

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: SACO [Special Action Committee on Okinawa] Facilities List (9 pages)	03/29/1996	P1/b(1)
002. cable	Re: Okinawa Land Issues (5 pages)	03/29/1996	P1/b(1)
003. cable	Re: Secretary's Morning Summary (21 pages)	03/29/1996	P1/b(1)
004. cable	Re: Japan/US: Bases (96-23, 3-29-96) (3 pages)	03/29/1996	P1/b(1)
005. cable	Re: True Colors on Security (3 pages)	03/29/1996	P1/b(1)
006. cable	Re: FBIS Foreign Media Note [partial] (1 page)	04/02/1996	P3/b(3)
007. cable	Re: Ambassador's Meeting on Okinawa base Issues (4 pages)	04/03/1996	P1/b(1)
008. cable	Re: Okinawa / Joint Security Statement (3 pages)	04/05/1996	P1/b(1)

COLLECTION:

Clinton Presidential Records
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Jan 1995-Dec 1996 ([Futenma])
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FOLDER TITLE:

[03/29/1996 - 04/05/1996]

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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]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- 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 RUEHKO A2829 0890242-UUUU--RHEHAAA.
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RUEAIIA/CIA WASHDC
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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 29

TOP HEADLINES

TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 002829

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 29

TOP HEADLINES

ASAHI: COMPANY SIDE RESPONSIBLE FOR ITS EMPLOYEE'S
SUICIDE AS RESULT OF OVERWORK; "120 MILLION YEN SHOULD BE
COMPENSATED"; TOKYO DISTRICT COURT'S RULING; 24-YEAR-OLD
WORKER OFTEN WORKED ALL NIGHT

NIHON KEIZAI: BUSINESS DEALS THROUGH INTERNET; FOUR CITY
BANKS AND UC CARD COMPANY TO PUT INTO PRACTICE ELECTRIC
MONEY SETTLEMENT OF ACCOUNTS; TO ESTABLISH A
IDENTIFICATION BODY IN JUNE

TOKYO SHIMBUN: HOME AFFAIRS MINISTRY'S RESEARCH PANEL'S

REPORT; FINAL PROPOSAL FOR ADOPTION OF "NATIONAL NUMBERING SYSTEM"; SYSTEM OF IDENTIFYING PEOPLE THEMSELVES THROUGH FOUR KINDS OF INFORMATION; CARD TO BE ISSUED UPON APPLICATION; ADOPTION IN LATE FY1999

MAINICHI: POSTS AND TELECOMMUNICATIONS MINISTRY'S LOBBYING IN EFFORT TO REALIZE BREAK UP OF NTT; THROUGH PUBLIC SERVICE CORPORATION UNDER ITS JURISDICTION; EXPECTING "FOREIGN PRESSURE OR GAIATSU" FROM U.S. (TRANSLATION BELOW)

YOMIURI: TOKYO DISTRICT COURT INVESTIGATED "ILLICIT ACCOUNTING" AT BANKRUPT JUSEN; BOOKS OBTAINED FROM TWO SUCH FIRMS; ON SUSPICIONS OF WINDOW-DRESSED ACCOUNTS

SANKEI: HOME AFFAIRS MINISTRY'S PANEL ISSUES FINAL REPORT; PROPOSAL FOR ADOPTION OF ON-LINE SYSTEM FOR RESIDENT REGISTRATION; NATIONAL NUMBERING SYSTEM; PROHIBITION OF CONNECTIONS WITH PRIVATE SECTOR

LDP KINGPIN SHIN KANEMARU'S DEATH: -- LDP WILL NOT HOLD FUNERAL FOR HIM (NIHON KEIZAI - PAGE 2)

THE LIBERAL DEMOCRATIC PARTY (LDP) WILL NOT HOLD A FUNERAL FOR SHIN KANEMARU, FORMER VICE PRESIDENT OF THE PARTY, MAINLY OUT OF RESPECT FOR THE FEELINGS OF HIS BEREAVED FAMILY. BUT ANOTHER REASON IS THE PARTY HAS GIVEN THOUGHT TO KANEMARU'S POSITION AS A CRIMINAL DEFENDANT.

POST-KANEMARU BRAND OF POLITICS STILL NOT IN SIGHT (ASAHI - PAGE 2)

FORMER LIBERAL DEMOCRATIC PARTY VICE PRESIDENT SHIN KANEMARU'S POLITICAL STYLE WAS TO DEAL WITH THE OPPOSITION CAMP FLEXIBLY YET COERCIVELY AT TIMES BASED ON HIS BELIEF THAT MONEY AND NUMBERS BRING "POWER." BUT TODAY'S TURBULENT AGE HAS PROVEN THAT SUCH A POLITICAL APPROACH IS NO LONGER EFFECTIVE. INDEED, SUCH A PERIOD ENDED NOMINALLY AND ACTUALLY WITH THE DEATH OF KANEMARU ON THE 28TH. AND NOW, HIS DISCIPLES ARE LOCKING HORNS OVER POLITICAL REALIGNMENT FROM THE TWO RIVAL CAMPS. THEY HAVE BEEN STRUGGLING IN THE POLITICAL WORLD, WITH NO SPECIFIC PROSPECT FOR "POST-KANEMARU" IN HAND. (HIROSHI HOSHI, POLITICAL DEPARTMENT)

KANEMARU'S POLITICAL APPROACH WAS CRAFTY: HE DEMONSTRATED HIS POLITICAL POWER BY DETERMINING HOW TO DIVIDE THE EVER-GROWING PIE. IN THE PROCESS, HE USED MONEY TO INCREASE HIS FACTION'S STRENGTH AND HIS POLITICAL CLOUT. AS FOR THE OPPOSITION CAMP, HE WAS CRUEL AT TIMES BUT EXTREMELY FLEXIBLE. THAT WAS HIS METHOD TO STRENGTHEN TIES WITH THE OPPOSITION MEMBERS.

HE ALSO BROKE THE LDP'S TANAKA FACTION BY BACKING FORMER PRIME MINISTER NOBORU TAKESHITA AND EVOLVED FIERCE POWER STRUGGLE. THE MONEY AND NUMBER-DRIVEN POLITICAL APPROACH CONTINUED THROUGHOUT THE "TAKESHITA ADMINISTRATION,"

WHICH WAS DOMINATED BY KANEMARU AND OTHERS. EVEN AFTER THE TAKESHITA ADMINISTRATION CAME TO AN END, THERE WAS NO CHANGE IN THE "TANAKA-STYLE" MANAGEMENT OF CONTROLLING THE ADMINISTRATION FROM BEHIND THE SCENES.

AFTER TAKESHITA CAME UNO AND KAIFU. AND WHEN "TAKESHITA'S POWER" REACHED ITS SUMMIT, THE "KANEMARU BT
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UNCLAS SECTION 02 OF 06 TOKYO 002829

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 29

IMPRINT" HAD ALREADY BEEN ON THE DECLINE. WITH THE FALL OF THE COLD WAR STRUCTURE, THE ANTI-COMMUNIST THEORY THAT COULD ACCEPT EVEN CORRUPT CONSERVATISM WAS NOT STRONG ENOUGH TO HOLD PEOPLE TOGETHER. THE AGE OF FAST GROWTH WAS ALSO OVER.

KANEMARU HAD BEEN CALLING FOR "POLITICAL REALIGNMENT," BUT IT WAS ALWAYS THE TAKESHITA FACTION THAT WAS IN THE CENTER OF THE TREND. IN REALITY, THE SCANDAL INVOLVING KANEMARU FUELED POWER STRUGGLE IN THE TAKESHITA FACTION AND EVENTUALLY LED TO THE SPLIT OF THE LDP. THE TURBULENT POLITICAL REALIGNMENT CURRENT HAS NOW JUMPED OVER GREATLY THE "KANEMARU-VISIONED REALIGNMENT."

KANEMARU'S PUPILS INCLUDE PRIME MINISTER RYUTARO HASHIMOTO, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA, AND VICE PRESIDENT KEIZO OBUCHI ON THE LDP SIDE; AND PARTY HEAD ICHIRO OZAWA AND FORMER PRIME MINISTER TSUTOMU HATA ON THE MAJOR OPPOSITION SHINSHINTO (NEW FRONTIER PARTY).

KANEMARU'S PUPILS HAVE NOT YET INVENTED ANY NEW POLITICAL VISION THAT CAN REPLACE THE "KANEMARU APPROACH" BUT IS NECESSARY TO IMPROVE THE TRANSPARENCY OF THE DECISION-MAKING PROCESS AND TO PERSUADE THE PEOPLE INTO ACCEPTING "NEGATIVE DISTRIBUTIONS" IN THIS AGE OF SLOW GROWTH.

UPON LEARNING THE NEWS ON THE DEATH OF KANEMARU, SHINSHINTO EXECUTIVE COUNCIL CHAIRMAN KOZO WATANABE, ONE

OF KANEMARU'S DISCIPLES, REMARKED: "IF MR. KANEMARU HAD BEEN HERE, I'M SURE HE WOULD HAVE BEEN IN THE VANGUARD CALLING FOR REMOVAL OF THE JUSEN (HOUSING LOAN COMPANIES) BUDGET TOTALING 685 BILLION YEN." "ILLUSION" IS STILL HOVERING IN THE AIR BUT THE "DON'S VOICE" WOULD NO LONGER SWAY JAPANESE POLITICS. IN HIS LAST YEARS, HE WAS RARELY VISITED BY POLITICIANS. ON SUCH A RARE OCCASION, EVEN WHEN A VISITOR BROACHED A NAGATA-CHO (JAPAN'S CAPITOL HILL) STORY, HE IS SAID TO HAVE DISCUSSED ENERGETICALLY HIS HOUSE'S ALCOVE POSTS.

PRIME MINISTER SIGNS AS PROXY FOR BASE LAND-LEASES ON OKINAWA (NIHON KEIZAI - PAGE 2)

BECAUSE LAND LEASES FOR A PORTION OF THE SITE NOW USED BY THE UNITED STATES MILITARY'S SOBE TELECOMMUNICATIONS STATION EXPIRE AT THE END OF THIS MONTH PRIME MINISTER RYUTARO HASHIMOTO ON MARCH 28 DECIDED TO HIMSELF SIGN AS PROXY THE DOCUMENTS NECESSARY TO FORCIBLY LEASE LAND FROM LANDOWNERS IN APRIL AND AFTERWARD, . HE THEN INITIATED LEGAL PROCEDURES. THIS ACTION IS IN RESPONSE TO (OKINAWAN) GOVERNOR MASAHIDE OTA'S REFUSAL TO SIGN DESPITE ORDERS GIVEN ON THE 25TH BY THE NAHA BRANCH OF THE FUKUOKA HIGH COURT FOR HIM TO EXECUTE HIS PROXY-SIGNING DUTY. ON THE MORNING OF THE 29TH, DEFENSE FACILITIES ADMINISTRATIVE AGENCY (DFAA) CIVIL ENGINEERING DIVISION DIRECTOR TANAKA, WHOM THE PRIME MINISTER HAS DESIGNATED AS HIS DEPUTY, WILL SIGN THE DOCUMENTS AND APPLY FOR A DECISION TO THE OKINAWA PREFECTURE EXPROPRIATION COMMITTEE.

IN ADDITION, THE NATIONAL GOVERNMENT WILL APPLY FOR AN EMERGENCY USE FOR SIX MONTHS TO THE EXPROPRIATION COMMITTEE, BUT THE POSSIBILITY IS SLIM THE COMMITTEE WILL IMMEDIATELY AFFIRM THAT APPLICATION. SO, IT IS MOST LIKELY THE NATIONAL GOVERNMENT WILL LOSE ANY LEGAL GROUNDS FOR USE OF SUCH LAND.

IF THE SITES IN QUESTION WERE TO BE RETURNED, TROUBLE WOULD OCCUR IN OPERATION OF SOBE TELECOMMUNICATIONS STATION, AND IF THAT HAPPENS, IT WILL VIOLATE THE JAPANESE GOVERNMENT'S OBLIGATION TO PROVIDE FACILITIES TO U.S. TROOPS. FOR THAT REASON, THE GOVERNMENT INTENDS TO CONTINUE TO USE THOSE SITES, CITING FOUR REASONS: (1) LEASE CONTRACTS ON THE USE OF SUCH LAND HAVE BEEN CONCLUDED WITH LANDOWNERS FOR THE PAST 20 YEARS AND SUCH LAND HAS BEEN UTILIZED LEGALLY UNTIL NOW; (2) JAPAN'S PROVIDING OF THAT LAND TO U.S. FORCES IS A DUTY UNDER THE U.S.-JAPAN SECURITY TREATY AND MEET PUBLIC INTERESTS; (3) AT PRESENT, PROCEEDINGS ARE BEING TAKEN TO OBTAIN THE

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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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RIGHT OF USE; AND (4) RENTS WILL BE PAID TO LANDOWNERS TO AVOID CAUSING DAMAGE TO LANDOWNERS. IN FACT, CHIEF CABINET SECRETARY KAJIYAMA STATED THAT EVEN IF LAND WERE NOT RETURNED TO LANDOWNERS AFTER THE CONTRACTS EXPIRE, "THAT SITUATION IS NOT NECESSARILY INSTANTLY CONCLUDED AS ILLEGAL."

THE GOVERNMENT HAS YET TO FORMAL RESPOND TO A REQUEST FROM THE LANDOWNERS FOR ENTRY TO THE SITE ON APRIL 1 OR AFTER, BUT OFFICIALS THINK THERE MIGHT BE TROUBLE INVOLVING LANDOWNERS AND THEIR SUPPORTERS WHO SEEK TO ENTER THE SITE. HYPOTHESIZING SUCH A CASE, THE GOVERNMENT WILL HAMMER OUT A COUNTERACTION INCLUDING REFUSAL THEM ENTRY ON THE LAND, ON THE GROUNDS OF THE SOFA.

GOVERNOR OTA GREATLY DISSATISFIED WITH BASE ANTI-NOISE POLLUTION AGREEMENT (SANKEI - PAGE 3)

AT A MEETING OF THE JAPAN-U.S. JOINT COMMITTEE ON MARCH 28, THE JAPANESE AND U.S. GOVERNMENTS AGREED TO PREVENT NOISE AT TWO U.S. MILITARY BASES IN OKINAWA PREFECTURE, KADENA AIR FORCE BASE AND FUTENMA AIR STATION. IN THIS CONNECTION, A TOP-LEVEL OFFICIAL OF THE MINISTRY OF FOREIGN AFFAIRS SAID ON THE EVENING OF THE SAME DAY, "PROGRESS WAS SEEN TO A CERTAIN EXTENT. BUT WE CAN'T SAY IT SATISFIES THE PREFECTURE'S REQUEST." THE OFFICIAL SO ADMITTED THAT SUFFICIENT RESULTS HAVE NOT NECESSARILY BEEN OBTAINED.

BASED ON THAT VIEW, THE OFFICIAL NOTED, "WE WILL HAVE TO MAKE AN OVERALL JUDGMENT OF THE REQUEST (FROM OKINAWA PREFECTURE) AND PROBLEMS ABOUT THE OPERATIONS (OF THE U.S. FORCES)." THE OFFICIAL THUS REVEALED THE GOVERNMENT'S INTENTION OF CONTINUING FROM NOW ON AS WELL TO IMPROVE THE PRACTICAL OPERATION OF THE JAPAN-U.S. STATUS OF FORCES AGREEMENT (SOFA). A SENIOR OFFICIAL OF MOFA ALSO SAID, "THE GOVERNMENT HAS PROMISED TO CONSIDER THE CIRCUMSTANCES THAT ARE PECULIAR TO OKINAWA PREFECTURE. I THINK THIS PROMISE HAS BEEN FULFILLED, THOUGH PARTIALLY." THE SENIOR OFFICIAL ADDED, "THERE IS ROOM TO MULL OVER THE IDEA OF RESTRICTING FLIGHT TRAINING ON A MEANINGFUL DAY LIKE (OKINAWA'S) MEMORIAL DAY." THE

SENIOR OFFICIAL THUS INDICATED THAT THE GOVERNMENT WOULD CONSIDER MORE DAYS AND HOURS FOR THE RESTRICTION OF FLIGHT TRAINING.

HOWEVER, OKINAWA PREFECTURE'S GOVERNOR MASAHIDE OTA, WHO HAS CALLED FOR FLIGHT RESTRICTION DURING THE HOURS FROM 7:00 P.M. TO 7:00 A.M., GAVE A COMMENT, IN WHICH HE STRONGLY CRITICIZED IT, CLAIMING THAT "THE ACTUAL FUNCTIONS OF KADENA AIR FORCE BASE AND FUTENMA AIR STATION HAVE RESTRICTED HOURS), SO THE PREFECTURE AND MUNICIPALITIES CONCERNED ARE VERY DISSATISFIED."

THE GOVERNMENT WILL CONTINUOUSLY WORK ON THE U.S. SIDE FOR IMPROVEMENTS IN THE NOISE PROBLEM AND OTHER ISSUES. IN FACT, HOWEVER, A SENIOR MOFA OFFICIALS SAYS "SUCH IS LEFT TO THE U.S. SIDE'S SELF-RESTRAINT."

IN THE WEEKS AHEAD, BY THE TIME OF U.S. PRESIDENT CLINTON'S VISIT TO JAPAN, THE GOVERNMENT IS GOING TO PROMOTE "HARMONY BETWEEN THE REDEFINITION OF THE JAPAN-U.S. SECURITY ARRANGEMENT AND THE PREFECTURE'S REQUEST" (FOREIGN MINISTER YUKIHIKO IKEDA). THE QUESTION, HOWEVER, IS HOW TO HARMONIZE SUCH AT THE SAME TIME. ALL THE MORE BECAUSE THE PROBLEM CONNOTES CONTRADICTIONS, THE GOVERNMENT IS NOW IN DEEP DISTRESS.

SDP CHAIRMAN MURAYAMA TO SUBMIT PROPOSAL TO PRIME MINISTER CALLING FOR REVERSION OF FUTENMA
(NIHON KEIZAI - PAGE 2)

THE SOCIAL DEMOCRATIC PARTY (SDP) ON MARCH 28 COMPILED THE PARTY'S VIEWS ON OKINAWA BASE ISSUES. THAT VIEW WILL BE PRESENTED BY SDP HEAD MURAYAMA TO PRIME MINISTER RYUTARO HASHIMOTO ON THE 29TH. THE KEY ELEMENTS OF THE
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USIA

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MARCH 29

POLICY VIEW INCLUDE: (1) EFFORTS TO REALIZE FULL

REVERSION OF FUTENMA AIR STATION WITHIN FIVE YEARS; (2) REVISION OF THE UNITED STATES-JAPAN STATUS OF FORCES AGREEMENT (SOFA), USING AS REFERENCE A (SOFA) AGREEMENT BETWEEN THE U.S.-GERMANY; AND (3) FINANCIAL AND LEGAL SUPPORT FOR THE PLAN OF CREATING ON OKINAWA AN INTERNATIONAL CITY. ON THE 28TH, THE PARTY DISCUSSED IN DETAIL THEIR VIEWS, SHIGERU ITO, DEPUTY PARTY HEAD AND POLICY DELIBERATION COUNCIL CHAIRMAN TAKING THE LEAD, BUT NO CONCLUSION WAS REACHED TO THE END AS TO THE BEST COURSE TO DEAL WITH AN "ILLEGAL OCCUPATION" (OF SOBE TELECOM SITE) SHOULD SUCH OCCUR.

ALLEGED LOBBYING BY POSTS MINISTRY TO PERSUADE U.S. GOVERNMENT TO BACK NTT BREAKUP (MAINICHI - TOP PLAY)

IT WAS LEARNED YESTERDAY THAT THE MINISTRY OF POSTS AND TELECOMMUNICATIONS (MPT) WAS MANEUVERING TO PROMOTE ITS IDEA OF BREAKING UP NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT) BY MAKING USE OF PRESSURE FROM THE UNITED STATES THROUGH A PUBLIC-SERVICE CORPORATION THAT IS UNDER THE MINISTRY'S CONTROL. A U.S. CONSULTANT COMPANY, WITH WHICH THE CORPORATION CONCLUDED A CONTRACT FOR APPROXIMATELY 50,000 DOLLARS, HAS REPORTED THE DETAILS OF THE WORK IT DID TO THE U.S. DEPARTMENT OF JUSTICE, CALLING IT A BID TO "PERSUADE THE U.S. GOVERNMENT TO SUPPORT THE NTT-BREAKUP PLAN." A MPT OFFICIAL WHO IS NOW BEING TEMPORARILY TRANSFERRED TO THE CORPORATION SIGNED THE CONTRACT THIS JANUARY. AT THAT TIME, THE GOVERNMENT HAD NOT DECIDED YET ANY POLICY DIRECTION ABOUT THE PLAN TO SPLIT NTT. MPT'S ALLEGED LOBBYING ACTIVITIES FOR THE PURPOSE OF ITS OWN "INTERESTS" WILL LIKELY EVOKE CRITICISM.

THIS PUBLIC-SERVICE CORPORATION IS THE POSTAL SERVICES INTERNATIONAL ASSOCIATION (CHIYODA WARD, TOKYO), WHOSE SHOULDERING OF MPT OFFICIALS' OVERSEAS HOUSING EXPENSES HAS BEEN REVEALED.

ACCORDING TO DATA PRESENTED BY THE U.S. JUSTICE DEPARTMENT, THE COMPANY WITH WHICH THE ASSOCIATION CONCLUDED A CONTRACT HAS ITS HEAD OFFICE IN MARYLAND, AND UNDERTOOK FROM THE ASSOCIATION'S OFFICE IN WASHINGTON THIS JANUARY THE WORK OF COLLECTING INFORMATION ON JAPAN-U.S. TRADE ISSUES AND ANALYZING THEM. IN THE U.S., WHEN ENGAGING IN AGENT BUSINESS FOR FOREIGN INSTITUTIONS, IT IS OBLIGATED TO REPORT THE DETAILS OF BUSINESS TO THE JUSTICE DEPARTMENT. THE COMPANY NOTED THAT BUSINESS CONTENTS "INCLUDE POLITICAL ACTIVITIES." IT ENTERED AS THE REASON "IN ORDER TO PERSUADE THE U.S. GOVERNMENT AND BUSINESS CIRCLES TO MAKE EFFORTS TO LET THE U.S. CITIZENS KNOW THE NEED FOR DEREGULATION OF THE JAPANESE TELECOMMUNICATIONS INDUSTRY, INCLUDING THE NTT SPLIT."

THE ASSOCIATION WAS ESTABLISHED IN 1967 AND IS PLACED UNDER THE CONTROL OF THE MPT INTERNATIONAL POLICY DIVISION. IT HAS ENGAGED IN SUCH BUSINESSES AS COMMISSIONED RESEARCH AND HOLDING SEMINARS FOR TELECOMMUNICATION FIRMS UNDER MPT SUPERVISION.

ASSOCIATION MANAGING DIRECTOR TAKANARI MORIMOTO COMMENTED, "OUR CONTRACT COVERS THE COLLECTION OF INFORMATION ON FINANCING, AND IT DOES NOT INCLUDE LOBBYING ACTIVITIES FOR AN NTT BREAKUP. IT IS HARD TO UNDERSTAND WHY THE U.S. COMPANY MADE SUCH A REPORT TO THE JUSTICE DEPARTMENT." INTERNATIONAL POLICY DIVISION ASSISTANT DIRECTOR KEIICHIRO SEKI, WHO SIGNED THE CONTRACT, HAS REFUSED AN INTERVIEW.

COMMENT BY MPT PUBLIC INFORMATION OFFICE CHIEF HITOSHI SHIRAKAWA: MPT HAD NOTHING TO DO WITH THE CONTRACT.

INSURANCE TALKS: EVEN WIDER GAP NOW BETWEEN U.S. AND JAPAN ON INSURANCE ISSUE (YOMURI -PAGE 6)

TALKS ON JAPAN'S INSURANCE MARKET BETWEEN THE MINISTRY OF FINANCE (MOF) AND THE OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE (USTR) ARE AT A STANDSTILL. FRICTION
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BETWEEN JAPAN AND THE UNITED STATES IS REKINDLING AT NEGOTIATIONS ON THIS SECTOR -- ONCE DUBBED AN "HONOR SECTOR UNDER THE JAPAN-U.S. FRAMEWORK TALKS" (SENIOR OFFICIAL OF THE MINISTRY OF FINANCE (MOF)), WHEN A SETTLEMENT WAS REACHED IN THE FALL OF 1994.

THE NEGOTIATORS ARE FOCUSING ON THE ISSUE OF JAPANESE INSURANCE COMPANIES' ENTRY INTO THE SO-CALLED "THIRD SECTOR," WHICH INCLUDES SICKNESS AND ACCIDENT INSURANCE POLICIES. THIS AREA FALLS BETWEEN LIFE AND NON-LIFE INSURANCE. AT PRESENT, JAPAN'S LEADING INSURERS ARE BARRED FROM ENTERING THIS SECTOR -- A POLICY APPLIED BASED ON CONSIDERATION OF FOREIGN-AFFILIATED INSURERS, WHICH ARE DOING SUCCESSFUL BUSINESS THERE, AND OF SMALL TO MEDIUM-SIZE INSURERS. MOF, HOWEVER, HAS DECIDED AS PART OF ITS REFORM OF THE INSURANCE SYSTEM TO ALLOW

LEADING LIFE AND NON-LIFE INSURANCE FIRMS TO HANDLE THIRD-SECTOR PRODUCTS.

THE BILATERAL AGREEMENT REACHED IN OCTOBER, 1994 NOTES THAT THE LIBERALIZATION OF JAPANESE INSURERS' ENTRY INTO THE THIRD SECTOR "SHOULD NOT BE IMPLEMENTED BEFORE REGULATORY CONTROLS ARE DISMANTLED IN THE LIFE AND NON-LIFE INSURANCE SECTORS." THE U.S. SIDE'S ASSERTION IS THAT JAPAN'S REFORM OF THE INSURANCE SYSTEM THIS TIME RUNS COUNTER TO THIS WORDING. IT IS SEEKING JAPAN TO IMPLEMENT MEASURES THAT WILL MAKE IT EASY FOR FOREIGN INSURERS TO TAKE PART IN JAPAN'S INSURANCE MARKET. SUCH MEASURES WOULD INCLUDE THE POSTPONEMENT OF THE APPROVAL OF MARKET ENTRY BY LEADING INSURANCE FIRMS INTO THE THIRD SECTOR THROUGH SUBSIDIARIES AND THE FURTHER LIBERALIZATION OF FIRE INSURANCE PREMIUMS.

THE JAPANESE SIDE HAS OFFERED THIS REBUTTAL: "WHAT IS SUBJECT TO THE AGREEMENT IS PARTICIPATION BY LEADING INSURERS THEMSELVES. THERE IS NO PROBLEM ABOUT PARTICIPATION THROUGH THEIR SUBSIDIARIES." ACCORDING TO A MOF SOURCE, "THE U.S. STANCE HAS BECOME TOUGHER," ESPECIALLY SINCE THE NEW YEAR, AND "ITS POLITICAL MOVES ARE BECOMING VISIBLE."

UNDER SUCH CIRCUMSTANCES, THE JAPANESE SIDE HAS ALSO BEGUN TO EXPLORE "REALISTIC SETTLEMENT MEASURES" (THE SAME SOURCE). IN THE THIRD SECTOR, U.S. AFFILIATED INSURANCE FIRMS COMMAND A SHARE OF OVER 90 PERCENT. JAPAN HAS INFORMALLY OFFERED TO THE U.S. A COMPROMISE PLAN, INCLUDING THE SUSPENSION OF APPROVAL FOR JAPANESE FIRMS TO HANDLE SUCH INSURANCE POLICIES ANEW, BUT THE GAP STILL REMAINS TO BE FILLED.

WHAT IS THE REASON THAT DIFFERENCES IN THE INTERPRETATION OF THE AGREEMENT BETWEEN THE TWO COUNTRIES HAVE SURFACED AS AN ISSUE? ACCORDING TO A LEADING LIFE INSURANCE FIRM, "FOREIGN-AFFILIATED INSURERS ARE FEELING A SENSE OF CRISIS AS THE IMPLEMENTATION OF THE REFORM OF THE INSURANCE SYSTEM APPROACHES." IN ADDITION, THERE SEEM TO BE THE CIRCUMSTANCES THAT THE U.S. GOVERNMENT IS LEANING TOWARD PROTECTING THE INTERESTS OF U.S. FIRMS WITH THE PRESIDENTIAL ELECTION APPROACHING. U.S.-AFFILIATED INSURANCE FIRMS HAVE STEADILY PRODUCED RESULTS IN JAPAN'S THIRD SECTOR. GIVEN THE FACT THAT THE U.S. INSURANCE MARKET IS TAPERING OFF, IT IS IMPORTANT FOR THEM TO MAINTAIN THEIR VESTED INTERESTS IN THE JAPANESE MARKET.

IN THE MEANTIME, THE JAPANESE SIDE'S CIRCUMSTANCE IS THAT CROSS-SERVICING WILL START IN THE LIFE AND NON-LIFE INSURANCE SECTORS UNDER A GRIM BUSINESS CLIMATE FOLLOWING THE BURSTING OF THE BUBBLE ECONOMY. IF INSURERS ESTABLISH A SUBSIDIARY, BY MAKING NEW INVESTMENTS, IT IS MANDATORY FOR THEM TO MAKE SURE THAT THEIR NEW BUSINESS WILL BE PROFITABLE, BUT IN THE LIFE AND NON-LIFE INSURANCE MARKETS, THE WALLS OF VARIOUS EXISTING FIRMS ARE THICK. THAT IS WHY THEY ARE PINNING HOPES ON PARTICIPATION IN THE PROMISING THIRD SECTOR.

HOWEVER, IF THE NEGOTIATIONS BECOME PROTRACTED AS IT SEEMS NOW, IT WILL AFFECT DOMESTIC INSURERS IN BEING ABLE TO OBTAIN A CLEAR PICTURE REGARDING THE BUSINESS SCALE

BT

#2829

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UNCLAS SECTION 06 OF 06 TOKYO 002829

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 29

AND INCOME-PRODUCING PLANNING OF THE SUBSIDIARIES THEY PLAN TO SET UP AS EARLY AS THIS FALL.

MITI VICE MINISTER SAYS NO NEED FOR PHOTOFILM TALKS
(NIHON KEIZAI - PAGE 5)

VICE MINISTER TSUTSUMI OF THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) AT A PRESS BRIEFING ON THE 28TH REFERRED TO PHOTOGRAPHIC FILM, A PENDING ISSUE BETWEEN JAPAN AND THE UNITED STATES. HE UNDERScoreD THAT THE JAPANESE SIDE HAD NO INTENTION OF RESPONDING TO BILATERAL NEGOTIATIONS, ARGUING, "I CANNOT DENY COMPLETELY THE POSSIBILITY OF DISCUSSION, BUT WE HAVE REITERATED THAT THERE IS NO NEED FOR (BILATERAL) CONSULTATIONS ON THAT ISSUE."

MITI HAS STRESSED THAT THE PHOTOFILM ISSUE IS A PROBLEM RELATED TO COMPETITION POLICY, AND IT SHOULD NOT BE BROUGHT TO THE BILATERAL TRADE-NEGOTIATION TABLE.

SEMICONDUCTOR AGREEMENT: U.S. OFFICIAL SAYS PACT NEEDED TO CONFIRM RESULTS AND SURVEY SHARE
(NIHON KEIZAI - PAGE 5)

A RESPONSIBLE UNITED STATES GOVERNMENT OFFICIAL ON THE 28TH GAVE AN INTERVIEW TO A NIHON KEIZAI SHIMBUN REPORTER AND OTHER MEDIA REPORTERS. IN IT, REFERRING TO THE JAPAN-U.S. SEMICONDUCTOR AGREEMENT WHICH WILL RUN OUT AT THE END OF JULY, THE OFFICIAL UNDERLINED THAT IT WAS ESSENTIAL TO HAVE SOME "MEANS" TO ASCERTAIN ACTUAL RESULTS, COMMENTING, "IN ORDER TO GAUGE THE DEGREE OF

PROGRESS (OF MARKET ACCESS), MARKET-SHARE SURVEYS ARE NECESSARY." HE ALSO INDICATED THE VIEW THAT THE WAY COOPERATION WAS BEING CARRIED OUT, SUCH AS COUNTING THE NUMBER OF DESIGN-INS, WOULD BE INCLUDED IN A NEW AGREEMENT.

REGARDING JAPANESE AND U.S. MICROCHIP INDUSTRIES HAVING INITIATED TALKS GROPING FOR AN AGREEMENT BETWEEN THEM, THE OFFICIAL WELCOMED IT, SAYING, "IT IS IMPORTANT TO DISCUSS WHAT IS NEEDED WITH EACH OTHER."

PRESIDENTQS TRADE REPORT HITS JAPAN ON IMPLEMENTATION OF AGREEMENTS (YOMIURI - PAGE 6)

(WASHINGTON, MARCH 27, MASAICHI NOSAKA) UNITED STATES PRESIDENT CLINTON ON THE 27TH SUBMITTED TO THE U.S. CONGRESS AN ANNUAL TRADE REPORT ON TRADE POLICY FOR 1996. THE REPORT DEFINES A POLICY DIRECTION OF POSITIVELY USING SECTION 301 OF THE U.S. TRADE ACT AND THE WORLD TRADE ORGANIZATION'S (WTO) DISPUTE-SETTLEMENT RULES, NOTING: "THERE STILL REMAIN MANY TRADE BARRIERS IN OUR TRADE PARTNER COUNTRIES, SO WE MUST ACT ACCORDINGLY. UPHOLDING THE RULES OF FAIR TRADE IS ESSENTIAL." THE REPORT ALSO UNDERLINED A TOUGH STANCE TOWARD WORKING ON JAPAN AND OTHER COUNTRIES TO STEADILY IMPLEMENT THEIR BILATERAL TRADE ACCORDS.

IN POLICY TOWARD JAPAN, THE REPORT REITERATES THE ADMINISTRATION'S ACHIEVEMENTS OF A TOTAL OF 20 ACCORDS IN AUTOS AND AUTO PARTS AND OTHER SECTORS UNDER THE BILATERAL FRAMEWORK TALKS. IT ALSO STRESSES THE IMPORTANCE OF THEIR STEADY IMPLEMENTATION.

REGARDING THE INSURANCE AREA OF THE THREE AREAS LEFT PENDING NOW THAT AGREEMENT WAS REACHED IN PRINCIPLE IN THE ALL-CARGO AREA, THE REPORT POINTS OUT, "THE FINANCE MINISTRY HAS TAKEN MEASURES TO ALLOW NEW SUBSIDIARIES OF LIFE AND NON-LIFE INSURERS TO ENTER THE THIRD SECTOR (INJURIES AND NURSING CARE), BUT IT HAS NOT EASED RESTRICTIONS BEING ENFORCED ON FOREIGN COMPANIES."

REFERRING TO THE JAPAN-U.S. SEMICONDUCTOR PACT, WHICH JAPAN HAS REFUSED TO EXTEND, THE REPORTS UNDERSCORES THE NECESSITY OF AN EXTENSION. IN THE PHOTOFILM AREA, THE REPORT NOTES THAT SECTION 301 OF THE TRADE ACT IS AN "ESSENTIAL TOOL" FOR INVESTIGATIONS REGARDING THE JAPANESE MARKET. HARA, ACTING

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SECT: SECTION: 01 OF 06

<^SECT>SECTION: 02 OF 06
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<^TOR>960328214811 M2154582
<^TOR>960328214827 M2154583
<^TOR>960328214849 M2154584

DIST:

SIT: KRISTOFF SUETTINGER
SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: SACO [Special Action Committee on Okinawa] Facilities List (9 pages)	03/29/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[03/29/1996 - 04/05/1996]

2016-0420-F
sb1866

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]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- 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]

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. cable	Re: Okinawa Land Issues (5 pages)	03/29/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[03/29/1996 - 04/05/1996]

2016-0420-F
sb1866

RESTRICTION CODES

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Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. cable	Re: Secretary's Morning Summary (21 pages)	03/29/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[03/29/1996 - 04/05/1996]

2016-0420-F
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RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. cable	Re: Japan/US: Bases (96-23, 3-29-96) (3 pages)	03/29/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[03/29/1996 - 04/05/1996]

2016-0420-F
sb1866

RESTRICTION CODES

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

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. cable	Re: True Colors on Security (3 pages)	03/29/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[03/29/1996 - 04/05/1996]

2016-0420-F
sb1866

RESTRICTION CODES

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Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO A2957 0930316-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 020316Z APR 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 020316Z APR 96
ORIG: AMEMBASSY TOKYO
TO: RUEHIA/USIA WASHDC IMMEDIATE 8315
RUEHC/SECSTATE WASHDC IMMEDIATE 0829
INFO: RUEAIIA/CIA WASHDC
RUCPDOG/USDOC WASHDC
RUEBBEA/USDOT WASHDC
RHEHAAA/WHITEHOUSE WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 2

TOP HEADLINES

TEXT:
UNCLAS SECTION 01 OF 07 TOKYO 002957

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 APRIL 2

TOP HEADLINES

ASAHI: JR WEST JAPAN TO FILE REQUEST TO GET ITS STOCKS
LISTED AS EARLY AS ON 18TH; TO PUBLICLY OFFER OVER 1
MILLION STOCKS

MAINICHI: GOVERNMENT AND RULING CAMP'S SIMULATION
SUGGESTS OVER 500 MILLION YEN IN FISCAL FINANCING
NECESSARY FOR LIQUIDATION OF FAILED CREDIT UNIONS;
UNCOLLECTIBLE LOANS STANDS AT 1 TRILLION YEN

YOMIURI: JNR (JAPAN NATIONAL RAILWAYS) SETTLEMENT CORP.'S
DEBTS SWELL TO 27.58 TRILLION YEN; 20 TRILLION YEN TO BE

SHOULDERED BY THE PEOPLE; SLOW PROGRESS IN SALES OF LAND BEFORE TERM EXPIRES AT END OF NEXT FISCAL YEAR; DEBTS BALLOONING AT PACE OF 660 MILLION YEN ANNUALLY

NIHON KEIZAI: TELECOMMUNICATIONS BUSINESS, INCLUDING CATV: POSTS AND TELECOMMUNICATIONS MINISTRY TO LOOK INTO REMOVING REGULATIONS ON FOREIGN CAPITAL INVESTMENT; NEW ENTRY BY U.S. FIRMS EXPECTED; OPENING EACH OTHER'S MARKET A CONDITION (TRANSLATION BELOW)

SANKEI: JNR SETTLEMENT CORP.'S BEGINING-OF-FY1996 RECORDS SHOW DEBTS SKYROCKETED TO RECORD 27.5811 TRILLION YEN; SLOW LAND SALES SERIOUS

TOKYO SHIMBUN: THREE FINANCIAL LAW BILLS: DECISION ON INJECTING TAX MONEY TO BAIL OUT FAILED CREDIT UNIONS LIKELY TO BE POSTPONED; GOVERNMENT AND RULING COALITION MAY GIVE UP ON SUBMITTING BILLS TO CURRENT DIET; EFFECTS ON "JUSEN" INEVITABLE

GOVERNMENT REJECTS LANDOWNER'S CLAIM FOR ENTRY ON FACILITY; OTA GOES TO SUPREME COURT (SANKEI - PAGE 1)

U.S. NAVAL SOBE TELECOMMUNICATIONS FACILITY IN YOMITANSON VILLAGE, OKINAWA, IS PLACED UNDER ILLEGAL OCCUPATION BY THE GOVERNMENT WITH THE LAND-LEASE CONTRACT BETWEEN THE GOVERNMENT AND LANDOWNERS NOW EXPIRED. SHOICHI CHIBANA (47), WHO OWNS A PART OF THE SITE, MARCHED TO THE SITE, TOGETHER WITH HIS FAMILY MEMBERS AND SUPPORTERS, AND DEMANDED A PERMISSION FOR THEIR ENTRY INTO HIS SITE. BUT HE WAS REFUSED TO ENTER ON THAT DAY.

CHIBANA INTENDS TO FIGHT WITH THE GOVERNMENT OVER THE ILLEGALITY OF ITS OCCUPATION IN HIS COMPLAINT FILED WITH THE NAHA DISTRICT COURT FOR RETURNING HIS LAND. HE HAS STATED, "UPON RECEIVING A RULING BY THE COURT, I WANT TO ENTER MY OWN LAND IN A STately WAY." THE NAHA DISTRICT COURT WILL HOLD THE FIRST QUESTIONING ON THE 5TH.

GOVERNOR OTA TO BRING PROXY-SIGNING SUIT TO FINAL APPEAL

IN THE DUTY-EXECUTION-ORDER SUIT ON THE FORCIBLE USE OF THE U.S. MILITARY BASES ON OKINAWA, OKINAWA PREFECTURE GOVERNOR MASAHIDE OTA BROUGHT IT TO THE SUPREME COURT, COMPLAINING OF THE RULING BY THE FUKUOKA SUPREME COURT NAHA BRANCH YESTERDAY AFTERNOON.

GOVERNMENT OTA ASSERTED AS THE REASON THAT "THE RULING GIVES NO CONSIDERATION TO THE PAST AND PRESENT STATE OF OKINAWAN PEOPLE SUFFERING FROM MILITARY BASES. IT LACKS PERSPECTIVES FOR SETTLING THE BASE ISSUE." HE BLAMED THE JUDGMENT OF THE NAHA BRANCH ON MARCH 25 IN FAVOR OF THE GOVERNMENT, WHICH DEMANDED THE GOVERNMENT TO PROXY SIGN FOR THE FORCIBLE USE OF LAND.

KIYOMITSU NAKANO, LEADER OF THE DEFENSE COUNCILS, ALSO COMPLAINED, "THE JUDGMENT WAS HANDED DOWN WITHOUT ANY WITNESS SUMMONED AND ANY SUBSTANTIVE TRIAL HELD. THE

TRIAL WAS ONLY FOR FORM'S SAKE."

PRIME MINISTER HASHIMOTO IRRITATED OVER QILLEGAL
OCCUPATIONQ OF MILITARY SITE (NIHON KEIZAI - PAGE 2)

"SOBE HAS ME TEARING MY HAIR SINCE THIS MORNING" -- .
OVER THE ILLEGAL OCCUPATION OF A PART OF U.S. NAVAL SOBE
BT
#2957

NNNN
UNCLAS SECTION 02 OF 07 TOKYO 002957

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 APRIL 2

TELECOMMUNICATIONS FACILITY ON OKINAWA STARTING ON APRIL
1, PRIME MINISTER RYUTARO HASHIMOTO SEEMS TO BE
INCREASINGLY IRRITATED. IN ORDER TO MAINTAIN THE JAPAN-
U.S. SECURITY ARRANGEMENT, THE GOVERNMENT WILL HAVE TO
CONTINUE ASSERTING "IT IS UNAVOIDABLE IN VIEW OF NATIONAL
INTERESTS TO PLACE PRIVATE RIGHTS UNDER RESTRICTION"
(CHIEF CABINET SECRETARY SEIROKU KAJIYAMA). SINCE NO
PROGRESS CAN BE EXPECTED IN THE U.S. BASE ISSUE DURING
THE JAPAN-U.S. SUMMIT TALKS SET FOR THE 17TH, HE WILL
HAVE NO MEASURE BUT TO MAKE A LOW PROFILE. THAT IS THE
ONLY WAY TO AVERT ACCIDENTS, SUCH AS A COLLUSION WITH
DEMONSTRATORS AROUND THE SITE.

DURING A LIAISON MEETING OF THE GOVERNMENT AND RULING
EXECUTIVE OFFICIALS AT NOON ON THE 1ST, THE PRIME
MINISTER REQUESTED THEM TO OFFER THEIR COOPERATION,
REMARKING "I STAY UNABLE TO CONTACT THE GOVERNOR AND
LIEUTENANT GOVERNOR OF OKINAWA. I WANT YOU TO TRY TO
CONTACT THEM BY USING YOUR OWN CHANNELS." THE SOCIAL
DEMOCRATIC PARTY IN THE AFTERNOON MADE COMMUNICATION WITH
THE GOVERNOR, BUT THE WIDE GAP REMAINED FAR APART BETWEEN
THE GOVERNMENT AND THE PREFECTURE, WHICH BROUGHT A FINAL
APPEAL OF THE PROXY-SIGNING SUIT.

THE PRIME MINISTER IS MULLING WHAT MEASURE TO TAKE TO
BREAK THE IMPASSE, STEMMING FROM THE JUDGMENT THAT UNLESS
PERMISSION IS ISSUED BEFORE THE U.S. PRESIDENT VISITS TO
JAPAN, MY FOOTHOLD WOULD BECOME UNCERTAIN IN BASE-

REVERSION NEGOTIATIONS." BUT HE IS STILL UNABLE TO FIND ANY EFFECTIVE MEASURES. WITH SUCH ANGER ADDED AS THAT "THE MINISTRY OF FOREIGN AFFAIRS AND THE DEFENSE FACILITY AGENCY HAD BEEN DOING NOTHING BUT TO TAKE STOPGAP MEASURES," HE CONTINUED TO TAKE A COOL ATTITUDE TOWARD THE PRESS CORPS ALL DAY LONG, CURTLY SAYING "I AM IN A HURRY," OR "I HAVE NO TIME."

MANY HURDLES IN STORE FOR PRIME MINISTER HASHIMOTO, INCLUDING OKINAWA, CHINA (SANKEI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO DESIRES TO SET A CERTAIN DIRECTION FOR THE FUTURE OF THE JAPAN-U.S. SECURITY ARRANGEMENT ON THE OCCASION OF AMERICAN PRESIDENT CLINTON'S VISIT TO JAPAN STARTING FROM THE 16TH. IN REALITY, HOWEVER, HE WILL LIKELY ATTEND THE SUMMIT MEETING UNDER A HARSH CIRCUMSTANCE WITH NO PROSPECT OBTAINED FOR AN EARLY DISSOLUTION OF THE "ILLEGAL OCCUPATION" OF A PLOT OF LAND WITHIN THE SOBE COMMUNICATIONS INSTALLATION ON OKINAWA.

REFERRING TO THE EXPIRATION OF A PORTION OF THE LAND-LEASE CONTRACTS FOR THE SOBE COMMUNICATIONS CENTER, PRIME MINISTER HASHIMOTO YESTERDAY REMARKED, "THE SITUATION IS NOW VERY GRAVE." AT A LIAISON COUNCIL MEETING BY TOP-LEVEL OFFICIALS OF THE GOVERNMENT AND RULING PARTIES, THE PRIME MINISTER INDICATED CONCERN, "I HOPE THAT THE EMERGENCY EXTENDED USE OF THE LAND FOR SIX MONTHS WILL BE APPROVED IMMEDIATELY. OTHERWISE, THERE IS A FEAR THAT JAPAN MIGHT BE LOSING A FOOTING FOR NEGOTIATIONS AT MY TALKS WITH THE PRESIDENT." HE THEN ASKED FORMER PRIME MINISTER TOMIICHI MURAYMA AND OTHER PARTICIPANTS FOR INDIRECT SUPPORT FR AN EARLY SETTLEMENT OF THE PROBLEM.

THE REASO WHY THE PRIME MINISTER STRESSES THE POSSIBLE IMPACT OF THE SITUATION OF "ILLEGAL OCCUPATION" OF THE SOBE COMMUNICATIONS CENTER ON THE UPCOMING JAPANU.S. SUMMIT MEETING IS BECAUSE HE FEELS A SENSE F CRISIS THAT HE MIGHT LOSE "LEADERSHIP" AT THE ALKS.

AT NEGOTIATIONS WITH THE "SPECIAL ACTION OMMITTEE ON FACILITIES AND AREAS IN OKINAWA" (SAC), THE U.S. MADE THE "SECURING OF DESTINATIONS" PRECONDITION FOR THE TRANSFERS OF THE BASES AND FACILITIES OF THE U.S. MILITARY ON OKINAWA TO THE MAINLAND JAPAN. IT HAS CHARACTERIZED THE ISSUE AS "JAPAN'S DOMESTIC PROBLEM OF PERSUADING LOCAL GOVERNMENTS" (GOVERNMENT SOURCE).

THE GOVERNMENT VIEW ON THE ISSUE OF THE FORCED USE OF LAND FOR THE SOBE COMMUNICATIONS INSTALLATION IS: "THE
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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 2

U.S. WILL PROBABLY TAKE THE ISSUE AS JAPAN'S DOMESTIC PROBLEM" (CHIEF CABINET SECRETARY SEIROKU KAJIYAMA). SO, THE ISSUE HAS THE ASPECT THAT WHETHER IT WILL BE SETTLED OR NOT IS UP TO JAPAN'S RESPONSE. THE MORE A SOLUTION IS DELAYED, THE MORE ITS STANDPOINT WILL BECOME DISADVANTAGEOUS.

MEANWHILE, PRIME MINISTER HASHIMOTO YESTERDAY MET WITH CHINESE FOREIGN MINISTER QIAN QICHEN. IN THEIR TALKS, FOREIGN MINISTER QIAN, REFERRING TO THE UPCOMING JAPAN-U.S. SUMMIT MEETING, WARNED JAPAN NOT BRING UP THE CHINESE POSTURE TOWARD THE ISSUE OF THE TAIWAN STRAITS, STATING, "I HOPE THAT THE TWO COUNTRIES WILL NOT BRING UP A NEW PROBLEM."

IN RESPONSE, THE PRIME MINISTER STATED, "IT IS ONLY NATURAL" THAT THE JAPAN-U.S. SUMMIT MEETING AND THE SECURITY ARRANGEMENTS SHOULD NOT HAVE ADVERSE EFFECTS ON JAPAN'S RELATIONSHIP WITH CHINA. I WILL ENGAGE IN TALKS WITH THE PRESIDENT WITH SUCH AS A PREMISE." HE VISIBLY GAVE CONSIDERATION TO CHINA, AS CAN BE SEEN IN THAT HE RELAYED HIS CONCERN ABOUT MILITARY DRILLS TAIWAN IS PLANNING. HE DID NOT REFER TO THE FREEZE ON YEN LOANS TO CHINA AT ALL. SOME CRITICIZED SUCH AN ATTITUDE, SAYING, "HE IS OVERLY KOW-TOWING TO CHINA" (MID-RANKING MEMBER OF THE LIBERAL DEMOCRATIC PARTY).

THERE SEEMED TO BE THE CIRCUMSTANCE BEHIND THE PRIME MINISTER'S TAKING SUCH A STANCE THAT "HE REFRAINED FROM STIMULATING THE CHINESE SIDE" (GOVERNMENT SOURCE), CONSIDERING THE SITUATION WHERE CHINA AND TAIWAN ARE BOTH POISED TO ENGAGE IN DIALOGUES. IT CAN ALSO BE SAID THAT THE CHINESE SIDE HAS TAKEN ACTION TO "INTERFERE" IN THE JAPAN-U.S. SUMMIT MEETING AND "DRIVE A WEDGE INTO" THE JAPAN-U.S. SECURITY ARRANGEMENT ON THE STRENGTH OF THE TAIWAN ISSUE. THE PRIME MINISTER WILL LIKELY BE PRESSED TO DO THE DIFFICULT WORK OF RE-DEFINING THE JAPAN-U.S. SECURITY ARRANGEMENT, WHILE MAINTAINING THE USUAL FRAMEWORK FOR JAPAN'S POLICY TOWARD CHINA.

BASE ISSUE A HEADACHE TO PRIME MINISTER HASHIMOTO, WITH PRESIDENTIAL VISIT CLOSE AT HAND (ASAHI - PAGE 2)

THE CENTRAL GOVERNMENT'S "ILLEGAL OCCUPATION" OF A PORTION OF THE U.S. SOBE TELECOMMUNICATIONS STATION IN YOMITANSON, OKINAWA PREFECTURE, HAS LAID A HEAVY BURDEN ON THE GOVERNMENT, WITH U.S. PRESIDENT CLINTON'S JAPAN VISIT COMING UP ON THE 16TH. THE GOVERNMENT'S LEGAL GROUNDS ARE WEAK TO REJECT THE LANDOWNER'S ENTRY ON THE SITE. IN ADDITION, THE GOVERNMENT IS FACED WITH TWO CHALLENGING TASKS: HOW TO FIND A RATIONALE THAT WILL ALLOW THE GOVERNMENT'S CONTINUOUS USE OF THE TELECOM SITE, AND TO SOLIDIFY THE FOOTING FOR THE UPCOMING SUMMIT MEETING.

IN A GOVERNMENT AND RULING PARTY LEADERS LIAISON MEETING YESTERDAY, PRIME MINISTER RYUTARO HASHIMOTO EXPRESSED CONCERN, REMARKING, "I AM WORRIED THAT IF THE OKINAWA COMMITTEE ON EXPROPRIATION WILL NOT GIVE US AN EMERGENCY PERMISSION BEFORE THE PRESIDENT COMES TO JAPAN, (JAPAN'S) Foothold for negotiations might become weak."

THE GOVERNMENT HAS PLACED EXPECTATIONS ON THE EXPROPRIATION COMMITTEE TO HOLD ITS MEETING AS SOON AS POSSIBLE TO DELIBERATE ON THE EMERGENCY USE OF THE LAND. BUT COMMUNICATIONS BETWEEN THE GOVERNMENT AND OKINAWA PREFECTURE HAVE NOT BEEN GOING SMOOTHLY. IN FACT, THE PRIME MINISTER STATED IN YESTERDAY'S MEETING: "FOR THE LAST SEVERAL DAYS, THE GOVERNMENT HAS BEEN TRYING TO REACH THE GOVERNOR AND LIEUTENANT GOVERNOR OF OKINAWA. BUT WE SIMPLY CANNOT GET HOLD OF THEM. I WOULD LIKE YOU TO MAKE CONTACT WITH THEM USING YOUR OWN CONNECTIONS." THE PRIME MINISTER ASKED FOR THE RULING CAMP'S COOPERATION, WITH PARTICULARLY STRONG EXPECTATIONS ON THE SOCIAL DEMOCRATIC PARTY, WHICH HAS SOLID TIES WITH OKINAWA PREFECTURE.

IN THE MEANTIME, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA
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NOTED TO THE PRESS YESTERDAY REGARDING THE PRESENT SITUATION WHICH SEEMS TO BE "ILLEGAL OCCUPATION" BY THE STATE: "IN A STRICT SENSE, THAT IS SO BECAUSE THE GOVERNMENT NO LONGER HAS THE RIGHT." KAJIYAMA ADDED, "THE GOVERNMENT HAS BEEN FOLLOWING LEGAL STEPS TO LET IT ALLOW CONTINUOUS USE FOR THE SAKE OF NATIONAL INTEREST, THAT IS, TO ENSURE SECURITY AND PEACE FOR THE PEOPLE." HE THUS UNDERScoreD THE JUSTIFICATION TO RESTRICT PERSONAL RIGHTS TO PURSUE NATIONAL INTEREST.

IN 1965, OVER REVERSION OF ITAZUKE AIR FIELD IN FUKUOKA PREFECTURE, THE SUPREME COURT HANDED DOWN THE RULING REJECTING THE LANDOWNER'S CLAIM THAT SUCH WAS "ABUSE OF RIGHTS." WITH THAT CASE IN MIND, THE GOVERNMENT INTENDS TO JUSTIFY ITS GROUNDS TO REJECT THE LANDOWNER'S ENTRY INTO THE SITE AND VACATION OF THE LOT IN ACCORDANCE WITH THE CONTROL RIGHT OF THE U.S. MILITARY. BUT SOME ACADEMICS ARE CRITICAL OF THE 1965 RULING THAT APPROVED THE GOVERNMENT'S "RESTRICTIONS ON PERSONAL RIGHTS" TO PURSUE PUBLIC INTEREST AND GIVE PRIORITY TO THE U.S.-JAPAN SECURITY TREATY. IN ADDITION, SOME IN THE GOVERNMENT POINT OUT THE WEAKNESS OF THE GOVERNMENT'S RATIONALE, REASONING THAT THE ENVIRONMENT SURROUNDING THE SECURITY TREATY HAS CHANGED GREATLY AFTER THE END OF THE COLD WAR ERA.

A GOVERNMENT LEADER LATE YESTERDAY NOTED ABOUT THE GOVERNMENT'S MANAGEMENT TO DATE, "AS FAR AS ITS LEGAL MEASURES AND ITS PREPARATIONS ARE CONCERNED, IT HAS TAKEN ROUGH AND READY MEASURES TOO OFTEN." HIS REMARKS INDICATED SELF-REFLECTION ON THE LACK OF PREPARATIONS ON THE GOVERNMENT'S PART.

USFJ ASKS FOR EARLY SETTLEMENT (NIHON KEIZAI - PAGE 39)

JAPAN DEFENSE AGENCY ADMINISTRATIVE DEPUTY DIRECTOR GENERAL MURATA MET THE PRESS ON APRIL 1 AND REFERRED TO THE EXPIRATION OF THE GOVERNMENT'S LEASE CONTRACT ON A PORTION OF THE LAND USED AS THE SITE OF THE U.S. FORCES OKINAWA'S SOBE RADIO STATION. ON THIS ISSUE, MURATA REMARKED, "WE WERE ASKED TO TAKE THOROUGHGOING ACTION AFTER HOLDING TALKS BETWEEN THE JAPANESE GOVERNMENT AND THE LANDOWNERS." HE THUS REVEALED THAT THERE WAS A REQUEST FROM THE U.S. FORCES IN JAPAN FOR AN EARLY SETTLEMENT OF THE ISSUE.

SACO EXPECTED TO ISSUE INTERIM REPORT ON APRIL 15
(YOMIURI - PAGE 2)

A TOP-LEVEL OFFICIAL OF THE FOREIGN MINISTRY REVEALED ON APRIL 1 THAT THE "SPECIAL ACTION COMMITTEE ON FACILITIES AND AREAS IN OKINAWA" (SACO) WOULD RELEASE AN INTERIM REPORT REGARDING THE PROBLEM OF REALIGNING AND REDUCING THE U.S. MILITARY BASES ON OKINAWA AFTER A JAPAN-U.S. SECURITY CONSULTATIVE COMMITTEE ("2-PLUS-2") MEETING TO BE HELD IN TOKYO ON APRIL 14 AND 15. THE 2-PLUS-2 MEETING WILL BE PARTICIPATED IN BY U.S. SECRETARY OF DEFENSE WILLIAM PERRY, FOREIGN MINISTER IKEDA, AND

DEFENSE AGENCY DIRECTOR GENERAL USUI. ABOUT ITS CONTENTS, THE OFFICIAL SAID, "IT WILL INCOTION FOR (REALIGNING AND REDUCING) EACH OF THE BASES THERE. AT THE JAPAN-U.S. SUMMIT MEETING, THE INTERIM REPORT WILL BE APPRECIATED."

HASHIMOTO: QDIFFICULT TO HAVE FUTENMA RETURNED UNDER PRESENT CONDITIONQ (TOKYO SHIMBUN - PAGE 1)

SOCIAL DEMOCRATIC PARTY POLICY DELIBERATION COMMITTEE CHAIRMAN SHIGERU ITO IN A GOVERNMENT AND RULING PARTY LEADERS LIAISON MEETING YESTERDAY EMPHASIZED REGARDING POSSIBLE REVERSION OF U.S. FUTENMA AIR STATION: "THE AGREEMENT IS IMPORTANT SPELLING OUT THAT BOTH JAPAN AND THE UNITED STATES MAKE UTMOST EFFORTS IN ACCORDANCE WITH THE ACTION PROGRAM COMPILED BY OKINAWA PREFECTURE. (BUT BEFORE DOING SO), THE JAPANESE GOVERNMENT SHOULD CLEARLY INDICATE (THAT IT WILL PUSH AHEAD WITH A REVERSION)."

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 2

IN RESPONSE, PRIME MINISTER RYUTARO HASHIMOTO STATED, "WE HAVE BEEN DOING THE BEST WE CAN. BUT DECLARING SUCH IS NOT POSSIBLE AT THIS POINT." THE PRIME MINISTER AGAINST UNDERScoreD THAT THE REVERSION OF THE AIR STATION IS DIFFICULT.

U.S. GOVERNMENT ALSO TO BE SUEd FOR YOKOTA AFBQS AIRCRAFT NOISE (ASAHI - PAGE 1)

A "NEW GROUP AGAINST POLLUTION OF YOKOTA AIR BASE," COMPOSED OF RESIDENTS OF NINE CITIES AND A TOWN AROUND U.S. YOKOTA AIR BASE (TOKYO), REVEALED YESTERDAY ITS DECISION TO FILE A NEW SUIT WITH THE HACHIOJI BRANCH OF THE TOKYO DISTRICT COURT ON THE 10TH, SEEKING A BAN ON NIGHT AND EARLY MORNING FLIGHTS OF U.S. MILITARY AIRCRAFT. THE LAW SUITèS AGAINST NOISE CAUSED BY U.S.

MILITARY BASES THROUGHOUT THE COUNTRY WERE ALL FILED AGAINST THE JAPANESE GOVERNMENT, BUT THE PLANNED SUIT WILL BE AGAINST THE U.S. GOVERNMENT AS WELL, AS A SOURCE TO PRODUCE SUCH NOISE. THE NUMBER OF PLAINTIFFS WILL BE ABOUT 3,000 -- THE LARGEST EVER.

SHINSHINTO REFUSING TO TAKE VOTE ON BUDGET BEFORE U.S. PRESIDENT VISIT (NIHON KEIZAI - PAGE 2)

LAST NIGHT IN THE DIET BUILDING, SHINSHINTO (NEW FRONTIER PARTY) SECRETARY GENERAL TAKASHI YONEZAWA, DIET AFFAIRS COMMITTEE CHAIRMAN TAKEO NISHIOKA AND OTHER OFFICIALS DISCUSSED TACTICS IN THE FUTURE DIET POLICY. AS A RESULT, THEY HAVE COME UP WITH THE FOLLOWING POINTS:

- (1) NOT RESPOND TO TAKING A BALLOT FOR THE BUDGET BILLS AT THE LOWER-HOUSE BUDGET COMMITTEE BEFORE APRIL 16 WHEN UNITED STATES PRESIDENT CLINTON ARRIVES IN TOKYO AS A STATE GUEST;
- (2) SEEK THE GOVERNMENT TO PRESENT THREE MONETARY-RELATED BILLS BY SETTING A TIME LIMIT ON; AND
- (3) CONTINUOUSLY DEMAND THE SUMMONING OF KOICHI KATO, THE SECRETARY GENERAL OF THE LIBERAL DEMOCRATIC PARTY, TO TESTIFY BEFORE THE DIET AS A WITNESS.

SHINSHINTOQS OZAWA TO VISIT CHINA NEXT MONTH
(SANKEI - PAGE 2)

IN HIS TALKS YESTERDAY WITH CHINESE FOREIGN MINISTER QIAN QICHEN, SHINSHINTO (NEW FRONTIER PARTY) HEAD ICHIRO OZAWA EXPRESSED HIS INTENTION TO MAKE A TRIP TO CHINA IN EARLY MAY.

IT WILL BE HIS FIRST OFFICIAL OVERSEAS TRIP AFTER HE ASSUMED THE SHINSHINTO'S PRESIDENCY. HE PRIVATELY VISITED SHANGHAI LAST OCTOBER.

OZAWA HAS DECIDED TO VISIT CHINA BECAUSE "HE HAS BEEN INVITED BY THE CHINESE COMMUNIST PARTY" (OZAWA) AND BECAUSE "HE IS STRONGLY CONCERNED ABOUT CHINA-TAIWAN RELATIONS AND THE NORTHEAST ASIAN SITUATION IN VIEW OF JAPAN'S SECURITY" (AIDE TO OZAWA). GIVEN SUCH CIRCUMSTANCES, HE SEEMS TO EXCHANGE VIEWS ON SUCH ISSUES DIRECTLY WITH CHINESE GOVERNMENT OFFICIALS.

REGARDING THE ISSUE OF CHINA-TAIWAN RELATIONS, OZAWA HAS SHOWN HIS STANCE OF CLOSELY WATCHING DISCUSSION BETWEEN THE TWO SIDES, SAYING "AS LONG AS BOTH TAIPEI AND BEIJING INSIST ON ONE CHINA, THEY SHOULD DISCUSS THE ISSUE AS A DOMESTIC PROBLEM." BUT ON PERSONAL EXCHANGES BETWEEN JAPAN AND TAIWAN, HE HAS TAKEN THE STAND THAT A PRIVATE VISIT TO JAPAN BY PRESIDENT LEE TENG-HUI AND JAPANESE GOVERNMENT HIGH-RANKING OFFICIALS' TRIPS TO TAIWAN SHOULD BE REALIZED. THEREFORE, OZAWA IS LIKELY TO CONVEY SUCH A VIEW TO THE CHINESE GOVERNMENT.

IN HIS PRESS CONFERENCE IN JANUARY LAST YEAR, OZAWA EXPRESSED HIS WILLINGNESS TO VISIT CHINA. BUT HE HAS PUT OFF A CHINA VISIT DUE TO THE STRAINED DIET BUSINESS, AND THEN HE VISITED SHANGHAI PRIVATELY LAST OCTOBER.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 2

CHINESE FOREIGN MINISTER BLAMES U.S. FOR TENSIONS BETWEEN CHINA AND TAIWAN (ASAHI - PAGE 2)

VISITING CHINESE DEPUTY PREMIER/FOREIGN MINISTER QIAN QICHEN YESTERDAY MET IN SUCCESSION WITH SUCH RULING AND OPPOSITION PARTY LEADERS AS FORMER PRIME MINISTERS TOMIICHI MURAYAMA AND YASUHIRO NAKASONE, SHINSHINTO (NEW FRONTIER PARTY) HEAD ICHIRO OZAWA, AND SAKIGAKE LEADER MASAYOSHI TAKEMURA.

IN HIS TALKS WITH FORMER PRIME MINISTER MURAYAMA, FOREIGN MINISTER QIAN STATED IN REFERENCE TO THE TENSE CHINA-TAIWAN RELATIONSHIP: "IT IS NOT CHINA'S RESPONSIBILITY THAT THE RELATIONSHIP BECAME TENSE. SUCH WAS EVOKED BY THE UNITED STATES. EVER SINCE TAIWAN'S PRESIDENT LEE TENG-HUI VISITED THE U.S. LAST YEAR, HIS WORDS AND DEEDS SUGGESTING THE INDEPENDENCE OF TAIWAN HAVE BECOME CONSPICUOUS." SO REMARKING, QIAN CRITICIZED THE U.S.' CHINA POLICY, SUCH AS ITS ACCEPTANCE OF LEE TENG-HUI'S U.S. TRIP AND ITS DISPATCH OF THE FLEET TO THE WATERS AROUND TAIWAN.

ADDITIONALLY, IN HIS SESSION WITH QIAN, FORMER PRIME MINISTER NAKASONE PROPOSED STRENGTHENING THE "ASEAN REGIONAL FORUM (ARF)" AS A POLITICAL DIALOGUE ORGAN TO DISCUSS SECURITY AFFAIRS REGARDING THE ASIA-PACIFIC REGION. IN RESPONSE, FOREIGN MINISTER QIAN STATED, "SUCH WOULD BE ALL RIGHT AS A FUTURE PROCESS."

MPT MULLING OVER FOREIGN INVESTMENT DEREGULATION FOR

TELECOM BUSINESS (NIHON KEIZAI - TOP PLAY)

THE MPT HAS STARTED LOOKING INTO THE POSSIBILITY OF SCRAPPING A REGULATION THAT RESTRICTS THE FOREIGN CAPITAL SUBSCRIPTION RATIO IN THE TELECOMMUNICATIONS MARKET WITHIN ONE THIRD. A MOST LIKELY PLAN IS TO TOTALLY ABOLISH SUCH A REGULATION REGARDING PRIVATE FIRMS, EXCEPT FOR NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT) AND INTERNATIONAL TELEGRAPH AND TELEPHONE (KDD) -- PUBLIC CORPORATIONS (TOKUSHU HOJIN). THE DECISION IS LIKELY TO SPUR DRIVE FOR NEW MARKET-ENTRY BY CATV OPERATORS OF THE UNITED STATES AND SEVERAL OTHER COUNTRIES BY MEANS OF ACQUISITION AND CAPITAL TIE UPS BETWEEN JAPANESE AND FOREIGN FIRMS. ON THE BASIS OF THIS PLAN, THE GOVERNMENT WILL PRESS EUROPE AND THE U.S. FOR FURTHER LIBERALIZATION AT THE BASIC TELECOM TALKS UNDER THE WORLD TRADE ORGANIZATION (WTO), WHOSE DEADLINE IS THE END OF APRIL.

HIJACKER TANAKA, ARRESTED FOR USE OF COUNTERFEIT DOLLAR BILLS, QUNDER U.S. INVESTIGATORQS INTIMIDATORY QUESTIONINGQ (TOKYO SHIMBUN - PAGE 27)

(CHON BURI, THAILAND, APRIL 1, KYODO) FORMER RED ARMY MEMBER YOSHIMI TANAKA (47), WHO HAS BEEN ARRESTED ON SUSPICION OF HAVING USED COUNTERFEIT U.S. DOLLARS, ON THE 1ST EXPRESSED DISCONTENT WITH U.S.-LED INVESTIGATIONS, STATING IN JAPANESE THAT DURING QUESTIONING HELD AT THE CHON BURI COURT IN THE MIDDLE OF THAILAND, "I AM UNDERGOING EXAMINATIONS ONLY BY U.S. INVESTIGATORS IN A THREATENING WAY. I WANT THE THAI POLICE TO LISTEN TO MY EXPLANATIONS."

THE SUSPECT APPEARED IN PUBLIC FOR THE FIRST TIME AFTER HE WAS ARRESTED. AFTER THE QUESTIONING, HE STATED TO THE JAPANESE PRESS, "I WILL FIGHT" UNDER MY NORTH KOREAN NAME "KIM ILSE."

WITH THE DECISION AT THE CHON BURI COURT TO EXTEND THE TERM OF HIS DETENTION, SUSPECT TANAKA WAS MOVED INTO THE CHON BURI PRISON.

THE SUSPECT TOLD THE JAPANESE PRESS, "I ONCE LIVED IN CAMBODIA (UNDER THE NAME OF KIM). I WILL FIGHT, BASED ON IT." HE HINTED THAT HE HAS PRETENDED TO BE A NORTH KOREAN DURING INVESTIGATIONS, BUT AT THE SAME TIME, HE SAID, SMILING, "I WILL HAVE A CHANCE TO TELL" ABOUT MY STATUS AS A JAPANESE.

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SUSPECT TANAKA SAID, "MY HOPE IS"TO GO BACK TO CAMBODIA."
HE THEN ADDED THAT IF THE THAI POLICE INSTEAD OF THE U.S.
LISTENS TO THE CIRCUMSTANCES, I WILL ACCEPT THE ORDER OF
EXTENDING THE TERM OF MY DETENTION. BLACKBURN

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LINE2: ZNR UUUA ZYN
LINE3: P 022025Z APR 96
LINE4: FM FBIS RESTON VA
OSRI: RUCWAAA
DTG: 022025Z APR 96
ORIG: FBIS RESTON VA
TO: RHEHWSR/WHITE HOUSE SITUATION ROOM WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC//OASD/ISA/EAPR FOR LEW STERN//
RUEHC/SECSTATE WASHINGTON DC//EAP/JAPAN//
RUEHC/SECSTATE WASHINGTON DC//INR/EAP/NA/FOR/BROOKS//
RUEHC/SECSTATE WASHINGTON DC//EAP/JAPAN/FOR SCOTT/LUDAN//
RUEHKOF/AMCONSUL FUKUOKA
RUEHOK/AMCONSUL OSAKA KOBE
RUEHKOS/AMCONSUL SAPPORO
RUEHBT/AMEMBASSY BANGKOK//POL//
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//
RUHPHQ/CDR JTF-FA HONOLULU HI//J2//
RUAGTBU/CDR1STBN1STSFGA TORII STA JA//SSO//
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
RUCPDC/DEPT OF COMMERCE WASHINGTON DC//O/IL//
RUCPDC/DEPT OF COMMERCE WASHINGTON DC//ITA/IEP/JAPAN//
RAYWBBK/DIO CANBERRA AS
RUYLBAH/DODSPECREP OKINAWA JA
RUESFG/FBIS BANGKOK TH
RUESDG/PTS HONG KONG
RUDKMKD/FBIS LONDOND UK
RUDKMB/FBIS LONDON UK//BBC//
RUESDJ/FBIS OKINAWA JA
RUESDP/FBIS SEOUL KOR
RUALJDT/JDET YOKOTA AB JA
RUDGAFT/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
RUWTNOK/HQ USSPACECOM PETERSON AFB CO//POLAD//
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SUBJ: FBIS FOREIGN MEDIA NOTE-02APR96

TEXT:

UNCLAS 4Z/LD

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SERIAL: WA0204202596
PASS: ATTN BLOUGH/MILLER
ATTN BBC RDSUP

COUNTRY: JAPAN
SUBJ: FBIS FOREIGN MEDIA NOTE-02APR96

SOURCE: FOREIGN BROADCAST INFORMATION SERVICE
TEXT:

Japan-U.S.: Public Criticism of Noise Reduction Draft

[FBIS Media Analysis] Japanese media and Okinawa Governor Masahide Ota have criticized a draft U.S.-Japan agreement on reducing noise at U.S. bases on Okinawa for not meeting Okinawan demands and for not going as far as similar agreements for bases on mainland Japan. These criticisms suggest that neither the Okinawan government nor those media that have been most critical of the Okinawa base issue will be easily satisfied with any U.S. Japan accord on the bases that fails to meet public or Okinawan government expectations.

Okinawan Reaction

Governor Ota focused his criticism of the draft, whose details were recently reported in the Japanese media, on their failure to fully meet Okinawan demands for restrictions on night flights.

Saying he is "very dissatisfied" with the draft, Ota complained to reporters on 28 March that it only restricts flights from 10 p.m. to 6 a.m., whereas Okinawa wants the restriction to be in effect from 7 p.m. to 7 a.m. (Ryukyu Shimpo, 29 March)

Media Criticism

Japanese media reports on the draft have taken issue with Japanese Government statements that the agreement is similar to noise reduction agreements in effect for several mainland bases, arguing that it is more lenient than these agreements.

A Japanese Foreign Ministry spokesman told a news conference on 29 March that the new agreement is "comparable" to agreements in

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006. cable	Re: FBIS Foreign Media Note [partial] (1 page)	04/02/1996	P3/b(3)

COLLECTION:

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

FOLDER TITLE:

[03/29/1996 - 04/05/1996]

2016-0420-F
sb1866

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]

place for the Atsugi Naval Air Facility in Kanagawa Prefecture and Yokota Air Base in Tokyo ((Internet) Japanese Ministry of Foreign Affairs WWW 29 March).

By contrast, an article in the 27 March Asahi Shimbun--a widely read newspaper whose editorials have been sympathetic to Okinawan demands for reduction of the Okinawa bases--reported that the draft specifies that the lowest permitted flight altitude for planes based at Futenma and Kadena air bases is 1,000 feet, while at Yokota no planes are not allowed to fly below 1,500 feet and some are not allowed below 2,000 feet and at Atsugi Air Base planes are not permitted below 1,600 feet.

A 28 March Kyodo news service report similarly pointed out differences between the treatment of Okinawa and the mainland, commenting that the reported agreement "falls far short" of the minimum flight altitudes at Yokota and Atsugi.

An article in the 29 March Sankei Shimbun noted the differences between the reported draft and Okinawa's demands, commenting that as President Clinton's state visit to Tokyo approaches, the Japanese Government appears to be caught between its desire to emphasize the importance of the U.S.-Japan security relationship on the one hand and pressure to meet Okinawan demands on the other.

(b)(3)

006

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(endall) EAG/HEBBEL/PF 02/2022z Apr

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SECT: SECTION: 01 OF 01

SSN: 0722

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DIST:

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
007. cable	Re: Ambassador's Meeting on Okinawa base Issues (4 pages)	04/03/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[03/29/1996 - 04/05/1996]

2016-0420-F
sb1866

RESTRICTION CODES

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO3094 0960316-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 050316Z APR 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 050316Z APR 96
ORIG: AMEMBASSY TOKYO
TO: RUEHIA/USIA WASHDC IMMEDIATE 8378
RUEHC/SECSTATE WASHDC IMMEDIATE 0994
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RHEHAAA/WHITEHOUSE WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 5

TOP HEADLINES

TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 003094

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 APRIL 5

TOP HEADLINES

ASAHI: U.S. FORCES DESTROY HISTORIC SITE IN OKINAWA;
WEATHER RADAR CONSTRUCTED WITHOUT CONDUCTING ANY SURVEY
(TRANSLATION BELOW)

NIHON KEIZAI: LIKELY TO INCREASE HIRING OF COLLEGE
GRADUATES NEXT SPRING; LED BY INFORMATION AND
DISTRIBUTION INDUSTRIES; FOR REINFORCEMENT OF STRATEGIC
SECTOR

TOKYO SHIMBUN: INTERVIEW WITH SAKIGAKE PARTY
REPRESENTATIVE SECRETARY HATOYAMA; AIMS TO FORM A NEW

PARTY THIS SUMMER; BEFORE GENERAL ELECTION AS ABSOLUTE CONDITION; EVEN WILLINGLY TO PLACE HIMSELF IN OPPOSITION PARTY (TRANSLATION BELOW)

MAINICHI: TESTING OF TREATED BLOOD PRODUCTS; "ABE'S COORDINATION" ACKNOWLEDGED; HEALTH AND WELFARE MINISTER: "UNNATURAL" REGARDING PACKAGE AGREEMENT

YOMIURI: FORCIBLE USE OF LAND BY U.S. MILITARY; GOVERNMENT CONSIDERING SPECIAL LEGISLATION FOR SWIFT RESPONSE; PRIME MINISTER MAY BE GIVEN RIGHT TO ACT AS DEPUTY TO MAKE A DECISION (TRANSLATION BELOW)

SANKEI: KEIDANREN, SHOKOREN TO MAKE REQUEST AGAINST STAGNANT POLITICS; TO SEEK POLICY-ORIENTED POLITICS WHILE HOLDING MEETINGS FOR "DIALOGUE" TO INFLUENCE POLITICS THROUGH "VOTE-GATHERING POWER"

GOVERNMENT EYES SPECIAL LAW TO GIVE PRIME MINISTER MORE AUTHORITY TO SIGN BASE LEASES (YOMIURI - TOP PLAY)

ON THE PROBLEM OF THE FORCED USE OF LAND BY THE U.S. MILITARY IN OKINAWA PREFECTURE, THE GOVERNMENT ON THE FOURTH HAS BEGUN TO STUDY (THE POSSIBILITY OF) LEGAL MEASURES THAT WOULD SPEED UP THE PROCESS. SPECIFICALLY, IN CASE THE PREFECTURAL OR MUNICIPAL EXPROPRIATION COMMITTEE DOES NOT REACH A DECISION AFTER A SET PERIOD OF TIME, THE PRIME MINISTER WOULD BE ABLE TO DECIDE IT ITS STEAD. THE PROSPECT IS THAT CONSIDERATION WILL ALSO CENTER ON REVISING THE SYSTEM ASSIGNING RESPONSIBILITY TO PROXY SIGNERS AND LET THE CENTRAL GOVERNMENT HANDLE IT DIRECTLY. ALTHOUGH THIS FOR THE TIME BEING WILL APPLY TO URGENT USE OF THE SOB TELECOM SITE AND THE REQUEST FOR A DECISION ON FORCED USE OF THE LAND THERE, IT APPEARS THAT DEPENDING ON THE DIRECTION TAKEN BY THE OKINAWA PREFECTURE EXPROPRIATION COMMITTEE'S DELIBERATIONS, THE SAME PROBLEM COULD SPREAD TO OTHER FACILITIES ELSEWHERE IN THE FUTURE. HOWEVER, SINCE OKINAWA PREFECTURE WILL MOST LIKELY REACT AGAINST THE PLAN, DIFFICULTY IN COORDINATING WITHIN THE GOVERNMENT AND COALITION IS EXPECTED NOW, AND IT IS AN OPEN QUESTION WHETHER THE PLAN CAN BE ACTUALLY IMPLEMENTED.

U.S. FORCES DESTROY HISTORICAL RUINS IN BUILDING RADAR SITE ON OKINAWA (ASAHI - TOP PLAY)

IT BECAME KNOWN ON APRIL 4 THAT THE U.S. FORCES AT WHITE BEACH IN KATSUREN TOWN, OKINAWA PREFECTURE, DESTROYED HISTORIC REMAINS, INCLUDING THE SITE OF ESTIMATEDLY 3,000-YEAR-OLD DUGOUT DWELLINGS, WHICH ARE EXTREMELY RARE ON THE MAIN ISLAND OF OKINAWA, AND HAS CONSTRUCTED A WEATHER RADAR STATION THERE FOR THE AIR FORCE. THE CONSTRUCTION WORK WAS STARTED THIS JANUARY AND WAS COMPLETED IN MARCH WHILE THE DEFENSE FACILITIES ADMINISTRATION AGENCY, WHICH HAS OFFERED THAT AREA TO THE U.S. FORCES, WAS UNAWARE OF IT. NATURALLY, A SURVEY SHOULD HAVE BEEN CONDUCTED BEFORE THE CONSTRUCTION WORK AS REQUIRED BY THE CULTURAL PROPERTIES PROTECTION LAW. ACCORDING TO THE JAPAN-U.S.

STATUS OF FORCES AGREEMENT, HOWEVER, THE RIGHT OF CONTROL ON U.S. MILITARY BASES IS VESTED IN THE U.S. FORCES. THEREFORE, THE U.S. MILITARY'S OWN CONSTRUCTION WORK ON ITS SITES DOES NOT COME UNDER THE CPP LAW. ABOUT 11 PERCENT OF OKINAWA PREFECTURE HAS BEEN OCCUPIED BY U.S. MILITARY BASES, AND AN ARCHAEOLOGICAL SOCIETY OF THE PREFECTURE IS TAKING A SERIOUS VIEW OF THE FACT AS "DE-BT
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UNCLAS SECTION 02 OF 08 TOKYO 003094

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 APRIL 5

FACTO EXTRATERRITORIALITY." THE SOCIETY WILL SHORTLY MAKE A STRONG PROTEST TO THE U.S. MILITARY.

THE DESTROYED REMAINS ARE AT HESHIKIYABARU IN KATSUREN TOWN. THOSE HISTORIC REMAINS ARE ON A HILL 65 METERS ABOVE SEA LEVEL, COMMANDING A VIEW OF THE MILITARY PORT AT WHITE BEACH.

ACCORDING TO THE DFAA'S NAHA REGIONAL BUREAU, THE CONSTRUCTION WORK WAS STARTED EARLY THIS JANUARY. IT IS NOT A FACILITY CONSTRUCTED WITH JAPAN'S "SYMPATHY BUDGET" (OMOIYARI YOSAN), AND IT WAS THE U.S. FORCES' OWN FACILITY CONSTRUCTION PROJECT. SO, THERE WAS NO REPORT OF THAT CONSTRUCTION WORK TO THE DFAA'S REGIONAL BUREAU IN OKINAWA, THE DFAA SAYS.

ON JANUARY 30, TOWN OFFICIALS CALLED IN LOCAL U.S. MILITARY OFFICIALS IN CHARGE OF THE CONSTRUCTION PROJECT, AND THEN FILED A REQUEST: "WE WANT THE U.S. FORCES NOT TO EXPAND THE CONSTRUCTION WORK ANY MORE, AND TO MINIMIZE THE DAMAGE." THE U.S. FORCES SIDE REPLIED, "WE WERE CAREFUL ABOUT THE REMAINS ON THE GROUND, BUT WE DIDN'T KNOW THERE WERE RARE REMAINS UNDER THE GROUND. WE'LL BE VERY CAREFUL."

THE FOREIGN MINISTRY'S JAPAN-U.S. SECURITY TREATY DIVISION SAYS, "IT'S AN UNFORTUNATE INCIDENT, BUT FROM THE VIEWPOINT OF INTERNATIONAL LAW, FOREIGN TROOPS

STATIONED ABROAD DO NOT DIRECTLY COME UNDER THE HOST NATION'S DOMESTIC LAW."

U.S. OFFICIAL: SECURITY STATEMENT WILL NOT SPECIFY TROOP STRENGTH IN JAPAN (NIHON KEIZAI - PAGE 2)

ON THE EVENING OF MARCH 4, A MEETING TOOK PLACE AT THE UNITED STATES EMBASSY IN TOKYO BETWEEN JAPAN AND U.S. OFFICIALS. PARTICIPATING IN THE MEETING ON THE U.S. SIDE WERE DEPUTY ASSISTANT SECRETARY (FOR EAST ASIA AND THE PACIFIC) CAMPBELL, WHO IS IN CHARGE OF THE PROBLEM OF REALIGNING, CONSOLIDATING AND TRIMMING U.S. MILITARY BASES ON OKINAWA, AND DEPUTY ASSISTANT SECRETARY (FOR EAST ASIA AND THE PACIFIC) HUBBARD, AND ON THE JAPANESE SIDE, TARO NAKAYAMA, CHAIRMAN OF THE LIBERAL DEMOCRATIC PARTY (LDP) FOREIGN AFFAIRS COUNCIL AND OTHER DIPLOMATIC AND DEFENSE-RELATED DIETMEMBERS FROM THE RULING PARTIES. REGARDING THE CONTENTS OF THE JOINT SECURITY DECLARATION, CAMPBELL INDICATED HIS INTENTION OF NOT INCLUDING IN IT ANY SPECIFIC NUMBERS, EXPLAINING, "IT MAY BE WISER NOT TO SPECIFY THE SCALE OF 47,000 TROOPS (OF THE U.S. FORCES IN JAPAN (USFJ)). BUT THE PREMISE WOULD BE THAT NO ONE WILL TAKE IT AS THE USFJ'S CAPABILITIES BEING CUT BACK."

REGARDING THE PROBLEM OF RETURNING FUTENMA AIRFIELD, HUBBARD STATED: "IT WILL BE HARD TO REACH A CONCLUSION BY THE TIME OF THE PRESIDENTIAL VISIT HERE, BUT WE WOULD LIKE TO CONTINUE TO MAKE EFFORTS UNTIL NOVEMBER, WHEN THE JAPAN-U.S. SPECIAL ACTION COMMITTEE WILL RELEASE ITS FINAL REPORT."

USFJ: FUTENMA IMPORTANT IN CASE OF EMERGENCY
(MAINICHI - PAGE 1)

OKINAWA PREFECTURE HAS MOST STRONGLY CALLED FOR REVERSION OF THE SITE NOW USED AS FUTENMA AIRFIELD (LOCATED IN GINOWAN CITY) THAT IS UNDER CONTROL OF THE UNITED STATES MARINES. BUT AS OF MARCH 4, IT WAS LEARNED THAT THE U.S. MILITARY PLANS TO AUGMENT THE CURRENT LINEUP OF 70 AIRCRAFTS INCLUDING HELICOPTERS NOW DEPLOYED THERE TO A MAXIMUM LEVEL OF 300 FOR USE IN AN EMERGENCY -- FOUR TIMES THE CURRENT LEVEL. THAT PLYN WAS INDICATED IN DISCUSSIONS IN THE JAPAN-U.S. SPECIAL COMMITTEE (SACO), WHICH HAS BEEN ENGAGED IN THE QUESTION OF REALIGNING, CONSOLIDATING AND TRIMMING U.S. BASES ON OKINAWA. A CONCRETE OPERATION SYSTEM IN AN EMERGENCY WAS EXPLAINED IN DETAIL FOR THE FIRST TIME BY TXRX;ONSIDERED "A BASE TO SUPPLY ESSENTIAL ASSISTANCE IN DEALING WITH AN UNFORESEEN EVENT IN THE WESTERN PACIFIC REGION. THE MINISTRY OF FOREIGN
BT
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UNCLAS SECTION 03 OF 08 TOKYO 003094

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 APRIL 5

AFFAIRS AND THE JAPAN DEFENSE AGENCY ARE MORE STRONGLY
AWARE THAT "IT WOULD BE DIFFICULT TO INCLUDE REVERSION OF
"FUTENMA" IN AN "INTERIM REPORT" THAT SACO IS TO SUBMIT
ON APRIL 15. THEIR CURRENT STANCE TOWARD NEGOTIATIONS IS
"WE WISH TO SHOW SOME DIRECTION BY THIS FALL" (SENIOR JDA
OFFICER).

YOMIURI POLL SHOWS EVEN A MAJORITY OF SOCIALIST
SUPPORTERS FAVOR CONSTITUTIONAL REVISION
(YOMIURI - PAGE 1)

ACCORDING TO A NATION-WIDE PUBLIC OPINION POLL CONDUCTED
(ON MARCH 23 AND 24) BY THE YOMIURI SHIMBUN REGARDING THE
CONSTITUTIONAL PROBLEM, THOSE WHO REPLIED "IT'S BETTER TO
REVISE" THE CURRENT CONSTITUTION -- SUPPORTERS FOR
REVISING THE CONSTITUTION -- REACHED 47 PERCENT.
ALTHOUGH THE FIGURE DROPPED 4 POINTS BELOW LAST YEAR'S
SURVEY, IT WAS THE THIRD HIGH RECORD SINCE THIS KIND OF
SURVEY WAS STARTED IN 1981. THE NUMBER OF SUPPORTERS
EXCEEDED THOSE OPPOSING REVISION FOR THE FOURTH
CONSECUTIVE YEAR. THIS MEANS SUPPORTERS FOR REVISION OF
THE CONSTITUTION HAVE NOW TAKEN ROOT AS A MAJORITY AMONG
THE NATION THROUGH DEBATES ON INTERNATIONAL CONTRIBUTIONS
BY JAPAN AFTER THE GULF WAR AND ON OTHER OCCASION. THOSE
OPPOSING REVISION OF THE CONSTITUTION STOOD AT 36
PERCENT.

IN ADDITION, THOSE WHO THINK IT "DESIRABLE" TO ACTIVATE
DEBATES ON THE CONSTITUTION REACHED 71 PERCENT, WHICH WAS
THE SECOND STRAIGHT YEAR THAT THE NUMBER EXCEEDED 70
PERCENT. THIS MEANS A TREND THAT DEBATE ON THE
CONSTITUTION IS NO LONGER TABOO IS STEADILY TAKING ROOT.
AS FOR SPECIFIC POINTS IN DEBATES ON REVISION OF THE
CONSTITUTION, SUCH AS "SPECIFICATION OF THE SELF-DEFENSE
RIGHT" AND "STRENGTHENING THE AUTHORITY OF THE PRIME
MINISTER AND THE CABINET," TWO OUT OF EACH THREE GAVE
THEIR APPROVAL.

IN ADDITION, THE POLL FOUND THAT AMONG SUPPORTERS OF THE
SOCIAL DEMOCRATIC PARTY (SDP), WHICH HAD ADVOCATED
PROTECTION OF THE CONSTITUTION FOR MANY YEARS, THOSE
FAVORING REVISION OF THE CONSTITUTION REACHED A MAJORITY
FOR THE FIRST TIME -- 51 PERCENT -- AND EXCEEDED THOSE
OPPOSING SUCH REVISION. THIS UNDERSCORES ANEW THAT THOSE

WHO FAVOR REVISING THE CONSTITUTION ARE ON THE INCREASE.

SPECIAL COMMITTEE PLANED TO HANDLE DIET WITNESS PROBLEM
(MAINICHI - PAGE 2)

AIMING AT THE PASSAGE OF THE FY1996 BUDGET BILLS WITHIN THE NEXT WEEK BY THE LOWER HOUSE, YESTERDAY THE RULING COALITION PARTIES MOVED INTO FULL SWING TO FIND A WAY TO BREAK THE IMPASSE IN THE DIET WITH THE SHINSHINTO (NEW FRONTIER PARTY) OVER THE FAILED HOUSING LOAN COMPANIES (JUSEN) LIQUIDATION SCHEME AND THE SUMMONING OF LIBERAL DEMOCRATIC PARTY SECRETARY GENERAL KOICHI KATO TO TESTIFY IN THE DIET. IN THE RULING CAMP, THERE HAS APPEARED A POSSIBLE SCENARIO THAT A SPECIAL COMMITTEE BE SET TO DELIBERATE ON THE JUSEN-RELATED BILL AS WELL AS THE THREE FINANCE-RELATED BILLS FOR WHICH THE SHINSHINTO HAS DEMANDED AN EARLY PRESENTATION OF THE GOVERNMENT, AND THAT THE ISSUE OF SUMMONING OF WITNESSES TO THE DIET BE DISCUSSED THERE. BUT IT IS UNCERTAIN WHETHER SUCH A SCENARIO WILL WORK OUT BECAUSE THE SHINSHINTO HAS TAKEN THE STANCE OF NOT GIVING UP THE REQUEST TO SUMMON KATO AT LEAST. (POLITICAL DEPARTMENT, AKIRA FUKUI)

THE HEART OF THE SCENARIO RUNS:

(1) POSTPONEMENT OF DECISION ON THE SUMMONING OF KATO, THE BIGGEST PROBLEM, WOULD BE POSSIBLE. IN ADDITION, SINCE A SPECIAL COMMITTEE CANNOT SUMMON DAISAKU IKEDA, THE HONORARY CHAIRMAN OF THE RELIGIOUS SECT SOKA GAKKAI, OF WHICH THE SHINSHINTO IS THE MOST WARY, IT WILL WIN THE SHINSHINTO'S UNDERSTANDING;

(2) UNTIL DELIBERATIONS ON THE JUSEN-RELATED BILLS END, FINANCING FOR THE JUSEN LIQUIDATION WILL BE "FROZEN" IN
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UNCLAS SECTION 04 OF 08 TOKYO 003094

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 APRIL 5
EFFECT.

SOME IN THE RULING PARTIES INSIST THAT "THIS SCENARIO REACHES OUR UTMOST LIMIT" (LDP LEADER).

OF COURSE, THE RULING COALITION CAMP HAS NOT CHANGED ITS POSITION TO REJECT KATO'S TESTIFYING. AT A LOWER HOUSE BUDGET COMMITTEE DIRECTORS' MEETING YESTERDAY, SHINSHINTO'S TAKESHI NODA SOUGHT THE REALIZATION OF SUMMONING OF (KATO), BUT LDP'S TAKASHI FUKAYA OPPOSED IT, ARGUING, "IT IS IMPOSSIBLE FOR AN INCUMBENT RULING CAMP'S SECRETARY GENERAL TO BE SUMMONED. IF SUCH OCCURS, THE LOWER HOUSE WILL BE DISSOLVED." REGARDING SUMMONING IKEDA, THE RULING COALITION CAMP THINKS THAT "WE ARE ABLE TO MAKE A REQUEST TO SUMMON HIM NOT ONLY TO A SPECIAL COMMITTEE BUT ALSO TO THE EDUCATION COMMITTEE OR OTHER COMMITTEES" (LDP LEADER).

SHINSHINTO HAS NARROWED DOWN TO ONE DEMAND THAT IS TO SUMMON KATO. THIS IS BECAUSE SHINSHINTO VIEWS THAT SINCE KATO IS A SYMBOLIC FIGURE OF THE "RULING THREE-PARTY POLICY LINE," IT MIGHT GIVE A BLOW TO THE UNITY OF THE RULING CAMP BY SUMMONING HIM. IF THE RULING COALITION AGREES TO CALL KATO TO THE DIET DURING THE CURRENT DIET SESSION, IT IS SAID THAT SHINSHINTO WILL RESPOND TO TAKING A VOTE ON THE BUDGET BILLS WHILE "FREEZING" THE JUSEN APPROPRIATION.

IN THE LDP ON THE 4TH, THE "GROUP TO REALIZE PARTY RENEWAL" (ACTING CHAIRMAN: NATIONAL ORGANIZATION PUBLIC RELATIONS HEADQUARTERS CHIEF SHIZUKA KAMEI) ADOPTED A RESOLUTION TO THE EFFECT THAT "WE WILL HOLD BACK THE SUMMONING OF MR. KATO AND PASS THE BUDGET BILL AS PROPOSED." THE GROUP PRESENTED IT TO THE PARTY LEADERSHIP. WHILE ALSO SHOWING SUCH A HARD-LINE STANCE, THE LDP IS TRYING TO DRAW OUT CONCESSIONAL TERMS FROM THE SHINSHINTO.

HATOYAMA INTERVIEW: AIMS TO FORM NEW PARTY THIS SUMMER (TOKYO SHIMBUN - TOP PLAY)

SAKIGAKE SECRETARY GENERAL YUKIO HATOYAMA RESPONDED TO AN INTERVIEW WITH THE TOKYO SHIMBUN ON THE 4TH IN TOKYO AND REVEALED HIS FUNDAMENTAL PLAN TO LAUNCH A NEW PARTY. HATOYAMA REVEALED HIS PLAN TO LAUNCH A NEW PLAN THIS SUMMER, CHARACTERIZING HAJIME FUNADA, THE SHINSHINTO'S (NEW FRONTIER PARTY) ACTING EXECUTIVE COUNCIL CHAIRMAN, HIS "MOST POWERFUL" PARTNER. HE ALSO INDICATED HIS DETERMINATION THAT HE "DOES NOT MIND BECOMING A MEMBER OF AN OPPOSITION PARTY IF THE NEW PARTY IS SO DESTINED TO BE."

NOW THAT HATOYAMA HAS REVEALED THAT HIS NEW PARTY MAY BECOME AN OPPOSITION PARTY, IT IS INEVITABLE THAT THE NEW-PARTY CONCEPT WILL HAVE AN IMPACT OF SOME KIND ON POLITICAL REALIGNMENT, AS WELL AS ON THE FUTURE COURSE OF THE HASHIMOTO ADMINISTRATION WHICH RESTS ON THE LDP-SDP-SAKIGAKE ALLIANCE.

HATOYAMA INDICATED THAT HIS APPROACH TO FORMING A PARTY IS BASED ON INDIVIDUALS NOT ON CONVENTIONAL PARTIES. SUCH IS, ACCORDING TO HATOYAMA, NOT COMPATIBLE WITH SAKIGAKE LEADER MASAYOSHI TAKEMURA'S PLAN TO MERGE WITH THE SDP.

HATOYAMA ALSO INDICATED THAT HE WOULD WORK ON SHINSHINTO AND LDP MEMBERS WHO SHARE THE SAME "GOAL AND VISION." HE WOULD FOR THE TIME BEING TO EXERT HIS ENERGY INTO CREATING A "COMMON ARENA" WITH FUNADA AND OTHER LIKE-MINDED MEMBERS OF THE SHINSHINTO.

AS FOR THE TARGET DATE, HE INDICATED IT MIGHT BE THIS SUMMER AFTER THE REGULAR DIET SESSION ENDS (ON JUNE 19), \EASONING, "WE NEED TO STRENGTHEN OUR MOVES WHEN THE DIET IS NOT IN SESSION."

HE STRESSED THAT LAUNCHING A NEW PARTY BEFORE THE NEXT GENERAL ELECTION IS ABSOLUTELY NECESSARY. ON THE
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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 APRIL 5

PROSPECT OF THE LOWER HOUSE BEING DISSOLVED DURING THE REGULAR DIET SESSION, HATOYAMA EXPLAINED, "THE EARLIER THE DIET IS DISSOLVED, THE MORE (SUPPORT) WE MAY LOSE. BUT I STILL BELIEVE WE CAN FORM (A NEW PARTY) BEFORE THE ELECTION."

HE ALSO INDICATED THAT HE WOULD NOT CLING TO THE CONTINUOUS EXISTENCE OF THE SAKIGAKE PARTY. "IF I CAN CONVINCE MYSELF THAT MY BOLTING THE PARTY WOULD HELP CREATE A (NEW-PARTY) TREND, I WOULD OPT TO DO SO." HIS REMARKS SUGGESTED THAT LEAVING THE PARTY IS ONE NECESSARY OPTION TO REALIZE A NEW PARTY.

FUNADA DENIS NEW PARTY TALK, UNDER PRESSURE TO BACK AWAY FROM CONCEPT (MAINICHI - PAGE 2)

"WE CAN ONLY TURN THE OTHER CHEEK SO MANY TIMES."
SHINSHINTO (NEW FRONTIER PARTY) EXECUTIVE COUNCIL
CHAIRMAN KOZO WATANABE ON THE 4TH ISSUED A WARNING NOTICE
TO HIS DEPUTY HAJIME FUNADA, WHO HAS CAUSED QUITE A STIR
OVER THE ANNOUNCEMENT OF A NEW-PARTY CONCEPT. FUNADA IN
THE EXECUTIVE COUNCIL MEETING EXPLAINED, "I NEVER
MENTIONED ANYTHING ABOUT CREATINB A NEW PARTY." DESPITE
THAT DENIAL, HIS PARTY COLLEAGUES ARE NOW LOOKING COLDLY
AT FUNADA. WATANABE IS THE ONE WHO GAVE THE PRESENT POST
TO FUNADA, AN "ANTI-OZAWA" CHAMPION, TO ENHANCE PARTY
UNITY. THAT IS WHY WATANABE HAS ALWAYS BEEN PATIENT WITH
FUNADA. BUT THIS TIME AROUND, WATANABE SEEMS TO HAVE
DETERMINED TO TAKE ON A UNGRACIOUS ROLE, SUSPECTING THAT
FUNADA'S MOVE MAY LEAD TO ANOTHER PHASE OF POLITICAL
REALIGNMENT. (KATSUYOSHI KIYOMIYA, POLITICAL DEPARTMENT)

IN THE EXECUTIVE COUNCIL MEETING YESTERDAY, FUNADA
EXPLAINED: "THE MEDIA REPORTED MY CONTACTS WITH NON-
SAKIGAKE MEMBERS, IN WHICH WE DISCUSSED HOW TO UNBLOCK
THE CURRENT STATE OF POLITICS. I APOLOGIZE FOR CAUSING
TROUBLE." IN RESPONSE, SOME CRITICALLY SAID, "YOU SHOULD
ABSTAIN FROM TAKING ACTION THAT MAY GIVES THE IMPRESSION
THAT THE PARTY IS SPLITTING."

FUNADA HAS COMMITTED "MISTAKES" BEFORE. HIS BLUNDER OVER
PARTY MEASURES FOR A POSSIBLY DIET TESTIMONY BY LIBERAL
DEMOCRATIC PARTY (LDP) SECRETARY GENERAL KOICHI KATO IS
ONE OF THEM. DISSATISFACTION HAS BEEN MOUNTING IN THE
PARTY, ONE MEMBER QUIPPING, "IS THE EXECUTIVE COUNCIL AN
ORGAN JUST TO SETTLE MR. FUNADA'S PROBLEMS?" WATANABE IN
A PRESS MEETING HAS REMARKED: "WORKING ENERGETICALLY
WITH OUTSIDE MEMBERS IS FINE TO BREAK THE IMPASSE IN THE
POLITICAL COMMUNITY. BUT I WOULD LIKE ALL OUR MEMBERS TO
BEHAVE MORE CAUTIOUSLY."

DURING THE SHINSHINTO'S PRESIDENTIAL CAMPAIGN LATE LAST
YEAR, IN ORDER TO PREVENT AN INTRA-PARTY FISSURE FROM
OCCURRING, WATANABE OFTEN MET WITH SUCH MEMBERS AS FORMER
TRANSPORT MINISTER KEIWA OKUDA, A KEY MEMBER OF KOSHIKAI
(HATA GROUP) THAT KEEPS DISTANCE FROM PARTY LEADER ICHIRO
OZAWA. FUNADA'S "REBELLIOUS REMARKS" IS A BLOW TO THE
OZAWA GROUP PARTICULARLY AT THIS POINT WHEN THE "OZAWA
SYSTEM HAS BEGUN TO TAKE ROOT IN THE PARTY" (OZAWA AIDE)
TOWARD THE NEXT ELECTION THAT WILL TAKE PLACE FOR THE
FIRST TIME UNDER THE NEW SINGLE-SEAT ELECTORAL SYSTEM.

UNDER THE CIRCUMSTANCES, WATANABE PLANS TO INVITE TO THE
FUKUSHIMA BRANCH FORMATION CEREMONY ON THE 7TH FUNADA
HIMSELF AND POLITICAL REALIGNMENT-INCLINED KUNIO
HATOYAMA, WHO ALSO SERVES AS PUBLIC INFORMATION AND
PLANNING COMMITTEE CHAIRMAN, TO DEMONSTRATE THE
SHINSHINTO'S SOLIDARITY.

NEVERTHELESS, COMPLEX MOVES FOR POLITICAL REALIGNMENT ARE
NOW UNDERWAY BEHIND THE SCENES CENTERED AROUND KOSHIKAI
MEMBERS. THE LONG POSTPONEMENT OF A DIET DISSOLUTION MAY
LOOSEN UP PARTY UNITY AND EVENTUALLY PRODUCE SOME

BOLTERS. SCENES REQUIRING WATANABE'S MEDIATION MAY INCREASE.

U.S. TRADE POLICY WAVERING? AMBASSADOR MONDALE CANCELS SERIES OF MEETINGS (NIHON KEIZAI - PAGE 5)

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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 APRIL 5

AMERICAN AMBASSADOR TO JAPAN MONDALE YESTERDAY CANCELED A MEETING HIS TALKS WITH INTERNATIONAL TRADE AND INDUSTRY MINISTER SHUNPEI TSUKAHARA FOR THE SECOND DAY IN A ROW. A U.S. EMBASSY SOURCE EXPLAINED: "THE CANCELLATION ON THE 3RD WAS DUE TO URGENT BUSINESS AND THAT ON THE 4TH DUE TO THE PLANE ACCIDENT INVOLVING COMMERCE SECRETARY BROWN." THE AIM OF THE PLANNED MEETING WAS TO COORDINATE THE UPCOMING JAPAN-U.S. SUMMIT MEETING. RELATED SOURCES ARE CONJECTURING THE REASONS FOR THE CANCELLATIONS: "THE U.S. GOVERNMENT MAY BE IN FLUX DUE TO THE ADJUSTMENTS GOING ON IN ITS NEGOTIATION STANCE," AS NECESSITATED BY A GAP IN THE TWO COUNTRIES' APPROACHES.

THE SEMICONDUCTOR AGREEMENT AND THE OPENING OF THE PHOTOFILM MARKET HAD BEEN REGARDED AS THE MAJOR THEMES FOR THE AMBASSADOR'S MEETING WITH THE MITI MINISTER. MITI HAS TAKEN A TOUGH STANCE THAT "EXTENSION OF THE PACT IS UNNECESSARY" AND "NO GOVERNMENT-GOVERNMENT NEGOTIATIONS ON THE PHOTOFILM PROBLEM." WITH THE PRESIDENTIAL ELECTION APPROACHING, THE U.S. GOVERNMENT, WHICH IS NOW BEGINNING TO PLAY UP ITS "SUCCESSFUL TRADE POLICY TOWARD JAPAN," WANTS TO AVOID AT ALL COST A DECIDED CONFRONTATION WITH JAPAN AT THE SUMMIT MEETING. IT APPEARS TO BE LOOKING INTO A NEW POLICY APPROACH, SUCH AS FILING A PETITION WITH THE WORLD TRADE ORGANIZATION (WTO) REGARDING THE PHOTOFILM ISSUE. THE JAPANESE GOVERNMENT IS CONCERNED, "IT IS DIFFICULT TO SEE WHAT NEGOTIATION STRATEGY THE U.S. GOVERNMENT WILL COME UP WITH."

MITI VICE MINISTER SAKAMOTOQS REMARK CREATING STIR IN
U.S. (ASAHI - PAGE 11)

PRIOR TO U.S. PRESIDENT CLINTON'S VISIT TO JAPAN, DEPUTY
VICE MINISTER YOSHIHIRO SAKAMOTO OF THE MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY (MITI) GAVE A SPEECH ON
MARCH 15 AT THE FOREIGN PRESS CLUB. WHAT HE SAID THERE
HAS BECOME A PROBLEM FOR U.S. GOVERNMENT OFFICIALS
CONNECTED WITH JAPAN AND FOR SPECIALISTS BOTH IN JAPAN
AND THE U.S.

SAKAMOTO MADE A CRITICAL REMARK ABOUT EXTENSION OF THE
JAPAN-U.S. SEMICONDUCTOR AGREEMENT: "ITS EXTENSION MAY
SPREAD TO MANAGED TRADE." HE CALLED FOR USING THE WORLD
TRADE ORGANIZATION (WTO), NOTING THAT "IT IS NO LONGER
PROPER TO NEGOTIATE OR MAKE BILATERAL AGREEMENTS" IN
TRADE DISPUTES.

WHAT WAS SHOCKING TO THE U.S. IS THAT SAKAMOTO, WHO IS IN
A POSITION OF BEING THE "MANAGER" ON THE JAPANESE SIDE
FOR BILATERAL NEGOTIATIONS, ASSERTED, "THE ERA OF
BILATERALISM IS OVER," WHEREAS THE U.S. SEES, "THERE
STILL REMAIN MANY PROBLEMS TO BE RESOLVED BETWEEN JAPAN
AND THE U.S." (OFFICE OF U.S. TRADE REPRESENTATIVE
KANTOR).

AT THE HOUSE WAYS, MEANS AND TRADE SUBCOMMITTEE MEETING
HELD ON MARCH 28, REPRESENTATIVE LEVIN ASKED USTR GENERAL
COUNSEL SHAPIRO TO MAKE A COMMENT AS TO "WHETHER SAKAMOTO
HAS CALLED FOR ALL PROBLEMS TO BE BROUGHT INTO THE WTO."
IN RESPONSE, SHAPIRO REPLIED, "HIS SPEECH IS BEYOND THE
POSITION OF MITI. I CANNOT AT ALL AGREE WITH HIM."

WITH THE PRESIDENTIAL ELECTION APPROACHING THE U.S.
GOVERNMENT IS ADOPTING A POLICY LINE OF "PLAYING UP THE
RESULTS OF THE JAPAN-U.S. AGREEMENTS TO ITS PEOPLE."
BILATERAL RELATIONS ARE CONTINUING TO BE "STATIC."

HOWEVER, THE TRADE ACT "TO SECURE FAIR BILATERAL TRADE"
IS SUPPORTED IN THE U.S. FAR MORE STRONGLY THAN
ANTICIPATED IN JAPAN. THE LAUNCHING OF THE WTO GENERATED
CONCERN IN THE U.S. THAT IT WILL HAMPER IT FROM APPLYING
ITS TRADE ACT. IN THE PRIMARY ELECTIONS, TOO, CANDIDATE
BUCHANAN CALLED FOR THE U.S. TO PULL OUT OF THE WTO,
CLAIMING, "IT WILL IMPAIR U.S. SOVEREIGNTY."

A CERTAIN PRO-JAPANESE EXPERT IS PUZZLED, "ASIDE FROM IT
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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 APRIL 5

BEING HIS VIEW, WHY ON EARTH DID HE MAKE SUCH A STATEMENT AT SUCH A DELICATE TIME LIKE THIS?"

PRESIDENT CLINTON'S "DISTINCTIVE QUALITY" IS THAT HE CAN MAKE A "POLICY TURNABOUT IF HE SEES THAT HIS POSITION IS DISADVANTAGEOUS TO THE ELECTION." SOME HAVE BEGUN TO SAY THAT THE SAKAMOTO SPEECH HAS "AWAKENED A SLEEPING CHILD" (RANKING U.S. GOVERNMENT OFFICIAL). (WASHINGTON, REPORTER HIROAKI ITO)

U.S. DIPLOMAT IN JAPAN: GOVERNMENT NEEDS TO GRASP EXTENT OF FOREIGN-CHIP SHARE IN JAPAN (YOMIURI - PAGE 7)

A UNITED STATES DIPLOMATIC SOURCE IN JAPAN YESTERDAY EXPLAINED TO THE PRESS ABOUT U.S. REQUESTS TOWARD JAPAN IN THE ECONOMIC AREA PRIOR TO THE BILATERAL SUMMIT. HE INDICATED THAT THE U.S. WOULD NOT HOPE FOR INCLUSION OF ANY NUMERICAL TARGET IN A NEW SEMICONDUCTOR ACCORD, BUT HE STRESSED, "THE GOVERNMENT SHOULD CALCULATE FOREIGN CHIPS' SHARE IN THE JAPANESE MARKET."

THE SOURCE POINTED OUT THE NECESITY OF A PACT, SAYING "WHEN A ROW BREAKS OUT BETWEEN JAPANESE AND U.S. INDUSTRIES, IT IS DESIRABLE FOR THEIR GOVERNMENTS TO TRY TO SETTLE IT." HE THEN STATED "THE GOVERNMENTS SHOULD COLLECT DATA TO KNOW WHAT IS HAPPENING," INDICATING A STANCE OF STICKING TO NUMERICAL FIGURES.

TOUCHING ON INSURANCE, HE HARSHLY BLAMED THE MINISTRY OF FINANCE, REMARKING "JAPAN IS TRYING TO LIBERALIZE THE THIRD SECTOR (COVERS ILLNESS, CASUALTY AND NURSING SERVICES INSURANCE) -- A STRONGHOLD OF FOREIGN AND JAPANESE SMALL TO MEDIUM-SIZED INSURERS -- BEFORE LIBERALIZING THE FIRST (LIFE INSURANCE) AND SECOND (NON-LIFE INSURANCE) SECTORS, IN WHICH LEADING INSURANCE FIRMS HAVE CONDUCTED "KEIRETSU" (CORPORATE GROUPINGS) TRANSACTIONS. THIS POLICY APPROACH INFRINGE ON THE AGREEMENT REACHED AT THE FRAMEWORK TALKS."

TOP FOREIGN MINISTRY OFFICIAL: NEED TO RESTART INSURANCE TALKS OVER FINANCE MINISTRY OBJECTIONS (YOMIURI - PAGE 7)

A SENIOR OFFICIAL OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA), COMMENTING YESTERDAY ON LIBERALIZATION OF THE INSURANCE MARKET -- A STICKY ISSUE FOR THE UPCOMING JAPAN-

UNITED STATES SUMMIT -- STRESSED THAT NEGOTIATIONS ON THE BILATERAL INSURANCE PACT CONCLUDED IN THE FALL OF 1994 BE RESTARTED TO BREAK THE IMPASSE. HE SAID, "JAPAN AND THE U.S. SHOULD WORK OUT A NEW AGREEMENT." THIS OFFICIAL APPARENTLY EXPRESSED HIS FEELING OF CRISIS TOWARD THE POSSIBILITY THAT THE STANDOFF OVER THE IMPLEMENTATION OF ITEMS ALREADY AGREED AT THE INSURANCE TALKS BETWEEN THE MINISTRY OF FINANCE (MOF) AND THE OFFICE OF U.S. TRADE REPRESENTATIVE (USTR) MIGHT UNDERMINE THE ENTIRE BILATERAL TRUST RELATIONSHIP. MOF INTENDS TO PERSIST WITH ITS TOUGH STANCE, ONE OFFICIAL REMARKING, "WE CANNOT CONCEDE ON THE PRINCIPLES WRITTEN INTO THE PACT." SUCH A DISCREPANCY IN STANCES OF THE TWO MINISTRIES COULD DEVELOP INTO THEIR SQUABBLING.

THE JAPANESE AND U.S. GOVERNMENTS AGREED AT FRAMEWORK TALKS IN THE FALL OF 1994 THAT CONDITIONS FIRST SHOULD BE ARRANGED FOR FOREIGN INSURERS TO BE ABLE TO COMPETE EQUALLY WITH JAPANESE INSURANCE FIRMS IN MAJOR LIFE AND NON-LIFE INSURANCE AND THEN THE SO-CALLED THIRD SECTOR, WHICH COVERS ILLNESS AND CASUALTY INSURANCE AND WHICH FOREIGN INSURERS HAVE AN OVERWHELMING SHARE HERE, SHOULD BE LIBERALIZED.

STEMMING FROM THE JUDGMENT THAT OPENING THE MAJOR INSURANCE MARKET HAS ADVANCED AS PREMIUMS FOR LARGE-LOT INSURANCE AGAINST FIRES WERE LIBERALIZED, MOF DECIDED TO OPEN THE THIRD-SECTOR MARKET STARTING THIS FISCAL YEAR, BUT THE U.S. HAS COMPLAINED, "THE MOF POLICY TO OPEN THE THIRD-SECTOR MARKET WITH INSUFFICIENT EFFORTS MADE TO LIBERALIZE OTHER MAJOR SECTORS WILL PLACE FOREIGN INSURERS IN A SERIOUS SITUATION AND VIOLATE THE ACCORD."

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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 APRIL 5

KEEPING SUCH CIRCUMSTANCES IN MIND, THE MOFA OFFICIAL ADVISED, "IF THE TWO GOVERNMENTS HAVE DIFFERENT

INTERPRETATIONS REGARDING THE CONTENTS OF THE CURRENT PACT, IT WOULD BE BETTER TO PREPARE A NEW PACT."

A MOF SENIOR OFFICIAL LAST NIGHT REITERATED THE STANCE OF DISAGREEING TO A REVIEW OF THE ACCORD, SAYING "WE CANNOT BUDGE ON THE PRINCIPLES IN THE ACCORD REACHED IN THE FALL OF 1994." BUT HE ADDED, "WE ARE READY TO MAKE A FLEXIBLE RESPONSE IN A BID TO PRACTICALLY RESOLVE THE ISSUE. WE MIGHT HOLD NEGOTIATIONS IN THE U.S. NEXT WEEK," AND HE REVEALED THAT JAPAN WOULD PRESENT AS A CONCESSION MORE DEREGULATORY MEASURES IN THE NON-LIFE INSURANCE SECTOR WHICH U.S. INSURERS DESIRE, WHILE MAINTAINING ITS ASSERTION "DOMESTIC LIFE AND NON-LIFE INSURERS BE ALLOWED TO ENTER THE THIRD SECTOR THROUGH SUBSIDIARIES," INDICATING MOF'S WILLINGNESS TO TRY TO DO ITS BEST TO SETTLE THE ISSUE BEFORE PRESIDENT CLINTON'S STATE VISIT TO JAPAN. BLACKBURN

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SUBJ: JAPANESE DAILY PRESS SUMMARY 04/05/96
(PART 2)
TEXT:
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DEPT FOR E, P, PM, EB, EAP/J AND S/AL
USIA FOR MR AND REA
WHITE HOUSE FOR NSC ROTH
WHITE HOUSE FOR NEC CUTTER
TREASURY FOR OASIA/IMI/JAPAN
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 04/05/96
(PART 2)

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(8) MAGAZINE ARTICLE: Will the Medically-caused
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(5) Mystery Deepening about Arrest of "Yodo
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"Lead"; Suspect Involved in Forgery? North's
Agent?

TOKYO SHIMBUN (Pages 10 & 15) (Full)
April 4, 1996

Yoshimi Tanaka (47), one of the Japanese Red Army
commandos who hijacked the "Yodo," a jet airliner
of Japan Air Lines (JAL) and fled to the Democratic
People's Republic of Korea (North Korea), was
arrested near the border of Cambodia and Vietnam in
connection with the forgery of U.S. paper currency.
He has already been detained there for ten days.
Tanaka is now being questioned by Thai police, but
he remains silent. So, the truth is still unclear.
Is he really connected with the counterfeit green-
backs that have recently been circulating in
Southeast Asia and its periphery, or is he a North
Korean agent?

Detention

Riding Together in Embassy Vehicle, and Bribing
Large Flow of Counterfeit 100-Dollar Bills in
Southeast Asia

Tanaka was arrested near the Cambodian-Vietnamese
border. He then was sent to Thailand. The deftness
in that operation did not resemble Southeast Asian
investigative style at all. It was under the lead
of U.S. investigative authorities.

On the morning of the 24th of last month, Tanaka
attempted to cross the border from a checkpoint at
Babet (TN: phonetic) on the Cambodian side from
Phnom Penh to Ho Chi Minh. Four persons riding in a
North Korean embassy vehicle showed their
respective diplomatic passports at the checkpoint,
and then one of the four tried to hand over a

bundle of real U.S. dollar notes as a bribe, amounting to approximately 10,000 dollars (equivalent to about one million yen). So, they reportedly were deemed to be under suspicious circumstances.

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TREASURY FOR OASIA/IMI/JAPAN

DEPT PASS USTR FOR SHAPIRO/WOLD

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Tanaka suddenly shut himself up in the car. As a result of "negotiations" that lasted over one day between Cambodia and the North Korean side, Tanaka gave himself up, and the next day, March 25, only Tanaka was arrested.

All the dollar bills they had seemed genuine, but Tanaka was sent to Thailand on March 26. A Thai police officer told the Tokyo Shimbun on March 27 that Tanaka was a suspect internationally wanted for the alleged use of counterfeit dollars in Thailand. The officer answered, "We guess he's 'Tanaka,' who was formerly a member of the (Japanese) Red Army."

The next day, Japanese investigative authorities identified him by his fingerprints. The Thai side had based its information on the U.S.

According to an informed source, the U.S. side since last year has been desperately investigating the case of counterfeit 100-dollar notes that have been circulated in large quantities in Southeast Asia. Many of those counterfeits were discovered at Pathaya, a resort place situated in the middle part of Thailand. Moreover, the U.S. has good relations with Thailand, so the U.S. has asked Thai

police to conduct an open investigation.

An informed source says, "The U.S. suspects North Korea as a route (of introduction). The U.S. investigative authorities suspect they took unfair advantage of the friendly ties between Cambodia and North Korea, and the counterfeit money was carried from Cambodia to Thailand and other countries through the hands of a syndicate and then used."

As a result of investigations to date, it was found that Tanaka had set up an office, reportedly for tobacco trade, in Phnom Penh last year with another suspect having a passport for "Shogo Kodama" as a Japanese name. There is also information revealing the fact that Korean-speaking men were often seen to enter that office. "Kodama" was arrested in Bangkok this February on suspicion of having used counterfeit money, but he was released for lack of evidence. Since then, his whereabouts have been unknown.

Tanaka is said to have remained silent to Thai police, refusing to identify himself as a Japanese national. On the other hand, the North Korean side is said to have explained to Cambodian authorities that the North Koreans "didn't know at all" that Tanaka was suspected of having being involved in the forgery case. But there are many mysteries, such as why Tanaka was in a bQ\$XBangkok)

Friendly Relations

From North Korea to Cambodia?

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In Cambodia, Tanaka and his colleagues used to be in the business of importing tobacco and other products. As seen from this fact, Cambodia and North Korea have had friendly relations for a long time. At the beginning of last month, there was an event that again impressed the world with the two countries' close ties.

Cambodian Foreign Minister Ung Huot invited North Korean Ambassador Yong Ho Gyong to the Foreign Ministry, and then handed over a government donation of 5,000 dollars for North Korea's food shortage brought about by last summer's flood damage. Cambodia covers about 45 percent of its fiscal budget (approximately 580 million dollars) with aid from foreign countries, so it was extremely unusual for Cambodia to aid another country.

Firm Friendship between Late President Kim Il Sung and King Sihanouk

A Japanese Foreign Ministry official analyzes that the personal friendship of long standing between Cambodian King Sihanouk and the late North Korean President Kim Il Sung lies in the background.

In 1964, when Sihanouk was in office, the Cambodian Government recognized North Korea. When King Sihanouk fell from power during his visit to the Soviet Union, North Korean President Kim offered him a cottage in a suburb of Pyongyang. Even now, after the death of President Kim, the North Korean Government still assigns several dozens of crack bodyguards to King Sihanouk to back him up.

The Cambodian Government feels a debt of gratitude for the cordial treatment of the King. So, Cambodia, in Southeast Asia, is the one and only country with no diplomatic relations with the Republic of Korea.

For North Korea, "Cambodia is the handiest country," says Katsumi Sato, Director of the Institute of Modern Korea, "because its King Sihanouk is in debt to North Korea." It seems that Cambodia also does not want to make the case this time worse.

Sato analyzes, "North Korea's recent claim to Cambodia for the right to manage paddy fields and rubber plantations also indicates North Korea's strong desire to secure food and earn foreign currencies. Such a move was inconceivable when President Kim was alive."

Dollar Forgery

KCNA: "Nothing to Do with It"

What brought up Tanaka on the dragnet of Thai police investigations was a case of counterfeits discovered on January 2 this year. At Pathaya, two Thailanders were arrested in the act of using 90 counterfeit 100-dollar notes. It became known from their confession that there had been a forgery

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group involving Tanaka.

Mitsukazu Shibo, an international journalist, says, "From the beginning, in Southeast Asia, there has been a large flow of counterfeit 100-dollar notes. Stores undergoing a strict check (of paper money) are equipped with a special machine. I also experienced being refused at a store when I was paying with fake bills I had picked up somewhere. Unlike Japan, counterfeit green- backs are used there every day."

High-Ranking Official in Exile: "Printshop" in North Korea

People in Southeast Asia and in the Middle East know that extremely elaborate counterfeit 100-dollar notes called "Super Ks" can pass on the market. In 1994, two persons bearing North Korean diplomatic passports were arrested in Macao for their possession of numerous counterfeit dollar bills. A high-ranking official of the North Korean Government, who recently exiled himself into the

ROK, has testified to the existence of a dollar forgery printshop in North Korea.

Therefore, North Korea is now being suspected of having taken part in the forgery of dollar notes, and U.S. Treasury investigators reportedly have pursued forgery channels in cooperation with Thai police.

However, the DPRK's Korean Central News Agency denies any relations with Tanaka: "Our country has nothing to do with this case." "What people do abroad is based on their own free will."

The U.S. has now changed the 100-dollar note's design for the first time in 67 years, aiming to block the circulation of counterfeits, and issued new ones on March 25. The new bank notes have special anti-forgery features, such as fine-spun prints and watermarks.

Yet, there is still no real evidence to prove whether or not Tanaka is connected with the forgery of paper dollars. The numerous dollar notes in his hand this time were found genuine later, and two persons who were in the same car with Tanaka and had North Korean diplomatic passports were released on the Cambodian side. Including such facts, there are many mysterious points.

Shibo says, "What was a former Red Army member doing there? In addition to this question, the focus will be on the yet-to-certain making of counterfeits, and in what problem North Korea was involved. North Korea's international position may be shaken again." So saying, Shibo is watching the future developments of the case with close attention.

A diplomatic source in Bangkok revealed on April 3 that the U.S., Japan, and Thailand have now already agreed to turn over Tanaka to Japan. But the source also said nothing is decided on when to turn

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him over to Japan. Japan's concern is over the "Yodo" hijack incident. However, U.S. authorities will undoubtedly continue to pursue him for the time being for the American dollar's prestige.

(6) Executives of TBS Summoned; Pursuit of "News Gathering Ethics" and Explanations; Delay in In-house Survey Revealed; President Denies Organized Dishonest Act; Discontented Interpellator's Indication by Giving Real Names

ASAHI (Page 3) (Full)
April 3, 1996

"We have taken it seriously." "We will do all we can to recover confidence." Over the suspicions involving Tokyo Broadcasting System's (TBS) video footage in connection with the murder of lawyer Sakamoto and his family, TBS President Yozo Isozaki and some executives testified at the Upper House Communications Committee. A company president, intertwined with the problem, appeared for the first time in the Diet. The gallery was full of press reporters. The scenes of testimonies were televised live. What was revealed again as a result of three-and-half-hour examination including pursuit of news-gathering ethics was that no progress had yet been seen in TBS's in-house survey. On April 3, a question and answer session is to take place at the Lower House Communications Committee.

Hypothetical Questions and Answers

The committee meeting was joined by three TBS executives, namely, President Isozaki, Managing Director Shinichi Kamoshita of the Aum Reporting Special Committee in the company and Managing Director Suzuki Atsuo, who is in charge of an in-house survey team. This was the third case of summons for TBS to send its members as reference witnesses to the Diet, following the summons at the Judicial Affairs Committee on March 19 and 28. Prior to the summons this time, company executives racked their brains on how to deal with such summons by hypothesizing possible questions and answers day and night. President Isozaki's cheeks and eyes were then hollow, and he was apparently

exhausted.

One of the reasons why TBS lost its credibility lies in the fact that the company dismissed the results of its own investigation, which it had conducted for nearly two and half months. It did this only two days after it obtained a memo written by defendant and Aum cult member Kiyohide Hayakawa (46 years old). At the outset of the committee meeting, President Isozaki, partly because of his awareness of that, acknowledged the results of the first survey released on March 11 was incorrect, but on the other hand, he stressed, "Our company as a whole did not conceal nor distort any facts. There was no dishonest act at all."

Committee members, who as interpellators asked Isozaki, were never satisfied with his remarks.

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They showered questions on him. For example, Sanzo Hosaka, a committee member from the Liberal Democratic Party (LDP), argued, "After questioning a number of people involved, you insisted you had never shown the video tape, but you quickly and easily took Hayakawa's memo at face value. I suspect you might have known since last September (the video tape) was shown." And Reiko Omori, a committee member hailing from Heiseikai, who was once a public prosecutor, questioned him, "According to a report dated March 25, a producer who you dismissed said, 'Although my memory is obscure, I cannot help concluding it was shown to them.' Despite such an ambiguous way of speaking, why do you conclude it was actually shown to them."

Driven into a corner, the TBS side was all the time in an awkward position in answering questions. One of its answers is, for example, "There is a limit to a survey designed simply to make clear the memories of six years ago. We will ask a special investigator outside the company to investigate the facts." Regarding the surveys conducted after March 25, TBS touched slightly on the fact that it obtained a testimony indicating that approval was obtained to show the video tape in gathering materials for the program "Suichu Kunbaka" in the daytime of the day when the video tape was shown (to Aum members), but did not state anything than reiterating, "We would like to continue investigations."

"Violation of Human Rights"

"Was it really possible for the producer (his name is omitted by this newspaper) in charge of the Friday program to arbitrarily cancel broadcasting the video tape?"

LDP member Hosaka pursued (the reference witnesses) by giving a real name of a staffer connected with TBS on a large panel on which "10 suspicions involving TBS and the Aum cult" had been written with his right hand.

He also cast doubts on the fact that the day when Aum cult leader Hideo Murai was stabbed to death, TBS' cameramen scrupulously shot how the murderer behaved, suspecting such a thing was unnatural. He argued in an angry tone of voice, "How did TBS get information about the murder?" "Everybody has raised doubts on that point."

President Isozaki just repeated, "I have taken it very seriously." But when the next interpellator Wakako Hironaka (Heiseikai) was about to finish her questioning, Isozaki asked permission to speak and vented his dissatisfaction against Hosaka, arguing, "The 10 suspicions are nothing more than groundless rumors. Citing a real name in the questioning is a violation of human rights."

Chairman Kazuo Oikawa of the committee reproved Hosaka for his remark violating the rules, but Hosaka looked quite dissatisfied. Even after the committee meeting was over, he remained angry, as

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seen in his comment: "It is rude to flatly rebuke me after the time afforded for me to question was over."

Fetters

Over this problem, it is to be noted that senior LDP members in their statements have sought a cautious response from the Diet. LDP Secretary General Koichi Kato, for instance, remarked, "We should wait until TBS indicates its independent response while respecting the freedom of press." Meanwhile, the Japan Communist Party (JCP), which is always sensitive to the freedom of speech, continued to bitterly denounce TBS, arguing, "TBS played a role to help people to be killed," instead of criticizing "politics' intervention."

Hosaka, who was harsh with TBS that day, flatly stated, "Our responsibility is to protect our society from being exposed to incorrect reporting. We have to push back the criticism that we are weak-kneed."

In the LDP, however, the criticism is heard that "it has turned into a dispute between Kato, who is close to TBS, and Yasuhiro Nakasone, who is close to NTV (Nihon TelebiA. The questions by Hosaka, according to some people, might have been a reflection of what Nakasone aides are thinking about.

Sighs in TBS

"It is a really hard time." "Does it mean our company is to be blamed for the sarin gas incidents in both Matsumoto and in Tokyo subways?"

The 10-storied TBS Head Office Building is located at Akasaka in Tokyo. Once Diet testimonies began

to be televised, every corner in front of a television set installed on each floor was lined with staffers. Listening to harsh criticisms coming out in succession, mid-ranking managers groaned and sighed, and others made sympathetic remarks. The moment a committee member pursued "susphcions over cozy relations" between TBS and the Aum cult by citing a real name of a person involved, a stir swept across the the company. One company employee deplored that as being "too much for us. We have many matters to rebut, but now that trust in us has fallen, no one listens to us whatever we say."

(7) Question on Security; Heading toward Japan-U.S. Summit Talks; Interview with Kosuke Uehara, Vice President, Social Democratic Party; Japan, U.S. Should Break Away from Cold War Idea

NIHON KEIZAI (Page 2) (Full)
April 5, 1996

Hoping for Progress in "Okinawa" Issue

-- What do you hope for from the Japan-U.S. summit meeting?

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"It will be a historic meeting with the 50th year after the War as a turning point. There are also economic issues. But I hope for efforts and progress regarding the Okinawa base problem that cannot be sidestepped in maintaining the Japan-U.S. security arrangement."

-- As a Dietmember elected from Okinawa, what do you specifically hope for on the problem of U.S. military bases?

"I want them to look from every angle into the possibility of having at least the Futenma airfield returned within five years, and I want it to be actually returned to the local side. If it is possible to resolve the three (pending) issues, including the Naha (military) port-harbor facilities, and the Futenma airfield, we will be able to go in the direction of reducing (the U.S. military bases in Okinawa Prefecture) by about one third, including all other pending issues."

-- What is your evaluation of the Japanese and U.S. Governments' way of tackling the problem?

"I can appreciate the Murayama cabinet for its efforts to make tables that led to the setting up of the Okinawa U.S. Military Bases Problem Consultative Council of the Government and Okinawa Prefecture and the establishment of the Japan-U.S. Special Action Committee on Facilities and Areas in Okinawa (SACO). But if such result in just makeshift efforts, it will only provoke the prefectural people's negative reaction. I wonder if they are really thinking of trying to reduce the bases. We still cannot anticipate good results."

Postwar 50 Years' Bills Burst Forth

-- What do you think is lacking?

-- "Japanese and U.S. leaders, as well as all those involved, should first break away from the cold war idea. Under the cold war, the necessity of the Japan-U.S. security treaty used to come before everything else, and we had to close our eyes at some local areas' burden and sacrifice. But the whole nation will no longer accept anything on an extension line of the past. Now we have to pay the postwar 50 years' bills. So, we have to launch a course of action to share the cost and sacrifice. Otherwise, Okinawa won't remain patient any longer. If something else should happen next, even a riot may occur then. If the problem is not properly handled, the bilateral security arrangement itself may be shaken."

-- As for actual base reduction, we are just made to see only that is something difficult.

"From the beginning, conditional return within Okinawa Prefecture has been difficult, in part because Okinawa is small in size. About the Naha port-harbor facilities and other sites, the two

countries' governments made a decision in 1974, two
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years after Okinawa's comeback to Japan, (to return those facilities by making it a condition to relocate them to alternative areas). That decision has yet to be carried out. Now is the time to seriously consider how to share the burden with the whole of Japan, including the U.S. mainland. In addition to asking the U.S. to make efforts, I want the Government to display leadership for the question of how to lighten and reduce the heavy burden of Okinawa also as a domestic issue. Concerning the Futenma airfield, some of its functions could be transferred to Iwakuni. Guam also remains idle, and some say Hawaii also is okay. They don't necessarily have to have a ground heliport. They should be able to deploy helicopters at sea.

Overreaction May Cause Adverse Impact

-- What is your view of the Korean Peninsula situation and the China-Taiwan issue?

"We must be careful about overreaction. We may have to be cautious of the nuclear development problem of the Democratic People's Republic of Korea (North Korea). But I guess it would not directly invade Japan or would not become a military threat. Taiwan also is a domestic problem of China. Overreaction will possibly cause an adverse impact on Japan-China relations. We should respond to these matters through dialogue-based diplomatic efforts. That cannot justify the idea

of solidifying the bases on Okinawa, nor can it become the reason that Okinawa will have to continue suffering from the heavy pressure of military bases like before."

-- The right of collective self-defense (shudanteki jieiken) also is now being discussed.

"We don't have to change the (Government's conventional) interpretation of the Constitution or adopt an even more penetrating interpretation with a legislative measure. We should remain thoroughly prudent. I know there are some points the Social Democratic Party will have to study. But now that there is also a question about the propriety of our country's security policy, we don't have to widen the conventional interpretation."

(8) MAGAZINE ARTICLE: Will the Medically-caused AIDS Issue Topple the Hashimoto Administration?

SENTAKU (Full)
April 1996

The Shinshinto (New Frontier Party) has begun probing into the relationship between Prime Minister Ryutaro Hashimoto and the issue of medically-caused AIDS cases (involving pharmaceutical companies). That is because the Prime Minister as the "don" of the clique of social and labor policy specialists in the Diet (zoku) has great influence in the Health and Welfare Ministry, as well as in the pharmaceutical industry. He therefore cannot be said to be totally unconnected
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to the case of lawsuits being lodged by HIV victims against the Green Cross Corporation. Predicts one Dietmember: "If the Prime Minister's involvement comes to light in any way, it would cause a serious problem. An AIDS scandal could blow apart the administration."

The AIDS problem has evoked a suspicion: "In 1983 medical experts discussed emergency imports of heated blood products since they were already aware of the danger of unheated blood products. But such an option was ruled out one week later. There must have been some kind of pressure behind the decision. Was Green Cross, an importer of unheated products, involved in that process?" Lower house member Kazumi Mochinaga of the Liberal Democratic Party (LDP), then director general of the Welfare Ministry Pharmaceutical Affairs Bureau, is in the vortex of this HIV uproar.

The Shinshinto suspects: "If there had been political pressure on Mochinaga, it must have come from Prime Minister Hashimoto, with Green Cross in the background. The Prime Minister might have been receiving political contributions from Green Cross." The Shinshinto has been desperately looking for a new weapon to attack the Prime Minister. The AIDS problem might be just the thing after the jusen (housing loan companies) issue is resolved.

(9) MAGAZINE ARTICLE: Kasumigaseki (Central government office district in Tokyo) Confidential

BUNGEI SHUNJU (Excerpts)
March 1996

Achilles' Heel of Hashimoto Administration

Following the inauguration of the Hashimoto Government, all the secretaries to the Prime Minister were replaced. Among them, Kenji Eda (39 years) picked as chief secretary to the prime minister for parliamentary affairs is now drawing the most public attention. Because it is customary that a prime minister appoints his personal secretary or his relative as chief secretary, a linchpin of prime minister's secretaries. Eda is neither. He is an incumbent official of the Ministry of International Trade and Industry (MITI). It can be said that his appointment is extremely unusual.

Eda graduated from the law faculty of Tokyo University and entered MITI in 1979. He was first assigned to the Safety Division, Industrial Location and Environment Bureau. After serving in

such posts as assistant director for the General Affairs Division, assistant director for the Agency of Industrial Science and Technology, and economic cooperation planning officer for the Industrial Policy Bureau, he served as a secretary to the MITI minister, who was then Ryutaro Hashimoto. Both Eda and Hashimoto come from the same prefecture, Okayama. He is a bachelor.

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The Prime Minister seems to have highly evaluated Eda's capability. Other secretaries to the Prime Minister are: Hirokazu Hayashi (joined MITI in 1971); Atsuo Saka (entered the Ministry of Finance (MOF) in 1970); Hiroyasu Ando (entered the Ministry of Foreign Affairs (MOFA) in 1970) and Takaharu Ando (joined the National Policy Agency (NPA) in 1972). All of them are senior to Eda. There has now appeared a reverse phenomenon that the chief secretary happens to be the youngest among the secretaries to the prime minister.

The main reason for the unprecedented appointment is that "there was no capable person to be the prime minister's chief secretary in Hashimoto's own office" (aid to the Prime Minister). But in Kasumigaseki, the government office district, a rumor has already been whispering that "the most vulnerable point of the Hashimoto Administration might be Chief Secretary Eda."

Because he is highly evaluated by Prime Minister Hashimoto, who is hard worker, as well as being the person closest to Hashimoto, it can be plainly seen

that he has built up plenty of confidence in himself. His way of talking to senior officials at MITI is arrogant; he spits out such remarks about his seniors: "Who do they think they are?" There are many anecdotes about him stemming from his behavior of hiding behind Hashimoto's clout, and his way of talking as if he were a parliamentary secretary.

"Legend" of New Foreign Minister Ikeda

When the appointment of "Foreign Minister Yukihiko Ikeda" was announced on the television, mixed feelings were expressed among senior officials in MOFA. Because there is an episode about Ikeda in MOFA which has been talked since more than 20 years ago.

(About twenty years ago) Ikeda worked for the MOF's Budget Bureau and he was in charge of MOFA in deciding the budget. It was a cold day in December when a MOFA's division director called on Ikeda to explain MOFA's budget request. The division director had to wait over an hour for meeting him. In order to keep out the cold, he went out to have a drink. He then came back to MOF but he was late for the presentation. Although the division director made a humble apology, Ikeda did not forgive him for being late. He then was sent away.

On returning to MOFA, the division director reportedly asked his boss: "Please let me give him a blow. I will tender my resignation." Of course the division director should be blamed for, because he was late for the presentation. So it has been rumored in MOFA that Ikeda is a an extremely hard worker.

About 20 years after that, whether the corners of his character have been rounded off or he still has hold the same character even after he became a Dietmember? Many senior officials in MOFA are
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waiting for an early lower-house resolution.

Tempest in the Ministry of Finance (MOF)

With the resignation of administrative vice minister Kyosuke Shinozawa (joined MOF in 1960), Tadashi Ogawa succeeded him in early January (entered MOF in 1962). As Ogawa has been promoted to the vice ministership six months earlier than usual, MOF is now being pressed into reorganizing the appointment of senior officials, including candidates for the future vice minister.

Ogawa, who had been widely talked of as full-fledged vice minister, supposed to serve as vice minister for two years from June 1996 to June 1998. But he came to the post six months ahead of the schedule. If he serves until June 1998 when the next regular appointment is carried out, he will assume the post for two and a half years. It is unavoidable that MOFA will come under criticism, saying "The two and a half years are too long." So some in MOFA are suggesting replacing him in June 1997, but there is no suitable candidate to succeed Ogawa.

Customarily, Budget Bureau Director General Takeshi Komura (entered MOF in 1963) is most likely candidate. But because he worked on mapping out a "National Welfare Tax" as a senior official of the former vice minister Jiro Saito-led group. Partly because he has taken the negative stance toward correcting the custom that makes too much of Tokyo University graduates in selecting the national public service personnel. So he has earned the LDP's grudge. Reportedly, he might succeed Takeshi as chief of the Cabinet Councillor's Office on Internal Affairs. Among those who entered MOF in 1963, once the name of Yoshimasa Nishimura, director of the Banking Bureau was maintained as a candidate for vice minister. But because of the Daiwa Bank scandal, his reputation has dropped. In an attempt to tide over the "jusen Diet," both Minister Wataru Kubo and Nishimura are regarded as "trump cards." They may be forced to resign. It is questionable that Sohei Hidaka, director general of the National Tax Administration Agency, who is also one who joined MOF in 1963, will become vice minister in consideration of his career.

There is the possibility of Yoji Wakui, director general of the Minister's Secretariat (entered MOF in 1964), being promoted to the post of vice minister. He has not directly made an enemy of the LDP because he was temporarily detailed to the Economic Planning Agency as director general the two years when Saito held "power" in MOF. But he was one of the four officials of the "Saito-led group." He might be able to become vice minister in 1998, but in 1997 it will probably be impossible.

As a result, it is likely that Ogawa, who is close to former prime minister Noboru Takeshita, will serve as vice minister for two and a half years as an exceptional case. But such a situation will

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TREASURY FOR OASIA/IMI/JAPAN

DEPT PASS USTR FOR SHAPIRO/WOLD

DEPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETER

E.O. 12356: N/A

TAGS: PGOV, PINR, JA

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depend on the politics involved. If the Shinshinto (New Frontier Party) recaptures the reins of government, the "Saito group" will gain strength in MOF.

It has become certain that Masakazu Hayashi (entered MOF in 1968), deputy director general of the Budget Bureau, will be promoted to the post of vice minister in the future. His younger brother Hirokazu Hayashi, who is former deputy vice minister, MITI's Machinery and Information Industries Bureau, served as a secretary to Prime Minister Hashimoto. The possibility is now high that the Hayashi brothers will be designated as vice minister, one at MOF and the other at MITI.

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