrictions" imposed by government agencies and that industrial circles do not support such regulations. However, once industrial circles back up those regulations, they will turn into "immovable regulations."

A round-table discussion was held on the morning of the 21st between International Trade and Industry Minister Shunpei Tsukahara and organizations of small- to medium-size firms, represented by Kosaku Inaba, Chairman of the Japan Chamber of Commerce and Industry. In the meeting the MITI Minister
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stressed his intention to maintain as is the Large-Scale Retail Store Law, which restricts the opening of supermarkets and other stores.

MITI considers itself as a "champion of deregulation," but when it comes to the Large-Scale Retail Store Law, it takes an irresolute posture. The chambers of commerce and industry are aligned with political organizations. In the case of the Japan Chamber of Commerce and Industry, politicians and bureaucrats are closely tied with each other with former MITI officials holding posts of senior managing director and managing director. MITI will avoid the call for deregulation, just by easing the requirement that a store use six colors for a store plan, a document required to be submitted together with several other papers.

A review of the price supporting system for agricultural products, such as meat, dairy products and sugarcane is encountering difficulty. That is because public corporations (tokushu hojin), such as the Livestock Promotion Corporation, are responsible for deregulation, and agricultural policy specialists are backing them. If industrial circles lodge a protest against dismantling regulations, the power of the Administrative Reform Committee alone will not suffice to change them.

(2) Prime Minister Faced with Difficulty Steering His Administration; Anxious about Discord between Kajiyama and Kato; U.S. President's Visit to Japan Also Is Knotty Problem

NIHON KEIZAI (Page 2) (Full)
March 24, 1996

Prime Minister Hashimoto has run into trouble in steering his administration. Discord in the ruling coalition, as seen in the clash between Chief Cabinet Secretary Seiroku Kajiyama and Liberal Democratic Party (LDP) General Secretary Koichi Kato over the Prime Minister's talks with the Shinshinto (New Frontier Party), has surged across the ruling camp. The footing of the administration has begun to shake even before obtaining prospects for a breakthrough in the stalled Diet session. On the diplomatic front as well, no prospects are in sight for bringing about successful results for U.S. President Clinton's mid-April visit to Japan.

Holds Top-Level Meeting as Arranged by LDP Chief Cabinet Secretary

"Ozawa pressed the Prime Minister to cut off ties with the Social Democratic Party (SDP) and the Sakigake Party," "Ozawa told the Prime Minister that he would cooperate with him in a time of emergency on the Korean Peninsula" -- various rumors abound in political circles speculating on what really took place at the top-level meeting on the 19th, reflecting expectations and a sense of alarm over the possibility of a conservative-conservative forces alliance.

Having no close aides, the Prime Minister has no means for taking action himself to seek out a solution for the stalemated political situation.

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He could only avail himself of a scenario prepared by Kajiyama, being impatient about the deadlock the Kato Party Executive was faced with. He then arranged the meeting (with Ozawa) to set a course for a time-limited bill and the handling of an emergency stopgap draft budget. He had never expected that Kato, the SDP and the Sakigake would negatively react against the meeting, calling it, "It is a move toward a conservative-conservative alliance."

The Prime Minister in a strong tone denied the rumor to Kato about his discussing a possible alliance with Ozawa. Kato had called on him at the Prime Minister's Official Residence without appointment. Hashimoto told Kato: "I just argued with Ozawa because he was seeking the deletion of the allocation of public money for helping liquidate the jusen and was also seeking a dissolution of the Lower House. We never discussed other topics." The Prime Minister insisted he never said "you and I share the same fate," attributed to him on the 6th.

Kato then left the Prime Minister's office without seeing Kajiyama. Since Hashimoto had asked Kajiyama to serve as his right-hand man, he is in a position of total dependence on him. However, if there is a confrontation between his right-hand man and the Secretary General, who is like a head clerk in charge of the Party, it could shake the very foundation of his administration. He now has to deal with the troublesome embers of their friction.

Grim Prospects for "Okinawa and the Economy"

The time-limit bill and the handling of an emergency stopgap draft budget, on which an agreement was reached at a top-level meeting, are still mere scraps of paper, due to the negative reaction in the ruling camp. No prospects are yet

in sight for the liquidation of jusen debts and the passage of the FY1996 draft budget. The Prime Minister's intention of buoying up his administration with his own policy measures by quickly settling the "burdens" which he has inherited from the previous Murayama Administration is now up in the air.

Another "baggage" for him to handle is the U.S. presidential visit to Japan. The Prime Minister on the evening of the 22nd met with Okinawan Governor Masahide Ota. In the meeting, his face was stern as he relayed the situation about the return of the Futenma Airfield: "It is very difficult." On the economic front as well, he faces a difficult situation, having no special showcase to highlight in the ongoing revision of the deregulation promotion plan, whose deadline is set for the 29th. This is despite his enthusiastic comment: "I will use Japan's structural reforms as PR during the President's visit." (person close to the Prime Minister).

Shadow of Possible Ho-Ho Alliance over Crisis Management

With an eye on President Clinton's visit to Japan,
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the Prime Minister is secretly putting its energies into crisis-management measures in anticipation of possible tensions over the Taiwan Straits and the Korean Peninsula. He frequently calls in senior officials of the Foreign Ministry and the Defense Agency to his office. One day, he had lunch with Cabinet Legislation Bureau Director General Omori

and enthusiastically engaged in discussion with him for as long as an hour and half. On the 22nd, he conferred on measures to protect Japanese citizens residing abroad with Security Affairs Office Head Mitsui.

Regarding the key issue of the right of collective self-defense, he impressed bureaucrats, challenging them to an argument, claiming, "I studied that issue when the LDP was an opposition party." However, there remain suspicions about the recent top-level talks. Ozawa was the key person in the ruling camp, when it worked on approaches two years ago to contend with a time of emergency on the Korean Peninsula. The theme is most suitable for discussing a possible conservative-conservative alliance. If the Prime Minister steps into the issue too deeply, the cohesiveness of the administration will be weakened.

The Prime Minister grumbled in a relaxed atmosphere of the meeting of former members of the Keio University kendo (Japanese fencing) club held on the 22nd: "I do not feel relaxed at the office. Please receive me with warmly if I am sacked." Spring is still far off for the Prime Minister's office.

(3) Government Compiles "Crisis Control Manual" Stipulating Chain of Command in Place of the Prime Minister, Hypothesizing Earthquake Directly under Tokyo; Spells out Establishment of Emergency Prime Minister's Office and Emergency Decisions by Available Cabinet Ministers .

SANKEI (Top Play) (Full)
Eve., February 23, 1996

The Government at a Cabinet meeting on the morning of the 23rd adopted a "crisis control manual" which spells out the chain of command in case of the Prime Minister's residential office (Kantei) is paralyzed by a major earthquake or other disaster. The Government has been conducting full-fledged studies to make necessary changes in its crisis-management system ever since the country was hit by the catastrophic Great Hanshin Earthquake last year. The manual finally compiled by the Government hypothesizes for the first time such scenarios as the Kantei being destroyed and the Prime Minister not being able to perform his duties due to severe injuries.

According to the manual, in case the Prime Minister is not able to carry out his duties, his authority should shift to the Deputy Prime Minister, Chief Cabinet Secretary, National Land Agency Director General or another Cabinet minister in that order.

The present Cabinet Law has a "proxy" provision for such emergencies as the Prime Minister suffering from an accident or death. But it does not refer
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to any specific order regarding commanding authority in the Prime Minister's absence.

In addition, the manual says that Cabinet ministers who are able to contact each other in the wake of a serious disaster can make decisions among themselves, without a full line up of Cabinet ministers present, in order to set up an emergency disaster countermeasures headquarters as well as to make other critical choices.

Besides the above, the manual suggests:

1. In the event of the Kantei being paralyzed, to establish an "emergency Kantei" in one of the following places: National Land Agency, which is equipped with a disaster-prevention conference room, Defense Agency which has an underground central-control center, or Tachikawa Wide-Area Disaster Prevention Base, in that order;
2. Use of police vehicles to escort Cabinet ministers' cars, or helicopters if roads are not accessible, to assist them to Cabinet meetings;
3. Notify the location place of a Cabinet meeting via television or radio stations in case telephone lines are cut off; and
4. The Cabinet Information and Research Office should act as the central information control

center.

Chief Cabinet Secretary Seiroku Kajiyama has remarked: "We would like to map out measures to cope swiftly with a major earthquake based on the lessons we learned from last year's traumatic earthquake."

(4) Lifting of Ban on Employment of Japanese Lawyers; Justice Ministry to Ease Regulations on Foreign Law Firms; Revision of Law in 1998; Investments in Japan to Be Facilitated

NIHON KEIZAI (Page 5) (Full)
March 23, 1996

The Ministry of Justice (MOJ) has decided to ease regulations pertaining to foreign lawyers in Japan. With its new policy decision, foreign firms will be allowed to employ Japanese lawyers, and foreign lawyers will be able to handle laws of countries other than their home countries in which they were admitted to the bar. These new measures will be included in a revised version of the Deregulation Promotion Plan due to be approved by the Cabinet on the 29th. After coordinating views with the Japan Federation of Bar Associations (JFBA), MOJ will revise the "Foreign Lawyers' Special Measures Law" in 1998, at the earliest. With legal services to be smoothly given to foreign companies, the environment is likely to be improved to expedite investments in Japan.

Regarding regulations on foreign lawyers, the MOJ will stipulate in a revised version of the Deregulation Promotion Package that "it will start discussion in FY1996 and reach a conclusion by BT
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"East Asia Strategy Report," in which the U.S. Department of Defense declared its intention in February last year to "maintain 100,000 troops in the Asia-Pacific region."

Secretary of Defense Perry has remarked that "47,000 troops are needed in Japan," and other high-ranking officials of the U.S. Government have also repeatedly underscored the strategy of "maintaining troop strength" in Japan. Washington has strongly called for Tokyo to incorporate the "47,000 troops" in the joint declaration.

For the U.S., the presence of U.S. forces in Japan is the axis of its "100,000-strong deployment." And the stipulation of "47,000" has political connotations: (1) The U.S. aims to declare toward North Korea (Democratic People's Republic of Korea), China, and Southeast Asian countries that are regarding China as a threat, that the Japan-U.S. security arrangement will never be shaken even by the Okinawa problem, and the U.S. will also make it clear that it will continue to maintain its (military) presence in the Asia-Pacific region; and (2) Okinawa Prefecture has been demanding the total reversion of all U.S. military bases there by the year 2015, but the U.S. has clarified that it does not intend to withdraw (from Okinawa).

On the other hand, Okinawa Prefecture's Governor Masahide Ota claims that writing in the number of troops "will lead to base solidification," and both the Social Democratic Party and the Sakigake Party are negative about it.

The Japanese and U.S. Governments have now basically agreed to have the joint declaration of bilateral security incorporate such expressions as that the two governments "should strongly recognize the sacrifices paid by the people of Okinawa Prefecture, and must compensate them for it" and "the U.S. forces in Japan will meet changes in the international situation."

The wording "meet changes in the international situation" aims to "get Okinawa's understanding by implying the two governments' intention of responding flexibly to a future reduction of the troops in case the figure 47,000 is incorporated" (Government source).

Even in case the number of troops is not clearly mentioned in the joint declaration, that wording "will make it possible to respond flexibly also to the case where the Asian situation worsens and the

U.S. side increases its troop strength," according to the same Government source. So, this wording can be said to be a "hard measure" that bi-focuses on the U.S. and Okinawa.

A Japan-U.S. summit was initially scheduled for November last year but was postponed eventually. The Japanese and U.S. Governments had agreed to issue on that occasion a joint declaration stipulating a course of action to "maintain the deployment of 47,000 troops." This time, however, the Japanese and U.S. sides "have not made a political judgment for now to avoid incorporating

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any figure," says a source in the Japan Defense Agency.

In the Japan-U.S. negotiations over the issue of realigning and reducing the U.S. military bases on Okinawa, the U.S. side has refused to relocate Futenma Air Station. In addition, all the municipalities on the list of candidate sites for bases and facilities are reluctant to accept U.S. military bases and facilities. The future course of the negotiations is still unclear. Therefore, the Government and the ruling coalition are now internally mulling over a new package of financial assistance measures for the owners of U.S. military land, Okinawa Prefecture, and local municipalities on the list of candidate sites for relocation. The Liberal Democratic Party's Security Affairs Research Council recently released a report of policy proposals entitled The Japan-U.S. Security Arrangement and Its Contemporary Significance, which also incorporates "comprehensive measures

including the financial problem."

About the figure "47,000," a Government source explains the actual circumstances: "It remains as an important card toward Okinawa Prefecture. If we obtain results in base realignment and reduction, and if the Government is going to take financial measures for the local municipalities and other parties concerned, we would write in the figure to respect the U.S. side's opinion. Otherwise, we won't write in the figure out of consideration for Okinawa Prefecture. This problem could still fluctuate up or down."

(6) (Magazine Article) The Road Now Steadily
Paved to Realize SDF's Assistance to U.S. Forces in
Wartime Possibility

FORESIGHT (Full)
March 1996

The Government is now speeding up the work needed to conclude during the current Diet session an acquisition and cross-serving agreement (ACSA) -- an accord to make it possible for the Self-Defense Forces (SDF) and United States Forces (in Japan) to supply fuel and other services to each other. To avoid the charge of linking such a pact to exercising the right of collective self-defense, the activities now covered by the proposed pact is limited to Japan-U.S. joint training and United Nations peacekeeping operations (PKO). But what is the real aim of such an agreement?

In negotiations between the two countries to date, agreement has been reached on some 10 items, such as providing fuel, billets and food in joint training. And in PKO activities, transportation of SDF personnel by the U.S. military's large transport aircrafts has come up as a subject for discussion. The system of cross-servicing requires that supplies and services provided will be paid back in cash or in kind within approximately three months.

A senior officer of the Japan Defense Agency (JDA) noted the following officially, emphasizing the
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DEPT PASS USTR FOR SHAPIRO/WOLD
DEPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETER

E.O. 12356: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 03/25/96

positive aspects of an ACSA: "Joint training will be carried out more smoothly, and we can make up for our current insufficient transport capability, as is seen in our sending troops to PKO."

But, the conventional wisdom is that all ACSAs the U.S. has already concluded with 19 countries and one organization in Europe and the Middle East hypothesize a time of emergency. The interpretation given for an ACSA is "assistance to U.S. troops during wartime" by allied nations instead of a means to make it smooth to carry out joint training.

If so, what does it mean to conclude an ACSA that is designed for peacetime? It is non-sense to think that U.S. Forces in Japan (USFJ), because of a lack of personnel and goods, are unable to carry out training in a satisfactory manner. As much as 250 billion dollars -- five times as large as Japan's defense expenditures -- are appropriated for national defense spending for the US. Forces. Aside from consolidation of facilities through the "sympathy budget" provided by the Japanese Government, a self-supporting accounting system, so to speak, in operational costs has been kept in both countries.

However, there have been some exceptions of SDF supplying goods in such occasions as Rim of the Pacific Exercise (RIMPAC) since 1983 and fuel supply by Maritime Self-Defense Force's (MSDF) supply vessel to U.S. Navy's vessel at the time of the Gulf war in 1991.

What can be noted as strange was an event that occurred in November 1994. At the time, during the joint training carried out in Air-Self Defense Force's (ASDF) Chitose Base, U.S. forces suddenly asked ASDF to supply fuel to the F-16 fighter engaging in joint training between Japan and the U.S. A JDA insider revealed:

"The circumstances were that U.S. military had no fuel stored then at Chitose Base; they were unable

to obtain the fuel supply ahead of time. The JDA in the end accepted the U.S. request and then waited to see how public opinion would react. While some newspapers reported that news, there were almost no critical press comments."

After such a "testing of the waters," discussion of an ACSA began in detail. A senior JDA officer stated, "(ACSA) is just part of confidence-building efforts between Japan and the U.S." He disagreed with those who took the view that "its accumulated efforts during peacetime are ultimately aimed at cooperation during wartime." But the reason for (the U.S.'s) seeking Japan to shoulder the burden is easy to understand when you see it from the U.S. side's position. A military source explained:

"According to the security treaty the U.S. has concluded with the Republic of Korea (ROK), in the event of an emergency breaking out on the Korean Peninsula, the USFJ also will be mobilized. But the SDF will remain unable to take any action. Since the U.S. Forces deep down think that'an
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emergency on the Korean Peninsula is one that concerns Japan, too,' their view is that 'we want (Japan) to engage in rear support, at least providing supplies.' ACSA will serve to lay the groundwork for letting Japan take part in (operations in the event of an emergency)."

In the cold-war period, Japan was considered to be the breakwater of the Western world in terms of its geostrategic aspects, and blocking the Soviet Union's advance southward was in the common

interests of the Western world. But that raison d'etre has now vanished, and instead Japan as a major power is urged to carry out its "obligations." The country in the lead calling on Japan to do so is the United States. In particular, the USFJ reportedly is moving vigorously to facilitate a conclusion of the ACSA.

A senior JDA officer commented:

"Among the major allies of the U.S., only Japan is an exception as far as an ACSA is concerned. There seems to be the thinking in the U.S. that it cannot afford to treat Japan as an exception indefinitely. When President Clinton comes to Japan in April, the U.S.-Japan Security Treaty will be redefined, and an ACSA will be showcased on that occasion."

At present, when night landing practice (NLP) occurs on Iwojima by U.S. carrier-borne aircraft, ASDF planes transport U.S. servicemen and supply them with food. The ASDF has previously been said to be supplementing the U.S. 7th Fleet on this. On the occasion of air-defense training by fighters, both Japan and the U.S. have learned tactics from each other. Concluding an ACSA undoubtedly will lower the military barriers even more between Japan and the U.S. Shigeru Han'da (Tokyo Shimbun reporter)

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RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUALSFJ/COMUSJAPAN YOKOTA AB JA
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 26

TOP HEADLINES

TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 002670

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA
WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS;
USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A
SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 26

TOP HEADLINES

ASAHI: STALEMATED DIET TO BE NORMALIZED TODAY; RULING,
OPPOSITION PARTIES IN AGREEMENT; SHINSHINTO TO LIFT
BLOCKADE; NO FORCED VOTING; SUMMONS ISSUE STILL ON AGENDA
FOR DISCUSSION

NIHON KEIZAI: TO HOLD PRIVATE-SECTOR SEMICONDUCTORS TALKS
WITH U.S., EUROPE, ROK; DOMESTIC INDUSTRY'S PROPOSAL AS
MEANS TO SHIFT FROM JAPAN-U.S. ACCORD; TO CHECK MARKET ON
MULTILATERAL BASIS (TRANSLATION BELOW)

TOKYO SHIMBUN: DIET TO BE NORMALIZED AFTER THREE WEEKS;

SHINSHINTO TO LIFT PICKET LINE; "JUSEN", "SUMMONS,"
SHELVED; RULING, OPPOSITION PARTIES ARRIVE AT AGREEMENT

MAINICHI: DIET TO BE NORMALIZED TODAY; RULING, OPPOSITION
CAMPS IN AGREEMENT NOT TO "TAKE A FORCED VOTE" ON BUDGET
BILL; SHINSHINTO TO LIFT PICKET LINE

YOMIURI: DIET TO BE NORMALIZED UPON AGREEMENT BETWEEN
RULING, OPPOSITION CAMPS AFTER THREE WEEKS; SHINSHINTO TO
REMOVE PICKET LINE; SUMMONS ISSUE CONTINUES TO BE
DISCUSSED (TRANSLATION BELOW)

SANKEI: AUM CULT MEMBER HAYAKAWA'S DEPOSITION INDICATES
"CANCELLATION OF TELEVISIONING OF VIDEO TAPE"; IN RETURN FOR
EXCLUSIVE INTERVIEW WITH CULT HEAD ASAHARA; "GIVES A
SCOOP"; MANEUVERS MADE TOWARD TBS EMPLOYEE, HAYAKAWA'S
ACQUAINTANCE

DIET TO RETURN TO NORMAL AFTER THREE-WEEK BY SHINSHINTO
(YOMIURI - TOP PLAY)

FIVE RULING AND OPPOSITION PARTY HEADS MET LATE YESTERDAY
WITH LOWER HOUSE SPEAKER DOI TO FIND A BREAKTHROUGH IN
THE DIET STALEMATE OVER THE JUSEN (HOUSING LOAN
COMPANIES) LIQUIDATION SCHEME. AS A RESULT, AN AGREEMENT
WAS REACHED ON THE FOLLOWING ASPECTS: 1) TO CARRY OUT
THOROUGH DELIBERATIONS ON THE FY1996 BUDGET WITH NO
FORCED VOTE TO BE TAKEN; AND 2) POSSIBLE DIET TESTIMONY
BY LIBERAL DEMOCRATIC PARTY SECRETARY GENERAL KOICHI KATO
AND OTHERS TO BE DISCUSSED EARNESTLY IN LOWER-HOUSE
BUDGET COMMITTEE SESSIONS. THE DIET WILL BE BACK IN
BUSINESS TOTALLY ON THE 26TH. THE MAJOR OPPOSITION
SHINSHINTO (NEW FRONTIER PARTY) ENDED ITS SIT-IN ON THE
NIGHT OF THE 25TH, DAY 22. THE TWO CAMPS WILL START
DELIBERATIONS ON THE FY1996 BUDGET AFTER PASSING A
STOPGAP BUDGET. THE FISCAL BUDGET MAY PASS THE LOWER
HOUSE AS EARLY AS MID-APRIL. THE SHINSHINTO, HOWEVER,
INTENDS TO CONTINUE TO DEMAND THE REMOVAL OF THE JUSEN
WRITE-OFF ELEMENT AND KATO'S DIET TESTIMONY. INTENSE
MANEUVERING IS LIKELY TO CONTINUE RIGHT UP TO THE BUDGET
VOTE.

AMBIGUOUS RESOLUTION OF DIET DEADLOCK FURTHER INCREASES
PUBLIC DISTRUST OF POLITICS (YOMIURI - PAGE 2)

(COMMENTARY) THE DIET, WHICH HAS BEEN STALLED DUE TO THE
SHINSHINTO'S (NEW FRONTIER PARTY) PICKETING, WILL RESUME
BUSINESS ON THE 26TH, PUTTING AN END TO THE 22-DAY-LONG
HIATUS IN BUDGET DELIBERATIONS. LOWER HOUSE SECRETARIAT
RECORDS COVERING FROM 1972 SHOW THAT THE DIET STALEMATE
THIS TIME BROKE THE RECORD, 21 DAYS (NUMBER OF DAYS
OFFICIALLY CLOSED INCLUDED) WHICH OCCURRED IN 1976 OVER
THE LOCKHEED SCANDAL. ONE MUST SAY THAT THE NEW RECORD
IS INDEED A TRULY INFAMOUS EVENT.

MOREOVER, THE SHINSHINTO HAS GIVEN ITS CONSENT TO
NORMALIZING THE DIET WITHOUT PROSPECT OF PROGRESS IN
EFFECT IN ITS DEMAND FOR THE REMOVAL OF THE JUSEN

(HOUSING LOAN COMPANIES) LIQUIDATION BUDGET, WHICH WAS THE VERY REASON THE PARTY STAGED THE PICKETING. POSSIBLE DIET TESTIMONY BY LIBERAL DEMOCRATIC PARTY SECRETARY GENERAL KOICHI KATO ALSO SAW AN AMBIGUOUS END. WHAT THE SHINSHINTO HAS GAINED WAS ONLY THE AGREEMENT BETWEEN THE RULING AND OPPOSITION CAMPS "NOT TO TAKE A VOTE FORCIBLY" REGARDING THE FY1996 BUDGET. BUT REGARDING THIS, LOWER BT
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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 26

HOUSE SPEAKER TAKAKO DOI HAD OBTAINED PROMISE FROM THE RULING CAMP AS EARLY AS THE 13TH. IF SUCH WOULD SATISFY THE SHINSHINTO, WHY COULD THAT PARTY NOT REACH A DECISION MUCH EARLIER TO RESUME THE DIET?

THE RULING CAMP IS NO BETTER. DURING ALL THIS TIME, THE RULING CAMP MADE LITTLE EFFORT TO RESPOND SATISFACTORILY TO THE PEOPLE'S DISCONTENT WITH THE JUSEN SCHEME. IN ADDITION, QUESTIONS STILL REMAIN AS TO WHY THE LDP IS OPPOSED TO KATO'S DIET TESTIMONY, WHICH WOULD BE AN OPPORTUNITY TO CLEAR HIS NAME OF ALLEGED INVOLVEMENT IN A MONEY SCANDAL, AND WHY IT WANTS TO STEAMROLLER IT WITH THE CONTINUATION OF THE DELIBERATIONS.

DIET NORMALIZATION, THOUGH DECIDED BELATEDLY, IS SOMETHING WE SHOULD WELCOME. BUT THE INABILITY OF THE POLITICAL PARTIES TO MAINTAIN PARLIAMENTARY ORDER AND TO MAKE THE RIGHT DECISION WERE CLEARLY DEMONSTRATED BY THEIR MUCH DELAYED ACTION, ONLY DOING SOMETHING AFTER SEEING THE OUTCOME OF THE UPPER-HOUSE BY-ELECTION IN GIFU.

THE LONG DIET STALEMATE AND THE AMBIGUOUS SETTLEMENT WILL ONLY ADD TO THE PEOPLE'S DISTRUST IN POLITICS.
(YOSHIO OKUBO, POLITICAL DEPARTMENT)

AMBASSADOR MONDALE OUTLINES SUMMIT AGENDA IN MEETING WITH FOREIGN MINISTER (SANKEI - PAGE 3)

UNITED STATES AMBASSADOR TO JAPAN WALTER MONDALE ON THE AFTERNOON OF THE 25TH MET WITH FOREIGN MINISTER YUKIHIKO IKEDA AT THE MINISTRY OF FOREIGN AFFAIRS (MOFA). THE AMBASSADOR TOLD THE FOREIGN MINISTER THAT AT THE UPCOMING APRIL SUMMIT MEETING DURING PRESIDENT CLINTON'S VISIT TO JAPAN THE "U.S.-JAPAN SECURITY TREATY, OKINAWA, THE COMMON AGENDA (GLOBAL ISSUES), AND ECONOMIC ISSUES WILL BE THE MAIN FEATURES." "I WOULD LIKE TO SEE A WELL-PREPARED, SUCCESSFUL VISIT," HE SAID.

THE AMBASSADOR INDICATED THAT HE THOUGHT THE MAIN THEMES OF THE SUMMIT WOULD FOCUS ON IN ADDITION TO THE ISSUE OF REALIGNMENT AND REDUCTION OF U.S. MILITARY BASES ON OKINAWA AND REDEFINITION OF THE U.S.-JAPAN SECURITY TREATY. IT WOULD ALSO CONCENTRATE ON THE FOUR ECONOMIC AREAS REQUESTED BY THE U.S.: 1) EXTENSION OF THE JAPAN-U.S. SEMICONDUCTOR AGREEMENT, 2) OPENING OF THE PHOTOFILM MARKET, 3) LIBERALIZATION OF INSURANCE AND 4) LIBERALIZATION OF ALL-CARGO CIVIL AVIATION.

FOREIGN MINISTER IKEDA, HOWEVER, ONLY STRESSED, "WE ARE ALSO MAKING EFFORTS FOR THE SUMMIT TALKS," BUT DID NOT MENTION SPECIFIC ISSUES.

REGARDING THE FOUR ECONOMIC AREAS, BOTH U.S. SENATE AND CONGRESS HAVE APPLIED PRESSURE ON THE U.S. GOVERNMENT TO TAKE A HARD-LINE STANCE TOWARD JAPAN. FOR NOW, THE CLINTON ADMINISTRATION HAS NOT SHOWN ANY CRITICISM OF JAPAN, BUT SOME VIEW THAT "IT CANNOT AVOID TAKING A HARD-LINE POLICY TOWARD JAPAN IN VIEW OF THE PRESIDENTIAL ELECTION" (MOFA SOURCE).

REGARDING HIS MEETING WITH RUSSIAN PRESIDENT YELTSIN ON THE 20TH IN MOSCOW, FOREIGN MINISTER IKEDA EMPHASIZED THAT YELTSIN TOLD HIM THAT "I WILL MAKE EFFORTS NOT ONLY TO UPHOLD THE TOKYO DECLARATION BUT ALSO TO IMPROVE IT." THE AMBASSADOR SAID: "IT SEEMS TO BE A POSITIVE DEVELOPMENT."

SUMMIT MEETING TO DISCUSS CHINA-TAIWAN ISSUE AND FORMER YUGOSLAVIA (YOMIURI - PAGE 2)

AGENDA FOR DISCUSSION IN THE JAPAN-UNITED STATES SUMMIT MEETING (ON APRIL 17) BETWEEN U.S. PRESIDENT CLINTON, WHO IS TO COME TO JAPAN AS STATE GUEST FROM APRIL 16, AND PRIME MINISTER HASHIMOTO HAS BEEN SET. FIRST OF ALL, THE PROBLEM OF REDEFINING SIGNIFICANCE OF THE JAPAN-U.S. SECURITY ARRANGEMENT WILL BE TAKEN UP. IN THAT CONNECTION, THE FOLLOWING MATTERS WILL ALSO BE ON AGENDA:

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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 26

(1) EXCHANGES OF VIEWS ON (JAPAN'S) CHINA POLICY AFTER THE TAIWANESE PRESIDENTIAL ELECTION AND THE SITUATION ON THE KOREAN PENINSULA AND (2) BOOSTING ASSISTANCE TO FORMER YUGOSLAVIA AND CONTINUING AID TO RUSSIA. IN THE ECONOMIC AREAS, THE U.S. SIDE HAS EXPRESSED ITS DESIRE TO ASCERTAIN "THE GOOD RESULTS OF "AGREEMENTS" REACHED IN FOUR SECTORS, SUCH AS SEMI-CONDUCTORS, BUT THE JAPANESE SIDE HAS SHOWN DISAPPROVAL OF THAT. SO COORDINATION IS EXPECTED TO BE FURTHER CONTINUED TO THE LAST MOMENT BEFORE THE PRESIDENTIAL VISIT TO JAPAN. THESE CIRCUMSTANCES WERE REVEALED ON MARCH 25 BY MORE THAN ONE SENIOR LEADERS OF THE FOREIGN MINISTRY (MOFA).

ON RELATIONS WITH CHINA, JAPAN AND THE U.S. WILL ADJUST THEIR FUTURE RESPONSES WHILE SEEING WHAT KIND OF STANCE LEE TENG-HUI, WHO HAS BEEN JUST ELECTED TO PRESIDENT OF TAIWAN, WILL TAKE TOWARD CHINA, A REACTION BY THE CHINESE GOVERNMENT, AND PARTICULARLY THE OUTCOME OF THE JAPAN-CHINA FOREIGN MINISTERIAL TO OCCUR IN TOKYO ON MARCH 31. THE BASE OF THE TWO COUNTRIES' POLICY LINE IS "TO PROMOTE CHINA'S ENGAGEMENT IN THE INTERNATIONAL COMMUNITY, NOT ENCIRCLING CHINA" (SECRETARY OF STATE CHRISTOPHER).

AS FOR A RESPONSE TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA), JAPAN AND THE U.S. WILL REAFFIRM THE IMPORTANCE OF TEAMWORK AMONG JAPAN, THE U.S. AND THE REPUBLIC OF KOREA (ROK) FOR THE SAKE OF PEACE AND STABILITY ON THE KOREAN PENINSULA. BESIDES, BOTH SIDES WILL EXCHANGE VIEWS ON THE DOMESTIC SITUATION IN THE NORTH.

ASSISTANCE BOSNIA IS AIMED AT STRESSING TO THE U.S. JAPAN'S STANCE OF FULFILLING ITS RESPONSIBILITY IN THE NON-MILITARY AREA ACCORDING TO ITS ABILITY.

JAPAN ALSO WILL EXPRESS ITS ASSISTANCE TO BOSNIA IN AN ATTEMPT TO EMPHASIZE TOWARD THE U.S. JAPAN'S STANCE OF FULFILLING ITS RESPONSIBILITY IN THE NON-MILITARY AREA ACCORDING TO ITS ABILITY. WHAT JAPAN IS NOW CONSIDERING IS PROVIDING ASSISTANCE TANTAMOUNT TO THAT GIVEN BY THE U.S. MAINLY IN THE WAY OF GRANT FUND COOPERATION THAT WILL HELP RECONSTRUCT AFFECTED HOUSING AND BRIDGES BY THE WAR IN BOSNIA.

FOREIGN MINISTER IKEDA PLANS TO INCLUDE SOUTH AFRICA IN LATE APRIL THREE-COUNTRY TRIP (SANKEI - PAGE 3)

FOREIGN MINISTER YUKIHIKO IKEDA HAS DECIDED AS OF THE 25TH TO VISIT SOUTH AFRICA, TURKEY AND BELGIUM FROM LATE APRIL TO EARLY MAY. IT WILL BE THE FIRST TRIP TO AN AFRICAN COUNTRY FOR THE JAPANESE FOREIGN MINISTER SINCE THE LATE FOREIGN MINISTER SHINTARO ABE VISITED ETHIOPIA AND ZAMBIA IN 1984.

WHEN FORMER FOREIGN MINISTER YOHEI KONO SERVED AS FOREIGN MINISTER, HE WAS REQUESTED TO VISIT SOUTH AFRICA BY PRESIDENT MANDELA, BUT SUCH WAS UNABLE TO BE REALIZED. SO THIS TIME, FOREIGN MINISTER IKEDA JUDGED THAT A VISIT TO SOUTH AFRICA "WOULD BE A GOOD OPPORTUNITY" BECAUSE THE 9TH UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) WILL TAKE PLACE THERE. IKEDA WILL MEET WITH PRESIDENT MANDELA.

STATE HEADS AND FOREIGN MINISTER-LEVEL OFFICIALS WILL ATTEND UNCTAD FROM DEVELOPING AND INDUSTRIALIZED COUNTRIES TO DISCUSS THE POVERTY OF DEVELOPING COUNTRIES AND ECONOMIC COOPERATION FOR THOSE COUNTRIES.

THE NUMBER OF AFRICAN COUNTRIES THAT ARE THE MEMBERS OF THE UNITED NATIONS TOTALS 53 -- THE LARGEST OF ANY REGION. WITH THIS IN MIND, IKEDA INTENDS TO ACTIVELY HOLD TALKS WITH HIGH-LEVEL OFFICIALS FROM THOSE COUNTRIES AND TO CARRY OUT LOBBYING AIMING AT WINING SUPPORT IN THE ELECTION FOR THE NON-PERMANENT ROTATING SEAT ON THE UN SECURITY COUNCIL TO TAKE PLACE IN THE FALL.

IN TURKEY, HE WILL ANNOUNCE JAPAN'S SUPPORT FOR THAT COUNTRY WHICH HAS CONTRIBUTED TO THE MIDDLE-EAST
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UNCLAS SECTION 04 OF 08 TOKYO 002670

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RECONCILIATION PROCESS AND HOLD TALKS WITH PRIME MINISTER YILMAZ.

IN BELGIUM, HE WILL ATTEND THE JAPAN-EUROPEAN UNION MINISTERIAL TO BE HELD ON APRIL 29 IN BRUSSELS.

COURT DECISION PLACES FURTHER PRESSURE ON GOVERNMENT ON OKINAWA BASE PROBLEMS (YOMIURI - PAGE 2)

THE GOVERNMENT ON MARCH 25 WON THE PROXY-SIGNING CASE RELATED TO THE FORCED USE OF LAND BY UNITED STATES MILITARY, BUT BECAUSE THE COURT DECISION MADE A SPECIAL REFERENCE, NAMELY, "THE BASES PROBLEM SHOULD BE SETTLED BY GRADUALLY REALIGNING AND REDUCING BASES, SO THE NATIONAL GOVERNMENT HAS SHOULDERED A SERIOUS RESPONSIBILITY," THE GOVERNMENT SIDE HAS NOW BEEN FACED WITH A TOUGH TASK TO SETTLE. BASED ON THAT COURT'S RULING, THE GOVERNMENT INTENDS TO HAVE TALKS WITH THE U.S. PROMPTLY. BUT WHEN IT COMES TO CONCRETE PLANS FOR REALIGNMENT AND REDUCTION OF BASES, NO MARKED PROGRESS HAS YET EMERGED IN CONSULTATIONS WITH THE U.S. DESPITE ITS AIM OF YIELDING A SPECIFIC RESULT BY THE TIME OF U.S. PRESIDENT CLINTON'S TRIP TO JAPAN IN APRIL, THE GOVERNMENT FINDS ITSELF IN A DIFFICULT POSITION AT PRESENT.

THE RULING HANDED DOWN THAT DAY BY THE FUKUOKA HIGH COURT'S NAHA BRANCH MENTIONED THE RESPONSIBILITY OF THE NATIONAL GOVERNMENT, NOTING THAT U.S. MILITARY BASES SHOULD BE GRADUALLY REALIGNED AND REDUCED. REGARDING THE DETAILS OF THAT RULING, THE GOVERNMENT SIDE STRESSED ITS STANDPOINT OF CONCENTRATING ALL ITS ENERGIES ON REDUCING BASES, WITH JAPAN DEFENSE AGENCY DIRECTOR GENERAL USUI'S REMARK, "WE HAVE TAKEN THE COURT'S DECISION SERIOUSLY."

IN EARLY APRIL, THE GOVERNMENT WILL RESUME CONSULTATIONS WITH THE U.S. IN THE SPECIAL ACTION COMMITTEE ON FACILITIES AND AREAS ON OKINAWA (SACO) AND ENTER A CONCLUDING STAGE REGARDING THE PROBLEM OF REALIGNING AND TRIMMING BASES. IN THE BILATERAL TALKS TO DATE, ON FUTENMA AIRFIELD, THE U.S. SIDE STRESSED ITS VIEW THAT "IT IS DIFFICULT TO REVERT AT THE PRESENT TIME." PRIME MINISTER HASHIMOTO AS WELL IN HIS RECENT MEETING WITH OKINAWAN GOVERNOR MASAHIRO OTA INDICATED HIS IDEA OF PUTTING OFF (THE REVERSION ISSUE) TO THIS FALL. YET THE GOVERNMENT INTENDS TO ENDEAVOR TO MAKE IT POSSIBLE TO INDICATE SOME KIND OF OUTLOOK IN APRIL, AS IS SEEN IN A TOP-LEVEL JDA OFFICER'S REMARK: "EVEN IF REVERSION IS DIFFICULT, WE WOULD LIKE TO SHOW THERE IS A FUTURE PROSPECT."

AS FOR THE NORTHERN TRAINING GROUND AND THE GIMBARU TRAINING GROUND, THEIR RETURN IS NOW BEING CONSIDERED IN A CONCRETE WAY. BUT MANY ITEMS ARE FACED WITH DIFFICULTIES. FOR EXAMPLE, OF THE 10 FACILITIES THAT ARE INCLUDED IN THE FIRST CATEGORY OF FACILITIES TO BE REVERTED BY 2001 UNDER THE ACTION PROGRAM PRESENTED LATE JANUARY BY OKINAWA PREFECTURE TO THE NATIONAL GOVERNMENT,

NAHA PORT FACILITIES AND YOMITAN AUXILIARY AIRFIELD ARE AGREED IN PRINCIPLE BY JAPAN AND THE U.S. TO BE RETURNED. BUT MUNICIPALITIES TO WHICH THOSE FACILITIES ARE PLANNED TO BE RELOCATED ARE OPPOSED TO SUCH RELOCATION.

ON RELOCATION OF THE PLACE OF THE LIVE-FIRE TRAINING ACROSS PREFECTURAL HIGHWAY ROUTE 104, THE NATIONAL GOVERNMENT INTENDS TO START IN APRIL A SURVEY OF A SELF-DEFENSE FORCES' (SDF) TRAINING GROUND, WHICH IS TO PROVIDE A RELOCATION PLACE, BUT COORDINATION WITH THE LOCAL MUNICIPALITY IS NECESSARY, SO A FINAL DECISION IS EXPECTED TO BE DELAYED TO THE SUMMER OR LATER.

THE CENTRAL GOVERNMENT'S IDEA IS IT WOULD LIKE TO SHOW PROGRESS TOWARD REACHING A SETTLEMENT OF THOSE ITEMS IN APRIL, BUT SINCE THE KEY LIES WITH THE LOCAL AREA'S UNDERSTANDING, THE CENTRAL GOVERNMENT SEEMS LIKELY TO BE PRESSED HARD TO MAKE DIFFICULT ADJUSTMENTS. REGARDING THE BLUE BEACH TRAINING GROUND AND THE TENGAN PIER, SELECTING PLACES FOR RELOCATION WILL NOT BE EASY.

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UNCLAS SECTION 05 OF 08 TOKYO 002670

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 26

ON THE PROCEEDINGS AFTER THE SUIT ON THE FORCED USE OF LAND BY U.S. BASES, THE CENTRAL GOVERNMENT ON THE NIGHT OF THE 25TH SENT DEFENSE FACILITIES ADMINISTRATION AGENCY DIRECTOR GENERAL MASUO MOROTOMI TO NAHA. THE DIRECTOR GENERAL WILL MEET GOVERNOR OTA ON THE AFTERNOON OF THE 26TH AND ASK HIM TO FOLLOW THE PROCEDURES FOR PROXY-SIGNING OF LEASE PAPERS, BUT THE GOVERNOR HAS SO FAR REPEATEDLY EXPRESSED HIS INTENTION TO REFUSE TO DO SO. IT SEEMS UNAVOIDABLE THAT RELATIONS BETWEEN THE CENTRAL GOVERNMENT ASKING FOR CONTINUOUS USE OF A PORTION OF LAND USED AS SOBE TELECOMMUNICATIONS STATION, WHOSE LEASE WILL RUN OUT ON MARCH 31, AND PUBLIC OPINION IN OKINAWA WILL WORSEN FURTHER. THE CENTRAL GOVERNMENT WILL LIKELY CONTINUE TO BE FORCED TO DEAL WITH THE SITUATION

UNDER DIFFICULT CIRCUMSTANCES.

PREFECTURAL SIDE'S DEFENSE COUNSEL INTENDS TO MAKE A FINAL APPEAL

THE OKINAWA PREFECTURAL SIDE'S DEFENSE COUNSEL, WHICH LOST THE PROXY-SIGNING CASE RELATED TO THE FORCED USE OF LAND BY U.S. MILITARY BASES, ON THE AFTERNOON OF MARCH 25 HELD A MEETING OF THE COUNSEL AND PUTTING THEIR HEADS TOGETHER, DECIDED TO MAKE AN APPEAL AGAINST THE COURT'S RULING. THEY WILL CONVEY THEIR IDEA TO GOVERNOR MASAHIRO OTA AS EARLY AS ON THE 26TH TO SEEK HIS FINAL JUDGMENT.

THE DOMINANT VIEW IN THE DEFENSE COUNSEL IS, "THE RULING INDICATES SOME UNDERSTANDING TOWARD THE CURRENT SITUATION IN OKINAWA SUFFERING FROM PRESSURE FROM U.S. BASES AND THE GOVERNOR'S POSITION, BUT REJECTS THE PREFECTURAL ASSERTIONS. WE SHOULD SEEK A DECISION OF THE SUPREME COURT."

DFAA DIRECTOR TO BE SENT TO OKINAWA FOR DIRECT APPEAL TO GOVERNOR (SANKEI - PAGE 2)

IN RESPONSE TO A COURT RULING ORDERING OKINAWAN GOVERNOR MASAHIRO OTA TO SIGN AS A PROXY LAND-LEASE CONTRACTS FOR EXPROPRIATION OF LAND FOR THE USE OF THE UNITED STATES FORCES ON OKINAWA, THE GOVERNMENT YESTERDAY DECIDED TO DISPATCH DFAA DIRECTOR GENERAL MASUO MOROTOMI TO OKINAWA ON THE SAME DAY AND ONCE AGAIN REQUEST GOVERNOR OKINAWA TO SIGN THE DOCUMENTS ON THE AFTERNOON OF THE 26TH. HOWEVER, THE GOVERNOR IS DETERMINED TO REJECT SUCH A REQUEST. IT HAS BECOME INCREASINGLY CLEAR THAT A CONFRONTATIONAL SCENARIO BETWEEN THE GOVERNMENT AND OKINAWA WILL BE UNAVOIDABLE AS SOME LAND LEASES EXPIRE AT THE END OF THIS MONTH.

REFERRING TO DIRECTOR GENERAL MOROTOMI'S VISIT TO OKINAWA, THE DEFENSE AGENCY HAS NOTED, "AS THE OFFICIAL RESPONSIBLE FOR ADMINISTRATION, HE WILL COMPASSIONATELY REQUEST THE GOVERNOR TO SIGN THE DOCUMENTS" (ADMINISTRATIVE VICE-MINISTER NAOAKI MURATA). IT IS, HOWEVER, INCONCEIVABLE THAT THE STANCE OF THE PREFECTURAL SIDE WILL CHANGE DUE TO SUCH A REQUEST. THE ACT IS, THEREFORE, VIEWED AS A PART OF GOVERNMENT PROCEDURES IN THE RUN-UP FOR PRIME MINISTER RYUTARO HASHIMOTO'S SIGNING THE DOCUMENTS AS A PROXY.

WITH AN EYE ON THE EXPIRATION OF A PORTION OF THE LAND-LEASE CONTRACTS FOR THE SOBE TELECOMMUNICATIONS CENTER NEARING AT THE END OF THIS MONTH, THE DFAA HAS DECIDED TO START CONSTRUCTING FENCES AROUND THE FACILITIES TODAY TO PREVENT POSSIBLE TROUBLE WITH THE LANDLORD WHO MIGHT TRY TO ENTER THE SITE.

THE GOVERNMENT, IN THE MEANTIME, INTENDS TO EXPEDITE WORK BY THE SPECIAL ACTION COMMITTEE (SACO) MADE UP OF JAPANESE AND U.S. PARTICIPANTS, " (JDA DIRECTOR GENERAL HIDEO USUI) NOTING, "WE ARE TAKING SERIOUSLY" THE COURT

RULING THAT THE "RESPONSIBILITY OF THE STATE" FOR
PROMOTING THE CONSOLIDATION AND DOWNSIZING OF LAND BASES
"IS HEAVY."

HOWEVER, SIGNIFICANT DOWNSIZING OF BASES, SUCH AS THE
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UNCLAS SECTION 06 OF 08 TOKYO 002670

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA
WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS;
USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A
SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 26

RETURN OF THE FUTENMA AIRFIELD, AS SOUGHT BY THE
PREFECTURAL SIDE, WILL BE DIFFICULT. THERE IS STRONG
CONCERN THAT IF A CONFRONTATION BETWEEN THE GOVERNMENT
AND THE OKINAWANS STARTS, "IT WILL MAKE NEGOTIATIONS WITH
THE U.S. AND THE PREFECTURE EVEN MORE DIFFICULT" (SENIOR
JDA OFFICIAL).

EMERGENCY USE BY OKINAWA BASES: POSSIBILITY OF PROLONGED
EXAMINATION BY LOCAL PANEL (ASAHI - PAGE 1)

ON THE PROBLEM OF FORCED-USE OF LAND BY THE U.S. MILITARY
IN OKINAWA, THE CENTRAL GOVERNMENT, HAVING RECEIVED A
FAVORABLE COURT VERDICT ON THE 25TH, HAS NOW PLEADED ITS
CASE WITH THE OKINAWA COMMITTEE ON EXPROPRIATION (SEVEN
PERSONS) FOR "EMERGENCY USE" OF A PORTION OF THE SOBE
TELECOMMUNICATIONS SITE (YOMITAN-SON), THE USE OF WHICH
WILL RUN OUT AT THE END OF THIS MONTH. BUT SEVERAL OF
THE COMMITTEE MEMBERS REPLIED TO A QUERY FROM THE ASAHI
SHIMBUN THAT "THE EXAMINATION OF THIS NEEDS TO BE CARRIED
OUT CAUTIOUSLY," MAKING IT CLEAR THAT THERE WAS A STRONG
POSSIBILITY OF THE (COMMITTEE'S) INVESTIGATION OF THIS
BEING DRAGGED OUT EXTENSIVELY. A SITUATION COULD EXIST
EVEN UNTIL PRESIDENT CLINTON'S VISIT TO JAPAN IN MID-
APRIL OF THE CENTRAL GOVERNMENT BEING UNABLE TO CLEAR
AWAY THE CONDITION OF "ILLEGAL OCCUPATION" (OF THAT
FACILITY).

COMMANDER OF USFJ URGES IMMEDIATE STUDY OF JOINT
COOPERATION FOR FAR EAST EMERGENCY
(NIHON KEIZAI - PAGE 2)

U.S. FORCES IN JAPAN (USFJ) COMMANDER MYERS (AIR FORCE LT. GEN.) GAVE A SPEECH AT A MEETING OF THE ASIA FORUM HELD IN TOKYO ON MARCH 27. SECURITY COOPERATION ARRANGEMENTS BETWEEN JAPAN AND THE U.S. FOR EMERGENCIES IN THE FAR EAST. HE STATED, "WE CAN'T START (STUDIES) UNLESS THE JAPANESE GOVERNMENT TAKES THE LEAD." THE COMMANDER THUS CALLED ON THE JAPANESE GOVERNMENT TO TAKE THE INITIATIVE IMMEDIATELY IN BEGINNING TO STUDY THE SPECIFIC MEANS FOR SUCH BILATERAL COOPERATION.

REGARDING JAPAN'S PROVIDING FACILITIES TO U.S. ARMED FORCES IN TIMES OF EMERGENCY IN THE FAR EAST, THE JAPAN DEFENSE AGENCY WOULD LIKE TO SHAPE IT BY REVIEWING THE "GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION." AT PRESENT, HOWEVER, JDA HAS YET TO OBTAIN PROSPECTS FOR STARTING SUCH A STUDY. THE U.S. SIDE, THEREFORE, URGED THE JAPANESE SIDE TO EXPEDITE ITS STUDIES IN VIEW OF THE SITUATIONS IN THE FAR EAST, SUCH AS THE TAIWAN STRAITS AND KOREAN PENINSULA.

THE COMMANDER ALSO REFERRED TO CHINA'S RECENT BALLISTIC MISSILE FIRING EXERCISES THAT WERE INTENDED TO CHECK THE PRESIDENTIAL ELECTION IN TAIWAN, AND NOTED: "WE DISCOVERED THAT SUCH WOULD GREATLY AFFECT POLITICS AND TRADE." THE COMMANDER THEN POINTED OUT THE SELF-DEFENSE FORCES' BEING IN THE PROCESS OF INTRODUCING AEGIS ESCORT SHIPS, AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) AIRCRAFT, AND OTHER EQUIPMENT SYSTEMS FOR ANTI-BALLISTIC MISSILE DEFENSE (BMD), AND HE UNDERScoreD THE NECESSITY OF BUILDING UP A BMD SYSTEM AS EARLY AS POSSIBLE BY PREPARING SUCH TO BE USED IN COMBINATION WITH THE U.S. FORCES' EQUIPMENT SYSTEMS.

CIVIL AVIATION TALKS: NEW U.S. PROPOSAL TO SCRAP FLIGHT LIMITS MAY PRODUCE AGREEMENT (NIHON KEIZAI - PAGE 1)

THE JAPANESE AND UNITED STATES GOVERNMENTS RESUMED BILATERAL ALL-CARGO TALKS IN TOKYO YESTERDAY, AND THE U.S. MADE A NEW PROPOSAL. ACCORDING TO EXPLANATIONS BY AN INFORMED SOURCE, THE PROPOSAL CONTAINS THE FOLLOWING ELEMENTS: (1) BY SCRAPPING THE RESTRICTION ON THE NUMBER OF FLIGHTS BY JAPAN AIRLINES (JAL), THE COMPANY WILL BE GRANTED CONDITIONS EQUAL TO U.S. INCUMBENT CARRIERS'; AND (2) NIPPON CARGO AIRLINES (NCA), A LATECOMER, WILL BE AWARDED WITH MORE FLIGHTS TO THE U.S. IF JAPAN ALLOWS U.S. LATECOMERS TO INCREASE THEIR SERVICES. BOTH

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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 26

JAPANESE AND U.S. NEGOTIATORS HAVE HIGHLY EVALUATED THE RESULTS, ONE REMARKING, "BOTH SIDES HAVE STARTED CONSTRUCTIVE TALKS."

ALTHOUGH POINTS OF CONTENTION HAVE BEEN LEFT HANGING REGARDING "BEYOND RIGHTS" (RIGHTS TO FLY BEYOND JAPANESE CITIES TO THIRD COUNTRIES), THE POSSIBILITY IS NOW BECOMING STRONGER BEFORE THE NEGOTIATING DEADLINE AT THE END OF MARCH THAT AGREEMENT WILL BE REACHED IN GENERAL FOR BOTH SIDES TO GRANT THE OTHER SIDE WITH MORE FLIGHT RIGHTS.

IN ADDITION, THE U.S. PROPOSAL CALLS FOR MORE FLIGHTS TO LEADING AIR FREIGHT UNITED PARCEL SERVICE (UPS), A LATECOMER, IN PROPORTION TO AN INCREASE IN THE NUMBER OF NCA'S FLIGHTS. IT ALSO REQUESTS JAPAN TO APPROVE NEW U.S. CARRIERS TO INITIATE SERVICES BETWEEN JAPAN AND THE U.S.

UNDER THE CURRENT JAPAN-U.S. CIVIL AVIATION PACT, EVEN THE INCUMBENT CARRIER JAL HAS BEEN PLACED UNDER RESTRICTIONS ON DESTINATION POINTS AND THE NUMBER OF FLIGHTS. THE MINISTRY OF TRANSPORT HAS CONSIDERED THAT IN ADDITION TO DROPPING OF THE RESTRICTION ON THE NUMBER OF FLIGHTS FOR JAL, IF NCA CAN REMARKABLY INCREASE ITS FLIGHTS, THE IMBALANCE BETWEEN JAPAN AND THE U.S. WOULD BE IMPROVED.

JAPAN PROPOSES MULTILATERAL PRIVATE-SECTOR CHIP DISCUSSIONS (NIHON KEIZAI - TOP PLAY)

IT WAS REVEALED ON THE 25TH THAT JAPANESE INDUSTRY HAS PROPOSED TO THE INDUSTRIES OF THE UNITED STATES, EUROPE, THE REPUBLIC OF KOREA, AND OTHER COUNTRIES, THE CREATION OF A MULTILATERAL LIMITED-PERIOD PRIVATE-SECTOR COUNCIL TO REPLACE THE JAPAN-U.S. SEMICONDUCTOR ACCORD. TO AVOID THE FORMAT OF GOVERNMENT PARTICIPATION, THE COUNCIL WOULD MONITOR THE CHIP MARKET AND EXCHANGE INFORMATION, THE AIM BEING TO VOLUNTARILY INSPECT SUCH CONDITIONS AS MARKET TRENDS. THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) HAS WELCOMED THE PROPOSAL AS A MEANS OF AVOIDING MANAGED TRADE UNDER A BILATERAL AGREEMENT. THE U.S. GOVERNMENT AND INDUSTRY HAS PERSISTENTLY SOUGHT A GOVERNMENT-TO-GOVERNMENT AGREEMENT WITH ITS OBLIGATORY "SHARE SURVEY," SO IT IS LIKELY THAT EVEN DURING THE QUAD TRADE CONFERENCE IN APRIL, SEVERE WRANGLING IS LIKELY TO

DEVELOP OVER THE ISSUE OF GOVERNMENT PARTICIPATION (IN ANY AGREEMENT).

U.S. PROPOSES 10-YEAR CHIP PACT WITH NO NUMERICAL TARGET (YOMIURI - PAGE 7)

A GOVERNMENT SOURCE YESTERDAY REVEALED THAT REGARDING THE SEMICONDUCTOR AGREEMENT BETWEEN JAPAN AND THE UNITED STATES, WHICH EXPIRES ON JULY 31, 1996, THE U.S. HAS MADE A PROPOSAL TO THE JAPANESE GOVERNMENT FOR CONCLUDING A TEN-YEAR AGREEMENT IN RETURN FOR WITHDRAWING THE NUMERICAL TARGET. JAPAN IS STILL TAKING THE STANCE THAT THE PACT ITSELF HAS BECOME UNNECESSARY. IT HAS MADE A COUNTERPROPOSAL, SEEKING TO CEMENT THE COOPERATIVE ARRANGEMENTS OF PRIVATE FIRMS OF THE TWO COUNTRIES. FULL-FLEDGED BARGAINING BETWEEN JAPAN AND THE U.S. IS LIKELY TO CONTINUE, IN VIEW OF PRESIDENT CLINTON'S APPROACHING VISIT TO JAPAN IN APRIL.

WHEN THE FIRST SEMICONDUCTOR AGREEMENT WAS CONCLUDED IN 1986, A SIDE LETTER WAS EXCHANGED WHICH NOTED, "THE JAPANESE GOVERNMENT IS AWARE THAT THE U.S. SEMICONDUCTOR INDUSTRY HAS EXPECTATIONS REGARDING THE SALES OF FOREIGN-MANUFACTURED SEMICONDUCTORS IN THE JAPANESE MARKET GROWING TO A LITTLE OVER 20 PERCENT OVER FIVE YEARS." THE U.S. INTERPRETED THE FIGURE OF 20 PERCENT AS JAPAN'S PLEDGE, AND THE FIGURE TOOK ON A LIFE OF ITS OWN AS A NUMERICAL TARGET.

THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI), HAVING REFLECTED ON THE EXPERIENCE AND BECAUSE THE SHARE OF FOREIGN CHIPS IN THE JAPANESE MARKET IN THE OCTOBER-BT
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UNCLAS SECTION 08 OF 08 TOKYO 002670

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A
SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 26

DECEMBER QUARTER IN 1995 SET A RECORD HIGH OF OVER 30 PERCENT, HAS TAKEN THE STANCE: "THE PACT HAS SERVED ITS HISTORICAL PURPOSE; THE BILATERAL SEMICONDUCTOR AGREEMENT

SHOULD BE SCRAPPED WHEN IT EXPIRES IN JULY."

IN ITS NEW PROPOSAL, THE U.S. HAS SOUGHT A TEN-YEAR AGREEMENT -- TWICE AS LONG AS THE PRESENT PACT -- IN RETURN FOR A POLICY SWITCH OF NOT ASKING FOR A SPECIFIC SHARE OF FOREIGN-MANUFACTURED CHIPS, WHICH WOULD BECOME A NUMERICAL TARGET. IN THE BACKGROUND, THERE SEEMS TO BE THE DESIRE TO APPEAL TO A DOMESTIC AUDIENCES REGARDING THE SEMICONDUCTOR AGREEMENT, WHAT WITH THE PRESIDENTIAL ELECTION COMING THIS FALL. BLACKBURN

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SECT: SECTION: 01 OF 08

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RUEHIA/USIA WASHDC IMMEDIATE 8200
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RUALSFJ/COMUSJAPAN YOKOTA AB JA PRIORITY
RUHBBAN/OAFO CAMP BUTLER JA PRIORITY
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INFO: RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 5648
RUEHKOF/AMCONSUL FUKUOKA PRIORITY 9233
SUBJ: MEDIA REACTION ASIA; JAPAN

LEAD STORIES: MOST PAPERS GAVE TOP COVERAGE TO THE DIET
RETURNING TO BUSINESS AS USUAL AS THE OPPOSITION
SHINSHINTO PARTY ENDED ITS THREE-WEEK SIT-IN PROTEST.

TEXT:
UNCLAS SECTION 01 OF 02 TOKYO 002698

USIA
FOR: USIA FOR I/RF, I/RFW, I/GEA, EA, RMR; STATE/EAP/J,
EAP/P, PM, STATE DEPT. PLS PASS TO USTR/PUBLIC AFFAIRS
OFFICE; TREASURY/OASIA/IMI; NSC; SECDEF FOR OASD/PA; CP
BUTLER OKINAWA FOR AREA FIELD OFFICE

E.O. 12958: N/A
SUBJECT: MEDIA REACTION ASIA; JAPAN

LEAD STORIES: MOST PAPERS GAVE TOP COVERAGE TO THE DIET
RETURNING TO BUSINESS AS USUAL AS THE OPPOSITION
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THE NIHON KEIZAI GAVE TOP PLAY TO A JAPANESE
SEMICONDUCTOR INDUSTRY PLAN TO ESTABLISH A PRIVATE-
SECTOR NEGOTIATING MECHANISM TO DEAL WITH ITS U.S.,
KOREAN AND EUROPEAN COUNTERPARTS.

1. "COURT ATTACHES GREATER IMPORTANCE TO U.S.-JAPAN

SECURITY TIES" THE TOP-CIRCULATION, MODERATE YOMIURI EDITORIALIZED (MARCH 26), "THE NAHA BRANCH OF THE FUKUOKA HIGH COURT ORDERED OKINAWA GOV. OTA TO SIGN DOCUMENTS TO EXTEND THE FORCED USE OF LAND FOR U.S. MILITARY FACILITIES ON OKINAWA... THE COURT RULED THAT THE GOVERNOR HAS THE OBLIGATION TO SIGN THE LEASES ON BEHALF OF LOCAL LANDOWNERS. THE RULING WAS AN APPROPRIATE ONE...

"PARTICULARLY NOTEWORTHY IS THE FACT THAT THE COURT, CONSIDERING THE 'PUBLIC INTEREST,' RULED IN FAVOR OF THE GOJ CLAIM THAT THE U.S. MILITARY PRESENCE IS NECESSARY UNDER THE U.S.-JAPAN SECURITY ARRANGEMENT. BOTH GOV. OTA AND THE OKINAWA PREFECTURE SHOULD ACCEPT THE RULING IN A SINCERE MANNER. NEGOTIATIONS CONCERNING BASE CONSOLIDATION AND REDUCTION SHOULD BE PROMOTED IN A POSITIVE MANNER. THE COURT HELD THE NATIONAL GOVERNMENT RESPONSIBLE FOR BRINGING PROGRESS TO THAT ISSUE."

2. "DIFFERENCES BETWEEN THE COURT RULING AND THE FEELINGS OF THE OKINAWAN PEOPLE" THE BUSINESS-ORIENTED NIHON KEIZAI REMARKED (MARCH 26), "ALTHOUGH THE COURT RULING WAS PROPER AND REASONABLE, IT WAS HARDLY ACCEPTABLE TO OKINAWANS, WHO SUFFER DAILY FROM PROBLEMS CAUSED BY THE U.S. MILITARY PRESENCE, AND TO PREFECTURAL GOVERNMENT OFFICIALS, WHO HANDLE LOCAL RESIDENTS' COMPLAINTS... THE U.S.-JAPAN SECURITY TREATY HAS BECOME MORE IMPORTANT IN MAINTAINING SECURITY AND STABILITY IN JAPAN AND THE REST OF ASIA.

"THE OKINAWAN PEOPLE DO NOT DENY THE IMPORTANCE OF THE BILATERAL SECURITY TREATY. THEY HAVE BECOME MORE FRUSTRATED OVER THE LACK OF FUTURE PROSPECTS FOR THEIR PREFECTURE WHICH HAS BEEN A 'BASE ISLAND' DURING THE PAST 50 YEARS. UNDERSTANDING AND COOPERATION FROM OKINAWANS ARE INDISPENSABLE TO MAINTAIN THE SECURITY TREATY AND KEEP THE U.S. BASES ON OKINAWA IN FUNCTIONING ORDER. TO GET OKINAWAN UNDERSTANDING AND COOPERATION, THE GOVERNMENT SHOULD COME UP WITH A LONG-RANGE PLAN FOR BASE CONSOLIDATION AND REDUCTION. IT SHOULD GIVE THE LOCAL PEOPLE HOPE AND PEACE OF MIND FOR THE FUTURE."

3. "OKINAWA TRIAL AND U.S.-JAPAN SECURITY" THE LIBERAL ASAHI OPINED (MARCH 26), "THE COURT RULING SHOWED A WIDE PERCEPTION GAP BETWEEN OKINAWA AND MAINLAND JAPAN AS REPRESENTED BY THE CENTRAL GOVERNMENT AND THE JUDICIARY... GOV. OTA AND THE OKINAWAN PEOPLE HAD HOPED THAT THE COURT WOULD CLOSE THIS PERCEPTION GAP. THEY HAD ALSO WANTED THE COURT TO MAKE A RULING WHICH TAKES INTO CONSIDERATION THE ACTUAL LIVES UNDER THE HEAVY U.S. MILITARY PRESENCE. INCIDENTS OR ACCIDENTS, INVOLVING U.S. SERVICEMEN, CONTINUE TO OCCUR ON THE ISLAND PREFECTURE AND THE LOCAL PEOPLE SUFFER FROM MILITARY EXERCISES AND 'BASE NOISE'... NO VIABLE INDUSTRY CAN EXPECT TO BE ESTABLISHED ... HOW LONG MUST OKINAWANS ENDURE THESE HARDSHIPS?

"BUT THERE HAS BEEN LITTLE INDICATION THAT EITHER THE PRIME MINISTER OR LEADERS OF THE OTHER COALITION PARTIES HAVE EXERCISED THEIR POLITICAL LEADERSHIP IN APPRECIABLY REDUCING THE BASE PRESENCE OR WORKING OUT ALTERNATIVE SECURITY PROPOSALS THAT COULD BE APPLIED TO THE U.S. FORWARD-DEPLOYMENT STRATEGY, UNDER WHICH 100,000 U.S. TROOPS ARE STATIONED IN THE REGION -- 47,000 OF THEM IN BT
#2698

NNNN
UNCLAS SECTION 02 OF 02 TOKYO 002698

USIA
FOR: USIA FOR I/RF, I/RFW, I/GEA, EA, RMR; STATE/EAP/J, EAP/P, PM, STATE DEPT. PLS PASS TO USTR/PUBLIC AFFAIRS OFFICE; TREASURY/OASIA/IMI; NSC; SECDEF FOR OASD/PA; CP BUTLER OKINAWA FOR AREA FIELD OFFICE

E.O. 12958: N/A
SUBJECT: MEDIA REACTION ASIA; JAPAN

JAPAN AT PRESENT. TYPICAL OF SUCH LACK OF EFFORT IS THE POSTPONEMENT UNTIL AUTUMN ON A DECISION TO RETURN THE SITE OF MARINE CORPS AIR STATION FUTENMA, WHICH THE PREFECTURAL GOVERNMENT REGARDS AS THE HIGHEST PRIORITY FOR OKINAWA.

IN HIS MEETING WITH OTA LAST WEEK, HASHIMOTO CITED THE INCREASED TENSION IN THE TAIWAN STRAIT AS A FACTOR AGAINST THE PROSPECT FOR REDUCING THE AMERICAN MILITARY BASES. BUT THE PRIME MINISTER OF JAPAN IS NOT BOUND TO PARROT WHAT THE AMERICANS OR FOREIGN MINISTRY BUREAUCRATS SAY. IT IS NOW TIME FOR HIM TO MAKE A POLITICAL DECISION TO SCALE BACK THOSE MILITARY BASES UPON CONSIDERING THE MEDIUM- AND LONG-TERM NEEDS OF THE REGION, AND FUTURE JAPAN-U.S. RELATIONS." BLACKBURN
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SECT: SECTION: 01 OF 02
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SSN: 2698
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INFO: RUEKJCS/SECDEF WASHDC IMMEDIATE
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RUEHIA/USIA WASHDC IMMEDIATE 8207
RUEHKOF/AMCONSUL FUKUOKA 9240
RUEHKON/AMCONSUL NAGOYA 6963
RUESDJ/FBIS OKINAWA JA
RUAGJHA/CGUSARJ CAMP ZAMA JA//IX CORPS G5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHHMUNA/USCINCPAC HONOLULU HI
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUEHOK/AMCONSUL OSAKA KOBE 5655
RUHBBMA/AMCONSUL NAHA 3529
RUEHKOS/AMCONSUL SAPPORO 5930
RUCWAAB/FBIS RESTON VA
SUBJ: JAPANESE DAILY PRESS SUMMARY 03/26/96
(PART 2)
TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 002702

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E.O. 12356: N/A
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Transport Division Director Kosuke Shibata

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(7) Interview with Chief of Staff Tetsuya Nishimoto Who Will Retire from JDA on March 25; SDF Needs to Maintain Ready-Response Set up

(8) Interview with GSDF Chief of Staff Nobutoshi Watanabe Regarding Dispatch of SDF Unit to Golan Heights

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(5) Japan-U.S. Civil Aviation Talks: Interview with MOT Civil Aviation Bureau International Air Transport Division Director Kosuke Shibata; Japan's Proposal for Simultaneous Talks on Cargo and Passenger Areas Should Be Taken on Board

NIHON KOGYO SHIMBUN (Page 2) (Full)
March 25, 1996

-- Japan-U.S. all-cargo talks will resume on the 25th.

"At the previous session, Japan made a proposal aiming at equalization after three years, and shelving the issue of beyond rights (right to fly via Japanese cities to third country destinations), which was a major bone of contention. In the talks this time, the U.S. will reveal to us what its response will be to our proposal after full consideration. Should the U.S. hope for a practical approach, it should go for our proposal. The problem is whether the United States Government will be able to persuade Federal Express, which hates even a shred of restriction."

-- Judging from developments in the past rounds of talks, a bumpy flight is expected also this time. President Clinton's visit to Japan is also coming closer, but ...

"Since the beyond-rights issue will be put on hold, we will end up with a partial agreement. The negotiating deadline has been set at the end of March under a ministerial agreement reached last July. We would like to settle the issue at working-level talks. However, depending on the results of the U.S.' consideration, the issue might be discussed at the upcoming summit."

-- U.S. carriers, including United Airlines, have requested holding talks to discuss the issue of passenger flights to Seoul beyond Japan, separately

from all-cargo talks, but

"Both sides are now engaged in talks on the cargo area alone in response to the U.S.' request, but civil aviation talks by their very nature should be

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held on both passenger and cargo areas simultaneously."

(6) My Opinion Column: There Are Too Many Bases in Okinawa, by Chalmers Johnson, Director of Japan Policy Research Institute

NIHON KEIZAI (Page 7) (Full)

March 25, 1996

In February at the invitation of Okinawa Governor Masahide Ota I visited Okinawa and toured around the U.S. bases and other places here. It was my first Okinawa trip since 1953 during the Korean War. I was greatly shocked by the conditions at the base: the U.S. military in Japan "occupies" Okinawa so excessively and avariciously.

In just a few minutes after leaving Naha Airport, one can find from his car window many signs with the words "U.S. Military Facility, Off Limits." U.S. base facilities sprawl all across Okinawa. We are using Okinawa in the wrong way.

There are 47,000 U.S. troops stationed in Japan. This number is much too large. It can be said to be extraordinary.

The 7th Fleet would probably be enough to demonstrate U.S. forward presence in East Asia in the post-cold war era. Particularly now that China has begun to carry out military exercises around the Taiwan Straits, the 7th Fleet is contributing greatly to the stability of East Asia.

In addition, an especially strong rationale is necessary for deploying ground troops in foreign countries. In the case of Okinawa, however, there is only one reason to explain such, that is, because U.S. troops have always been there throughout the postwar period.

I am not saying that the U.S. troops should withdraw completely from Okinawa. Nor am I calling for the abrogation of the U.S.-Japan Security Treaty. We simply need to set an order of priority in our defense policies toward East Asia in order to cope with the post-cold war environment.

Of all U.S. Okinawa bases, Kadena Air Base, which has good runways, is perhaps the only site justifiable to remain in existence. But that base, too, is causing serious noise pollution. It should be relocated and then should eventually be returned to Japan.

Camp Hansen is intolerable for local residents. Firing exercises are being carried out at a site adjacent to Kinson Village. Townspeople are frightened due partly to the shocking schoolgirl rape incident. Exercises and training should be carried out somewhere out on the desert on the U.S. mainland, for such would not cause trouble to anyone.

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Camp Hansen is a threat to the U.S.-Security Treaty and it should be closed down as early as tomorrow. The servicemen working there should be pulled back to Hawaii or California. Any U.S. citizen visiting there should call for its closure. I would also like to call for closing Futenma Air Station.

The problem is that the American people do not know the reality of Okinawa. Many think they do not need to know it. Some even think it is like Guantanamo Base in Cuba.

They are not aware of Japan's "sympathy budget" or of the burden borne by the Okinawans. That is why the terrible rape incident that occurred last year was not treated as a case requiring some changes in basic policy.

Neither the Government nor military officials are fully aware of the reality. According to a certain Kinson Village source, former Vice President Quayle was the last high-level representative of the American Government to visit the island. Or perhaps, people who know the reality are simply keeping their mouths shut. Such is truly a threat to the bilateral relationship and makes me angry.

Over the last 50 years Okinawa has always used badly. Why do the U.S. forces continue to "occupy" Okinawa to that extent? We need to focus our attention more on Okinawa.

Okinawa is a beautiful island. It has coral reefs and tropical rain forests. And so many people live there. Such a place should not be used for "war games."

(Narrative statement)

(7) Interview with Chief of Staff Tetsuya Nishimoto Who Will Retire from JDA on March 25; SDF Needs to Maintain Ready-Response Set up; Preparations Necessary for Far East Contingency

NIHON KEIZAI (Page 2) (Excerpts)
March 23, 1996

USFJ Vital for Japan

Q: Tensions have been mounting in the Taiwan Straits, and the future of the security arrangement between Japan and the United States is now being questioned in the case of an emergency occurring in the Far East.

A: It is a serious question whether or not Japan should just sit back and do nothing when a contingency breaks out in our neighborhood. There is no country more than Japan that needs global peace and security, so Japan should do its best to maintain them. Of course, there are limits to what Japan can do but that shouldn't stop it from doing something if something happens. Japan's legal system is far from being sufficient, so we should be prepared for all kinds of emergency situations.

Q: What would you suggest as a solution to
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settling the U.S. Okinawa base problem?

A: Both Japan and the U.S. are well aware of the hardships borne by the Okinawans due to the U.S. bases being there. I know that the U.S. Forces in Japan (USFJ) truly wish to respond to the Okinawans' call for (scaling down the bases). But the USFJ is vital for security in this region. The problem is how to balance out (a possible base reduction with the maintenance of the USFJ). I would suggest reviewing as much as possible the overall problem from the root cause and reassessing it comprehensively.

Forces of Action

Q: The New National Defense Program Outline compiled last November suggested such elements as the downsizing of the Self-Defense Forces (SDF) and its qualitative improvement. What kind of

challenges for the SDF do you see in the future?

A: The SDF is an implementing organization to the last. So its units must always maintain the capability to respond with action. As for the future of the SDF, such day-to-day operations as regular training to prepare for major disasters, peace-keeping operations (PKO), and defense exchanges are lead to maintaining peace. To that end, the SDF should be ready to respond at all times.

Q: What kind of challenges do you see in the SDF's participation in PKO?

A: SDF personnel will always be under restrictions that will prevent them from protecting local residents around the SDF (when attacked by guerrillas and the like). That will always be a thorny issue. The use of weapons, which is now left to the decision of individuals, would also be a psychological burden on SDF personnel. Dispatching the SDF overseas requires thorough preparation and that should be done so to some extent by individual members. It would be helpful if we had certain guidelines regarding (voluntary preparations).

Government-Private Cooperation Necessary for Crisis Management

Q: What would you suggest to strengthen the Government's crisis-management system based on the lessons learned from the Great Hanshin Earthquake and the subway gas-attack incident?

A: Roughly, crisis management requires three steps: preventive measures; upgrading the crisis-management system by carrying out drills and the like; and actual measures when a traumatic event actually occurs. Japan has been putting much energy into mapping out preventive measures but less efforts into carrying out training and drills. Japan needs comprehensive measures involving both the Government and the private sector. It is also important that in order to cope with large-scale disasters, the SDF help establish a solid crisis-BT
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SUBJECT: JAPANESE DAILY PRESS SUMMARY 03/26/96
(PART 2)

management system on the same level as national defense.

(8) Interview with GSDF Chief of Staff Nobutoshi Watanabe Regarding Dispatch of SDF Unit to Golan Heights; Significance Lies in Carrying out Operations Among Countries Directly Involved in Conflict

SANKEI (Page 3) (Excerpts)
March 19, 1996

Ground Self-Defense Force (GSDF) Chief of Staff Nobutoshi has recently returned to Japan, winding up his Middle East tour that started March 2 for inspection of the SDF transport unit now working on the Golan Heights under the United Nations Disarmament Observer Force (UNDOF). The following is a gist of his interview with the Sankei Shimbun that took place on the 18th:

Q: What were your impressions when visiting the Golan Heights?

A: I was relieved to observe all the SDF members working hard in good spirits to carry out their transport responsibilities, which I was satisfied to see is now off and running. The Japanese unit is highly evaluated among local commanders and unit chiefs of other countries, one officer saying, "The SDF members are doing a professional job and are very cooperative with other units."

Q: How did you find the living and work environment surrounding the SDF unit?

A: UNDOF has 20 years of experience in peace-keeping operations (PKO). So the facility was better than I expected. But traffic rules over there are not as strict as those in Japan, and I hope they don't get involved in any traffic accident. I advised them to be attentive and on their toes at all times.

Q: How is their relationship with Headquarters?

A: Commander-in-Chief Costels (TN: phonetic) is fully aware that Japanese personnel are under heavy restrictions, compared with those of other countries, as well as the relationship between the Japanese Constitution and the PKO Cooperation Law. So I have nothing to worry about.

Q: In sending the SDF unit, such elements as letting it take along machine guns and letting it take part in live-firing drills evoked heated discussion in the Diet.

A: We needed to let them take along machine guns just in case. Whether or not they will use them is a different story. I believe it was correct that the Government let them take guns in view of conditions over there. Participating in drills is part of their job to maintain and improve their skills.

Q: How is this dispatch (to the Golan Heights)

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different from the three previous ones, including to Cambodia?

A: Most of all, it's different because this time members are participating in a traditional type of PKO that requires operations in a region where a comprehensive peace has never been established. All four cases differ in environment and conditions. I'm sure we can learn much on the Golan Heights.

Q: What is the reaction of the countries directly involved in the conflict?

A: I have met with military leaders of Syria and Israel. In the sessions, both welcomed the SDF's involvement in the Middle East peace process and expressed strong expectations for deepening exchanges in areas other than PKO as well. Such is good in view of Japan's reliance on the Middle East in terms of resources.

Q: In the Middle East, terrorism is rampant, isn't it?

A: In Israel I saw a lot of soldiers on streets and it was very tense. But I don't think UNDOF will be a target.

Q: What is your future vision regarding PKO?

A: I was made to realized through my trip to (the Golan Heights) that Japan is definitely a major power and making international contributions is part of its responsibility. Whether or not to dispatch the SDF overseas would be a political decision, but the SDF on its part needs to be ready at all times just in case.

Q: Specifically, what would you suggest?

A: Of course, we need to stress combat training, our major duty. I would also like to improve language training for all personnel. We need to foster language specialists as well.

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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 28

TOP HEADLINES

TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 002785

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA
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USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 28

TOP HEADLINES

ASAHI: SOBE TELECOMMUNICATIONS STATION "WILL COME UNDER
U.S. FORCES' CONTROL EVEN AFTER LEASE EXPIRES";
GOVERNMENT'S OPINION; "CAN REFUSE SOMEONE'S ENTRY," ON
SOFA GROUNDS (TRANSLATION BELOW)

NIHON KEIZAI: PUBLIC NURSING-CARE INSURANCE BILL:
APPROVAL DURING CURRENT DIET SESSION GIVEN UP; RULING
CAMP'S CONCERN DUE TO FISCAL BURDEN; ADOPTION LIKELY TO
BE IN FY1998 OR AFTER

TOKYO SHIMBUN: TBS-RELATED DEPOSITIONS ABOUT VIDEO TAPE

OF LAWYER SAKAMOTO; "SHOWED IT AS PRELIMINARY EXAMINATION" FOR FEAR OF AUM CULT'S CHARGE BUT TELEVISIONING OF SUCH VIDEO TAPE CANCELLED IN RESPONSE TO PROTEST

MAINICHI: "IT IS NO GOOD TO TELEVISION VIDEO TAPE"; CANCELLATION OF TELEVISIONING FOR FEAR OF LAWSUIT; REVEALED BY TBS-RELATED COMPANY'S FORMER EMPLOYEE'S DEPOSITION IN PUBLIC TRIAL OF DEFENDANT HAYAKAWA ON MURDER OF LAWYER SAKAMOTO AND HIS FAMILY

YOMIURI: TBS-RELATED FIRM'S EMPLOYEE'S DEPOSITION ON VIDEO TAPE OF LAWYER SAKAMOTO; "WE LET AUM CULT CHECK THE TAPE"; CANCELLATION OF TELEVISIONING OF SUCH TAPE DUE TO PROTEST

SANKEI: AUM CULT MEMBER HAYAKAWA'S PUBLIC TRIAL; CHECK OF VIDEO TAPE SOUGHT; FOUND BY DEPOSITION BY FORMER TBS-CONTRACTED EMPLOYEE; FOR FEAR OF AUM'S FILING A COMPLAINT TO COURT; ANOTHER AUM MEMBER JOYU SAID, "NO TELEVISIONING"

STOPGAP BUDGET PASSES LOWER HOUSE (ASAHI - PAGE 2)

THE GOVERNMENT'S FY1996 STOPGAP BUDGET COVERING 50 DAYS WAS PASSED AT THE LOWER HOUSE PLENARY SESSION YESTERDAY AND WAS SENT TO THE UPPER HOUSE. IN THE GENERAL ACCOUNT, 11,621.5 BILLION YEN IS EARMARKED AS EXPENDITURES, INCLUDING SLIGHTLY LESS THAN THREE TRILLION YEN IN PUBLIC WORKS PROJECTS, AND 3,761 BILLION YEN AS REVENUES. THE BUDGET BILLS WILL BE ADOPTED AND LEGISLATED AT THE UPPER HOUSE PLENARY SESSION ON THE 29TH.

RULING AND OPPOSITION CAMPSQS AMBIGUOUS AGREEMENT MASKS SMOLDERING DIFFERENCES (ASAHI - PAGE 2)

AN AGREEMENT HAS BEEN REACHED BETWEEN THE THREE RULING PARTIES AND THE MAJOR OPPOSITION SHINSHINTO (NEW FRONTIER PARTY) TO NORMALIZE THE STALLED JUSEN (HOUSING LOAN COMPANIES) DEBATE IN THE DIET. BUT NOW DISPARITY IS OBVIOUS BETWEEN THE TWO SIDES REGARDING THE TWO ELEMENTS INCLUDED IN THE AGREEMENT. SPECIFICALLY, THE TWO SIDES ARE WIDE APART IN INTERPRETATION OF THE TERM AND THE CONTENTS OF "THOROUGH DELIBERATIONS" AND POSSIBLE "DIET TESTIMONY" BY LIBERAL DEMOCRATIC PARTY SECRETARY GENERAL KOICHI KATO. THE AMBIGUOUS AGREEMENT IN THE END HAS BECOME A SOURCE OF TROUBLE, LEAVING MUCH ROOM FOR CONVENIENT INTERPRETATION BY BOTH SIDES. THE DIET IS EXPECTED TO RESUME ITS BUDGET DELIBERATIONS NEXT WEEK. THE DISCUSSIONS BETWEEN THE TWO CAMPS ARE LIKELY TO BECOME EVEN MORE ROCKY.

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"THOROUGH DELIBERATIONS"

"I HOPE WE CAN PASS THE BUDGET IN THE LOWER HOUSE AROUND THE SECOND WEEK IN APRIL," SOCIAL DEMOCRATIC PARTY SECRETARY GENERAL KANJU SATO REMARKED IN A PRESS MEETING YESTERDAY ON THE FY1996 BUDGET.

THE RULING CAMP INTERPRETS "THOROUGH DELIBERATIONS" THAT

"AT LEAST FIVE DAYS SHOULD BE SPENT FOR DELIBERATIONS ONCE THEY WERE RESUMED" (LDP DIET AFFAIRS COMMITTEE MEMBER). THE STOPGAP BUDGET CAN COVER UP TO MAY 20. THE LDP HOPES TO PASS THE BUDGET IN THE LOWER HOUSE BEFORE U.S. PRESIDENT CLINTON COMES TO JAPAN ON APRIL 16 AND TO ALLOW ONE MONTH FOR THE UPPER HOUSE.

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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

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MEANWHILE, SHINSHINTO DIET AFFAIRS COMMITTEE CHAIRMAN TAKEO NISHIOKA STATED TO THE PRESS YESTERDAY, "WE DON'T NEED TO ARRANGE IT JUST FOR THE PRESIDENTIAL VISIT." BUT THE DOMINANT VIEW IN THE SHINSHINTO IS: "WE SHOULD NOT PROLONG THE DELIBERATIONS AIMLESSLY BECAUSE A REVERSE WIND IS STILL BLOWING STRONGLY AGAINST US BECAUSE OF OUR PICKETING" (SENIOR MEMBER). AN OBSERVATION IS BEING HEARD IN THE RULING CAMP PREDICTING "A POSSIBLE COMPROMISE IN ABOUT A WEEK."

THE SHINSHINTO ALSO EVALUATES THE AGREEMENT HIGHLY THAT RENOUNCED "A FORCIBLE VOTE," ONE SAYING, "WE HAVE SUCCESSFULLY BLOCKED THE RULING CAMP FROM TAKING A VOTE WITHOUT THE SHINSHINTO" (SENIOR MEMBER). BUT THE COALITION FIGURES, "IF WE CARRY OUT DELIBERATIONS THOROUGHLY, THE SHINSHINTO PROBABLY CANNOT BUT RESPOND TO A VOTE" (BUDGET COMMITTEE MEMBER). BUT AT THIS POINT THE SHINSHINTO'S STRONG RESISTANCE IS ALREADY FORESEEN IN THE TAKING OF A VOTE. SOME RULING MEMBERS ARE APPREHENSIVE, SUSPECTING, "IF THE SHINSHINTO BOYCOTTS THE DELIBERATIONS, WE WON'T BE ABLE TO TAKE A VOTE. SUCH WOULD PUSH US TO THE EDGE TIME-WISE."

DIET TESTIMONY

THE SHINSHINTO IS EAGER TO SUMMON KATO AS A WITNESS, REASONING, "WE CANNOT CONCLUDE THE JUSEN DEBATE WITHOUT RESOLVING THE PROBLEM THAT A PERSON INVOLVED IN THE JUSEN

SCANDAL NOW SERVES AS A LEADER OF THE GOVERNMENT AND RULING CAMP." ITS STRATEGY IS TO REFUEL PUBLIC CRITICISM AGAINST THE JUSEN BUDGET BY HIGHLIGHTING KATO'S ILLEGAL DONATION CASE INVOLVING A STEEL MANUFACTURER, WHICH IS ALSO A MAJOR JUSEN BORROWER.

GOVERNMENT AND RULING PARTIES PUTTING OFF IMPORTANT POLICY DECISIONS, ONE BY ONE (SANKEI - PAGE 2)

THE RULING COALITION IN A MEETING ON MARCH 27 OF THREE CHAIRMEN RESPONSIBLE FOR POLICIES, INCLUDING TAKU YAMASAKI, CHAIRMAN OF THE LIBERAL DEMOCRATIC PARTY (LDP) POLICY AFFAIRS RESEARCH COUNCIL, GAVE UP THEIR PLAN TO BRING TO SETTLEMENT WITHIN THE MONTH THE PROBLEM OF LIFTING A BAN ON HOLDING COMPANIES WITH REVISION OF THE ANTI-MONOPOLY LAW. AS FOR THE PROBLEM OF BREAKING UP NIPPON TELEGRAPH & TELEPHONE CORPORATION (NTT), THE RULING PARTIES DECIDED ON MARCH 26 TO REACHE A CONCLUSION A YEAR LATER. DECISIONS ON KEY POLICIES, SUCH AS DEREGULATION AND SECURITY POLICY, ARE THUS BEING PUT ON THE SHELF ONE AFTER THE OTHER. THE REASON IS THAT THERULING CAMP CANN'T MAKE DIFFICULTIES IN ADJUSTING DIFFERENCES OF OPINIONS BETWEEN THE LDP AND THE SOCIAL DEMOCRATIC PARTY (SDP). IN THE LDP, DISSATISFACTION IS INCREASING, AND A MID-RAS

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MEMBER COMPLAINED, "UNDER THE MURAYAMA GOVERNMENT LED BY THE SAME COALITION PARTNERS, NAMELY, THE LDP, THE SDP AND THE SAKIGAKE PARTY, THE SDP WAS WILLING TO TRY TO REACH A DECISION."

IN YESTERDAY'S MEETING OF THE THREE CHAIRMEN, WHICH FOCUSED ON REVISION OF A PLAN FOR PROMOTION OF RELAXING GOVERNMENT-IMPOSED REGULATIONS TO BE COMPILED ON THE 29TH, A DECISION WAS MADE TO REPORT ONLY THE STATUS OF THE DISCUSSION, USING THE WORDING, "STUDY WILL CONTINUE, AIMING AT LIFTING THE BAN, BUT NOT VIOLATING ANTI-MONOPOLY POLICY." WHAT WILL COME UNDER SUCH A LIFTING IN SPECIFIC TERMS WILL CONTINUE TO BE DISCUSSED AFTER NEXT WEEK.

THIS SITUATION IS A REFLECTION OF THE PRESENT ENVIRONMENT WHERE GAPS REMAIN UNFILLED BETWEEN THE SDP AND THE LDP: THE FORMER INSISTS ON A PARTIAL LIFTING BECAUSE IT HAS MET WITH OPPOSITION FROM THE JAPANESE TRADE UNION CONFEDERATION (RENGO), WHICH HAS ARGUED, "LABOR UNIONS OF SUBSIDIARY FIRMS CANNOT HAVE LABOR-MANAGEMENT NEGOTIATIONS." BUT THE LATTER HAS SOUGHT LIBERALIZATION ON THE PRINCIPLE OF CORPORATE RESTRUCTURING. SOME ARE WORRIED ABOUT THE FUTURE COURSE OF DEBATE, A SENIOR LDP MEMBER NOTING, "EVEN IF A BAN WERE TO BE LIFTED, NOT MUCH

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UNCLAS SECTION 03 OF 08 TOKYO 002785

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA
WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS;
USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 28

REAL EFFECT WOULD COME OUT BECAUSE THERE WOULD BE TOO
MANY CONDITIONS ATTACHED."

ON SPLITTING NTT, THE LDP, RESPONDING TO THE WILL OF THE
MINISTRY OF POSTS AND TELECOMMUNICATIONS (MPT), WHICH IS
FACILITATING SEPARATION AND DIVISION, INSISTED ON
SUBMITTING A BILL PREMISED ON "SEPARATION AND DIVISION"
TO THE NEXT REGULAR DIET SESSION TO BE CALLED IN NEXT
JANUARY. MEANWHILE, THE SDP CALLED FOR "DELAYING (A
SPLIT) FOR THREE YEARS," GIVING THOUGHT TO ITS STRONG
SUPPORT BODY, THE ALL-JAPAN TELECOMMUNICATIONS WORKERS'
UNION (ZENDENTSU), WHICH HAS BEEN OPPOSED TO (THE LDP'S
PLAN), ARGUING, "IF THE LABOR UNION IS DIVIDED, OUR JOBS
WILL BE THREATENED." THE TWO PARTIES HAVE CONTINUED
THEIR CONFRONTATION.

IN FINAL COORDINATION MADE AT A MEETING OF THE RULING
CAMP'S "SUB-COMMITTEE ON MANAGEMENT OF NTT," HELD ON THE
NIGHT OF THE 26TH, EFFORTS WERE CONCENTRATED ON COMPILING
A WRITTEN AGREEMENT THAT WOULD SPECIFY HOW LONG THE DELAY
WOULD BE. BUT WHEN THE SAKIGAKE PRESENTED A PLAN TO
REALIZE SEPARATION AND DIVISION IMMEDIATELY AFTER A ONE-
YEAR MORATORIUM EXPIRED, REASONING, "NECESSARY LEGAL
STEPS WILL BE TAKEN PRIOR TO THE NEXT REGULAR DIET
SESSION," THE SDP VIOLENTLY REACTED AGAINST SAKIGAKE,
ARGUING, "IF THE DELAY PERIOD IS SHORTENED, WE WILL NEVER
BE REELECTED IN THE NEXT ELECTION." IT REQUESTED THE
PARTY TO MODIFY THE PHRASING, "NECESARY LEGAL STEPS WILL
BE TAKEN," INTO A MORE MODERATE EXPRESSION, "STUDIES WILL
CONTINUE SO THAT A CONCLUSION CAN BE REACHED." IN THE
END, THE LDP YIELDED.

ON THE SECURITY PROBLEM, THE LDP PROPOSED TO ENRICH THE
CONTENTS OF THE ACQUISITION AND CROSS-SERVING AGREEMENT
(ACSA) BETWEEN JAPAN AND THE UNITED STATES, BUT DUE TO A
REQUEST MADE BY THE SDP, IT WAS DECIDED TO PUT OFF
EXAMINATION OF THAT PROBLEM. ALTHOUGH THE LDP HAS BEGUN
TO ENGAGE IN FULL-FLEDGED STUDIES ABOUT THE RIGHT OF
COLLECTIVE SELF-DEFENSE, THE SDP'S STANCE IS THERE IS NO
NEED TO STUDY IT. SO FORMING A NEW CONSENSUS ABOUT BASIC
POLICIES CAN HARDLY BE EXPECTED.

GAP IN EMPHASIS IN DISCUSSION BETWEEN AMBASSADOR MONDALE

AND CHIEF CABINET SECRETARY (ASAHI - PAGE 2)

UNITED STATES AMBASSADOR TO JAPAN WALTER MONDALE CALLED ON CHIEF CABINET SECRETARY SEIROKU KAJIYAMA AT THE PRIME MINISTER'S RESIDENTIAL OFFICE ON THE AFTERNOON OF THE 27TH. THE TWO CONFIRMED THAT THE GOVERNMENTS OF JAPAN AND THE U.S. WOULD DO THEIR BEST TO MAKE THE APRIL SUMMIT MEETING BETWEEN PRESIDENT CLINTON AND PRIME MINISTER HASHIMOTO A SUCCESSFUL ONE. IN THE MEETING YESTERDAY, THE AMBASSADOR URGED PROGRESS IN THE ECONOMIC NEGOTIATIONS IN SUCH AREAS AS INSURANCE, BUT KAJIYAMA ASKED FOR U.S. CONSIDERATION OF THE ISSUES RELATED TO U.S. MILITARY BASES ON OKINAWA. THE EXCHANGE BROUGHT TO LIGHT THE DIFFERENCES AS THE SUMMIT MEETING APPROACHES.

AMBASSADOR MONDALE TOLD KAJIYAMA THAT THE ALL-CARGO TALKS, ONE OF FOUR ECONOMIC AREAS SUGGESTED BY PRESIDENT CLINTON AT THE FEBRUARY SUMMIT MEETING "ARE NOW HEADING FOR AN AGREEMENT." AT THE SAME TIME, HE STRESSED, SAYING "I WOULD LIKE TO SEE A SETTLEMENT" IN THE OTHER THREE AREAS -- INSURANCE, SEMICONDUCTORS, AND PHOTOFILM.

KAJIYAMA, HOWEVER, REPLIED, "I UNDERSTAND THE ECONOMY IS THE MAJOR U.S. DOMESTIC ISSUE, BUT FOR JAPAN OUR DEEPEST CONCERN IS FOR THE OKINAWA PROBLEM." HE ADDED, "REGARDING THE OKINAWA ISSUE, THE MEDIA AS WELL AS THE PEOPLE OF OKINAWA IN A SENSE ARE HARBORING EXCESSIVE EXPECTATIONS. SO I WOULD LIKE YOU TO SHED A FEW TEARS OVER THIS AND TO HAVE YOUR SYMPATHY AND UNDERSTANDING."

U.S.-JAPAN DEFENSE COOPERATION TO INCLUDE REVISED GUIDELINES (YOMIURI - PAGE 1)

AS OF THE 27TH, THE JAPANESE AND UNITED STATES
BT
#2785

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UNCLAS SECTION 04 OF 08 TOKYO 002785

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A
SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 28

GOVERNMENTS HAVE REACHED BASIC AGREEMENT TO INCLUDE TWO NEW TOPICS IN THE JOINT STATEMENT ON THE U.S.-JAPAN SECURITY TREATY THAT WILL BE ISSUED DURING PRESIDENT CLINTON'S JAPAN VISIT IN MID-APRIL. THE INCLUSIONS ARE: 1) REVISION OF THE "GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION," WHICH SET THE BASIC POLICY COURSES FOR DEFENSE OF THE JAPANESE MAINLAND; AND 2) PROMOTION OF A STUDY OF HOW BILATERAL COOPERATION SHOULD BE CARRIED OUT AT THE TIME OF AN EMERGENCY SITUATION, INCLUDING SUCH ASPECTS OF REFUGEE COUNTERMEASURES. THE FORMAL AGREEMENT WILL TAKE PLACE DURING THE MEETING OF THE JAPAN-U.S. SECURITY COMMITTEE (2 PLUS 2) WHEN SECRETARY PERRY AND OTHER OFFICIALS VISIT JAPAN, POSSIBLY ON THE 13TH.

SOBE TELECOM SITE: QU.S. FORCES HAVE CONTROL EVEN AFTER EXPIRATION OF LEASEQ (ASAHI - TOP PLAY)

DUE TO THE DELAY IN THE GOVERNMENT'S TAKING PROCEDURES FOR THE FORCIBLE USE OF MILITARY LAND, ITS CURRENT USE OF A PLOT OF LAND AT THE SOBE TELECOMMUNICATIONS FACILITY (LOCATED IN YOMITAN VILLAGE, OKINAWA PREFECTURE), WHICH BELONGS TO THE U.S. FORCES IN JAPAN, WILL REACH ITS TIME LIMIT AT THE END OF THIS MONTH. REGARDING THIS MATTER, THE GOVERNMENT FIRMED UP A COURSE OF ACTION ON MARCH 27 FOR ITS LEGAL RESPONSE IN ORDER TO CONTINUE ITS USE OF THAT LAND FROM APRIL ON AS WELL. THE GOVERNMENT'S POSITION IS THAT THE USFJ "CAN REFUSE ENTRY" IN ACCORDANCE WITH THE U.S. MILITARY'S CONTROL RIGHT BASED ON THE JAPAN-U.S. STATUS OF FORCES AGREEMENT (SOFA). ADDITIONALLY, THE GOVERNMENT ALSO APPROVES OFF-LIMITS RESTRICTIONS ON THE OWNERS OF THOSE LAND LOTS, AND THE GOVERNMENT JUDGES THAT IN CASE THE LANDOWNERS OR OTHERS FORCIBLY ENTER THE FACILITY, THEY COULD BE PUNISHED UNDER THE CRIMINAL CODE. HOWEVER, DEFENSE FACILITIES ADMINISTRATION AGENCY OFFICIALS WILL MEET THE LANDOWNERS AND THEIR SUPPORTERS, AND THE GOVERNMENT INTENDS TO AVOID A HEAD-ON COLLISION OF THE U.S. PERSONNEL THERE AND LOCAL LANDOWNERS. BUT THE OKINAWA PREFECTURE SIDE WILL PRESUMABLY LAUNCH A NEGATIVE REACTION WHILE CLAIMING THAT "IT IS A SWITCH OF LOGIC FOR THE U.S. FORCES' REQUEST."

THE SOFA PACT, IN ARTICLE 3, STIPULATES THE CONTROL RIGHT OF U.S. ARMED FORCES, STATING THAT THE U.S. "MAY TAKE ALL THE MEASURES NECESSARY FOR ESTABLISHMENT, OPERATION, SAFEGUARDING AND CONTROL" WITHIN THE FACILITIES AND AREAS. WITH THIS STIPULATION AS THE GROUND, THE GOVERNMENT'S LEGAL VIEW IS THAT THE USFJ CAN TAKE ANY MEASURES REQUIRED TO CARRY OUT THE SOFA PACT'S OBJECTIVES WITHOUT THE JAPANESE GOVERNMENT'S CONSENT. THEREFORE, THE GOVERNMENT JUDGED THAT "THE U.S. MILITARY, WHICH HAS THE CONTROL RIGHT, CAN REFUSE LAND ENTRY AT ITS OWN DISCRETION."

THE LOCAL LANDOWNERS AND THEIR SUPPORTERS WILL BE MET NOT BY U.S. MILITARY OFFICIALS BUT BY OFFICIALS OF THE DFAA, WHICH IS OBLIGED TO OFFER FACILITIES AND AREAS TO U.S. FORCES IN A STABLE WAY. THE GOVERNMENT IS GOING TO DECIDE ON CONCRETE RESPONSES WHILE SEEING THE LOCAL

SITUATION, REGARDING SUCH MATTERS AS THE QUESTION OF WHETHER OR NOT THE GOVERNMENT WILL APPROVE THE LANDOWNERS' PASSAGE THROUGH THE FACILITY'S SITE FOR THEIR ENTRY ON THEIR LAND LOTS.

HOWEVER, IN CASE THE USFJ REFUSES SUCH ENTRY, AND IF THE LANDOWNERS OR OTHERS FORCIBLY ENTER THE FACILITY'S SITE IN DEFIANCE OF INTERMEDIARY DFAA OFFICIALS' INJUNCTIONS, THE GOVERNMENT WILL THEN CONSIDER CHARGING THEM IN CONFORMITY WITH ARTICLE 2 OF THE SPECIAL CRIMINAL LAW PERTAINING TO THE ENFORCEMENT OF THE SOFA ACCORD (FOR VIOLATION OF THE FACILITIES AND/OR AREAS) OR OTHERWISE PUNISHING THEM FOR VIOLATION OF DOMICILE UNDER THE CRIMINAL CODE. AND, IF AND WHEN TROUBLE OCCURS AT THE LOCAL SITE AND VIOLENCE IS EMPLOYED AGAINST DFAA PERSONNEL THERE, IT IS ALSO CONCEIVABLE THAT SUCH A CASE WILL BE SUBJECTED TO PUNISHMENT FOR INTERFERENCE WITH GOVERNMENT OFFICIALS IN THE EXECUTION OF THEIR DUTIES. JUDGMENTS ON SUCH CASES WILL BE MADE BY THE JAPANESE POLICY AUTHORITIES, INCLUDING OKINAWA PREFECTURE'S
BT
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UNCLAS SECTION 05 OF 08 TOKYO 002785

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A
SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 28

POLICE.

IN CASE THE LANDOWNERS CLAIM LAND REVERSION OR COMPENSATION FOR THEIR LOSSES, THE GOVERNMENT WILL THEN REFER TO THE CASE OF THE ITAZUKE AIRFIELD IN FUKUOKA PREFECTURE. ON THAT CASE, THE SUPREME COURT, IN ITS DECISION HANDED DOWN IN MARCH 1965, JUDGED THAT THE LANDOWNERS' DEMAND OF LAND REVERSION WAS AN "ABUSE OF RIGHTS," STATING THAT "IF AND WHEN THERE ARE SUCH CIRCUMSTANCES AS THAT THE STATE'S LOSSES ARE LARGER THAN THE LANDOWNERS' BENEFITS FROM EVACUATION, SUCH CLAIM IS UNACCEPTABLE AS IT IGNORES SOCIAL AND PUBLIC NATURE THAT IS THE REAL SUBSTANCE OF PRIVATE RIGHTS." BASED ON THIS COURT JUDGMENT, THE GOVERNMENT PREDICTS THAT THE GOVERNMENT SIDE WILL BE ABLE TO REFUTE THEIR CLAIM.

AS FOR RELATIONS BETWEEN THE GOVERNMENT AND THE LANDOWNERS, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA EXPRESSED A LAW-BASED VIEW AT AN UPPER HOUSE CABINET COMMITTEE MEETING ON THE GROUNDS OF FOUR POINTS, INCLUDING: (1) OVER THE LAST 20 YEARS THE GOVERNMENT HAS CONCLUDED LEASE CONTRACTS WITH ITS PAYMENTS OF RENTS AND HAS LEGITIMATELY CONTINUED THE USE OF THOSE LAND LOTS; AND (2) THE GOVERNMENT HAS NOW MADE AN APPLICATION TO THE (LAND) EXPROPRIATION COMMISSION OF OKINAWA PREFECTURE FOR EMERGENCY USE, AND THE GOVERNMENT, IF APPROVED, WILL RESTORE THE TITLE (TO THOSE LAND LOTS). IN THAT VIEW, THE CHIEF CABINET SECRETARY MENTIONED THAT THE GOVERNMENT "HAS NO RIGHT OF POSSESSION, BUT SUCH WILL NOT INSTANTLY CORRESPOND TO AN ILLEGAL STATE." THE GOVERNMENT IS GOING TO UPHOLD THIS LAW-BASED VIEW.

GOVERNMENT POSITION STILL DIFFICULT

(COMMENTARY) CONCERNING THE GOVERNMENT'S COURSE OF ACTION TO COPE WITH THE TIME LIMIT ON ITS EXPROPRIATION OF SOME LAND LOTS CURRENTLY USED AS PART OF THE SITE OF THE SOBE RADIO STATION, SOME OFFICIALS IN THE GOVERNMENT, INCLUDING THE DFAA, WERE FIRST THINKING OF INSISTING ON THE GOVERNMENT'S "CONTROL RIGHT" UNDER THE CIVIL CODE FOR ITS CONTINUED USE OF THOSE LAND LOTS. THIS WAS A UNIFIED VIEW ADOPTED BY THE GOVERNMENT IN 1977 WHEN THE LAW ON THE PROVISIONAL USE OF PUBLIC LAND TERMINATED AND THE DIET PASSAGE OF THE LAND REGISTER CLARIFICATION LAW, WHICH WAS INTENDED TO EXTEND THE TERM OF THE LAW ON THE PROVISIONAL USE OF PUBLIC LAND, WAS DELAYED BY THE DIET'S TURMOIL AND THE LEGAL GROUNDS (FOR THE USE OF THOSE LAND LOTS) BECAME "VOID" FOR FOUR DAYS.

IN THOSE DAYS, LANDOWNERS WERE UNCLEAR. SO, THERE WAS ALSO ROOM FOR THE LOGIC THAT THE GOVERNMENT "WILL CONTROL (LANDED PROPERTY) FOR LANDOWNERS." THIS TIME, HOWEVER, LANDOWNERS ARE CLEAR. IN ADDITION, THEIR INTENTION OF CLAIMING LAND REVERSION ALSO IS CLEAR. THEREFORE, THE GOVERNMENT SEEMS TO HAVE FINALLY JUDGED THAT IN CASE THEY CLAIM ENTRY ON THEIR LAND LOTS, SUCH LOGIC CANNOT REFUTE THEIR CLAIM.

COMPARED WITH THAT PREVIOUS CASE, THE U.S. MILITARY'S CONTROL RIGHT IS NOW STIPULATED IN SOFA. MOREOVER, THE GOVERNMENT ADOPTS THE LOGIC THAT THE U.S. MILITARY'S CONTROL RIGHT CAN STAND AWAY FROM THE JAPANESE SIDE'S CIRCUMSTANCES. BASED ON THIS LOGIC, THE GOVERNMENT JUDGED THAT IT WOULD BE POSSIBLE TO ASSUME A STILL STRONGER POSITION TO RESTRICT THE LANDOWNERS' RIGHTS.

HOWEVER, THE GOVERNMENT THIS TIME DID NOT INSIST ON ITS CONTROL RIGHT. SO, THE GOVERNMENT CANNOT SAY FRONTALLY THAT THE U.S. MILITARY'S CONTINUED USE OF THAT BASE IS "LEGITIMATE," AND COULD NOT BUT CITE SUCH AN EXPRESSION AS "CANNOT SAY AT ONCE THAT SUCH IS ILLEGAL." ON MARCH 29, THE GOVERNMENT WILL FILE AN APPLICATION WITH OKINAWA PREFECTURE'S EXPROPRIATION COMMISSION FOR EMERGENCY USE.

BUT, IF ITS DELIBERATIONS LAST LONG, SUCH A STATE THAT IS NOT "LEGITIMATE" WILL CONTINUE FOR A LONG TIME. SUBSEQUENTLY, THE GOVERNMENT'S AGONY WILL LIKELY BECOME EVEN MORE SERIOUS.

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UNCLAS SECTION 06 OF 08 TOKYO 002785

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 28

SDP WANTS REVERSION OF FUTENMA AIR STATION WITHIN FIVE YEARS (NIHON KEIZAI - PAGE 2)

THE DRAFT POLICY OF THE SOCIAL DEMOCRATIC PARTY (SDP) REGARDING ITS RESPONSES TO THE PROBLEM OF U.S. MILITARY BASES ON OKINAWA WERE REVEALED ON THE 27TH. THE MAIN ELEMENTS ARE: 1) A CALL FOR FULL REVERSION OF FUTENMA AIR STATION WITHIN FIVE YEARS; 2) CONSIDERATION OF REALIGNMENT, CONSOLIDATION AND REDUCTION OF U.S. BASES TO INCLUDE THOSE OUTSIDE THE COUNTRY (KOKUGAI MO FUKUMETA); AND 3) PROPOSAL FOR REVISION OF THE STATUS OF FORCES AGREEMENT (SOFA) BETWEEN JAPAN AND THE UNITED STATES, USING THE SOFA BETWEEN THE U.S. AND GERMANY AS REFERENCE. THE DRAFT ALSO CALLED ON THE JAPANESE GOVERNMENT TO QUICKLY PUT TOGETHER COUNTERMEASURES TO DEAL WITH THE "ILLEGAL OCCUPATION" SITUATION THAT WILL OCCUR WHEN THE EMERGENCY PERMISSION FOR USE OF U.S. BASE LAND RUNS OUT.

THE DRAFT SENDS A SENSE OF ALARM TO THE GOVERNMENT WITH THE STATEMENT, "IF A VISIBLE DIRECTION IS NOT INDICATED BY THE TIME OF THE JAPAN-U.S. SUMMIT MEETING (IN APRIL), A SERIOUS SITUATION WILL DEVELOP."

THE SDP WILL USE THIS DRAFT TO FORM THE BASIS FOR ITS OWN INDEPENDENT VIEWPOINT. THERE WERE VOICES OF DISSENSION WITHIN THE PARTY REGARDING THE TIMEFRAME FOR REVERSION OF FUTENMA A.S., SO THE DRAFT WAS COORDINATED BY THE PARTY'S SECURITY RESEARCH COUNCIL AND STANDING COMMITTEE.

AGREEMENT REACHED IN ALL-CARGO CIVAIR TALKS, DISSOLVES

GAP IN RIGHTS (NIHON KEIZAI - PAGE 1)

IN THE JAPAN-UNITED STATES ALL-CARGO TALKS IN TOKYO, THE TWO GOVERNMENTS LAST EVENING REACHED AGREEMENT THAT LARGELY INCREASES TRANSPORT RIGHTS FOR JAPANESE AND U.S. CARRIERS AND DISSOLVES THE DIFFERENCE IN THEIR INTERESTS. UNDER THE AGREEMENT, THE RESTRICTIONS ON FLIGHTS BY JAPAN AIRLINES (JAL) TO U.S. DESTINATIONS WILL BE LIFTED AND THE FRAMEWORK OF FLIGHTS FOR NIPPON CARGO AIRLINES (NCA) WILL BE EXPANDED MORE THAN DOUBLE. U.S. UNITED PARCEL SERVICES (UPS) WILL BE ALLOWED TO FLY INTO KANSAI INTERNATIONAL AIRPORT AND TO INCREASE THE NUMBER OF ITS FLIGHTS.

REGARDING THE MOST STICKY ISSUE OF UNLIMITED BEYOND RIGHTS OF U.S. INCUMBENT CARRIERS, BTH SIDES AGREED TO FREEZE DISCUSSION.

NEGOTIATORS WILL DRAW UP DRAFT MINUTES OF AGREED POINTS BY EXTENDING THE TALKS TO THE 28TH AND WILL SIGN THEM. AT A MEETING IN WASHINGTON AROUND APRIL 10, THEY ARE SCHEDULED TO COMPILE A MEMORANDUM AND THE INK IT TO WIND UP THE TALKS. THE AIR-CARGO ISSUE IS ONE OF THE FOUR BILATERAL TRADE AREAS WHICH BOTH SIDES AIM TO SETTLE BEFORE THE STATE VISIT TO JAPAN BY PRESIDENT CLINTON. AT THE LAST MINUTE, THE TWO COUNTRIES SWIFTLY MOVED CLOSER TO EACH OTHER.

UNDER THE AGREEMENT THIS TIME, JAL WILL BE GRANTED RIGHTS EQUAL TO THOSE OF THE MAJOR AIR CARGO CARRIER FEDERAL EXPRESS AND OTHER U.S. INCUMBENT AIRLINES. NCA AND UPS, LATECOMERS, WILL BE ABLE TO INCREASE THE NUMBER OF THEIR FLIGHTS SIGNIFICANTLY AND WILL SECURE "BEYOND RIGHTS" (RIGHTS TO FLY VIA THE OTHER SIDE TO THIRD COUNTRIES). IN ADDITION, TE TWO COUNTRIES WILL APPROVE ONE EACH OF THEIR CARRIERS TO INITIATE FLIGHTS BETWEEN THE TWO COUNTRIES.

JAPANESE NEGOTIATORS REITERATED THAT "JAPANESE CARRIERS' TRANSPORT RIGHTS WILL BE EQUALIZED, ALTHOUGH RESTRICTIONS HAVE BEEN PLACED ON THEIR RIGHTS UNDER THE BILATERAL CIVIL AVIATION ACCORD." THEY ALSO POINTED OUT THAT WITH MORE TRANSPORT RIGHTS OFFERED TO LATECOMERS, "COMPETITION WILL BE GENERATED IN THE AIR-CARGO AREA."

ESSENTIAL POINTS IN GENERAL AGREEMENT

(INTERESTS ON THE JAPANESE SIDE)

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UNCLAS SECTION 07 OF 08 TOKYO 002785

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA
WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS;
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E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 28

JAL 1. ABOLITION OF THE LIMITATION ON THE NUMBER OF
- FLIGHTS
- 2. INCREASE OF DESTINATION POINTS BY THREE
- 3. LIBERALIZATION OF OPERATIONS TO SEVERAL CITIES
NCA 1. ADDITION OF 18 MORE WEEKLY FLIGHTS AND BEYOND
- RIGHTS
- 2. INCREASE OF THREE DESTINATION POINTS
A NEW
FIRM 1. ALLOCATION OF THE UNUSED SLOTS OF NCA TO SIX
- WEEKLY FLIGHTS

(THE U.S. SIDE)

THREE

INCUMBENT 1. AVOIDANCE OF A ROW OVER BEYOND RIGHTS, ON THE
- JUDGMENT "NO EFFECT ON THE INTERPRETATION OF
- THE ACCORD."
- 2. INCREASE OF THREE MORE DESTINATION POINTS
UPS 1. OPERATION OF 12 WEEKLY FLIGHTS FROM KANSAI
- AIRPORT
- 2. BEYOND RIGHTS VIA KANSAI AIRPORT TO THIRD
- COUNTRIES
A NEW
FIRM 1. SIX WEEKLY FLIGHTS FROM KANSAI AIRPORT

INSURANCE TALKS: FIGHT OVER RIGHTS COULD GET DIRTY
(ASAHI - PAGE 11)

WITH NEGOTIATIONS BETWEEN THE MINISTRY OF FINANCE (MOF)
AND THE OFFICE OF UNITED STATES TRADE REPRESENTATIVE
(USTR) ON THE LIBERALIZATION OF JAPAN'S INSURANCE SECTOR
GOING SOUR, THERE IS NOW CONCERN THAT THE TALKS MAY BOG
DOWN, NEGLECTING CONSUMER BENEFITS. IN THE BACKGROUND,
THERE IS A FIERCE STRUGGLE OVER VESTED RIGHTS AND
INTERESTS IN THE JAPANESE MARKET BETWEEN JAPANESE AND
U.S. NON-LIFE INSURANCE COMPANIES. IN MARCH, ALMOST NO
ATTEMPT AT COMPROMISE WAS MADE BY EITHER SIDE. THE
MATTER IS SO TANGLED THAT IT IS LIKELY TO BE DRAN OUT
UNTIL PRESIDENT CLINTON'S VISIT TO JAPAN SATED FOR MID-
APRIL.

LEADING U.S. INSURERS IN BACKGROUND

ANSWERING TO A QUESTION AT A PRESS COFERENCE HELD ON
MARCH 15, "WHO IS INFLUENCING TH U.S. (TO TURN UP THE

HEAT ON JAPAN)?" SUKENARI TO (PRESIDENT OF NIPPON LIFE INSURANCE), CHAIRMAN OF THE LIFE INSURANCE ASSOCIATION OF JAPAN, SAI, "IT IS MR. G."

THERE IS NO MISTAKE IN THAT HE EANT GREENBERG, CHAIRMAN OF AIG -- A LEADING U.. INSURER. IT IS THOUGHT THAT HE WAS ALSO AT WORK BEHIND THE NEGOTIATIONSON THE INSURANCE SECTO UNDER THE JAPAN-U.S. FRAMEWORK TALKS, WHICH SAW A SETTLEMENT IN OCTOBER 1994.

THE JAPANESE BRANCH OF AIU INSURANCE, A NON-LIFE INSURER OWNED BY AIG, IS DOING GOOD BUSINESS IN ACCIDENT INSURANCE IN THE "THIRD SECTOR." IT HAS A BUSINESS ALLIANCE WITH JAPANESE LIFE INSURANCE COMPANIES WHICH WILL INTRODUCE CUSTOMERS. THE VIEW IS, THEREFORE, IF THOSE LIFE INSURERS ARE TO BE ALLOWED TO SET UP THEIR OWN NON-LIFE INSURANCE SUBSIDIARIES, AND IF SUCH SUBSIDIARIES MAKE INROADS INTO THE THIRD SECTOR, "AIG 'WILL BE OUSTED OUT FROM THE MARKET." OUT OF SUCH A JUDGMENT, AIG IS STIRRING UP THE U.S. GOVERNMENT" (EXECUTIVE OF A CERTAIN LEADING LIFE INSURANCE FIRM).

SENSE OF CRISIS TOWARD MARKETING CAPABILITY

AIG IS NOT THE ONLY CASE; ALL FOREIGN-AFFILIATED NON-LIFE INSURERS ARE AFRAID OF LIFE INSURERS' MARKETING CAPABILITY. IN RESPONSE TO THE ENFORCEMENT OF THE REVISED INSURANCE BUSINESS LAW SCHEDULED FOR APRIL, LEADING LIFE AND NON-LIFE INSURERS WILL ESTABLISH SUBSIDIARIES AROUND THIS SUMMER AND LAUNCH OUT INTO EACH OTHER'S TURF. THE U.S., FROM A DESIRE TO STOP THEIR ENTRY INTO THE NON-LIFE AREA, WHERE THEY DOMINATE, HAS LAUNCHED A COUNTERATTACK, CITING "ROOM FOR

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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA RMR; STATE FOR EAP/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; COMUSJ/A; COMNAVFORJAPAN/PA.

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SUBJECT JAPANESE MORNING PRESS HIGHLIGHTS MARCH 28

INTERPRETATION" OF THE INSURANCE AGREEMENT REACHED IN 1994.

REGARDING THIRD-SECTOR ITEMS SUBJECT TO THE DECISION TO POSTPONE LIBERALIZATION AS MENTIONED IN THE AGREEMENT, WHEREAS THE JAPANESE SIDE TAKES IT AS TO MEAN "THE MAINSTAY OF LIFE AND NON-LIFE INSURERS," THE U.S. SIDE HAS BEGUN TO ASSERT, "SUBSIDIARIES ARE ALSO SUBJECT TO THE DECISION."

FOREIGN AFFILIATED FIRMS HAVE BEEN DRIVEN INTO NICHE

JAPAN IS PARTLY RESPONSIBLE FOR THE U.S. MAKING CONTRADICTIONARY ASSERTIONS WITH "LIBERALIZATION" AS A SLOGAN, BECAUSE IT HAS DRIVEN FOREIGN-AFFILIATED INSURANCE FIRMS' ACTIVITIES INTO A "NICHE," NAMELY THE THIRD SECTOR.

MOF HAS SO FAR IMPOSED VARIOUS "RESTRICTIONS" ON THE INSURANCE SECTOR; FOR INSTANCE, IN THE THIRD SECTOR, LEADING LIFE INSURANCE FIRMS HAVE BEEN ALLOWED TO DEAL WITH SICKNESS INSURANCE ONLY AS A SPECIAL CONTRACT. LEADING LIFE AND NON-LIFE INSURERS HAVE BEEN INDIFFERENT TO THE THIRD SECTOR, JUDGING, "IT IS NOT LUCRATIVE." UNDER SUCH CIRCUMSTANCES, FOREIGN-AFFILIATED FIRMS HAVE MADE STEADY EFFORT AND CARVED THEIR WAY INTO THE MARKET. HOWEVER, WITH THE RAPID AGING OF THE SOCIETY, THE THIRD SECTOR HAS BECOME A PROFITABLE MARKET FOR JAPANESE INSURANCE COMPANIES AS WELL.

THE TALKS HAVE REACHED A DEADLOCK, INTERTWINED WITH CORPORATE EGOISM AND INDUSTRIAL REGULATION. IT HAS NOW BECOME NECESSARY TO RECOORDINATE A LIBERALIZATION SCHEDULE FOR THE ENTIRE INSURANCE SECTOR IN ORDER TO SCRAP REGULATIONS IN THE THIRD SECTOR. HARA, ACTING
BT
#2785

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SECT: SECTION: 01 OF 08

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TO: RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
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RUCPDOG/USDOC WASHDC PRIORITY
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SUBJ: MEDIA REACTION, ASIA; JAPAN

LEAD STORIES: MOST PAPERS GAVE TOP COVERAGE TO THE
REPORT THAT TBS-TV SHOWED FOOTAGE OF AN ANTI-AUM SHINRI-
KYO INTERVIEW TO THAT CULT'S LEADERS. THE SUBJECT OF

TEXT:
UNCLAS TOKYO 002807

USIA

FOR: USIA FOR I/RF, I/RFW, I/GEA, EA, RMR; STATE/EAP/J,
EAP/P, PM, STATE DEPT. PLS PASS TO USTR/PUBLIC AFFAIRS
OFFICE; TREASURY/OASIA/IMI; NSC; SECDEF FOR OASD/PA; CP
BUTLER OKINAWA FOR AREA FIELD OFFICE

E.O. 12958: N/A
SUBJECT: MEDIA REACTION, ASIA; JAPAN

LEAD STORIES: MOST PAPERS GAVE TOP COVERAGE TO THE
REPORT THAT TBS-TV SHOWED FOOTAGE OF AN ANTI-AUM SHINRI-
KYO INTERVIEW TO THAT CULT'S LEADERS. THE SUBJECT OF
THAT INTERVIEW WAS LATER MURDERED ALLEGEDLY BY CULT
MEMBERS. THE NIHON KEIZAI FRONT-PAGED THE U.S.-JAPAN AIR
CARGO ACCORD REACHED IN TOKYO.

1. "LET'S HAVE A DECISION THAT EASES OKINAWAN

SUFFERING" THE LIBERAL TOKYO SHIMBUN EDITORIALIZED (MARCH 28), "PRIME MINISTER HASHIMOTO SIGNS DOCUMENTS ON THURSDAY RENEWING LAND LEASES FOR THE U.S. MILITARY BASES AFTER OKINAWA GOV. OTA REFUSED TO DO SO. HASHIMOTO SHOULD CONTINUE DOING HIS BEST TO REDUCE U.S. MILITARY BASES AN EASE THE SUFFERING OF THY OKINAWAN PEOPLE. NOW, MORE THAN ANYTHING ELSE, THE PRIME MINISTER MUST DEMONSTRATE HIS FIRM DETERMINATION AND STRONG LEADERSHIP IN FINDING A THOROUGH SETTLEMENT OF THE OKINAWA BASE ISSUE.

"PM HASHIMOTO ANNOUNCED HE WOULD TACKLE THE BASE ISSUE IN A SINCERE MANNER. FOLLOWING SIX MONTHS OF NEGOTIATIONS, SOME PROGRESS HAS BEEN ACHIEVED ON ISSUES LIKE BASE NOISE AND APPLICATION OF THE STATUS OF FORCES AGREEMENT. NO TANGIBLE RESULTS HAVE EMERGED YET FROM TALKS CONCERNING BASE CONSOLIDATION AND REDUCTION, HOWEVER. THE DECISION ON THE FUTENMA MARINE CORPS AIR STATION, THE RETURN OF WHICH IS A PRIORITY ISSUE FOR THE OKINAWA PREFECTURAL GOVERNMENT, HAS BEEN POSTPONED UNTIL THIS FALL. WE UNDERSTAND THE SITUATION OF THE AMERICAN SIDE AND THEIR NEGOTIATORS, BUT THE PRIME MINISTER CAN, WITH STRONG LEADERSHIP, OPEN THE WAY FOR U.S. BASE REDUCTION." BLACKBURN

BT

#2807

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SECT: SECTION: 01 OF 01

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RUEHKOS/AMCONSUL SAPPORO
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RUEHBJ/AMEMBASSY BEIJING
RUEHJA/AMEMBASSY JAKARTA
RUEHLO/AMEMBASSY LONDON//ATTN MCCORMACK CARY//
RUEHLO/AMEMBASSY LONDON//POL/L//
RUEHGP/AMEMBASSY SINGAPORE
RUEHGP/AMEMBASSY SINGAPORE//FOR REGIONAL AFFAIRS//
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RUCMACC/CDR9THPSYOPBN FT BRAGG NC//AFVS-POG-N-SSD//
RUAGYIN/CDRCSCTHREE YONGIN KOR//EACT-T-I//
RUAGAMS/CINC UNC CFC SEOUL KOR//UNCMAC//
RUHDBKT/DATT-TLO BANGKOK TH
RUEALGX/DEFINTAGENCY WASH DC
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RUEHKO/AMEMBASSY TOKYO
RUHPCVV/USS CARL VINSON
RUEAIIS/STORAGE CENTER FBIS RESTON VA
ACCT FBWA-EWDK

INFO: ////

SUBJ: FBIS FOREIGN MEDIA NOTE-28MAR96

TEXT:

UNCLAS 4Z/LD

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SERIAL: WA2903021196
PASS: ATTN BLOUGH/MILLER
ATTN BBC RDSUP

COUNTRY: JAPAN
SUBJ: FBIS FOREIGN MEDIA NOTE-28MAR96

SOURCE: FOREIGN BROADCAST INFORMATION SERVICE
TEXT:

Japan-U.S.: Japanese Media Indicate Public Opinion Continues
To Strongly Support Base Consolidation

[FBIS Media Analysis] Recent Japanese media reporting and commentary suggest that the Japanese media and Japanese public opinion still strongly support consolidation of the U.S. bases on Okinawa and expect the Japanese Government to make progress on the issue--a situation that may affect the stance Tokyo takes in negotiations leading up to President Clinton's visit to Japan in April.

Media Pressure

In recent editorials, major Japanese newspapers have criticized the lack of progress on base consolidation and urged the government to work harder to negotiate measures to reduce the size of the Okinawa bases.

In a 26 March editorial that was generally sympathetic to the U.S.-Japan security relationship, Yomiuri Shimbun, Japan's most widely read newspaper, criticized the Japanese Government for failing to "make significant progress" in negotiations with Washington and urged the government to "work to solve" the bases issue.

The same day, an editorial in Nihon Keizai Shimbun, the country's leading economic newspaper, urged the government to devise a "long-range plan for base consolidation and reduction" and to win the "understanding and cooperation" of the Okinawan people--conditions that, it argued, are "indispensable" to maintaining the U.S.-Japan security relationship.

Criticism of Hashimoto

Some editorials have criticized Prime Minister Ryutaro Hashimoto either explicitly or implicitly for failing to take a more forceful position in base negotiations with Washington, suggesting that Hashimoto may be under some public pressure to press for U.S. concessions on the issue as the President's visit approaches.

On 26 March, Asahi Shimbun, the country's second most widely read paper, criticized Hashimoto and other ruling coalition leaders for failing to "exercise political leadership" to "appreciably reduce the bases" and suggested that the prime minister should come up with something more than "fine words" on the bases issue during the President's visit.

The 28 March Tokyo Shimbun commented that six months of negotiations with Washington have produced "no tangible results" on base consolidation and suggested that the prime minister might be able to achieve some success if he were to "exercise strong leadership" and demonstrate "firm determination."

Criticism of Delay on Futenma Return

Several papers have also explicitly criticized the government for failing to achieve progress in negotiating the return of Futenma Air Base, suggesting that, despite recent comments by Japanese officials that a decision on the base is unlikely before fall, there is still considerable public support for its rapid return.

The 26 March Asahi Shimbun editorial described the delay in the return of Futenma as "typical of the lack of effort" on the part of the prime minister and the ruling coalition in addressing the bases issue.

The 28 March Tokyo Shimbun editorial also criticized the lack of progress on Futenma as an example of the overall lack of progress on base consolidation.

Public Opinion Poll

A recent nationwide public opinion poll has suggested that the Japanese public also expects progress on base consolidation.

The poll, published in several local and regional newspapers, showed that 70 percent of the respondents favored reduction of the number of U.S. troops in Japan, 51 percent would like to "see the U.S.-Japan security relationship gradually disbanded, and 46 percent support the return of the Okinawa bases--figures that are consistent with polls taken last fall shortly after the rape of an Okinawan schoolgirl by three U.S. servicemen (Ryukyu Shimpo, 24 March)

Impact on Government Stance

Comments by Japanese Government officials have indicated that Tokyo is aware of the public and media expectations and may use these to press for U.S. concessions on the bases issue.

The 28 March Asahi Shimbun quoted Chief Cabinet Secretary Seiroku Kajiyama as asking U.S. Ambassador to Japan Walter Mondale to show "sympathy and understanding" of Japan's position on the bases issue because the Japanese media and the people of Okinawa "have excessive expectations" about base consolidation.

Withdrawal/Redaction Marker

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002. cable	Re: FBIS Foreign Media Note [partial] (1 page)	03/29/1996	P3/b(3)

COLLECTION:

Clinton Presidential Records
NSC Cables
Jan 1995-Dec 1996 ([Futenma])
OA/Box Number: 510000

FOLDER TITLE:

[03/21/1996 - 03/29/1996]

2016-0420-F
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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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