

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Support Cable for East Asia Brief (7 pages)	04/19/1996	P1/b(1)
002. cable	Re: Lease Renewal (5 pages)	04/19/1996	P1/b(1)
003. cable	Re: FBIS Foreign media Note-Tokyo on Summit [partial] (1 page)	04/23/1996	P3/b(3)
004. cable	Re: Political-Internal Weekly (3 pages)	04/25/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/18/1996 - 04/25/1996]

2016-0420-F
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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 RUEHKO3513 1090305-UUUU--RHEHAAX.
LINE2: ZNR UUUUU ZZH
LINE3: O 180305Z APR 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 180305Z APR 96
ORIG: AMEMBASSY TOKYO
TO: RUEHIA/USIA WASHDC IMMEDIATE 8616
RUEHC/SECSTATE WASHDC IMMEDIATE 1492
INFO: RHHMUNA/USCINCPAC HONOLULU HI//USIA//
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RUALSFJ/COMUSJAPAN YOKOTA AB JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEKJCS/JOINT STAFF WASHDC//J5//
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 18
TOP HEADLINES
TEXT:

//////////////////// INCOMPLETE MESSAGE //////////////////////

UNCLAS SECTION 01 OF 08 TOKYO 003513

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAR/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; CINCPACFLT/PA; COMUSJ/PA;
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 18
TOP HEADLINES

ASAHI: DETAILED STUDY TO BEGIN ON HOW TO DEAL WITH
EMERGENCIES; PRIME MINISTER: "UNDER THE CURRENT LEGAL
SYSTEM"; DEBATES ON SECURITY AND CONSTITUTION AT
CROSSROADS (TRANSLATION BELOW)

NIHON KEIZAI: JAPANESE, U.S. LEADERS AGREE TO STUDY
COOPERATION IN TIME OF EMERGENCY; JOINT PRESS CONFERENCE:
USFJ'S TROOP STRENGTH MAINTAINED

TOKYO SHIMBUN: TO ARREST SUENO KOWAN PRESIDENT; OSAKA DISTRICT PUBLIC PROSECUTORS' OFFICE'S INVESTIGATION DEPARTMENT TO PURSUE USE OF LOAN MONEY PROVIDED BY JUSEN; SUSPICIONS OF FAKE REGISTRATION OF COMPANY; QUESTIONING OF AUDITOR ON VOLUNTARY BASIS

MAINICHI: OSAKA DISTRICT PUBLIC PROSECUTORS' OFFICE GETS ARREST WARRANT FOR PRESIDENT "SUENO"; ON SUSPICION OF FAKE DESCRIPTION ON REGISTRATION OF NEW COMPANY

YOMIURI: JAPANESE, U.S. LEADERS AFFIRM COOPERATION ON "KOREA" AND "CHINA AND TAIWAN"; TO LESSEN OKINAWA'S BURDEN; JOINT PRESS CONFERENCE: MAINTENANCE OF TROOP STRENGTH AS PREMISE

SANKEI: TO STRENGTHEN "ALLIANCE" FOR 21ST CENTURY; JAPANESE, U.S. LEADERS SIGN JOINT SECURITY DECLARATION; TO FACILITATE DEFENSE COOPERATION; REVIEW OF "GUIDELINES" IN PREPARATION FOR EMERGENCY IN FAR EAST

TWO LEADERS CONFIDENT AND ON SOLID FOOTING AT SUMMIT; QBILL-RYUQ HIT IT OFF WELL (TOKYO SHIMBUN - PAGE 2)

IN THE JOINT PRESS CONFERENCE AFTER THE SUMMIT MEETING ON THE 17TH, BOTH PRIME MINISTER RYUTARO HASHIMOTO (58) AND U.S. PRESIDENT CLINTON (49), WEARING A SMILE THROUGHOUT THE PRESS SESSION, PROJECTED THEIR RESPECTIVE CONFIDENCE TOWARD THE CITIZENS OF JAPAN AND THE UNITED STATES. SINCE ITS START IN JANUARY, THE HASHIMOTO ADMINISTRATION HAS CONSTANTLY EXPERIENCED ADVERSITY, STARTING WITH THE PROBLEM OF LIQUIDATING THE DEBT OF HOUSING LOAN COMPANIES (JUSEN). MEANWHILE, THE CLINTON ADMINISTRATION WANTS TO SOLIDIFY ITS UNDERPINNINGS WITH THE NOVEMBER PRESIDENTIAL ELECTION APPROACHING. WHAT ARE THE INTENTIONS OF THE TWO LEADERS WHO HAVE JUST FINISHED A SUMMIT MEETING WHICH HAS BECOME A MAJOR TURNING POINT FOR THE BILATERAL SECURITY RELATIONSHIP? (HIDEAKI YASUDA OF THE POLITICAL DEPARTMENT, RYUJI YOKOMITSU OF THE FOREIGN NEWS DEPARTMENT)

"MY IMPRESSION IS THAT THE SUMMIT MEETING IS SUPPORTED BY VERY FIRM PILLARS AND A ROOF." PRIME MINISTER HASHIMOTO STATED WITH CONFIDENCE IN THE POST-SUMMIT JOINT PRESS CONFERENCE AND EMPHASIZED THAT THE SUMMIT ENDED SUCCESSFULLY.

SINCE ITS LAUNCHING ON JANUARY 11, THE HASHIMOTO ADMINISTRATION HAS FACED A SUCCESSION OF TRIALS. FOR INSTANCE, THE JUSEN SCHEME THAT WILL REQUIRE AN ENORMOUS INJECTION OF TAX MONEY HAS EVOKED A STORM OF CRITICISM FROM THE GENERAL PUBLIC AND THE OPPOSITION CAMP. THE DIET WAS STALLED FOR A WHILE BY THE SHINSHINTO'S (NEW FRONTIER PARTY) SIT-IN. THE PRIME MINISTER, WHO CONFINED HIMSELF TO HIS RESIDENTIAL OFFICE DURING IT, WAS CRITICIZED FOR "A LACK OF LEADERSHIP." HIS ADMINISTRATION'S APPROVAL RATING DROPPED SHARPLY.

THE PRIME MINISTER AND HIS AIDES HAVE BEEN MAKING PREPARATIONS STEADILY BEHIND THE SCENES, AIMING TO HIT A "HOME RUN TO TURN THE GAME AROUND" BY TAKING ADVANTAGE OF THE SUMMIT MEETING. AS A RESULT OF HIS TENACIOUS NEGOTIATIONS WITH THE U.S. SIDE, STARTING WITH AMBASSADOR MONDALE, THE PRIME MINISTER ELICITED AN AGREEMENT FROM THE U.S. ON APRIL 12, FIVE DAYS BEFORE THE SUMMIT
BT
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UNCLAS SECTION 02 OF 08 TOKYO 003513

USIA

FOR: USIA D/P, I/GEA, I/RF, I/REW, EA, RMR; STATE FOR EAR/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; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 18

MEETING, TO RETURN TO JAPAN OVER THE NEXT FIVE TO SEVEN YEARS FUTENMA AIR STATION -- THE PREMIER SHOWCASE ITEM IN THE REALIGNMENT, CONSOLIDATION, AND REDUCTION OF U.S. OKINAWA BASES. SUCH WAS TANTAMOUNT TO A GUARANTEE ON A "SUCCESS" OF THE SUMMIT SESSION. THE "SUCCESS" OF THE SUMMIT HAS ALREADY SET IN POLITICAL CIRCLES PREDICTING THE "REVIVAL OF HASHIMOTO'S POPULARITY" AND A "LOWER-HOUSE DISSOLUTION." FORMER LIBERAL DEMOCRATIC PARTY (LDP) VICE PRESIDENT KEIZO OBUCHI ON THE 16TH SUGGESTED THE POSSIBILITY OF AN EARLY LOWER-HOUSE DISSOLUTION AND A GENERAL ELECTION, REMARKING, "I THOUGHT SUCH WOULD BE DELAYED. BUT THE REVERSION OF (FUTENMA) HAS GIVEN (THE ADMINISTRATION) AN IMPETUS."

"I LIKE HIM A LOT. HE IS NOT AN ORDINARY PERSON. I CAN WORK WITH HIM SMOOTHLY." PRESIDENT CLINTON IS SAID TO HAVE EVALUATED PRIME MINISTER HASHIMOTO HIGHLY AFTER HIS SESSION WITH THE PRIME MINISTER. IT APPEARS THAT THEY HAVE ALSO SUCCEEDED IN ESTABLISHING A CLOSE "BILL-RYU" RELATIONSHIP.

THE HASHIMOTO ADMINISTRATION IS STILL BESET WITH TOUGH ISSUES, LIKE THE JUSEN PROBLEM. YET, THERE IS NO MISTAKE THAT THE "SUCCESS" OF THE SUMMIT "HAS GIVEN CONFIDENCE TO THE HASHIMOTO ADMINISTRATION, AND IT HAS BECOME A TURNING

POINT ENABLING HIS ADMINISTRATION TO CARRY OUT POLITICS FIRMLY" (RULING PARTY MEMBER). IT CAN BE SAID THAT THE HASHIMOTO ADMINISTRATION AT LEAST HAS LATCHED ON TO A CHANCE TO RIDE ON A RISING TIDE.

RECEIVING OKINAWA GOVERNOR MASAHIDE OTA AT HIS RESIDENTIAL OFFICE, A SPIRITED PRIME MINISTER EVEN SERVED HIM COFFEE IN PERSON, SAYING GOOD-HUMOREDLY, "I WILL TREAT YOU TO COFFEE, WHICH IS PRESIDENT CLINTON'S FAVORITE."

PRESIDENT IN GOOD MOOD AT YOKOSUKA CEREMONY
(NIHON KEIZAI - PAGE 3)

"THE U.S. WAS ABLE TO DEMONSTRATE ITS POWER TO ASIAN COUNTRIES, WITHOUT LAUNCHING EVEN A SINGLE MISSILE IN THE TAIWAN STRAITS," SAID U.S. PRESIDENT CLINTON ABOARD THE AIR CRAFT CARRIER INDEPENDENCE YESTERDAY AFTERNOON AS HE GAVE ENCOURAGEMENT TO ITS CREW.

POINTING TO THE "MYOKO" ESCORT SHIP OF THE MARITIME SELF-DEFENSE FORCE, WHICH GAVE A COURTESY WELCOME TO HIM, THE PRESIDENT UNDERScoreD THE IMPORTANCE OF THE BILATERAL ALLIANCE, REMARKING, "WHO EVER BELIEVED FIFTY YEARS AGO THAT A U.S. AIRCRAFT CARRIER AND A JAPANESE ESCORT SHIP WOULD ANCHOR SIDE BY SIDE."

SECRETARY OF STATE CHRISTOPHER SERVED IN YOKOSUKA AS A SERVICEMAN WHEN HE WAS 19 YEARS OLD. THE PRESIDENT WAS IN GOOD HUMOR ALL THE TIME, CRACKING A JOKE TO THE AUDIENCE, "YOU TOO MAY BE ABLE TO BECOME SECRETARY OF STATE."

PRIME MINISTER GETS BOOST IN RUNNING HIS ADMINISTRATION
(NIHON KEIZAI - PAGE 2)

HAVING SAILED THROUGH HIS SUMMIT MEETING WITH THE U.S. ON THE 17TH, PRIME MINISTER RYUTARO HASHIMOTO HAS DEEPENED HIS CONFIDENCE IN HANDLING HIS ADMINISTRATION. HIS AIDES NOW BELIEVE THAT THE SUCCESSFUL SUMMIT WITH PRESIDENT CLINTON, IT IS CERTAIN THAT THE HASHIMOTO CABINET WILL REGAIN THE PUBLIC'S SUPPORT THAT SUDDENLY DROPPED OVER HIS HANDLING OF FAILED HOUSING LOAN COMPANIES ISSUE. THE PRIME MINISTER INTENDS TO SET FORTH A NEW "HASHIMOTO VISION" WHICH WOULD INCLUDE A MEDIUM TO LONG-RANGE POLICY OUTLOOK. ON THE 19TH IN MOSCOW, THE FIRST JAPAN-RUSSIA SUMMIT MEETING IS EXPECTED TO BE HELD BETWEEN PRIME MINISTER HASHIMOTO AND RUSSIAN PRESIDENT
BT
#3513

UNCLAS SECTION 05 OF 08 TOKYO 003513

USIA

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

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 18
INDEED TO FILL THE GAP BETWEEN THE LIBERAL DEMOCRATIC
PARTY (LDP), WHICH HAS ENVISAGED THE "USE OF THE RIGHT TO
COLLECTIVE SELF-DEFENSE" PROHIBITED UNDER THE PRESENT
CONSTITUTION, AND THE SOCIAL DEMOCRATIC PARTY (SDP),
WHICH HAS MADE CLEAR IT OPPOSES THE USE OF SUCH A RIGHT.

FROM THE BEGINNING, THE SDP HAS BEEN "ALLERGIC TO THE
SECURITY ISSUE." IN ADDITION, IN PART BECAUSE SHINSHINTO
(NEW FRONTIER PARTY) PRESIDENT ICHIRO OZAWA HAS BEEN
FORWARD-LOOKING ABOUT A REVIEW OF THE PREVIOUS
GOVERNMENTAL INTERPRETATION AS TO THE RIGHT OF COLLECTIVE
SELF-DEFENSE, THE SDP IS NOW MORE ALARMED THAT SUCH
DEBATE MIGHT LEAD TO FORMING A "CONSERVATIVE-CONSERVATIVE
ALLIANCE" (HOHO RENGO).

SOME IN THE RULING CAMP ARE THEREFORE CONCERNED THAT "IF
WE SERIOUSLY DEBATE HOW TO RESPOND IN AN EMERGENCY, THE
CURRENT COALITION GOVERNMENT WOULD COLLAPSE (SENIOR LDP
MEMBER)."

IN CONTRAST, SOME IN THE GOVERNMENT TAKE A COOL-HEADED
VIEW: "IF THE RULING PARTIES, PARTICULARLY THE LDP,
CONTINUE AT THE HELM OF STATE, (SUCH DEBATE) MAY END UP
INCONCLUSIVE." (SENIOR FOREIGN MINISTRY OFFICIAL).

MEANWHILE, THERE IS THE PROBLEM OF SHOULDERING THE COST
LINKED TO RELOCATION OR RETURN OF U.S. FORCES' BASES AND
FACILITIES ON OKINAWA, INCLUDING FUTENMA AIR STATION --
THE TOTAL RELOCATION COST OF WHICH HAS BEEN CALCULATED AT
APPROXIMATELY 1 TRILLION YEN. THE LDP AND THE JAPAN
DEFENSE AGENCY (JDA) HAVE CALLED FOR SETTING A "SEPARATE
BUDGETARY FRAMEWORK FROM THE USUAL DEFENSE EXPENDITURES."

THE SDP'S ASSERTION HOWEVER IS THAT EVEN IN THE CASE OF
ALLOWING "A SEPARATE FRAMEWORK," THERE IS "A NEED TO
DRASTICALLY REVIEW DEFENSE SPENDING" (SENIOR MEMBER).
ITS MOTIVE IS TO TRY TO CUT BACK FRONT-LINE EQUIPMENT,
TAKING ADVANTAGE OF THIS OCCASION. THE MINISTRY OF
FINANCE (MOF) ALSO HAS EXPRESSED DISAPPROVAL OF THE
ARGUMENT FOR SETTING "A SEPARATE FRAMEWORK," REASONING,
"IT WILL LEAD TO GREATLY INCREASING ANNUAL BUDGET
EXPENDITURES."

ANOTHER MAJOR TASK IS HOW TO PERSUADE LOCAL GOVERNMENTS AND RESIDENTS TO ACCEPT THE FUNCTIONS OF BASES THAT WILL BE RELOCATED IN THEIR AREA.

MOREOVER, THE FOLLOWING ACTIONS WILL BECOME NECESSARY: AN EXTENSION OF THE TERM OF THE "SPECIAL MEASURES LAW ON RETURN OF SITES USED BY U.S. FORCES (OKINAWA GUNTENHO), A MEANS TO HELP LANDOWNERS BY MAKING UP FOR A DROP IN INCOME FROM LAND RENTS THAT WILL ARISE DUE TO RETURN OF BASES AND LEGAL CONSOLIDATION THAT ENVISIONS SPECIAL LEGISLATION OVER THE FORCIBLE USE OF LAND BY U.S. MILITARY BASES. BUT ADJUSTING VIEWS IN THE RULING CAMP WILL LIKELY TAKE MUCH MORE TIME PARTLY BECAUSE OF POSSIBLE OCCURRENCE OF TROUBLE INTERTWINED WITH RESTRICTIONS ON PRIVATE RIGHTS.

CHINA REACTS TO SECURITY DECLARATION'S SUPPOSITION ABOUT TAIWAN PROBLEM (NIHON KEIZAI - PAGE 1)

(BEIJING, APRIL 17, HIROYUKI AKITA) THE CHINESE GOVERNMENT HAS COMPILED ITS VIEW TOWARD THE ENHANCED JAPAN-U.S. SECURITY TIES. ACCORDING TO A (CHINESE) GOVERNMENT SOURCE, THE STATEMENT SAYS, "(CHINA) HAS NO OBJECTION AS LONG AS THE FUNCTIONS OF THE U.S.-JAPAN SECURITY TREATY REMAINS WITHIN THE SCOPE OF BILATERAL DEFENSE COOPERATION." BUT THE STATEMENT ALSO INDICATES "(CHINA'S) POLICY IS TO OPPOSE THE EXPANDED APPLICATION OF THE TREATY HYPOTHESIZING THE TAIWAN PROBLEM." CHINESE VICE PREMIER/FOREIGN MINISTER QIAN QICHEN IS EXPECTED TO CONVEY SUCH A POLICY DIRECTION TO SECRETARY OF STATE CHRISTOPHER IN THEIR TALKS ON THE 19TH IN THE HAGUE, HOLLAND.

BT
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NNNN
UNCLAS SECTION 06 OF 08 TOKYO 003513

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAR/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; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 18

THE GOVERNMENT SOURCE STATED ALARMINGLY, "THE U.S.-JAPAN SECURITY TREATY IS A BILATERAL MATTER, AND CHINA HAS NO INTENTION OF INTERVENING IN IT. BUT IF THE TREATY TRANSCENDS THE SCOPE OF A BILATERAL ARRANGEMENT, COMPLICATED PROBLEMS MIGHT ARISE." HIS REMARKS EXEMPLIFY CHINA'S OPPOSITION TO JAPAN AND THE U.S. PERCEIVING TAIWAN AS AN "EMERGENCY IN THE FAR EAST."

CHINA IS ON SHARP ALERT AGAINST THE BILATERAL DEFENSE COOPERATION INITIATIVE FOR EMERGENCIES IN THE FAR EAST. CHINA HAS MADE IT CLEAR THAT IT WOULD NOT APPROVE JAPAN AND THE U.S. MAKING TAIWAN AN OBJECT OF THEIR CONTINGENCY PLANNING.

GOVERNMENT MAY PUT COST OF MOVING FUTENMA FUNCTIONS IN SEPARATE BUDGET CATEGORY (YOMIURI - PAGE 2)

THE ISSUE OF THE COSTS OF RELOCATING U.S. MILITARY BASES IN OKINAWA HAS EMERGED AS A NEW POINT AT ISSUE FOR FISCAL AUTHORITIES. THE UNANIMOUS VIEW HEARD IN THE RULING CAMP IS TO DEMAND A "SEPARATE FRAMEWORK" FOR THAT PURPOSE. THE ISSUE IS ALSO LIKELY TO COME INTO FOCUS WHEN DRAFTING CEILINGS FOR FISCAL 1997 BUDGETARY REQUESTS IN JULY AND COMPILING THE ANNUAL STATE BUDGET TOWARD THE END OF THE YEAR.

THE DEFENSE AGENCY (JDA) HAS INDICATED TENTATIVE CALCULATIONS THAT ESTIMATE THE TOTAL COSTS OF THE REVERSION AND RELOCATION OF FUTENMA AIR STATION AND THE LIKE AT 1 TRILLION YEN. THE LIBERAL DEMOCRATIC PARTY (LDP) IS NOW CALLING FOR SETTING UP A "SEPARATE FRAMEWORK" FROM THE ORDINARY DEFENSE BUDGET.

IN CONTRAST, THE MINISTRY OF FINANCE (MOF) IS ALARMED. ABOUT SUCH A SEPARATE FRAMEWORK ARGUMENT, NOTING, "THE PRESENT DEFENSE BUDGET INCLUDES FUNDS TO COPE WITH THE TRANSFERS AND CONSOLIDATION OF U.S. MILITARY FACILITIES AND NEIGHBORHOOD AREAS. IT IS, THEREFORE, ONLY NATURAL TO HANDLE THE MATTER, BY AUGMENTING SUCH A BUDGET, SHIFTING OR REVIEWING PRIORITY IN THE DEFENSE BUDGET AS A WHOLE."

SOME QUARTERS IN THE RULING CAMP ARE CALLING FOR DEALING WITH THE ISSUE IN A "SEPARATE FRAMEWORK" THE ARGUMENT BEING THAT THE RATIO OF DEFENSE SPENDING TO THE GENERAL GROSS PRODUCT (GNP) SHOULD NOT EXCEED 1 PERCENT. DEFENSE SPENDING IN THE FY1996 DRAFT BUDGET IS 4.8455 TRILLION YEN -- 0.968 PERCENT IN RATIO TO THE GNP. SO, AN INCREASE OF APPROXIMATELY 160 BILLION YEN WILL PUSH UP THE RATIO TO THE 1 PERCENT LEVEL. PROVIDED THAT THE RELOCATION COST OF 1 TRILLION YEN IS TO BE IMPLEMENTED OVER THE NEXT FIVE YEARS, THE ANNUAL AVERAGE COST COMES TO 200 BILLION YEN. IF SUCH COSTS ARE COVERED WITHIN THE "FRAMEWORK" OF THE DEFENSE BUDGET, THE RATIO WILL TOP THE 1 PERCENT LEVEL.

REGARDING THIS ESTIMATE, MOF HAS POINTED OUT THE FACT THAT THE FRAMEWORK OF GNP RATIO OF 1 PERCENT+^4F^XXPANSION OF DEFENSE SPENDING, WAS REPLACED WITH A BRAKE TO HOLD DOWN DEFENSE SPENDING WITHIN THE SCOPE OF THE TOTAL AMOUNT OF THE MEDIUM-TERM DEFENSE CONSOLIDATION PLAN (CHUKIBO); AS A RESULT, THE RATIO IN REALITY EXCEEDED THE 1 PERCENT LEVEL IN THREE YEARS FROM FY1987 THROUGH FY1989. IT HAS REBUTTED, "TO BRING ABOUT THE GNP RATIO ONCE AGAIN IS JUST TO JUSTIFY THE IDEA OF SETTING UP A SEPARATE FRAMEWORK."

AS TO A FY1997 BUDGET, THE POSSIBILITY IS STRONG THAT ONLY EXPENSES FOR ENVIRONMENTAL ASSESSMENT SURVEYS REQUIRED FOR THE PLANNED RELOCATION WILL BE EARMARKED, BECAUSE THE POSSIBILITY IS SLIM THAT THE ENTIRE RANGE OF THE RELOCATION SCHEME WILL HAVE BEEN WORKED OUT BY THAT TIME. HOWEVER, FOR THE TIME BEING, A CLIMAX IS EXPECTED BT

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SECT: SECTION: 01 OF 08

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SIT: BUJOLD

SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO3522 1090706-UUUU--RHEHAAA.
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LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 180706Z APR 96
ORIG: AMEMBASSY TOKYO
TO: RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 8624
RUEHC/SECSTATE WASHDC PRIORITY 1506
RUEKJCS/SECDEF W!SHDC//USDA;ISA// PRIORITY
RUHBBMA/AMCONSUL NAHA PRIORITY 3847
RUEHBJ/AMEMBASSY BEIJING PRIORITY 6122
RUHVPAC/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N514// PRIORITY
RHHMUNA/USCINCPAC HONOLULU HI//USIA// PRIORITY
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RUALSFJ/COMUSJAPAN YOKOTA AB JA PRIORITY
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RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA PRIORITY
RUEATRS/TREASURY DEPT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
INFO: RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 6076
RUEHKOF/AMCONSUL FUKUOKA PRIORITY 9615
SUBJ: MEDIA REACTION, ASIA; JAPAN

LEAD STORIES: MOST TOKYO PAPERS GAVE TOP COVERAGE
THURSDAY MORNING TO THE JOINT SECURITY DECLARATION
ISSUED BY PRESIDENT CLINTON AND PRIME MINISTER HASHIMOTO
TEXT:
UNCLAS SECTION 01 OF 03 TOKYO 003522

USIA

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

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

LEAD STORIES: MOST TOKYO PAPERS GAVE TOP COVERAGE
THURSDAY MORNING TO THE JOINT SECURITY DECLARATION
ISSUED BY PRESIDENT CLINTON AND PRIME MINISTER HASHIMOTO
FOLLOWING THEIR SUMMIT, AND THEIR JOINT PRESS CONFERENCE
AT THE AKASAKA PALACE ON WEDNESDAY.

1. "TO RESTRUCTURE U.S.-JAPAN SECURITY TIES FOR 21ST

CENTURY" THE TOP-CIRCULATION, MODERATE YOMIURI EDITORIALIZED (APRIL 18), "THE JOINT SECURITY DECLARATION ISSUED BY PRSIDENT CLINTON AND PRIME MINISTER HASHIMOTO ON THURSDAY, APRIL 17, CONFIRMED THE LASTING IMPORTANCE OF U.S.-JAPAN SECURITY TIES IN THE POST-COLD WAR PERIOD. IT WAS SIGNIFICANT THAT THE LEADERS OF THE TWO NATIONS, WHOSE COMBINED GROSS DOMESTIC PRODUCT ACCOUNTS FOR 40 PERCENT OF THE WORLD'S GDP, DISPLAYED THEIR DETERMINATION (TO MAINTAIN CLOSE AND STRONG SECURITY TIES) TO THE WORLD. WE SUPPORT THE TWO LEADERS' FIRM DETERMINATION AND THE TWO NATION'S DIRECTION TOWARD REAFFIRMING THE IMPORTANCE OF THE MUTUAL SECURITY RELATIONSHIP.

2. "THE REAFFIRMATION OF U.S.-JAPAN SECURITY TIES BY THE TWO LEADERS ALSO REPRESENTS THE BEGINNING OF RENEWED EFFORTS TO RECONSTRUCT THE STRONG BILATERAL ALLIANCE. BOTH NATIONS HAVE ALREADY MADE SIGNIFICANT PROGRESS IN RESOLVING THE ISSUE OF REDUCING AND CONSOLIDATING U.S. BASES ON OKINAWA, INCLUDING THE PLANNED RETURN OF FUTENMA AIRFIELD. WE WELCOME THIS ACHIEVEMENT BECAUSE SECURITY ARRANGEMENT CANNOT SURVIVE WITHOUT PUBLIC SUPPORT... HOWEVER, THE GOVERNMENT INTERPRETATION OF COLLECTIVE DEFENSE OBSCURES TO WHAT EXTENT JAPAN CAN SUPPORT U.S. FORCES AND EXACTLY HOW. IT RAISES THE QUESTION OF WHETHER THE BILATERAL SECURITY SETUP WOULD ACTUALLY FUNCTION IN A CRISIS.

3. "ECONOMIC COOPERATION IS INDISPENSABLE FOR THE RESTRUCTURING OF THE U.S.-JAPAN ALLIANCE. DURING THE SUMMIT, THE TWO LEADERS EMPHASIZED THE NECESSITY OF JOINT COOPERATION IN SETTTLING TRADE ISSUES, SUCH AS SEEN IN THE SETTLEMENT OF THE AUTO TRADE DISPUTE. WE URGE THE SETTLEMENT OF SUCH ECONOMIC DISPUTES AS INSURANCE AND SEMICONDUCTORS WHICH, IF LEFT UNRESOLVED, MAY UNDERMINE THE OVERALL U.S.-JAPAN RELATIONSHIP."

4. "U.S.-JAPAN SECURITY RELATIONS ENTER NEW STAGE" THE BUSINESS-ORIENTED NIHON KEIZAI OPINED (APRIL 18), "ASIDE FROM DIPLOMATIC RHETORIC, THE CLINTON-HASHIMOTO SUMMIT WAS A HISTORIC EVENT... THE SUMMIT GAVE US THE IMPRESSION THAT A NEW ERA HAS BEGUN IN THE U.S.-JAPAN RELATIONSHIP. THE FACT THAT TRADE ISSUES DID NOT BECOME A MAJOR SUBJECT OF DISCUSSION AT THE SUMMIT INDICATED THAT U.S.-JAPAN ECONOMIC TIES HAVE ALREADY GOTTEN OUT OF A 'CRISIS-LIKE' SITUATION. MORE THAN ANYTHING ELSE, THE MUTUAL SECURITY SETUP HAS BECOME FUNCTIONAL IN BOTH WIDTH AND DEPTH.

5. "THE JOINT SECURITY DECLARATION ALSO MADE CLEAR THAT THE FUNCTION OF THE U.S.-JAPAN SECURITY ARRANGEMENT WOULD BECOME WIDER-RANGING AND DEFENSE COOPERATION CLOSER AND STRONGER. THE CONCLUSION OF THE ACQUISITION AND CROSS-SERVICING AGREEMENT AND A PLANNED REVIEW OF DEFENSE COOPERATION GUIDELINES ARE POSITIVE EXAMPLES OF CLOSE U.S.-JAPAN DEFENSE COOPERATION. IN THE DECLARATION, CLINTON AND HASHIMOTO AGREED TO LAUNCH A JOINT STUDY ON CONCRETE DEFENSE MEASURES, WHILE

REAFFIRMING THE IMPORTANCE OF BILATERAL SECURITY TIES. WE STRONGLY HOPE THAT THESE MOVES WILL CONTRIBUTE TO THE PROMOTION OF PEACE AND STABILITY IN THE ASIA AND PACIFIC REGION."

6. "JOINT SECURITY DECLARATION -- ACTUAL REVISION OF SECURITY TREATY" THE LIBERAL ASAHI WROTE (APRIL 18),
BT
#3522

NNNN
UNCLAS SECTION 02 OF 03 TOKYO 003522

USIA

FOR: USIA FOR I/RF, I/RFW, I/GEA, EA, RMR; STATE/EAP/J, EAP/P, PM, STATE DEPT. PLS PASS TO USTR/PUBLIC AFFAIRS OFFICE; TREASURY/OASIA/IMI; NSC; S5 FIELD OFFICE

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

"PRESIDENT CLINTON AND PM HASHIMOTO INITIALED THE JOINT SECURITY DECLARATION ENTITLED 'AN ALLIANCE FOR THE 21ST CENTURY.' THE OCCASION ALSO MARKED THE FORMAL U.S. AND JAPANESE REAFFIRMATION OF THE U.S.-JAPAN SECURITY ARRANGEMENT WHICH HAD BEEN UNDER REVIEW SINCE THE YEAR BEFORE LAST, ALONG WITH A USG REVIEW OF ITS STRATEGY TOWARD ASIA. WE HAVE EXPRESSED CONCERNS OVER THE IMPLICATIONS OF THE NEW SECURITY DECLARATION AND THE FUTURE DIRECTION OF MUTUAL DEFENSE COOPERATION WHICH MAY LEAD TO THE EXPANSION OF JAPAN'S DEFENSE ROLE.

7. "IT MAY BE TRUE THAT MANY PEOPLE WERE SURPRISED BY THE SECURITY DECLARATION AND THE JOINT PRESS CONFERENCE BY THE TWO LEADERS... THIS IS BECAUSE THE U.S. AND JAPAN HAD SWIFTLY AGREED ON THE DEPLOYMENT OF U.S. FORCES (IN JAPAN) IN THE VAST ASIA AND PACIFIC REGION AND ON JAPAN'S SUPPORT FOR THEIR DEPLOYMENT -- "EVEN BEFORE JAPANESE BECAME AWARE OF IT." EVEN MORE 'SYMBOLIC' IS THAT BOTH SIDES AGREED ON A JOINT STUDY OF DEFENSE COOPERATION IN COPING WITH EMERGENCIES IN THE AREAS SURROUNDING JAPAN -- IN CONNECTION WITH A PLANNED REVIEW OF PRESENT DEFENSE COOPERATION GUIDELINES.

8. "THE BASIC POST-COLD WAR U.S. STRATEGY IS AIMED AT DEPLOYING FORCES ON A GLOBAL SCALE TO COPE WITH REGIONAL CONFLICTS. THE PRESIDENT SUGGESTED IN THE SECURITY DECLARATION THAT THE U.S. MILITARY WOULD DEPEND -- AS MUCH AS POSSIBLE -- ON BASES AND SUPPORT OFFERED BY JAPAN IN CARRYING OUT ITS STRATEGY. DID HASHIMOTO SIGN THE DECLARATION, WHILE KEEPING THE U.S. STRATEGY IN

MIND?"

9. "NEW, POST-COLD WAR U.S.-JAPAN SECURITY GUIDELINES" THE CONSERVATIVE SANKEI SAID (APRIL 18), "...IN FACT, THE CONTENTS OF THE JOINT SECURITY DECLARATION WAS A DEFAC TO REVISION OF THE U.S.-JAPAN SECURITY TREATY. THIS IS BECAUSE THE DECLARATION INDICATED CLEARLY THAT THE FUTURE SECURITY AND PROSPERITY OF THE U.S. AND JAPAN IS CLOSELY RELATED WITH THE FUTURE OF THE ASIA AND PACIFIC REGION... THE U.S. CANNOT BE INDIFFERENT TO THE ASIA AND PACIFIC REGION WHICH HAS BEEN DEVELOPING FAST ECONOMICALLY; JAPAN IS CONCERNED THAT AN EMERGENCY IN EAST ASIA WILL HAVE AN ADVERSE EFFECT ON ITS OWN SECURITY; AND SOUTHEAST ASIAN COUNTRIES ARE CONCERNED OVER A POTENTIAL MILITARY THREAT FROM CHINA.

10. "IT IS HIGHLY MEANINGFUL THAT THE U.S. AND JAPAN WILL ADJUST THE 'CONCERNS' OF THESE THREE PARTIES. THE INTERNATIONAL COMMUNITY SHOULD WELCOME THE FACT THAT THE U.S. AND JAPAN HAVE CLARIFIED THEIR DETERMINATION TO TAKE GREATER RESPONSIBILITIES FOR MAINTAINING PEACE AND STABILITY IN THE WORLD. THE U.S. SHOWED ITS UNUSUAL ENTHUSIASM ABOUT THE ISSUANCE OF THE JOINT SECURITY DECLARATION. IT WAS THIS ENTHUSIASM THAT PROMPTED THE U.S. TO AGREE ON THE RETURN OF FUTENMA AIRFIELD ON OKINAWA. IT WAS ALSO A MAJOR COMPROMISE ON THE PART OF THE U.S., WHICH INTENDS TO INCLUDE NATIONAL SECURITY IN A 'PRIORITY LIST' OF U.S. POLICY TOWARD JAPAN. CONVERSELY, THE U.S. IS ASKING JAPAN TO PLAY A GREATER ROLE IN THE IMPLEMENTATION OF THE NEW SECURITY SETUP."

11. JAPANESE TELEVISION GAVE TOP COVERAGE WEDNESDAY AFTERNOON AND EVENING TO THE JOINT PRESS CONFERENCE BY PRESIDENT CLINTON AND PM HASHIMOTO, THE PRESIDENT'S VISIT TO THE USS INDEPENDENCE IN YOKOSUKA SOUTH OF TOKYO AND HIS ATTENDANCE AT THE STATE BANQUET AT THE IMPERIAL PALACE.

12. QUASI-GOVERNMENTAL NHK-TV AND OTHER COMMERCIAL NETWORKS GAVE TOP PLAY THURSDAY MORNING AND AFTERNOON TO THE PRESIDENT'S SPEECH AT THE NATIONAL DIET AND HIS ATTENDANCE AT A LUNCHEON WHICH WAS HOSTED BY PM HASHIMOTO IN HONOR OF THE PRESIDENT AT A TOKYO HOTEL.

BT

#3522

NNNN

UNCLAS SECTION 03 OF 03 TOKYO 003-22

USIA

FOR: USIA FOR I/RF, I/RFW, I/GEA, EA, RMR; STATE/EAP/J, EAP/P, PM, STATE DEPT. PLS PASS TO USTR/PUBLIC AFFAIRS

OFFICE; TREASURY/OASIA/IMI; NSC; SECDEF FOR OASD/PA; CP
BUTLER OKINAWA FOR AREA FIELD OFFICE

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

ABOUT 300 GUESTS ATTENDED THE LUN
CHEON. ACCORDING TO
THE REPORTS, DURING HIS SPEECH AT THE DIET, THE
PRESIDENT STRESSED THE IMPORTANCE OF CLOSER AND STRONGER
U.S.-JAPAN SECURITY TIES IN MAINTAINING PEACE AND
STABILITY IN EAST ASIA. THE PRESIDENT ALSO STRESSED THE
IMPORTANCE OF MAINTAINING CLOSE AND STRONG U.S.-JAPAN
TIES DURING HIS SPEECH AT THE LUNCHEON.

13. COMMERCIAL TBS-TV'S HIGHLY-RATED "NEWS 23, APRIL
17" SAID, "AT HIS JOINT PRESS CONFERENCE WITH PM
HASHIMOTO, PRESIDENT CLINTON SAID U.S.-JAPAN RELATIONS
HAVE BECOME CLOSER AND STRONGER THAN EVER BEFORE. WHAT
HAS MADE THE PRESIDENT SAY SO? THE U.S. AGREED ON THE
RETURN OF FUTENMA AIRFIELD ON OKINAWA BUT "WON" JAPAN'S
PLEDGE TO REVIEW U.S.-JAPAN DEFENSE COOPERATION
GUIDELINES.

14. "THERE WILL BE A SHARP INCREASE IN JAPAN'S DEFENSE
SUPPORT FOR THE U.S. MILITARY DEPLOYED IN EAST ASIA...
THE QUESTION IS WHETHER OR TO WHAT EXTENT JAPAN WILL BE
ABLE TO GIVE DIRECT SUPPORT TO THE U.S. FORCES IN CASE
OF EMERGENCY ON THE KOREAN PENINSULA. THE U.S. MAY
APPLY PRESSURE ON JAPAN IF TOKYO BECOMES HESITANT ABOUT
GIVING DIRECT SUPPORT TO THE U.S. FOR REASONS OF
CONSTITUTIONAL RESTRICTIONS.

15. "TWO GUEST COMMENTATORS -- YUKIO OKAMOTO (FORMER
MOFA OFFICIAL) AND SHUNJI TAOKA (SENIOR ASAHI SHIMBUN
WRITER) -- PRAISED PM HASHIMOTO'S STRONG LEADERSHIP IN
SECURING THE U.S. COMPROMISE OVER THE RETURN OF THE
FUTENMA BASE. TAOKA, HOWEVER, SAID 'MARINES DEPLOYED ON
OKINAWA SHOULD BE WITHDRAWN OR REDUCED SHARPLY.'"

16. TV ASAHI'S "NEWS STATION 10, APRIL 17" ANCHORMAN
KUME SAID, "ALTHOUGH PRESIDENT CLINTON AND PM HASHIMOTO
ISSUED THE JOINT SECURITY DECLARATION, STRESSING THE
IMPORTANCE OF CLOSER AND STRONGER SECURITY TIES IN EAST
ASIA, AMERICANS ARE MORE INDIFFERENT TO THE MUTUAL
SECURITY TREATY THAN THE JAPANESE. IN A REPORT
OUTLINING THE U.S. VIEW OF SECURITY IN EAST ASIA, TV
ASAHI REVEALED THE RESULTS OF A RECENT SURVEY WHICH
SHOWED THAT WHILE 88 PERCENT OF JAPANESE (POLLED)
REPLIED THAT THEY SUPPORTED THE MUTUAL SECURITY TREATY,
ONLY 34 PERCENT OF AMERICANS EXPRESSED SUPPORT FOR THE
PACT. IT ADDED THAT MOST AMERICANS BELIEVE THE TREATY
SERVES MORE THE INTERESTS OF JAPAN THAN OF THE U.S. TV
ASAHI WENT ON TO EXPLAIN THE DIFFERENCES IN THE
POLITICAL CONTEXT BETWEEN THE TWO COUNTRIES, THE U.S.
HAVING SECURITY AGREEMENTS WITH ALMOST A HUNDRED
DIFFERENT NATIONS AND JAPAN HAVING JUST ONE.

17. TV ASAHI'S COMMENTATOR TAKANARITA SAID THE U.S. AND JAPAN SHOULD BE AWARE THAT ASIAN NATIONS WILL BE ALARMED BY THE U.S. AND JAPANESE DECLARATION OF NEW DEFENSE TIES WHICH WAS STIPULATED IN THE JOINT SECURITY DECLARATION."
BLACKBURN

BT
#3522

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SECT: SECTION: 01 OF 03
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SSN: 3522
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DIST:
SIT: NSC

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHKO3553 1100327-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 190327Z APR 96

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 190327Z APR 96

ORIG: AMEMBASSY TOKYO

TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1552
RUEHIA/USIA WASHDC IMMEDIATE 8650

INFO: RUALSFJ/COMUSJAPAN YOKOTA AB JA
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEBBEA/USDOT WASHDC
RUCPDOG/USDOC WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEKJCS/SECDEF WASHDC
RUEAIIA/CIA WASHDC
RUEHAAA/WHITE HOUSE WASHDC

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 19

TOP HEADLINES

TEXT:

UNCLAS SECTION 01 OF 07 TOKYO 003553

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAR/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; CINCPACFLT/PA; COMUSJ/PA;
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 19

TOP HEADLINES

ASAHI: NORTHERN TERRITORY: TO RECONFIRM THE 1993 "TOKYO
DECLARATION"; JAPAN, RUSSIA TO MEET TODAY; TO DISCUSS
CTBT, ETC.; NUCLEAR ENERGY SUMMIT TO KICK OFF TODAY

NIHON KEIZAI: OPINION POLL OF 100 COMPANY PRESIDENTS;
GOOD EFFECT FROM ECONOMIC RECOVERY; 57 PERCENT OK
CONSUMPTION TAX HIKE; 50 PERCENT APPROVE PLAN TO USE
PUBLIC MONEY FOR LIQUIDATION OF NATIONAL RAILWAYS' DEBTS

TOKYO SHIMBUN: PUBLIC NURSING INSURANCE -- LIVING "WHILE AGING"; FAMILY MEMBERS STILL BURDENED; SHORT OF HELPERS; LIMITATIONS?

MAINICHI: U.S. REQUESTS NEW CONSTRUCTION OF RUNWAY; AS SUBSTITUTE HELIPORT FOR "FUTENMA"; IN MARINES' BASE ADJACENT TO KADENA AIR BASE (TRANSLATION BELOW; ALSO ARTICLE IN ENGLISH ED.)

YOMIURI: JAPAN-U.S. JOINT TACTIC IN CASE OF EMERGENCIES; "RESEARCH" UPGRADED TO "PLAN"; GOVERNMENT CONSIDERING COVERING THE FAR-EAST REGION (TRANSLATION BELOW; ALSO ARTICLE IN ENGLISH ED.)

SANKEI: ISRAELI FORCES BOMBARD UNIFIL'S POST; 94 REFUGEES KILLED; LARGEST NUMBER OF VICTIMS IN ATTACK AGAINST LEBANON

CLINTON AS QCAR SALESMENQ AS PRESIDENT VISITS AMERICAN DEALER (YOMIURI - PAGE 7)

THE U.S. PRESIDENT AND MRS. CLINTON, NOW VISITING JAPAN, ON THE 18TH VISITED A U.S. CHRYSLER LEADERSHIP IN SETAGAYA WARD, TOKYO, AND PLAYED UP THE STRONG TREND IN AMERICAN AUTO EXPORTS TO JAPAN.

IN THE SHOWROOM, STANDING BEFORE A CHEROKEE, THE COMPANY'S MOST POPULAR MODEL, THE PRESIDENT EXCITINGLY SAID, "I LOVE THE JEEP." THE PRESIDENT ALSO REMARKED: "AUTO EXPORTS TO JAPAN HAVE INCREASED DRAMATICALLY. I HAVE BEEN A BIT WORRIED ABOUT THE DEALERSHIPS, BUT I'M GLAD THAT CHRYSLER'S DEALERSHIPS HAVE NOW GROWN TO 187."

MRS. CLINTON EVEN GOT IN A NEON, A STRONG NEW MODEL SOON TO BE MARKETING IN JAPAN, WHILE THE PRESIDENT CURIOUSLY EXAMINING INSIDE THE HOOD. INDEED, THE COUPLE APPEARED LIKE A SALES REPRESENTATIVE PROMOTING AMERICAN CARS.

GOVERNOR OTA: QI TOLD THE PRESIDENT TO SEE OKINAWA FOR HIMSELFQ (YOMIURI - PAGE 2)

IN A LUNCHEON MEETING HOSTED BY PRIME MINISTER HASHIMOTO AND HIS WIFE HELD AT A TOKYO HOTEL ON APRIL 18, OKINAWAN GOVERNOR MASAHIDE OTA ASKED UNITED STATES PRESIDENT CLINTON TO COME TO OKINAWA. IT WAS A MERE THREE-MINUTE "DIRECT CONVERSATION" WITH THE PRESIDENT, BUT THE GOVERNOR SEEMED TO HAVE MADE A GOOD IMPRESSION ON THE PRESIDENT, WHO EARNESTLY LISTENED TO WHAT THE GOVERNOR WAS SAYING WHILE SHAKING HANDS.

THAT OCCASION CAME RIGHT AFTER THE PRESIDENT AND HIS WIFE WENT DOWN FROM THE STAGE TO LEAVE. FLUSHED WITH EXCITEMENT, GOVERNOR OTA EXPRESSED HIS GRATITUDE TO THE PRESIDENT, SAYING, "I APPRECIATE YOUR EFFORTS TO SETTLE THE OKINAWA PROBLEM." "I WOULD LIKE YOU TO COME TO OKINAWA IN THE NEAR FUTURE TO SEE FOR YOURSELF THE SITUATION THERE," THE GOVERNOR ADDED, STRETCHING OUT HIS

HAND.. THE PRESIDENT SMILINGLY NODDED SHAKING HIS HAND TIGHTLY, SAYING, "THANKS." HIS ANSWER WAS JUST THAT, BUT AMBASSADOR TO JAPAN MONDALE TOOK OVER THE CONVERSATION, REMARKING, "THE OKINAWA ISSUE IS THE MATTER TO WHICH THE PRESIDENT HAS GIVEN CONSIDERATION.

MOF: COST OF MOVING U.S. BASES TO COME FROM REGULAR
BT
#3553

NNNN
UNCLAS SECTION 02 OF 07 TOKYO 003553

USIA

FOR: USIA D/P; I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAR/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; CINCPACFLT/PA; COMUSJ/PA;
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 19

DEFENSE BUDGET FRAMEWORK (MAINICHI - PAGE 1)

REFERRING TO COSTS STEMMING FROM THE REVERSION AND
RELOCATION OF U.S. MILITARY FORCES IN OKINAWA, SUCH AS
FUTENMA AIR STATION AND OTHER FACILITIES, TADASHI OGAWA,
VICE FINANCE (MOV) MINISTER, AT A PRESS CONFERENCE HELD
YESTERDAY INDICATED THE MINISTRY'S VIEW THAT SUCH COSTS
SHOULD BE SHOULDERED WITHIN THE DEFENSE SPENDING
FRAMEWORK, NOTING, "THE REMOVAL AND TRANSFERS OF U.S.
MILITARY FACILITIES ARE BEING IMPLEMENTED EVEN NOW, BUT
SUCH COSTS ARE COVERED WITHIN DEFENSE OUTLAYS. THE SAME
HOLDS TRUE OF THE CASE THIS TIME." REGARDING COSTS TO
COVER THE REVERSION OF U.S. MILITARY FACILITIES, THE
PREVALENT VIEW IN THE RULING COALITION IS: "A SEPARATE
FRAMEWORK FROM DEFENSE SPENDING SHOULD BE SET UP." UNDER
SUCH CIRCUMSTANCES, COORDINATION WITHIN THE RULING PARTY
AND GOVERNMENT WILL LIKELY ENCOUNTER DIFFICULTIES.
(ECONOMIC NEWS SECTION, REPORTER TOMOHIRO KAWAMATA)

SDP SAYS MEDIUM-TERM PROCUREMENT PLAN (CHUKIBO) TO BE
TRIMMED TO COVER BASE SHIFTS (YOMIURI - PAGE 2)

REGARDING THE COSTS FOR RELOCATION INCIDENT TO THE
REVERSION OF U.S. MILITARY BASES ON OKINAWA, SOCIAL
DEMOCRATIC PARTY SECRETARY GENERAL SATO REMARKED ON APRIL
18, "WE SHOULD CUT WHAT CAN BE CUT IN THE CURRENT DEFENSE

PLAN. BASED ON THIS, WE SHOULD DO IT." SATO THUS CLARIFIED HIS SUGGESTION THAT SUCH COSTS SHOULD NOT BE COMPLETELY SEPARATED OFF FROM THE DEFENSE BUDGET, AND THAT THE GOVERNMENT SHOULD TAKE SUCH MEASURES AS CURTAILING THE EXPENDITURES ESTIMATED FOR THE NEW MID-TERM DEFENSE BUILDUP PLAN (FOR THE FIVE-YEAR PERIOD FROM FY1996).

GOVERNMENT WANTS PLAN FOR JOINT U.S.-JAPAN RESPONSE TO EMERGENCIES (YOMIURI - PAGE 2)

REGARDING THE PROBLEM OF REVIEWING THE "GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION," A TOP-LEVEL OFFICIAL OF THE MINISTRY OF FOREIGN AFFAIRS ON APRIL 18 REFERRED TO THE JAPANESE AND U.S. GOVERNMENTS' HAVING AGREED TO ISSUE AN OUTLINE REPORT IN THE FALL OF THIS YEAR, SAYING, "WE MAY WORK OUT SOMETHING LIKE A PROGRESS REPORT, BUT IT WOULD BE DIFFICULT TO REACH THE CONCLUSION." SO REMARKING, THE OFFICIAL INDICATED HIS EXPECTING IT TO BE NO MORE THAN AN INTERIM REPORT ON THE REVIEW WORK.

PRIME MINISTER: IN STUDYING EMERGENCY RESPONSE, NO CHANGE IN CONSTITUTIONAL INTERPRETATION (YOMIURI - TOP PLAY)

IN CONNECTION WITH A REVIEW OF THE U.S.-JAPAN DEFENSE COOPERATION GUIDELINES WHICH SET UP ROLE-SHARING BETWEEN THE SELF-DEFENSE FORCES (SDF) AND THE U.S. FORCES, THE GOVERNMENT ON THE 18TH ENTERED INTO A STUDY OF ADDING TO THE AGENDA OF "JOINT TACTICAL STUDY", WHICH IS THE MAIN PILLAR FOR RESPONSE TO AGGRESSION AGAINST JAPAN, THE SUBJECT OF RESPONDING TO EMERGENCIES IN THE FAR EAST. IN ADDITION, THE GOVERNMENT WILL CONSIDER RAISING THE LEVEL OF THE "JOINT TACTICAL STUDY" TO THAT OF A PLAN THAT WOULD SET SPECIFIC UNIT OPERATIONS. THIS WOULD BROADEN THE HORIZON OF THE CURRENT GUIDELINES BY SCRAPPING THE RESTRICTION THAT STATES: "THESE ARE NOT OBLIGATORY TO EITHER COUNTRY AS A LEGAL, BUDGETARY, OR ADMINISTRATIVE MEASURE." THE JUDGMENT WAS REACHED AFTER ACCEPTING THE STATEMENT IN THE JUST-ISSUED JOINT SECURITY DECLARATION THAT GOES: "PROMOTE POLICY COORDINATION BETWEEN JAPAN AND THE U.S. IN CASE OF A FAR EAST EMERGENCY." SINCE THIS WILL MAKE NECESSARY FULL-FLEDGED EMERGENCY LEGISLATION AND CAN ONLY LEAD TO A REVIEW OF THE RIGHT OF COLLECTIVE SELF-DEFENSE, COORDINATION WITHIN THE RULING PARTIES IS EXPECTED TO RUN INTO A ROADBLOCK.

PRIME MINISTER IN STUDYING EMERGENCY RESPONSE
(ASAHI - PAGE 3)

BT
#3553

NNNN

UNCLAS SECTION 03 OF 07 TOKYO 003553

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAR/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; CINCPACFLT/PA; COMUSJ/PA;
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 19

THE UPPER HOUSE BUDGET COMMITTEE (CHAIRMAN YUTAKA INOUE) HELD A SESSION OF OVERALL INTERPELLATIONS ON THE AFTERNOON OF APRIL 18. IN CONNECTION WITH THE AGREEMENT REACHED BETWEEN JAPAN AND THE U.S. AT A BILATERAL SUMMIT MEETING ON REVIEWING THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION, PRIME MINISTER HASHIMOTO STATED, "THIS IS NOT A SITUATION FOR US TO MODIFY THE GOVERNMENT'S CONVENTIONAL VIEW ABOUT MATTERS THAT ARE NOT ALLOWED UNDER THE CONSTITUTION OF OUR COUNTRY." THE PRIME MINISTER SO ARTICULATED HIS HAVING NO INTENTION OF REVIEWING THE GOVERNMENT'S CURRENT INTERPRETATION OF THE CONSTITUTION, WHICH DOES NOT ALLOW THE USE OF THE RIGHT OF COLLECTIVE SELF-DEFENSE (SHUDANTEKI JIEIKEN), IN THE COURSE OF CONSULTATIONS WITH THE U.S. SIDE ABOUT LEGISLATION FOR EMERGENCIES.

SDP: EMERGENCY LEGISLATION IS OUT OF THE QUESTION
(ASAHI - PAGE 3)

THE SOCIAL DEMOCRATIC PARTY'S POLICY BOARD CHAIRMAN ITO MET THE PRESS IN THE DIET ON APRIL 18, AND COMMENTING ON THE JAPAN-U.S. JOINT DECLARATION ON SECURITY, HE STATED, "WE SHOULD NOT MODIFY TO THE LAST OUR INTERPRETATION OF THE CONSTITUTION REGARDING THE RIGHT OF COLLECTIVE SELF-DEFENSE (SHUDANTEKI JIEIKEN). LEGISLATION FOR EMERGENCIES (YUJI RIPPO) IS OUT OF THE QUESTION." ITO THUS INDICATED THAT JAPAN SHOULD NOT GO SO FAR AS TO STEP INTO EMERGENCIES LEGISLATION ALONG WITH THE AGREEMENT REACHED AT THE JAPAN-U.S. SUMMIT MEETING ON THE WORK OF REVIEWING THE "GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION."

AS THE SDP'S FUTURE POLICY, ITO UNDERScoreD: (1) IN FORMULATING AND IMPLEMENTING AN OKINAWA BASE REDUCTION AND REVERSION PROGRAM, THE GOVERNMENT SHOULD NOT THINK OF THE PRESENT NORTHEAST ASIAN SITUATION IN A FIXED WAY; (2) THE RULING PARTIES SHOULD FRANKLY TALK ABOUT AND ELIMINATE ANYTHING CONCERNED, SUCH AS THE POSSIBILITY OF MODIFYING THE (GOVERNMENT'S CONVENTIONAL) INTERPRETATION OF THE CONSTITUTION; AND (3) A NEW ASIA VISION FOR THE 21ST CENTURY SHOULD BE CREATED.

SDP DOES NOT HAVE TO FEAR: LDP POLICY CHIEF

REGARDING THE SOCIAL DEMOCRATIC PARTY'S CAUTIOUS STANDPOINT ABOUT STUDYING LEGISLATION FOR EMERGENCIES IN CONNECTION WITH THE WORK OF REVIEWING THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION, THE LIBERAL DEMOCRATIC PARTY'S POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN YAMASAKI TOLD THE PRESS AT THE LDP HEADQUARTERS ON APRIL 18; "PREMISED ON NOT USING THE RIGHT OF COLLECTIVE SELF-DEFENSE (SHUDANTEKI JIEIKEN), WE ARE GOING TO DETERMINE WHAT WE CAN DO WITHIN THE LIMITS OF NOT INFRINGING (ON THE CONSTITUTION). WE ARE NOT GOING TO CHANGE THE INTERPRETATION OF THE CONSTITUTION, SO THE SDP DOES NOT HAVE TO FEAR THAT."

LDP EXECUTIVE PROPOSES CREATION OF TRILATERAL JAPAN-U.S.-CHINA QSECURITY COMMITTEE (SANKEI - PAGE 3)

PRIOR TO HIS VISIT TO CHINA AS LEADER OF THE LIBERAL DEMOCRATIC PARTY (LDP) DELEGATION TO CHINA FROM APRIL 21, LDP GENERAL COUNCIL CHAIRMAN MASAJURO SHIOKAWA GAVE AN INTERVIEW WITH THE SANKEI SHIMBUN ON THE 18TH. IN IT, HE REVEALED HIS PLAN TO PROPOSE DURING HIS MEETINGS WITH THE CHINESE LEADERSHIP, INCLUDING PRESIDENT JIANG Z-EMIN, THE ESTABLISHMENT OF A "SECURITY COMMITTEE" (TENTATIVE NAME) THAT WILL SERVE AS A FORUM FOR A SECURITY DIALOGUE ON A REGULAR BASIS AMONG THE GOVERNMENTS OF JAPAN, THE UNITED STATES AND CHINA.

OUT OF CONSIDERATION FOR CHINA, WHICH IS NOW ALARMED ABOUT THE "JAPAN-U.S. JOINT SECURITY DECLARATION" RELEASED AT THE TIME OF U.S. PRESIDENT STAY IN JAPAN, SHIOKAWA STRESSED: "THE U.S.-JAPAN SECURITY TREATY IS
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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAR/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; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 19

DESIGNED FOR PEACETIME, AND ALL WE CAN DO IS TO EXPLAIN TO CHINA IT IS ESSENTIAL FOR THE STABILITY OF THE ASIA-PACIFIC REGION." IN ADDITION, HE POINTED OUT AS A FUTURE TASK THE NECESSITY OF AIMING TO BUILD CONFIDENCE AMONG JAPAN, THE U.S. AND CHINA, REMARKING, "I WILL SUGGEST TO PRESIDENT JIANG Z-EMIN THAT A SECURITY COMMITTEE BE ESTABLISHED AT THE BUREAU DIRECTOR-GENERAL LEVEL OF THE FOREIGN MINISTRIES OF THE THREE COUNTRIES IN ORDER TO HAVE REGULAR EXCHANGES."

PRIME MINISTER TO PROPOSE IN MOSCOW THE RESTARTING OF TERRITORIAL TALKS AFTER RUSSIAN POLL

(NIHON KEIZAI - PAGE 2)

BEFORE LEAVING FOR RUSSIA, PRIME MINISTER RYUTARO HASHIMOTO HELD A PRESS CONFERENCE AT HIS RESIDENTIAL OFFICE ON THE 18TH. IN IT, HE REVEALED THAT IN HIS TALKS WITH RUSSIAN PRESIDENT YELTSIN IN MOSCOW ON THE 19TH, HE WOULD REQUEST RESUMPTION OF THE TERRITORIAL TALKS AFTER THE PRESIDENTIAL ELECTION IN JUNE.

HE ALSO INDICATED THAT HE WOULD "LIKE TO REAFFIRM SQUARELY" THE 1993 "TOKYO DECLARATION," WHICH STIPULATES BRINGING AN EARLY SETTLEMENT TO THE TERRITORIAL ISSUE. AS FOR THE TIMING FOR RESUMING THE TALKS, THE PRIME MINISTER NOTED, "I DO NOT HOPE THAT THE TERRITORIAL PROBLEM WILL BE A CAMPAIGN ISSUE AND HINDER OUR EFFORTS TO RESUME THE TALKS."

AS FOR THE COMPREHENSIVE TEST BAN TREATY (CTBT), HE SHOWED A POSITIVE STANCE TOWARD BRINGING A CONCLUSION TO THE ISSUE AT AN EARLY TIME, REMARKING, "I WILL DO MY BEST TO SETTLE IT AS EARLY AS POSSIBLE." HE ALSO SUGGESTED TO CALL MAJOR NUCLEAR POWERS NOT PARTICIPATING IN THE SUMMIT FOR THEIR COMMITMENT TO THE TREATY. IN ADDITION, THE PRIME MINISTER REVEALED THAT DURING HIS MEETING WITH PRESIDENT CLINTON, THE TWO LEADERS REACHED AN AGREEMENT TO JOINTLY REQUEST RUSSIA TO ACCEPT THE CONVENTION ON THE CONTROL OF HAZARDOUS WASTES AND THEIR DISPOSAL AND TO STOP DUMPING NUCLEAR WASTES IN THE SEAS.

SECRETARY KANTOR: MY SUCCESSOR IS NOW THE NEGOTIATOR (ASAHI - PAGE 13)

THE AMERICAN CHAMBER OF COMMERCE IN JAPAN (ACCJ) ON THE 18TH HELD A BREAKFAST MEETING WITH GOVERNMENT OFFICIALS INCLUDING SECRETARY OF COMMERCE KANTOR AND SECRETARY OF STATE CHRISTOPHER. ACCJ MEMBERS ASKED THEM TO FOCUS ON THE STATE OF IMPLEMENTATION OF THE TRADE ACCORDS THAT HAVE BEEN SIGNED BETWEEN THE U.S. AND JAPANESE GOVERNMENTS SO FAR. ACCORDING TO A PARTICIPANT IN THE MEETING, SECRETARY KANTOR EXPRESSED HIS WILLINGNESS, REMARKING "MY SUCCESSOR OF THE U.S. TRADE REPRESENTATIVE (USTR) BARSHNEFSKY IS ALSO A STRONG NEGOTIATOR. I WOULD LIKE TO DEAL WITH NEGOTIATIONS (WITH JAPAN) BY UNITING THE EFFORTS OF THE COMMERCE DEPARTMENT AND USTR."

THE MEETING WAS SUPPOSED TO BE OPEN TO THE PRESS BUT THE

INVITATION WAS CANCELLED THE PREVIOUS DAY AT THE REQUEST OF THE STATE DEPARTMENT. OBSERVERS BELIEVE: "SINCE THE PURPOSE OF THE PRESIDENTIAL VISIT WAS TO DEMONSTRATE A FRIENDLY RELATIONSHIP WITH JAPAN, THE STATE DEPARTMENT DID NOT WANT EVENTS HIGHLIGHTED THAT RELATED TO THE ECONOMIC AREA AND ITS PROBLEMS."

ABOUT 230 PEOPLE ATTENDED THE BREAKFAST MEETING. THE ACCJ REPORTED THE PRESENT SITUATION OF DEREGULATION EFFORTS, U.S.-JAPAN TRADE NEGOTIATIONS, AND U.S. INVESTMENTS IN JAPAN. IT URGED THAT "ALTHOUGH THE SEMICONDUCTOR AREA HAS ENTERED INTO THE AGE OF COOPERATION FROM CONFRONTATION, A GOVERNMENTAL AGREEMENT IS STILL NECESSARY."

SECRETARY KANTOR DEMONSTRATED A "TOUGH NEGOTIATOR" IMAGE
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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAR/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; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

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TO THE LAST. HE INDICATED THAT BY EXTENDING THE SEMICONDUCTOR ACCORD WHICH RUNS OUT AT THE END OF JULY, HE WOULD LIKE TO CONTINUE SURVEYING THE MARKET SHARE OF FOREIGN SEMICONDUCTORS IN JAPAN.

QUAD TALKS START TODAY IN KOBE; FULL-FLEDGED NEGOTIATIONS ON SEMICONDUCTOR STARTS (NIHON KEIZAI - PAGE 5)

FULL-FLEDGED GOVERNMENTAL TALKS WILL START ON EXTENSION OF THE JAPAN-UNITED STATES SEMICONDUCTOR PACT. MINISTER OF INTERNATIONAL TRADE AND INDUSTRY (MITI) SHUNPEI TSUKAHARA WILL HOLD TALKS SEPARATELY WITH THE TRADE MINISTERS OF THE U.S., EUROPEAN UNION (EU) AND CANADA IN KOBE ON THE 19TH AND 20TH. JAPAN INTENDS TO INVOLVE THE EU, WHICH HAS PROTESTED THE JAPAN-U.S. ACCORD, AND TO FORWARD TO U.S. REPRESENTATIVES ITS STANCE OF "OPPOSING A RENEWAL OF THE SEMICONDUCTOR PACT." THE U.S. HAS

INSISTED ON THE NEED FOR A GOVERNMENT-LEVEL AGREEMENT. UNDER THE CIRCUMSTANCE, THE FOCUS WILL BE ON WHAT LEVEL OF GOVERNMENT INTERVENTION THE U.S. WILL CALL FOR.

IN MEETINGS WITH THE THREE MINISTERS TO BE HELD ON THE OCCASION OF THE QUAD TRADE MINISTERIAL CONFERENCE, THE MITI MINISTER WILL CONFER ON BILATERAL TRADE ISSUES, IN ADDITION TO AGENDA ITEMS FOR THE CONFERENCE. HE WILL MEET WITH U.S. TRADE REPRESENTATIVE (USTR) BARSHEVSKY ON THE MORNING OF THE 20TH..

REGARDING THE ISSUE OF EXTENSION OF THE SEMICONDUCTOR PACT, MITI MINISTER TSUKAHARA WILL FIRST COORDINATE VIEWS WITH EUROPEAN COMMITTEE VICE CHAIRMAN BRITTAIN ON THE 19TH, AND THEN WILL CONVEY TO THE U.S. REPRESENTATIVE JAPAN'S ASSERTION "EXTENSION OF THE ACCORD WILL BE UNNECESSARY. WE WILL COUNT ON PROGRESS OCCURRING IN PRIVATE-SECTOR-LEVEL TALKS BETWEEN THE JAPANESE AND U.S. INDUSTRIES."

THE U.S. HAS SHOWN A FLEXIBLE POSTURE: SECRETARY OF COMMERCE KANTOR, EVEN WHILE SAYING THAT "A NEW PACT IS NECESSARY," ADDED, "THIS WILL BE THE LAST ONE." THE U.S. GOVERNMENT HAS ALREADY TRANSMITTED TO THE JAPANESE GOVERNMENT ITS VIEW THAT "SIMPLY EXTENDING THE PACT IS UNNECESSARY, AND NO NUMERICAL TARGET WILL BE INCLUDED." PRESIDENT CLINTON STATED DURING THE JAPAN-U.S. SUMMIT MEETING, "AGREEMENT ON GOVERNMENT MONITORING IS NECESSARY." DEPENDING SPECIFICALLY ON WHAT DEGREE OF GOVERNMENT INTERVENTION BARSHEVSKY WILL SEEK, THERE IS A POSSIBILITY OF PROGRESS IN THE UPCOMING TALKS.

TRANSPORT MINISTRY ASKS U.S. TO RESTART PASSENGER TALKS (YOMIURI - PAGE 1)

THE MINISTRY OF TRANSPORT (MOT) DECIDED YESTERDAY TO OFFICIALLY REQUEST THE UNITED STATES DEPARTMENT OF TRANSPORT THAT TALKS ON PASSENGER FLIGHTS, WHICH HAVE BEEN SUSPENDED SINCE AUGUST, 1993, BE RESTARTED TO EQUALIZE BOTH SIDE' UNEQUAL FLIGHT RIGHTS UNDER THE 1952 BILATERAL CIVIL AVIATION PACT. MOT MINISTER KAMEI WILL SEND A LETTER ADDRESSED TO SECRETARY OF TRANSPORT PENA TODAY.

MOT HAS FELT U.S. OFFICIALS OUT ON RESUMPTION OF PASSENGER TALKS SINCE AGREEMENT WAS REACHED AT ALL-CARGO TALKS IN LATE MARCH, BUT WITH A "SANCTION BATTLE" OVER PERMISSION OF TRANSPORT RIGHTS NOW BREAKING OUT BETWEEN JAPAN AND THE U.S., THE MINISTRY HAS JUDGED IT NECESSARY TO RESUME TALKS SWIFTLY. SOME U.S. CARRIERS HAVE OPPOSED THAT IDEA, ANTICIPATING THEY COULD LOSE THEIR VESTED RIGHTS, BUT JAPAN INTENDS TO OFFICIALLY MAKE THE REQUEST AND PRESS U.S. TRANSPORT OFFICIALS TO MAKE A DECISION.

IN THE LETTER, JAPAN WILL STRONGLY REITERATE THE NEED FOR RESUMPTION OF TALKS, CITING AS REASONS: (1) PREPARATIONS HAVE NOW BEEN ARRANGED WITH THE ALL-CARGO TALKS BROUGHT TO SETTLEMENT; (2) DURING THE BILATERAL SUMMIT MEETING ON

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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 19

THE 17TH, AGREEMENT WAS REACHED ON THE VIEW THAT
PASSENGER TALKS ARE NECESSARY.

OZAWAQS PARTY UNHAPPY WITH HIM FOR EXPENSIVE CHARTER TO
CHINA (YOMIURI - PAGE 2)

"ISN'T IT WASTE OF MONEY?" ON THE 18TH IN A REGULAR
MEETING OF THE HATA-LED GROUP OF THE SHINSHINTO (NEW
FRONTIER PARTY), SOME EXPRESSED UNHAPPINESS WITH THE
CHARTERING OF A PLANE FOR A VISIT TO CHINA BY PARTY
PRESIDENT ICHIRO OZAWA AND OTHER LEADERS IN MAY. IN THE
BACKGROUND, THERE IS DISTRUST OF THE PARTY LEADERSHIP IN
THAT THE PARTY'S BOOKS HAVE NOT BEEN MADE OPEN AND THE
USAGE OF FUNDS IS UNCLEAR.

OZAWA, ACCOMPANIED BY SIX PARTY MEMBERS, IS EXPECTED TO
ARRIVE IN BEIJING ON MAY 3, AND MEET WITH HIGH CHINESE
OFFICIALS INCLUDING PRESIDENT JIANG Z-EMIN FROM THE 4TH.
ON THE 6TH, THE GROUP WILL VISIT CHUNGCHING, WUHAN, AND
SHANGHAI. THEY WILL RETURN HOME ON THE 12TH. REPORTEDLY
THE COST OF CHARTER WILL REACH 20 TO 30 MILLION YEN.

TOWARD THIS, DISSATISFACTION CAME FORTH AT YESTERDAY'S
MEETING OF THE HATA GROUP: "IT IS SAID THE VISIT IS THE
PARTY'S OFFICIAL EVENT. BUT WHY IS A CHARTER NEEDED?
HOW MUCH WILL IT COST?" AND "THE PARTY'S FISCAL CONDITION
IS SEVERE. THE SPENDING FOR THE VISIT SHOULD BE
CONSTRAINED."

FINANCE MINISTRY PLANNING NEW MEDIUM-TERM GUIDELINES FOR
FISCAL RECONSTRUCTION (MAINICHI - PAGE 1)

IN AN EFFORT TO COPE WITH THE SERIOUS FISCAL CRISIS

STEMMING FROM A DECREASE IN TAX REVENUES AFTER THE BURSTING OF THE BUBBLE ECONOMY, THE GOVERNMENT YESTERDAY DECIDED ON A POLICY APPROACH OF MAPPING OUT A MEDIUM-RANGE FISCAL PLAN BEFORE THE FALL. THE PROPOSED PLAN, WHICH IS EXPECTED TO BE LAUNCHED IN THE NEXT FISCAL YEAR, WILL INCLUDE SPECIFIC TARGETS FOR FISCAL RESTRUCTURING. SPECIFIC GUIDELINES FOR THE ISSUANCE OF GOVERNMENT BONDS, A REVIEW OF PUBLIC WORKS PROJECTS AND WHAT TO DO ABOUT SOCIAL WELFARE ALSO WILL BE INCLUDED IN THE PLAN. AT THE SAME TIME, IT WILL INCORPORATE THE PROPOSED HIKE OF THE CONSUMPTION TAX RATE TO "5 PERCENT FROM APRIL, 1997" AND THE ISSUE OF ABOLISHING SPECIAL TAX BREAKS FOR INCOME TAXES AND INDIVIDUAL RESIDENTS TAXES.

AS A RESULT OF A DROP IN TAX REVENUES, THE ISSUANCE OF DEFICIT-COVERING GOVERNMENT BONDS REACHED A RECORD HIGH 11.998 TRILLION YEN IN THE NEW FISCAL YEAR BUDGET. THE TOTAL AMOUNT OF GOVERNMENT BONDS, INCLUDING CONSTRUCTION BONDS, IN THE REGULAR BUDGET HAS ALSO REGISTERED THE HIGHEST AMOUNT EVER. THE OUTLOOK IS THAT THE OUTSTANDING BALANCE OF THE ISSUANCE OF GOVERNMENT BONDS AS OF THE END OF FISCAL 1996 WILL REACH 241 TRILLION YEN. FISCAL RESTRUCTURING IS, THEREFORE, OF URGENT NECESSITY.

A RANKING GOVERNMENT OFFICIAL YESTERDAY REMARKED, WITH THE PREFACING REMARK THAT "CONSIDERING THAT THE JAPANESE PEOPLE'S SAVINGS RATE IS HIGH, I DO NOT THINK THAT THE ISSUANCE OF GOVERNMENT BONDS IS ABSOLUTELY NECESSARY," "WE MUST TAKE A FRESH LOOK AT PUBLIC WORKS PROJECTS IN TERMS OF WHETHER THEY WILL REALLY SPUR DEMAND-PULL IN THE PUBLIC SECTOR. IT IS NECESSARY TO MAP OUT A MEDIUM-TERM FISCAL PLAN AFTER THE EXAMPLE OF THE MEDIUM-TERM DEFENSE POWER CONSOLIDATION PLAN (CHUKIBO)."

THE TIME LIMIT FOR RECONSIDERING THE PROPOSED HIKE OF THE CONSUMPTION TAX AS SET IN LAW IS THE END OF SEPTEMBER THIS YEAR. SOME QUARTERS IN THE GOVERNMENT ARE BEGINNING TO POINT OUT THE NECESSITY OF MAPPING OUT A MEDIUM-TERM FISCAL PLAN BEFORE THE FALL, THE ARGUMENT BEING, "IS IT ALL RIGHT TO HIKE THE CONSUMPTION TAX AND SCRAP SPECIAL TAX BREAKS? WE MUST MULL OVER ANY POSSIBLE DAMAGE SUCH AN ACTION MIGHT INCUR ON ECONOMIC RECOVERY." (POLITICAL
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UNCLAS SECTION 07 OF 07 TOKYO 003553

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 19

NEWS SECTION, REPORTER CHIYAKO SATO) BLACKBURN
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Support Cable for East Asia Brief (7 pages)	04/19/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/18/1996 - 04/25/1996]

2016-0420-F
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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]
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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 22

TOP HEADLINES

TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 003589

USIA

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

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 22

TOP HEADLINES

ASAHI: COMPUTER-RELATED INDUSTRIES, MAJOR SUPERMARKETS
LIKELY TO DOUBLE HIRING NEXT SPRING; "DUE TO COMPLETION
OF RESTRUCTURING FOR TIME BEING"; OPINION POLL BY ASAHI
SHIMBUN

NIHON KEIZAI: AUTO MAKERS TO TRIM DEVELOPMENT COST FOR
NEW MODELS BY USING ELECTRONIC COMMERCIAL TRANSACTIONS
TRADINGS; PROTOTYPE VEHICLES ALSO TO BE PRODUCED;

POSSIBLE DATA EXCHANGE GOING BEYOND KEIRETSU

TOKYO SHIMBUN: JAPAN-U.S. FINANCE MINISTERIAL; EARLY LIQUIDATION OF "JUSEN" ISSUE PLEDGED; IN AGREEMENT TO GIVE PRIORITY TO ECONOMIC RECOVERY MEASURES

MAINICHI: CTBT; TO PERSUADE CHINA TO PARTICIPATE; U.S., RUSSIAN LEADERS ARRIVE AGREEMENT; JOINT COOPERATION TO LET THE TREATY TAKE EFFECT

YOMIURI: TREATED BLOOD PRODUCTS FOR HEMOPHILIACS; NECESSARY QUANTITIES EXISTED AT TIME OF START OF SALE; HEALTH AND WELFARE MINISTRY'S DEFENSE DESTROYED

SANKEI: CHINA'S AIRCRAFT CARRIER PLANT; CONSTRUCTION NOW UNDERWAY AT THREE HOME PORTS; DEPLOYMENT FOR ACTUAL SERVICE IN 2003; PERSONNEL TRAINING CONDUCTED AT STEADY PACE, ACCORDING TO TAIWAN AUTHORITIES

QUADRILATERAL TALKS: PARTICIPANTS NOT IN STEP ON DETAILS; LITTLE APPEAL TO DEVELOPING WORLD (NIHON KEIZAI - PAGE 5)

A NUMBER OF ACCORDS, INCLUDING THE PROMOTION OF THE LIBERALIZATION OF THE TELECOMMUNICATIONS BUSINESS AND INVESTMENTS, HAVE BEEN INKED AT THE QUADRILATERAL TRADE TALKS THAT ENDED YESTERDAY. THE FOUR PARTICIPATING COUNTRIES, HOWEVER, WERE NOT QUITE IN AGREEMENT, AS CAN BE SEEN IN THE FACT THAT MANY SPECIFIC MEASURES, SUCH AS THE SETTING OF A NEGOTIATION DEADLINE FOR THE SCRAPPING OF TARIFFS ON INFORMATION AND TECHNOLOGY-RELATED PRODUCTS, HAVE BEEN DEFERRED UNTIL A LATER DATE. THEY WERE IN LOCK-STEP AGREEMENT ON WHICH AREAS THEY SHOULD ASK DEVELOPING COUNTRIES, NOW BECOMING THEIR TRADE COMPETITORS, TO OPEN MARKETS. SOME OF REQUESTS THE TALKS DECIDED TO MAKE ARE CLOSE TO INTERVENTION IN INTERNAL AFFAIRS. DEVELOPING COUNTRIES ARE BOUND TO REACT NEGATIVELY TO SUCH REQUESTS. AT PRESENT, THERE IS LITTLE CHANCE OF PERSUADING DEVELOPING COUNTRIES IN THE FOLLOW-UP WORLD TRADE ORGANIZATION (WTO) MINISTERIAL MEETING SCHEDULED FOR DECEMBER.

AT A JOINT PRESS CONFERENCE HELD AFTERWARDS, USTR BARSHEFSKY REITERATED, "THE FOUR COUNTRIES SHOULD PLAY THE ROLE OF A CATALYZER FOR MARKET-OPENING." THE PERCEPTION IS THAT IT IS IMPORTANT FOR INDUSTRIALIZED COUNTRIES TO FIRST SET EXAMPLES TO DEVELOPING COUNTRIES AND SEND A MESSAGE TO THEM THAT "LIBERALIZATION HAS SOME ADVANTAGEOUS POINTS."

IT HAS BECOME CLEAR, THOUGH, THAT EVEN AMONG INDUSTRIALIZED COUNTRIES, THERE ARE DIFFERENCES IN MOTIVES, SUCH AS THAT REGARDING THE ISSUE OF THE INFORMATION AND TECHNOLOGY AGREEMENT (ITA), THAT AIMS AT SCRAPPING TARIFFS ON INFORMATION AND TECHNOLOGY-RELATED PRODUCTS. THE EUROPEAN UNION (EU), WHICH SETS HIGH TARIFFS ON SUCH PRODUCTS, HAS PROPOSED BARGAINING POINTS. ALSO, DISCORD REMAINS OVER APPROACHES TO RESTRICTIONS ON FOREIGN CAPITAL IN THE TELECOMMUNICATIONS SERVICE

BUSINESS.

MEANWHILE, ALL THE REQUESTS THAT THE QUAD TALKS HAVE DECIDED TO MAKE TO DEVELOPING COUNTRIES HAVE TURNED OUT TO BE DIFFICULT ONES. THAT IS BECAUSE WHAT THE TALKS DECIDED AS FACTORS THAT ARE HINDERING TRADE ARE ISSUES CLOSELY CONNECTED WITH DEVELOPING COUNTRIES' INTERNAL
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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 22

AFFAIRS, SUCH AS THE TELECOMMUNICATIONS BUSINESS, WHICH IS OFTEN MONOPOLIZED BY STATE-RUN FIRMS IN THOSE COUNTRIES, RESTRICTIONS ON DIRECT INVESTMENTS FOR THE PURPOSE OF PROTECTING DOMESTIC PRODUCTS AND THE PRODUCTION AND EXPORTING OF LOW-PRICED GOODS PRODUCED UNDER POOR WORKING CONDITIONS.

DEVELOPING COUNTRIES ARE STRONGLY ALERT TO DEMANDS FOR LIBERALIZATION AT A FAST PACE. INDONESIA HAS COME UP WITH A PLAN FOR DOMESTIC-PRODUCED AUTOMOBILES THAT WOULD SHUT OUT FOREIGN CAPITAL, THE ARGUMENT BEING, "IT IS NECESSARY TO HELP DOMESTIC INDUSTRIES START UP ON THEIR OWN." NOW ONLY 11 COUNTRIES AND AREAS ARE MEMBERS OF THE GOVERNMENT PROCUREMENT AGREEMENT THAT OBLIGATES COMPETITIVE BIDDING. THE POSSIBILITY IS, THEREFORE, ONLY AN AMBIGUOUS AGREEMENT ACCEPTABLE TO BOTH INDUSTRIALIZED AND DEVELOPING COUNTRIES MAY BE REACHED AT THE WTO MINISTERIAL MEETING AT THE END OF THE YEAR.

JAPANQS MISCALCULATES AT CHIP TALKS
(NIHON KEIZAI - PAGE 5)

AT A JOINT PRESS BRIEFING HELD AFTER THE QUADRILATERAL TRADE TALKS, WHICH WOUND UP YESTERDAY, THE EUROPEAN UNION (EU) AND THE UNITED STATES (U.S.) EXCHANGED RECRIMINATIONS OVER THE PROBLEM OF THE EXTENSION OF THE

JAPAN-U.S. SEMICONDUCTOR AGREEMENT. THE FEUD IS BEGINNING TO SHOW SIGNS OF COMPLICATIONS THAT ARE REFLECTIVE OF THE DIFFERENCES IN THE MOTIVES OF JAPAN, THE U.S. AND THE EU

IT WAS EC VICE PRESIDENT BRITTAN WHO THREW A CURVE-BALL FIRST. REFERRING TO THE INFORMATION AND TECHNOLOGY AGREEMENT THAT AIMS AT SCRAPPING TARIFFS ON INFORMATION AND TECHNOLOGY-RELATED PRODUCTS, INCLUDING CHIPS, HE ASSERTED, "IN RETURN FOR THE EU'S SCRAPPING TARIFFS, WE SHOULD DEAL WITH THE ISSUE OF EU FIRMS' ENTRY INTO JAPAN'S CHIP MARKET." HE INDICATED A STANCE OF INTERTWINING THE ITA ISSUE TO ACHIEVE THE EU'S "EARNEST WISH" TO TAKE PART IN JAPAN-U.S. NEGOTIATIONS.

UPSET BY THIS STATEMENT, U.S. TRADE REPRESENTATIVE BARSHEFSKY, WHO IS SEEKING A GOVERNMENT-GOVERNMENT AGREEMENT BETWEEN JAPAN AND THE U.S., REBUTTED, "THE ITA AND THE JAPAN-U.S. SEMICONDUCTOR AGREEMENT ARE TWO DIFFERENT MATTERS."

JAPAN'S SENSE OF DISTRUST IS ALSO GROWING, ARGUING, "IT WILL BE A FREE RIDE IF THE EU, WHICH SETS HIGH TARIFFS, TAKES PART IN THE JAPAN-U.S. SEMICONDUCTOR AGREEMENT. IT IS ILLOGICAL TO INTERTWINE THE PACT WITH THE ITA, WHICH DEALS WITH THE SCRAPPING OF TARIFFS" (SENIOR OFFICIAL OF THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI)). THE DEVELOPMENT IS A GREAT MISCALCULATION FOR MITI, WHICH HAS THOUGHT THAT THE EU WOULD BE SIDING WITH JAPAN, FOR IT IS ASSERTING, "THE JAPAN-U.S. PACT IS MANAGED TRADE." JAPAN HAS NOW APPARENTLY BECOME STRAPPED WITH A NETTLESOME PROBLEM.

EU SHIFTS TACTIC ON CHIP AGREEMENT; DESIRES MORE MARKET ACCESS (MAINICHI - PAGE 3)

EUROPEAN UNION (EU) VICE CHAIRMAN BRITTAN AT A JOINT PRESS CONFERENCE HELD AFTER THE QUAD TRADE MINISTERIAL CONFERENCE ON THE 21ST REVEALED FOR THE FIRST TIME THAT IF JAPAN AND THE UNITED STATES ARE TO CONCLUDE SOME KIND OF GOVERNMENT-LEVEL SEMICONDUCTOR ACCORD AFTER THE BILATERAL PACT RUNS OUT AT THE END OF JULY, THE EU IS WILLING TO JOIN IT. THE EU HAD EXPRESSED ITS OPPOSITION TO THE CURRENT JAPAN-U.S. SEMICONDUCTOR PACT, WITH THE STANCE "WE ARE AGAINST NUMERICAL-TARGET EQUIVALENTS." BRITTAN'S STATEMENT WOULD HAVE THE EU SUPPORT A GOVERNMENT-LEVEL ACCORD BY ATTACHING THE CONDITION "IF IT IS NOT A MANAGED-TRADE-TYPE AGREEMENT" THE EU'S SWITCH IN POSTURE IS LIKELY TO HAVE SOME EFFECT ON FUTURE JAPAN-BT
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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 22

U.S. SEMICONDUCTOR TALKS.

VICE CHAIRMAN BRITTAN AT A PRESS CONFERENCE STATED, "WE
DO NOT MIND WHAT FORM THE AGREEMENT WILL TAKE, A PRIVATE-
SECTOR-LEVEL OR GOVERNMENT-LEVEL ONE, AS LONG AS IT
SERVES TO ENHANCE PRIVATE-SECTOR COOPERATION BETWEEN THE
SEMICONDUCTOR INDUSTRIES. IF A (GOVERNMENT-LEVEL)
SEMICONDUCTOR PACT IS BENEFICIAL, THE EU WOULD LIKE TO
JOIN IT." OF THE 30 PERCENT SHARE OF FOREIGN CHIPS IN
THE JAPANESE MARKET, THE SHARE OF EU PRODUCTS ACCOUNTS
FOR ONLY ONE PERCENT. THE EU APPARENTLY HAS THE GOAL OF
FURTHER ENTERING THE JAPANESE MARKET.
(SHINJI FURUTA IN THE ECONOMIC DEPARTMENT)

COMMERCE SECRETARY KANTOR SAYS JAPAN'S MARKET AS CLOSED
AS EVER (NIHON KEIZAI - PAGE 5)

(WASHINGTON, APRIL 21, TORU MACHIDA) IN AN AMERICAN
TELEVISION INTERVIEW ON THE 20TH, SECRETARY OF COMMERCE
KANTOR NOTED THAT IN THE JAPANESE MARKET, "THERE ARE
STILL PROTECTED SANCTUARIES IN THE MARKET. MARKET-ENTRY
BARRIERS ARE AS HIGH AS EVER THERE FOR AMERICAN
PRODUCTS." HE STRESSED THAT "IT IS NECESSARY" FOR THE
GOVERNMENT OF THE UNITED STATES "TO CONTINUE TO REQUEST
MARKET-OPENING IN THE FUTURE AS WELL."

SECRETARY KANTO GAVE A QUALIFIED HIGH MARKS TO CERTAIN
PROGRESS MADE IN THE JAPANESE MARKET, COMPARED WITH
BEFORE, REMARKING, "U.S. EXPORTS IN AREAS ON WHICH THE
U.S. GOVERNMENT REACHED AGREEMENTS WITH JAPAN JUMPED AS
MUCH AS 85 PERCENT OVER THE PAST THREE YEARS."

CONSUMERS SOUR ON U.S. APPLES; IMPORTS ONLY ONE TENTH OF
LEVEL EXPECTED (NIHON KEIZAI - PAGE 5, APR. 20 EDITION)

THE VOLUME OF IMPORTS OF AMERICAN APPLES, NOW MARKING THE
SECOND YEAR ON THE JAPANESE MARKET, HAS GREATLY DROPPED,
HAVING BEEN "BEATEN TO A PULP" BY DOMESTIC VARIETIES.
U.S. APPLES ARE IMPORTED FROM THE END OF THE CALENDAR
YEAR THROUGH APRIL. THE AMOUNT OF SUCH IMPORTS THIS
SEASON DROPPED TO ABOUT 850 TONS OR ABOUT ONE TENTH OF
THE AMOUNT THE YEAR BEFORE (8,500 TONS). THE MINISTRY OF

AGRICULTURE, FORESTRY AND FISHERIES BELIEVES THAT "IN ADDITION TO EFFORTS BY DOMESTIC APPLE GROWERS, U.S.-GROWN APPLES DID NOT SUIT JAPANESE PEOPLE'S PALATE."

JAPAN LIFTED A BAN ON IMPORTS OF AMERICAN APPLES IN AUGUST 1994 AFTER ESTABLISHING A SYSTEM OF EXTERMINATING NOXIOUS INSECTS. WHEN THEY WERE FIRST IMPORTED IN JANUARY 1995, PARTLY BECAUSE OF THEIR REASONABLE PRICES, U.S.-GROWN APPLES WERE PUT ON THE STORESHELVES OF MAJOR JAPANESE SUPERMARKETS.

BUT AFTER ANTISEPSIS WAS FOUND ON SOME AMERICAN APPLES IN LAST SPRING, THEIR IMAGE WAS DAMAGED. MOREOVER, "THE LACK OF A JUICY AND SWEET TASTE, LEFT MANY UNSOLD" (ACCORDING TO ONE MAJOR SUPERMARKET). REPORTEDLY, DOMESTIC APPLE-GROWERS INCREASED SUCH POPULAR VARIETIES AS "FUJI" AND "TSUGARU."

DIET SPECIAL FINANCIAL COMMITTEE TO FOCUS ON SUMMORING LDPQS KATO AS WITNESS (NIHON KEIZAI - PAGE 2)

A FULL-FLEDGED BATTLE WILL BEGIN EARLY THIS WEEK BETWEEN THE RULING AND OPPOSITION PARTIES OVER A DELIBERATION SCHEDULE AT THE LOWER HOUSE SPECIAL COMMITTEE ON FINANCIAL ISSUES, A MAJOR BATTLE=v THE RULING CAMP HAS AIMED TO HAVE THE JUSEN (HOUSING LOAN LENDERS) LIQUIDATION PACKAGE -- THE GROUND FOR INJECTION OF TREASURY FUNDS -- APPROVED WITHIN THE CURRENT DIET SESSION, WHILE THE SHINSHINTO (NEW FRONTIER PARTY) HAS CALLED FOR SUMMONING LIBERAL DEMOCRATIC PARTY (LDP) SECRETARY GENERAL KOICHI KATO (TO THE DIET), REASONING THAT SUCH SUMMONS WILL BE A PRECONDITION FOR LAUNCHING INTO DIET DELIBERATIONS.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 22

NEGOTIATIONS ARE LIKELY TO BE CONFRONTED BY MANY

DIFFICULTIES.

(SUMMONING AS WITNESS)

THE SHINSHINTO'S TACTIC IS TO STRONGLY DEMAND THE SUMMONING OF KATO AS WITNESS UNDER THE PRETEXT OF THE AGREEMENT BETWEEN THE RULING AND OPPOSITION CAMPS REACHED AT THE TIME OF THE PASSAGE OF THE FY9996 BUDGET BILL. THE RULING CAMP, HOWEVER, HAS TRIED TO CHECK THE SHINSHINTO BY CALLING FOR THE SUMMONING OF SOKA GAKKAI HONORARY CHAIRMAN DAISAKU IKEDA, ARGUING THAT "WE CAN DELIBERATE ON THE TAXATION OF RELIGIOUS CORPORATIONS" ON THE GROUNDS THAT "THE TAX SYSTEM" WAS ONE OF THE REASONS FOR ESTABLISHING THE SPECIAL COMMITTEE. THE LDP HAS NOW GEARED UP TO PREVENTING KATO'S SUMMONING BY APPOINTING SADATOSHI OZATO, WHO IS CLOSE TO KATO, TO HEAD THE SPECIAL COMMITTEE.

(HANDLING OF BILLS)

THE RULING PARTIES' STAND IS THAT WHEN THE JUSEN LIQUIDATION PACKAGE IS APPROVED, "INSTITUTIONAL PREPARATIONS" WILL BE COMPLETED FOR INJECTION OF FISCAL FUNDS AMOUNTING TO 685 BILLION YEN, WHICH WAS PART OF THE AGREEMENT REACHED BETWEEN THE RULING AND OPPOSITION CAMPS. THERE WAS A PLAN TO HAVE PACKAGE DELIBERATION THAT WOULD INCLUDE AN AMENDMENT TO THE DEPOSIT INSURANCE LAW AND BANKING-RELATED BILLS, BUT THE LDP HAS DECIDED TO ACT IN CONCERT WITH THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY, BOTH OF WHICH HAVE INSISTED ON DELIBERATING FIRST OF ALL ON THE JUSEN LIQUIDATION SCHEME.

THE SHINSHINTO'S POSITION, HOWEVER, IS THAT "WHAT THE RULING AND OPPOSITION PARTIES HAVE AGREED ON IS LINKED TO THE ENTIRE BANKING SYSTEM" (PRESIDENT ICHIRO OZAWA). THE PARTY INTENDS TO DEMAND PACKAGE DELIBERATION. THIS ISSUE AS WELL AS THE PROBLEM OF SUMMONING KATO WILL LIKELY BECOME THE FOCAL POINT IN THE DIET BATTLE BETWEEN THE RULING AND OPPOSITION PARTIES.

(EXTENSION OF THE DIET SESSION)

PARTLY BECAUSE BUDGET DELIBERATIONS HAVE BEEN CONTINUING IN THE UPPER HOUSE BUDGET COMMITTEE WHICH THE FINANCE MINISTER AND THE AGRICULTURE, FORESTRY AND FISHERIES MINISTER HAVE JOINED, DELIBERATIONS IN THE SPECIAL COMMITTEE ARE PLANNED FOR MAY 8 OR LATER, WHEN THE RULING PARTIES EXPECT THE BUDGET BILL TO HAVE BEEN APPROVED. BUT THERE IS ONLY A LITTLE MORE THAN ONE MONTH LEFT BEFORE JUNE 19, THE LAST DAY OF THE CURRENT DIET SESSION, SO SOME IN THE LDP HAVE ALREADY CALLED FOR EXTENDING THE DIET SESSION.

HOWEVER, THE SDP AND SAKIGAKE ARE WARY OF THE MOUNTING POSSIBILITY OF A DISSOLUTION OF THE LOWER HOUSE THAT WOULD BE FOLLOWED BY A GENERAL ELECTION. SET OFF BY THE PROBLEM OF WHETHER TO EXTEND THE DIET SESSION, THE UNITY

IN THE RULING CAMP MAY COLLAPSE.

ASIAN ATOMIC ENERGY SAFETY CONFERENCE: TROUBLE OVER THE
INVITATION LIST (SANKEI - PAGE 2)

IN RESPONSE TO THE PROPOSAL BY PRIME MINISTER RYUTARO
HASHIMOTO IN MOSCOW TO LAUNCH AN "ASIA ATOMIC POWER
SAFETY CONFERENCE," SUCH RELATED GOVERNMENT OFFICES AS
MINISTRY OF FOREIGN AFFAIRS (MOFA), THE MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY, AND THE SCIENCE AND
TECHNOLOGY AGENCY, WILL START PREPARATORY WORK TODAY.
THE TOUGH ISSUE WILL BE THE BASIC WORK OF SELECTING SUCH
PARTICIPANTS AS INDIA AND PAKISTAN, WITH WHICH THERE ARE
SERIOUS DIFFERENCES OVER THE DEVELOPMENT OF NUCLEAR
WEAPONS, AND CHINA, WHICH ALREADY POSSESSES NUCLEAR
WEAPONS.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 22

IN EAST ASIA, WITH PROJECTS TO CONSTRUCT NUCLEAR PLANTS
SHARPLY INCREASING RECENTLY, THE NEED FOR ASIAN REGIONAL
COOPERATION HAS BEEN UNDERScoreD WITH THE INCIDENT AT THE
CHERNOBYL NUCLEAR POWER PLANT. THE "ASIA ATOMIC POWER
SAFETY CONFERENCE" PROPOSED BY THE PRIME MINISTER FOR
TOKYO LATER THIS YEAR WILL BE A PANEL FOR WORKING-LEVEL
OFFICIALS TO EXCHANGE INFORMATION ON POWER PLANT
INCIDENTS, AS WELL AS TO DISCUSS SAFETY CONTROL OF
RADIOACTIVE WASTE, MEASURES TO PREVENT SUCH FISSIONABLE
MATERIALS AS PLUTONIUM AND HIGHLY ENRICHED URANIUM FROM
BEING USED IN TERRORIST ACTIVITIES.

MOFA INTENDS TO SWIFTLY BEGIN THE WORK OF SELECTING
PARTICIPANT COUNTRIES. YET, THERE IS THE POSSIBILITY
THAT EVEN IF THE DECISION IS MADE TO ALLOW PARTICIPATION
BY CHINA, WHICH HAS INSISTED AT TALKS OF THE

COMPREHENSIVE TEST BAN TREATY (CTBT) ON THE NECESSITY OF APPROVING "PEACEFUL NUCLEAR TESTING," AND INDIA AND PAKISTAN, WHICH HAVE NOT JOINED THE NUCLEAR NON-PROLIFERATION TREATY (NPT), THESE COUNTRIES MAY NOT BUDGE AN INCH AND REMAIN AT LOGGERHEADS AT THE CONFERENCE. BUT IF THESE "NUCLEAR SUPERPOWERS" DO NOT JOIN, THERE IS FEAR THE CONFERENCE WOULD END UP AS A NOMINAL EVENT IN EFFECT.

COALITION MISSION TO ROK TODAY TO SEEK UNDERSTANDING ON U.S.-JAPAN DEFENSE COOPERATION (YOMIURI - PAGE 3)

A DELEGATION COMPRISING OF THE THREE RULING COALITION PARTIES' POLICY-MAKING OFFICIALS, INCLUDING LIBERAL DEMOCRATIC PARTY (LDP) POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN YAMASAKI, WILL DEPART FOR SEOUL ON THE 22ND. THE MISSION IS EXPECTED TO MEET WITH PRESIDENT KIM YOUNG SAM AND OTHER HIGH OFFICIALS. THE MEMBERS WILL SEEK THEIR UNDERSTANDING FOR A STUDY ON DEFENSE COOPERATION BETWEEN JAPAN AND THE UNITED STATES "DURING EMERGENCIES IN THE FAR EAST." THEY ALSO INTEND TO ASK FOR AN EARLY START IN NEGOTIATIONS ON A JAPAN-SOUTH KOREA FISHERIES AGREEMENT, WHICH HAS BECOME A POLITICAL PROBLEM. THE RULING COALITION'S DELEGATION AIMS TO REPAIR THE BILATERAL RELATIONSHIP THAT HAS BEEN STRAINED OVER THE ISSUES OF JAPAN'S PERCEPTIONS OF ITS HISTORICAL PAST AND CLAIMS TO THE TAKESHIMA ISLANDS.

GOVERNMENT TO ESTABLISH WORKING GROUP TO TACKLE TOUGH PROBLEM OF BASE REMOVAL COSTS (TOKYO SHIMBUN - PAGE 2)

IN ORDER TO PROMOTE CONSOLIDATION, REALIGNMENT, AND REDUCTION OF U.S. BASES IN JAPAN, BASED ON THE AGREEMENT WITH THE UNITED STATES THAT INCLUDES FULL REVERSION OF FUTENMA, THE GOVERNMENT WILL LAUNCH THIS WEEK A "WORKING GROUP" WHICH WILL BEGIN A DETAILED STUDY. THE MAIN TOPICS FOR STUDY INCLUDE PERSUADING LOCAL AUTHORITIES TO ACCEPT TRANSFERRED BASE FUNCTIONS, THE USES OF RETURNED BASE SITES, AND THE PROBLEM OF TRANSFER COSTS TOTALING ONE TRILLION YEN. COORDINATION ON THESE ISSUES SHARE LIKELY TO BE DIFFICULT.

THE MAKE-UP OF THE GROUP WILL CONSIST OF DEPUTY CHIEF CABINET SECRETARY TEIJIRO FURUKAWA AS PERSON-IN-CHARGE, BUREAU DIRECTOR-GENERAL REPRESENTATIVES FROM SUCH RELEVANT AGENCIES AS THE FOREIGN MINISTRY, DEFENSE AGENCY, HOME AFFAIRS MINISTRY, AND FINANCE MINISTRY, AND OKINAWA'S DEPUTY GOVERNOR MASANORI YOSHIMOTO.

THE GREATEST TASK WILL BE TO PERSUADE THE LOCAL COMMUNITY DESIGNATED AS THE LOCATION FOR TRANSFERRED BASE FUNCTIONS. ALREADY THE KADENA TOWN ASSEMBLY AND THE CHATAN TOWN ASSEMBLY HAVE PASSED RESOLUTIONS OPPOSING BEING THE LOCATION FOR THE HELICOPTER UNIT FROM FUTENMA AIR STATION. THERE IS ALSO STRONG OPPOSITION FOR IWAKUNI CITY IN YAMAGUCHI PREFECTURE AGAINST THE RELOCATION OF AN AIR REFUELING AIRCRAFT SQUADRON.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 22

COLLECTIVE SECURITY DEBATE RUNNING INTO ROADBLOCK --
INSIDE THE SHINSHINTO (MAINICHI - PAGE 2)

WITH THE RECENT JAPAN-U.S. SUMMIT MEETING AS AN
OPPORTUNITY, THERE ARE NOW LIVELY ARGUMENTS OVER SECURITY
ISSUES, SUCH AS THE PROPRIETY OF (USING) THE RIGHT OF
COLLECTIVE SELF-DEFENSE (SHUDANTEKI JIEIKEN). BUT,
WITHIN THE SHINSHINTO (NEW FRONTIER PARTY), WHICH IS SAID
TO BE "MORE HAWKISH THAN THE GOVERNING PARTIES," CAUTIOUS
VIEWS ARE DEEP-ROOTED AMONG ITS DIETMEMBERS FROM THE
FORMER KOMEITO PARTY SUPPORTED BY SOKA GAKKAI. REGARDING
SUCH MATTERS AS SECURITY AND FOREIGN AFFAIRS, THE
SHINSHINTO WILL FORMULATE A PACKAGE OF POLICIES WITHIN
THE CURRENT DIET SESSION, AIMING AT A GENERAL ELECTION
(OF THE LOWER HOUSE) TO BE HELD NEXT TIME. THE
SHINSHINTO LEADERSHIP, HOWEVER, WILL LIKELY BE URGED TO
DEAL WITH THE WORK WHILE MEASURING A DISTANCE WITH THOSE
DIETMEMBERS FROM THE FORMER KOMEITO PARTY.

ON APRIL 12, AN ORGAN PAPER OF THE "KOMEI," A POLITICAL
PARTY MADE UP OF UPPER HOUSE MEMBERS AND LOCAL ASSEMBLY
MEMBERS, CARRIED A CONTRIBUTION WITH A BIG HEADLINE. IT
CRITICIZED THE PRIVATE PLAN WORKED OUT THIS FEBRUARY BY
SHOZO AZUMA, WHO CAPTAINS THE SHINSHINTO'S "SECURITY
AFFAIRS LAW PROJECT TEAM," FOR ITS APPROVAL OF THE RIGHT
OF COLLECTIVE SELF-DEFENSE ON THE GROUNDS OF THE UNITED
NATIONS CHARTER'S SPIRIT. THE LETTER WAS CARRIED RIGHT
AFTER (ICHIRO) OZAWA CHANGED HIS CAUTIOUS VIEW OF THE
RIGHT OF COLLECTIVE SELF-DEFENSE TO AN OPINION SAYING IT
IS "CONSTITUTIONAL." SO, THE LETTER IS TAKEN AS "SOKA
GAKKAI'S OBJECTION," ACCORDING TO A JUNIOR DIETMEMBER IN
THE SHINSHINTO.

LOWER HOUSE MEMBER MASAO AKAMATSU IN THE FORMER KOMEITO GROUP POSED AN INTERPELLATION AT A LOWER HOUSE SECURITY AFFAIRS COMMITTEE MEETING HELD ON APRIL 11, THE DAY BEFORE THE CONTRIBUTION WAS CARRIED IN THAT ORGAN PAPER, AND THEN HE HAD THE GOVERNMENT REAFFIRM THAT THE RIGHT OF COLLECTIVE SELF-DEFENSE CANNOT BE USED BY MODIFYING THE INTERPRETATION OF THE CONSTITUTION. AKAMATSU STRESSES, "NOW THAT THE SOCIAL DEMOCRATIC PARTY HAS CHANGED, THE FORMER KOMEITO WILL HAVE TO FULFILL A DOVISH ROLE." MOREOVER, AZUMA IS ONE OF THE SHINSHINTO DIETMEMBERS FROM THE FORMER KOMEITO PARTY. SO, ONE OF HIS COLLEAGUES IN THE PARTY SAYS CRITICALLY, "THOSE AROUND OUR PARTY MAY TAKE ADVANTAGE OF IT, SOUNDING AS IF SOKA GAKKAI HAD SHOWN ITS UNDERSTANDING FOR THE RIGHT OF COLLECTIVE SELF-DEFENSE."

EVEN SO, HOWEVER, SOME OF THE SHINSHINTO DIETMEMBERS FROM THE FORMER KOMEITO PARTY ARE ASPIRING TO REVISE ARTICLE 9 OF THE CONSTITUTION, GOING FURTHER THAN TO AFFIRM THE RIGHT OF COLLECTIVE SELF-DEFENSE. ON THE CONTRARY, SOME OF THE SHINSHINTO DIETMEMBERS FROM THE LIBERAL DEMOCRATIC PARTY ARE CAUTIOUS ABOUT THE RIGHT OF COLLECTIVE SELF-DEFENSE. AS SEEN IN THIS, THE SHINSHINTO, ACTUALLY, IS STILL IN A STATE OF CHAOS.

THERE IS A POSSIBILITY THAT DIFFERENT STANCES OVER SECURITY AFFAIRS MAY LEAD TO ANOTHER ROUND OF POLITICAL REALIGNMENT. ALL THE MORE FOR THIS REASON, SOME IN THE RULING COALITION ARE EXPECTING THAT "SUCH WILL BECOME AN OPPORTUNITY FOR SOKA GAKKAI TO BREAK AWAY FROM THE SHINSHINTO" (ACCORDING TO AN SDP LEADER). ON THE OTHER HAND, HOWEVER, IT IS ALSO TRUE THAT THOSE FROM THE FORMER KOMEITO PARTY ARE STRONGLY HESITANT TO HAVE IT DIRECTLY LEAD TO ANOTHER POLITICAL REALIGNMENT, ONE REMARKING, "WE DON'T WANT TO MAKE IT ANYTHING LIKE AN ANTI-OZAWA FACTIONAL MOVE."

(KEN YAMADA) BLACKBURN

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LINE2: ZNR UUUUU ZZH
LINE3: R 221001Z APR 96
LINE4: FM AMCONSUL NAHA
OSRI: RUWFSGG
DTG: 221001Z APR 96
ORIG: AMCONSUL NAHA
TO: RUEHC/SECSTATE WASHINGTON DC 3409
RUEKJCS/SECDEF WASHINGTON DC//USDP:ISA/OATSD:PA/DPL/DDI//
RUEKJCS/JOINT STAFF WASHINGTON DC
RUEHKO/AMEMBASSY TOKYO//1035//
INFO: RHHMUNA/USCINCPAC HONOLULU HI//00//
RHHMHAH/CINCPACFLT PEARL HARBOR HI//00//
RUHPHMS/COMMARFORPAC//CG/DCG/PAO//
RUEACMC/CMC WASHINGTON DC//PP&O/DIRPA/POLAD/PA//
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RUAHYAF/5AF YOKOTA AB JA
RUAGJHA/CDRUSARJ-IX CORPS CP ZAMA JA//APAJ-CG/GE//
RUYLSDE/NAVSECGRUACT HANZA JA//00//
SUBJ: FURTHER OKINAWAN REACTION TO PRESIDENTIAL VISIT
TEXT: UNCLAS NAHA 00233

USCINCPAC ALSO FOR FPA SALMON
TOKYO PLEASE PASS FUKUOKA
DOD/ISA PLEASE PASS TO SAKODA

PAGE 03 RUWFSGG4934 UNCLAS NAHA 0233
SENSITIVE BUT UNCLASSIFIED

E.O. 12958:N/A
TAGS: MARR, PGOV, JA
SUBJECT: FURTHER OKINAWAN REACTION TO PRESIDENTIAL VISIT
AND SACO: NOTES FROM A RECEPTION

REF: A) NAHA 0226, B) NAHA 0222

1. SENSITIVE BUT UNCLASSIFIED. PROTECT ACCORDINGLY.

2. ON APRIL 19, CONGEN ATTENDED A RECEPTION HOSTED BY THE
CHAIRMAN OF OKINAWA CELLULAR TELEPHONE COMPANY (CELEBRATING
SALES OF 50,000 CELLULAR PHONES). SEVERAL HUNDRED OKINAWAN
BUSINESS AND POLITICAL FIGURES ATTENDED, PRESENTING A
FURTHER OPPORTUNITY TO SAMPLE REACTION TO THE PRESIDENT'S
VISIT AND THE SACO INTERIM REPORT. MANY OF THE GUESTS
APPROACHED CONGEN SPONTANEOUSLY, TO EXPRESS THEIR PLEASURE

AND CONGRATULATIONS OVER THE OUTCOME OF THE LAST WEEK'S EVENTS. AS WOULD BE EXPECTED, THE SURPRISE ANNOUNCEMENT ON

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RETURNING FUTENMA WAS THE FOCUS OF THEIR ATTENTION. IN HIS OPENING REMARKS, THE HOST, KEIICHI INAMINE, POINTED OUT THAT ALL OKINAWANS WERE GRATEFUL FOR THE DECISION ON FUTENMA.

2. DR. MASAHARU AGARIE, PRESIDENT OF MEIO UNIVERSITY, SAID HE BELIEVED THE VISIT AND THE SACO PROCESS REPRESENTED A GREAT SUCCESS. VICE CHAIRMAN SHINGAKI OF THE URASOE CHAMBER OF COMMERCE WAS PLEASED WITH THE SACO REPORT'S REFERENCE TO ACCELERATING RETURN OF NAHA MILITARY PORT. SHINGAKI SAID HE HOPED FOR RAPID PROGRESS ON MOVING THE PORT TO URASOE.

3. WHEN ASKED FOR HIS VIEWS, OKINAWA TIMES PRESIDENT TOYOHIRA SAID DECISION TO RETURN FUTENMA WAS "UNPREDICTED" AND THEREFORE ALL THE MORE WELCOME. ALTHOUGH HE HEADS A NEWSPAPER WHICH IS RELENTLESSLY PACIFISTIC, HE WAS CLEARLY IMPRESSED WITH THE SCOPE OF THE BILATERAL EFFORT TO RESOLVE BASE PROBLEMS. (REGRETTABLY, THERE IS NO REASON TO BELIEVE THAT HIS PRIVATELY EXPRESSED OPINION WILL HAVE MUCH EFFECT

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ON THE PAPER'S EDITORIALS.)

4. IN CONTRAST TO THE OTHERS CONGEN SPOKE WITH, PREFECTURAL ASSEMBLY SPEAKER CHIKEN KAKAZU (LDP) WAS RATHER GLUM. HE WAS CLEARLY WORRIED THAT THE CONSERVATIVES (LDP AND THE OPPOSITION SHINSHINTO) WOULD LOSE THEIR ASSEMBLY MAJORITY IN THE JUNE ELECTION. NOTING THAT THE CONSERVATIVE BASE LANDOWNERS (OVER 90 PERCENT OF THE 31,000 TOTAL) COMPRISE A KEY LDP CONSTITUENCY, KAKAZU SAID HE DIDN'T KNOW YET WHETHER THE SACO RESULTS WOULD BE "A PLUS OR A MINUS" FOR THE OKINAWAN LDP. HE ADDED THAT HE WAS UNSURE OF HIS OWN RE-ELECTION PROSPECTS.

5. COMMENT: THE ABOVE IS A SMALL SAMPLING OF THE 300 OR SO GUESTS AT THE RECEPTION, BUT EXCEPT FOR THE ASSEMBLY SPEAKER'S PESSIMISM, MOST WERE PLEASED AT THE RESULTS OF THE SACO PROCESS AND THE PRESIDENT'S VISIT. THIS IS CONSISTENT WITH THE OVERALL REACTION WE HAVE SEEN, WITH THE NOTABLE EXCEPTION OF THE TOWNS NEAR KADENA WHICH FEAR THEY WILL BE CHOSEN AS THE SITE OF THE REPLACEMENT FOR FUTENMA

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(REFS). THE GENERAL REACTION, HOWEVER, HAS CONFIRMED OUR EXPECTATION THAT MOST REASONABLE OKINAWANS WOULD VIEW THE OVERALL RESULT OF THE SACO INTERIM REPORT AS A STRENUOUS EFFORT BY THE USG AND THE GOJ TO ALLEVIATE OKINAWA'S

BURDEN.
O'NEILL//
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SECT: SECTION: 01 OF 01

SSN: 4934

TOR: 960421230211 M2191146

DIST:

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RUHPHQ/CDR JTF-FA HONOLULU HI//J2//
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RUEAIIS/STORAGE CENTER FBIS RESTON VA
ACCT FBWA-EWDK

INFO: ////

SUBJ: FBIS FOREIGN MEDIA NOTE-22APR96--TOKYO ON SUMMIT

TEXT:

UNCLAS 4Z/LD

WARNING: (THE FOLLOWING ITEM IS INTENDED FOR USE ONLY BY
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SERIAL: WA2304015396
PASS: ATTN BLOUGH/MILLER
ATTN BBC RDSUP

COUNTRY: JAPAN

SUBJ: FBIS FOREIGN MEDIA NOTE-22APR96--TOKYO ON SUMMIT

SOURCE: FOREIGN BROADCAST INFORMATION SERVICE

TEXT:

Japan-U.S.: Japanese Media Praise Summit, Voice Concerns

[FBIS Media Analysis] While Japanese media coverage of President Clinton's visit to Japan has been generally positive, some commentators writing in the national media have expressed concerns about what they see as the expanding scope of the bilateral security relationship. Okinawan media coverage of the outcome of the visit has, by contrast, been largely negative, criticizing even the plans to return some of the U.S. bases on the island.

Government, Business Reaction

Public comments by Japanese Government officials and leaders of Japan's influential business community on the base reduction package and security declaration have been almost euphoric, with business leaders particularly welcoming the reduced emphasis on economic issues.

-- A Foreign Ministry spokesman told reporters on 17 April that the government was "very happy with what was achieved" during the President's visit and that it "fully lived up to our expectations and perhaps achieved more" than Tokyo anticipated ((Internet) Minister of Foreign Affairs WW, 17 April).

-- Jiro Ushio, the head of the Japan Association of Corporate Executives, which just before the summit issued a document calling for broader Japanese support of U.S. military activities during crises, told the 18 April Mainichi Shimbun that the summit showed that the bilateral relationship had "matured to the point where there was no need to discuss individual economic problems."

Mixed Media Reaction

Withdrawal/Redaction Marker

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003. cable	Re: FBIS Foreign media Note-Tokyo on Summit [partial] (1 page)	04/23/1996	P3/b(3)

COLLECTION:

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

[04/18/1996 - 04/25/1996]

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RESTRICTION CODES

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

Media commentators, by contrast, have taken a much more mixed view of the initiatives announced in connection with the President's visit.

-- In an article in the 18 April Asahi Shimbun, Tadashi Nishihara, a professor at the National Defense Academy, praised the summit for making Japan "look more like an ally" and called on the government to "seriously think about what it should and should not do" during future international crises, to avoid situations like the Gulf War, when Tokyo was criticized for not becoming involved in military support activities.

-- An editorial in the 18 April Sankei Shimbun stated that the U.S. decision to return Futenma Air Base indicates that Washington has decided to "give top priority to security in its policy toward Japan. Like editorials in Yomiuri Shimbun and Nihon Keizai shimbun the same day, it urged the Japanese Government to seriously examine ways Japan can cooperate with Washington during military crises so as not to "forfeit" Washington's "goodwill" in returning Futenma.

-- By contrast, an article in the 18 April Mainichi Shimbun, which has often expressed reservations about broadening Japanese military and political involvement outside Japan, warned that review of the defense guidelines could lead to "violations of the Constitution" and "further increases in the burdens borne by Japan."

Okinawan Reaction

Okinawan media reaction to the initiatives announced immediately before and during the summit has continued to be largely negative.

-- A poll conducted by Ryukyu Shimpo, one of the two main Okinawan newspapers, just after the President's visit on 19 April, indicated that 59 percent of those polled were either "dissatisfied" with the base consolidations and reductions announced just before the visit or thought they would be "difficult to implement." Only 25 percent saw the reductions as "a major step forward."

Both of Okinawa's two main newspapers, which have long been hostile to the U.S. bases on the islands, criticized the base consolidation plan and the security declaration.

-- An editorial in the 18 April Ryukyu Shimpo welcomed the return of Futenma Air Base, but asserted that most items in the base consolidation package involve "relocations within Okinawa"--a situation, it argued, that suggests that there will "not be much change in the condition of the military bases on this island."

-- An editorial the same day in the Okinawa Times echoed these points and also expressed concern that Japan's commitment to review its guidelines on defense cooperation with Washington "threaten the integrity of [Japan's] peace constitution."

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SECT: SECTION: 01 OF 01

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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 23

TOP HEADLINES

TEXT:
UNCLAS SECTION 01 OF 07 TOKYO 003638

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAR/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; CINCPACFLT/PA; COMUSJ/PA;
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 23

TOP HEADLINES

ASAHI: HEALTH AND WELFARE MINISTRY INTENDS TO PUT OFF
ADOPTION IN 1997 OF NURSING INSURANCE; ELDERLY HEALTH AND
WELFARE COUNCIL'S FINAL REPORT SHOW PROS AND CONS OVER
PAYMENT OF CASH

NIHON KEIZAI: PUBLIC OPINION SURVEY: HASHIMOTO CABINET'S
APPROVAL RATING RAPIDLY RECOVERS TO 48 PERCENT; 70
PERCENT THINK HIGHLY OF FUTENMA REVERSION; CAUTIOUS

OPINIONS CONSPICUOUS ABOUT STRENGTHENING JAPAN-U.S.
DEFENSE COOPERATION (TRANSLATION BELOW)

TOKYO SHIMBUN: ELDERLY HEALTH AND WELFARE COUNCIL'S FINAL
REPORT; USER SIDE TO PAY 10 PERCENT OF THE COST;
RECIPIENTS TO BE AT AGE OF 65 OR MORE IN PRINCIPLE; PROS
AND CONS INDICATED ABOUT PAYMENT OF CASH; AIMING AT
IMPLEMENTATION IN FY1998

MAINICHI: TOKYO DISTRICT PUBLIC PROSECUTORS' OFFICE TO
ELUCIDATE COZY RELATIONS BETWEEN ABE-HEADED FOUNDATION
AND PHARMACEUTICAL FIRMS; INVESTIGATION OF DEPOSITS IN
AND WITHDRAWALS FROM BANK ACCOUNT

YOMIURI: DAIWA BANK, SUMITOMO BANK NOW FREEZE THEIR
NEGOTIATIONS ON MERGER; DAIWA BANK STRIVES FOR
RECONSTRUCTION INDEPENDENTLY; POSSIBILITY OF EVERYTHING
GOING BACK TO THE START

SANKEI: ADOPTION OF NURSING INSURANCE TO BE POSTPONED TO
FY1998; ELDERLY HEALTH AND WELFARE COUNCIL'S FINAL
REPORT; MANAGEMENT BY CENTRAL GOVERNMENT, AND CITY, TOWN
AND VILLAGE PUT DOWN; 50 PERCENT TO BE PAID FROM PUBLIC
MONEY; THOSE WHO ARE 65 YEARS OLD CAN RECEIVE AND THOSE
AT AGE OF 20 OR MORE HAVE TO BEAR THE COST

NIKKEI POLL: 48 PERCENT SUPPORT RATE FOR HASHIMOTO, BUT
WARINESS ON DEFENSE COOPERATION (NIHON KEIZAI - TOP PLAY)

THE NIHON KEIZAI SHIMBUN CONDUCTED A NATIONWIDE TELEPHONE-
BASED PUBLIC OPINION POLL OVER THE PERIOD OF THREE DAYS
FROM APRIL 19 TO 21. THE RATE OF SUPPORT FOR THE
HASHIMOTO CABINET WAS 48.3 PERCENT, SHOWING AN INCREASE
OF 11.6 PERCENTAGE POINTS OVER THE LAST SURVEY CONDUCTED
IN MARCH, A RAPID RECOVERY. REGARDING THE RECENTLY
ANNOUNCED AGREEMENT ON THE U.S. FORCES' OVERALL RETURN OF
FUTENMA AIR STATION IN OKINAWA, 70 PERCENT OF THOSE
POLLED ANSWERED THAT IT "CAN BE APPRECIATED." ABOUT THE
AGREEMENT REACHED AT THE EARLIER JAPAN-U.S. SUMMIT
MEETING ON STEPPING UP DEFENSE COOPERATION (BETWEEN JAPAN
AND THE U.S.), THE RATE OF THOSE WHO SHOWED CAUTIOUS
VIEWS WAS CONSPICUOUS, AS SEEN BY HALF OF THE RESPONDENTS
ANSWERING THAT THEY WERE "AGAINST" JAPAN-U.S. DEFENSE
COOPERATION THAT WOULD HYPOTHEZIZE A CONFLICT ON THE
KOREAN PENINSULA OR IN OTHER AREAS.

CLEAR DIFFERENCES SURFACE BETWEEN HASHIMOTO AND OZAWA ON
SECURITY ROLE AND CONSTITUTION (MAINICHI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO IS TRYING TO AVOID A
DEBATE ON THE CONSTITUTION REGARDING COOPERATION BETWEEN
JAPAN AND THE U.S. IN TIMES OF EMERGENCY, WHILE
SHINSHINTO (NEW FRONTIER PARTY) PRESIDENT ICHIRO OZAWA IS
INSISTING ON COMBINING DEBATES ON BOTH NATIONAL SECURITY
AND THE CONSTITUTION. THE PRIME MINISTER AND OZAWA MET
ON APRIL 22, FOCUSING ON DIPLOMATIC AND SECURITY ISSUES,
BUT THEIR MEETING MADE CLEAR THE DIFFERENCE BETWEEN THEIR
RESPECTIVE STANDPOINTS OVER "SECURITY AND THE

CONSTITUTION." IT SEEMS THAT THE PRIME MINISTER WOULD LIKE TO REACH A CONCLUSION AT AN EARLY DATE OVER THE CONSTITUTIONAL DEBATE WITHOUT IRRITATING PUBLIC OPINION. MOREOVER, THE PRIME MINISTER APPARENTLY IS TAKING INTO CONSIDERATION THE SOCIAL DEMOCRATIC PARTY AND THE SAKIGAKE PARTY AS HIS PARTY'S COALITION PARTNERS. HOWEVER, OZAWA SEEMS TO BE AIMING AT DEVELOPING A
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UNCLAS SECTION 02 OF 07 TOKYO 003638

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAR/J; STATE PASS T 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; CINCPACFLT/PA; COMUSJ/PA;
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 23

SECURITY DEBATE, WITH AN EYE TO ANOTHER ROUND OF
POLITICAL REALIGNMENT, BY POINTING OUT THE DIFFERENCE
BETWEEN THE "SHINSHINTO POLICY LINE AND THE "LDP
(LIBERAL DEMOCRATIC PARTY)-SDP-SAKIGAKE COALITION POLICY
LINE."

AT THE PARTY-HEAD TALKS, THE TWO DISCUSSED THE JAPAN-U.S.
AGREEMENT TO REVIEWING THE GUIDELINES FOR JAPAN-U.S.
DEFENSE COOPERATION. THE PRIME MINISTER THEN STATED THE
GOVERNMENT WOULD STUDY SPECIFIC EMERGENCY CASES IN THE
FAR EAST. BUT OZAWA SET FORTH HIS OPINION, "WE
(SHINSHINTO) ARE DISCUSSING THE BASIC ISSUES SO THAT WE
WILL REACH A LOGICAL CONCLUSION. WE MAY LEAVE SPECIFIC
MATTERS TO THE BUREAUCRACY." OZAWA THUS CRITICIZED THE
PRIME MINISTER FOR SIDESTEPPING CONSTITUTIONAL DEBATE.
OZAWA ALSO REMARKED IN TOYAMA CITY ON APRIL 16: "SINCE IT
IS UNABLE TO DO ANYTHING LOGICAL EVEN ABOUT (THE SELF-
DEFENSE FORCES') PARTICIPATION IN UNITED NATIONS
PEACEKEEPING OPERATIONS (PKO), THE GOVERNMENT IS FAR FROM
BEING ABLE TO DO (DEBATE) ANYTHING ABOUT THE RIGHT OF
COLLECTIVE SELF-DEFENSE (SHUDANTEKI JIEIKEN). OZAWA'S
REMARK AIMED TO CHECK THE COALITION GOVERNMENT. HE
INTENDS TO START A RESEARCH COMMITTEE ON CONSTITUTIONAL
PROBLEMS IN THE SHINSHINTO THIS MONTH AT THE EARLIEST.

OZAWA'S POSITION IS THAT USE OF THE RIGHT OF COLLECTIVE

SELF-DEFENSE ALSO CAN BE DONE UNDER THE PRESENT CONSTITUTION. HOWEVER, THE PRIME MINISTER ATTENDED A TOP-LEVEL LIAISON CONFERENCE OF THE GOVERNMENT AND THE RULING PARTIES AFTER HIS MEETING WITH OZAWA, AND HE THERE STATED, "I'M DISGUSTED WITH PEOPLE WHO ARE INSISTING ON LEGISLATION FOR EMERGENCIES OR A REVISION OF THE CONSTITUTION." THE PRIME MINISTER SO BRUSHED OFF SOME SHINSHINTO DIETMEMBERS' ARGUMENTS CALLING FOR A REVISION OF THE CONSTITUTION.

AS FOR A REVIEW OF THE GUIDELINES, THE JAPANESE AND U.S. GOVERNMENTS ARE EXPECTED TO OBTAIN CERTAIN PROSPECTS BY THE FALL OF THIS YEAR. BUT, IF IT SHOULD BE INTERTWINED WITH THE CONSTITUTION, PUBLIC OPINION AND INTRA-COALITION ARGUMENTS WILL PRESUMABLY HEAT UP, AND DOMESTIC COORDINATION WOULD BE DIFFICULT. FOR THIS REASON, THE PRIME MINISTER NOTED (AT A PRESS CONFERENCE ON APRIL 17 AFTER THE JAPAN-U.S. SUMMIT MEETING) THAT "IT IS UNFORTUNATE THAT SUCH STARTS FROM AN IDEOLOGICAL ARGUMENT," AND HE WOULD LIKE TO FORMULATE DOMESTIC CONSENSUS AS EARLY AS POSSIBLE WHILE AVOIDING A DISCUSSION OF MATTERS REGARDING THE CONSTITUTION.

EVEN SO, HOWEVER, THE HASHIMOTO-OZAWA MEETING HELD ON THE 19TH OF LAST MONTH WAS FOCUSED ON THE KOREAN PENINSULA SITUATION AND CHINA-TAIWAN RELATIONS, AND THE TWO ARE SAID TO HAVE AGREED ON THE SECURITY ARRANGEMENT. COOPERATION IN TIMES OF EMERGENCY IS A SUBJECT MATTER THAT MAY SHAKE THE FOUNDATION OF THE LDP-SDP-SAKIGAKE COALITION GOVERNMENT, DEPENDING ON HOW TO HANDLE IT. DEPENDING ON CIRCUMSTANCES, SUCH WOULD LEAD TO POLITICAL REALIGNMENT "ENVISIONING A CONSERVATIVE-CONSERVATIVE ALLIANCE" (ACCORDING TO ANSDP LEADER). ALL THE MORE FOR THIS REASON, THE FUTURE COURSE OF THEIR DEBATES ARE TO BE WATCHED. (HIROSHI KOMATSU, KATSUYOSHI KIYOMIYA)

KAJIYAMA AND KATO: NEED FOR NEW LAWS AND AMENDED LAWS TO MEET EMERGENCIES (NIHON KEIZAI - PAGE 2)

YESTERDAY, A MEETING WAS HELD IN THE DIET BETWEEN CHIEF CABINET SECRETARY SEIROKU KAJIYAMA AND LIBERAL DEMOCRATIC PARTY (LDP) SECRETARY GENERAL KOICHI KATO TO DISCUSS WHAT THE GOVERNMENT'S BILATERAL DEFENSE-COOPERATION RESPONSE

SH ta

RHHMNA/USCINCPAC HONOLULU HI//USIA//

RUEKJCS/JOINT STAFF WASHDC//J5//

RUEKJCS/SECDEF WASHDC

RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//

RHEHAAA/WHITEHOUSE WASHDC

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EAR/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; CINCPACFLT/PA; COMUSJ/PA;
COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 23

CORPS SAID: "WE NEED TO LIST ALL POSSIBLE (EMERGENCY) CASES. IN SOME CASES, LEGISLATION MAY BE UNNECESSARY, BUT OTHERS WOULD REQUIRE NEW LEGISLATION. BECAUSE THERE IS NO LAW, WE NEED TO STUDY SUCH OPTIONS." HE THEN INDICATED HIS INTENTION TO CONDUCT A STUDY ENVISAGING CHANGING THE LAW.

KATO IN A PRESS BRIEFING LD THAT EVENING REMARKED: "THERE IS NOW NO EMERGENCY LEGISLATION, BUT WHEN WE CONSIDER WHAT ACTION WOULD BE PROPER TO TAKE, THE PHRASE THAT HAS PREVENTED US FROM DOING ANYTHING IS: 'WITHIN THE SCOPE COVERED BY EXISISTING LAW.'" THAT REMARK IS MEANT AS MODIFYING THE STATEMENT COMPILED ON APRIL 17 BY THE THREE RULING PARTIES IN RESPONSE TO THE RELEASE OF THE JAPAN-U.S. JOINT SECURITY DECLARATION THAT INCLUDES THE WORDING, "WILL FACILITATE A STUDY UNDER THE CONSTITUTION AND RELATED LAWS AND ORDINANCES."

A HIGH-LEVEL GOVERNMENT OFFICIAL ALSO THAT EVENING POINTED OUT: "IT WOULD BE A LIE TO SAY WE DO NOT PLAN TO LEGISLATE AGAINST EMERGENCIES. ALTHOUGH THERE IS THE STATEMENT THAT WE WILL TACKLE SUCH WITHIN THE FRAMEWORK OF THE CURRENT LEGAL SYSTEM, HARDLY ANY RELEVANT LEGISLATION EXISTS, SO WE HAVE TO ENACT A NUMBER OF NEW LAWS."

PRIME MINISTER: NO EXPANSION OF DEFENSE SCOPE BEYOND FAR EAST (NIHON KEIZAI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO IN THE UPPER HOUSE PLENARY SESSION HELD ON APRIL 22 REFERRED TO THE PHRASE, "THE ASIA-PACIFIC REGION," WHICH IS EMPLOYED IN THE JAPAN-U.S. JOINT SECURITY DECLARATION ISSUED AFTER THE JAPAN-U.S. SUMMIT ON THE 17TH, AND POINTED OUT, "(THAT PHRASE) MEANS THAT THE U.S.'S PRESENCE IN THIS REGION HAS FUNCTIONED AS A STABILIZING FACTOR," STRESSING HE DID NOT INTEND TO BROADEN THE SCOPE OF THE "FAR EAST" REGION WHICH IS COVERED BY THE U.S.-JAPAN SECURITY TREATY. HE ALSO SHOWED HIS OPINION ABOUT THE SPHERE COVERED BY THE ASIA-PACIFIC REGION: "IT DOES NOT DEFINE A CERTAIN AREA, BUT IF PRESSED I WOULD SAY IT BEARS IN MIND BOTH EAST ASIA AND THE PACIFIC."

FOREIGN MINISTER FLEXIBLY DEFENSE CONDITIONS FOR FAR EAST EMERGENCY (ASAHI - PAGE 2)

REGARDING THE GEOGRAPHICAL AREA TO BE COVERED BY A STUDY OF POSSIBLE EMERGENCIES IN THE FAR EAST, AS IS SPECIFIED IN THE JAPAN-UNITED STATES JOINT SECURITY DECLARATION,

FOREIGN MINISTER YUKIHIKO IKEDA IN THE UPPER HOUSE
PLENARY SESSION HELD ON APRIL 22 STATED: "IT IS REGARDED
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HIS STATEMENT IS INTERPRETED AS THE FIRST VIEW SHOWING
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IS SHOWN IN THE UNIFIED GOVERNMENT VIEW, THE JAPANESE AND
U.S. GOVERNMENT WILL FACILITATE THE STUDIES OF
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THE JAPAN-U.S. JOINT SECURITY DECLARATION HAS SPECIFIED A
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USIA

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ENVIRONMENT WILL VARY, IT CANNOT BE CHARACTERIZED AS SOMETHING THAT CAN BE DEPICTED IN A CLEAR-CUT MANNER."

CHINESE LEADERS MEET LDP DELEGATION, URGE CAUTIOUS RESPONSE BY JAPAN TO DEFENSE COOPERATION (ASAHI - PAGE 2)

(BEIJING, APRIL 22, TOSHIHIRO SHIROISHI) THE LIBERAL DEMOCRATIC PARTY'S (LDP) DELEGATION TO CHINA (LED BY GENERAL AFFAIRS COUNCIL CHAIRMAN SEIJURO SHIOKAWA) MET WITH VICE CHIEF OF GENERAL STAFF XIONG OF THE PEOPLE'S LIBERATION ARMY IN BEIJING ON THE 22ND. COMMENTING ON THE JOINT SECURITY DECLARATION, WHICH INCORPORATED JAPAN-UNITED STATES DEFENSE COOPERATION ON THE ASSUMPTION OF CONTINGENCIES IN THE FAR EAST REGION, XIONG URGED THE MISSION MEMBERS TO TAKE A PRUDENT APPROACH, SAYING "WE HOPE THAT (THE JAPAN-U.S. SECURITY TREATY) WILL NOT GO BEYOND THE FRAMEWORK OF BILATERAL ISSUES. OTHERWISE, COMPLEX ISSUES PROBLEMS MIGHT ARISE IN THE REGION." HE ALSO STATED, "GOING BACK IN HISTORY, CHINA WAS MENACED BY THE UNITED KINGDOM, JAPAN, THE UNITED STATES AND FORMER SOVIET UNION, BUT THERE IS NO ACTUAL THREAT TO CHINA AT PRESENT." HE INDICATED THAT CHINA WOULD MAKE EFFORTS TO ENHANCE FRIENDLY RELATIONS WITH ITS NEIGHBORING

COUNTRIES.

SHIOKAWA EXPRESSED HIS CONCERN ABOUT CHINA'S NUCLEAR TESTING, AND THEN REQUESTED A PEACEFUL SETTLEMENT TO BE BROUGHT TO THE TAIWAN ISSUE. XIONG REITERATED THE STANCE CHINA HAS CONTINUED TO TAKE, REMARKING "CHINA'S NUCLEAR WEAPONS ARE AIMED TO PROTECT ITSELF. I WOULD LIKE THE COMPREHENSIVE TEST BAN TREATY (CTBT) TO BE REALIZED THIS YEAR." HE ADDED "I KEENLY DESIRE THAT THE TAIWAN ISSUE BE PEACEFULLY RESOLVED, BUT CHINA CANNOT GIVE UP ITS USE OF ARMED FORCES. WE DEMONSTRATED OUR STRONG WILL TO PROTECT OUR OWN COUNTRY AND NOT TO ALLOW A BREAKUP OF OUR COUNTRY."

THE JAPANESE DELEGATION PROPOSED, "JAPANESE PEOPLE HAVE BEGUN TO HARBOR A SENSE OF ALARM AGAINST THE CHINESE MILITARY. HOW ABOUT DISPELLING SUCH MISUNDERSTANDING BY PROMOTING EXCHANGES OF MILITARY-LEVEL OFFICIALS AND HOLDING SECURITY DIALOGUES AMONG JAPAN, THE U.S. AND CHINA?" XIONG REPLIED "XIONG CONSIDERATION." XIONG TOUCHED ON THE KOREAN PENINSULA SITUATION, "IT IS NOT CORRECT TO SAY EXAGGERATEDLY THAT THE NORTH WILL ATTACK THE SOUTH. CHINA WILL DO ITS BEST TO SEE A PENINSULA THAT IS FREE OF NUCLEAR WEAPONS."

U.S., JAPAN SEEM TO BE AT ODDS OVER FISCAL POLICY ISSUES
(MAINICHI - PAGE 9)

(WASHINGTON, APRIL 22, HIDEAKI NAKAMURA) "A REDUCTION IN THE FISCAL DEFICIT HAS BEEN RECONFIRMED AS A MEDIUM-TERM COMMON AGENDA." AT A PRESS CONFERENCE HELD AFTER THE SEVEN NATION FINANCE MINISTERS AND CENTRAL BANK PRESIDENTS CONFERENCE (G-7). FINANCE (MOF) MINISTER WATARU KUBO UNDERSCORED AN AGREEMENT REACHED AT THE CONFERENCE ON JAPAN'S FISCAL PROBLEM. U.S. SECRETARY OF TREASURY RUBIN, HOWEVER, DID NOT REFER TO SUCH IN HIS SUMMARY OF THE CONFERENCE. THIS HAS GIVEN RISE TO THE CONJECTURE THAT THERE IS A "DIVERGENCE IN VIEWS."

ALTHOUGH A SUMMARY BY THE CHAIR, UNLIKE A JOINT STATEMENT, "DOES NOT REMAIN AS A FORMAL DOCUMENT" (MOF), IT IS THE COMPILATION OF MAJOR POINTS OF DISCUSSIONS AT THE G-7 CONFERENCE. A STRANGE PHENOMENON OCCURRED, THAT IS, WHEREAS THE JAPANESE TRANSLATION OF THE DOCUMENT DREW UP BY MOF NOTES, "(JAPAN'S) FISCAL DEFICIT PROBLEM WAS REFERRED TO PROPERLY" (SOURCE RELATED TO MOF), THE ENGLISH VERSION MAPPED OUT BY THE U.S. DEPARTMENT OF THE TREASURY DOES NOT CARRY THAT PORTION.

NO ONE KNOWS WHAT THE TRUTH IS, BUT YASUO MATSUSHITA, GOVERNOR OF THE BANK OF JAPAN ALSO ACKNOWLEDGED THAT THE
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FISCAL PROBLEM WAS BROUGHT UP DURING DISCUSSIONS AT THE G-7, REMARKING, "ALL PARTICIPANT COUNTRIES REFERRED TO THAT ISSUE." HOWEVER, CONSIDERING THE POINT THAT MOF USED FOREIGN PRESSURE ON THE OCCASION OF THE G-7 HELD IN PARIS IN JANUARY, BY CONCLUDING THAT THE GOVERNMENT SPONSORED JUSEN (HOUSING LOAN CORPORATION) LIQUIDATION MEASURES WAS "HIGHLY RATED IN THE INTERNATIONAL COMMUNITY AND OBTAINED SUPPORT," SOME ARE BEGINNING TO VIEW THE DISCREPANCY AS THAT "(MOF) HAS STAGED A PLAY ON (THE FISCAL ISSUE) TO STRESS THAT IT IS AN AGENDA ITEM WHICH IS DRAWING AN INTERNATIONAL ATTENTION," AIMING AT VIGOROUSLY PROMOTING FISCAL RECONSTRUCTION.

MITI PLANS TO PROMOTE INWARD INVESTMENT IN FORM OF MERGERS AND ACQUISITIONS (YOMIURI - PAGE 7)

THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) YESTERDAY UNVEILED A PLAN TO LAUNCH AN "M&A PROMOTION PROJECT" TO EXPAND FOREIGN INVESTMENTS IN JAPAN THROUGH MERGERS AND ACQUISITIONS (M&AS). AS PART OF EFFORTS FOR SUCH A PROJECT, IT WILL CONSOLIDATE AN INFORMATION CENTER THAT WILL PROVIDE FIRMS THAT HAVE SUCH A DESIRE WITH INTERMEDIARY SERVICES AND HELP FROM TRAINED-EXPERT CONSULTANTS. THE PLAN WILL BE INCLUDED AS A SPECIFIC MEASURE IN A "STATEMENT ON THE CONSOLIDATION OF THE ENVIRONMENT FOR M&A" TO BE ANNOUNCED BY THE GOVERNMENT'S COMMITTEE ON FOREIGN INVESTMENTS IN JAPAN (CHAIRLED BY PRIME MINISTER HASHIMOTO).

IN SPECIFIC TERMS, THE FOREIGN INVESTMENT IN JAPAN DEVELOPMENT CORPORATION (FIND), A COMPANY JOINTLY FINANCED BY MITI AND THE PRIVATE SECTOR, WILL SERVE AS A BASE TO PROVIDE INFORMATION ON M&AS. AN OFFICE WILL BE SET UP WITHIN FIND TO PROVIDE FOREIGN FIRMS INTERESTED IN AN M&A WITH INFORMATION, SUCH AS LEGAL PROCEDURES IN JAPAN.

MITI WILL WORK ON OTHER GOVERNMENT AGENCIES TO DEREGULATE AND SIMPLIFY LEGAL PROCEDURES TO ENCOURAGE M&A

ACTIVITIES. IT WILL ALSO HOLD REGULAR SEMINARS ON M&AS. THE PLAN INCLUDES A STUDY OF WAYS TO INCREASE THE NUMBER OF CONSULTANTS SPECIALIZING IN M&AS, A TYPE OF OCCUPATION THAT TENDS TO BE IN SHORT SUPPLY IN JAPAN.

ONE METHOD THAT IS SAID TO BE EFFECTIVE FOR FOREIGN-AFFILIATED FIRMS TO ENTER THE JAPANESE MARKET IS TO PURCHASE EXISTING SUBSIDIARIES OF JAPANESE FIRMS. THE OUTLOOK IS THAT IF MERGERS OR ACQUISITIONS OF JAPANESE FIRMS BECOMES EASIER, FOREIGN INVESTMENTS WILL EXPAND, WHICH WILL IN TURN CREATE JOB OPPORTUNITIES.

THREE PRIVATE PROJECTS IN THAILAND SELECTED FOR NEW YEN-LOAN INFRASTRUCTURE PROGRAM (NIHON KEIZAI - PAGE 7)

THE GOVERNMENT'S PLANS WILL NOW BE SET IN MOTION TO PROVIDE YEN LOANS FOR INFRASTRUCTURE PROJECTS IN ASIA THAT WOULD ACTIVATE PRIVATE CAPITAL. AS THE PORTION ALLOCATED FOR THIS FISCAL YEAR, IT WILL FIRST PROVIDE YEN LOANS FOR THREE PROJECTS: THE CONSTRUCTION OF A SUBWAY SYSTEM AND EXPRESS HIGHWAYS IN (BANGKOK) THAILAND AND THE CONSTRUCTION OF A POWER PLANT IN INDONESIA (EAST JAVA). FOLLOWING THE OFFICIAL ANNOUNCEMENT AT THE BEGINNING OF THE YEAR OF A PLAN TO USE OFFICIAL DEVELOPMENT ASSISTANCE (ODA) FOR PRIVATE-SECTOR INVOLVED INFRASTRUCTURE (MINKATSU-INFURA), THIS WILL BE THE FIRST APPLICATION OF YEN LOANS FOR SUCH A POLICY LINE.

FOR SUCH INFRASTRUCTURE, PRIVATE COMPANIES UNDERTAKE THE PROJECT WORK FROM THE STAGE OF PROCURING CAPITAL TO CONSTRUCTION AND MANAGEMENT. GIVEN THE SHORTAGE OF PUBLIC FUNDS, ASIAN COUNTRIES AND REGIONS HAVE BEEN WILLING TO INTRODUCE THIS SYSTEM. THE MINISTRY OF FOREIGN AFFAIRS (MOFA) AND MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) RELEASED SEPARATE REPORTS IN JANUARY AND IN FEBRUARY RESPECTIVELY THAT INCLUDED
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ASSISTANCE POLICY MEASURES FOR PRIVATE-SECTOR INVOLVED INFRASTRUCTURE, REVEALING THE GOVERNMENT'S WILLINGNESS TO BACK SUCH PROJECTS.

IN THE SUBWAY PROJECT IN THAILAND (320 BILLION YEN AS CONSTRUCTION COST), PRIVATE FIRMS WILL TAKE CHARGE OF PROCUREMENT OF VEHICLES AND MANAGEMENT, AND A GOVERNMENT ORGANIZATION WILL BE IN CHARGE OF THE ENGINEERING WORK. THE GOVERNMENT OF THAILAND HAS REQUESTED THE JAPANESE GOVERNMENT TO OFFER YEN LOANS AMOUNTING TO 20 BILLION YEN TO COVER CONSTRUCTION EXPENSES FOR THIS FISCAL YEAR. THE CONSTRUCTION WORK OF EXPRESS HIGHWAYS WILL BE DIVIDED INTO THREE STAGES, AND THE YEN LOAN WILL COVER THE THIRD-STAGE CONSTRUCTION WORK (150 BILLION YEN AS CONSTRUCTION COST), WHICH IS TO BE COMPLETED IN 1999.

IN THE POWER GENERATION PLANT PROJECT IN INDONESIA, THE PLANTS WILL BE CONSTRUCTED WITH PRIVATE-SECTOR CAPITAL, AND THE YEN LOAN WILL BE USED TO INSTALL POWER-TRANSMISSION LINES.

AMONG ASIAN COUNTRIES, THERE IS A DESIRE TO MAKE USE OF LOW-INTEREST YEN LOANS FOR SUCH PROJECTS THAT HAVE HIGH PUBLIC INTEREST BUT BRING ABOUT LITTLE PROFIT. ODA-BACKED PROJECTS FOR SUCH INFRASTRUCTURE ARE LIKELY TO INCREASE IN THE FUTURE.

EDUCATION MINISTRY PLANS PROGRAM TO MARK 50TH ANNIVERSARY OF FULBRIGHT EXCHANGE (MAINICHI - PAGE 3)

EDUCATION MINISTER MIKIO OKUDA ON THE 22ND DECIDED TO LAUNCH A PROGRAM CALLED A "FULBRIGHT MEMORIAL PROGRAM" (TENTATIVE NAME) UNDER WHICH THE MINISTRY OF EDUCATION (MOE) WILL INVITE SCHOOL TEACHERS FROM THE UNITED STATES TO JAPAN FOR A SHORT PERIOD STARTING NEXT FISCAL YEAR AS A PART OF PROMOTING THE FULBRIGHT PROGRAM FOR THE PURPOSE OF BUILDING MUTUAL UNDERSTANDING BETWEEN JAPAN AND THE U.S. THE DECISION WAS MADE IN RESPONSE TO THE RECENTLY HELD JAPAN-U.S. SUMMIT MEETING IN WHICH THE TWO TOP LEADERS HAVE SET FORTH THE POLICY OF PROMOTION OF PERSONNEL EXCHANGES BETWEEN THE TWO COUNTRIES. OKUDA WILL EXPLAIN THE PLAN AT A CABINET MEETING TODAY AND SEEK THE APPROVAL OF THE OTHER MINISTERS THERE.

THE FULBRIGHT PROGRAM WAS FOUNDED IN 1946 AT THE REQUEST OF THE LATE U.S. SENATOR FULBRIGHT. UNDER IT, THOSE ELIBLE TO APPLY ARE MAINLY YOUNG SCHOLARS AND JOURNALISTS, BUT THE NEW PROGRAM WILL INCLUDE TEACHERS OF ELEMENTARY, JUNIOR HIGH AND SENIOR HIGH SCHOOLS SO THAT PERSONNEL EXCHANGES AT THE TEACHING FIELD-LEVEL WILL BE POSSIBLE.

DURING HIS JAPAN VISIT, PRESIDENT CLINTON TOOK A POSITIVE STANCE TOWARD FURTHERING PERSONNEL EXCHANGES BETWEEN THE TWO COUNTRIES. BECAUSE THIS YEAR FALLS ON THE 50TH

ANNIVERSARY OF THE ESTABLISHMENT OF THE FULBRIGHT PROGRAM, THE MOE INTENDS TO INITIATE THE PROGRAM FROM NEXT FISCAL YEAR AS A MEMORIAL EVENT. MINISTER OKUDA REPORTEDLY HAS ALREADY RECEIVED PRIME MINISTER HASHIMOTO'S CONSENT.

ACCORDING TO THE MOE, IT HAS BEEN POINTED OUT THAT PERSONNEL EXCHANGES BETWEEN JAPAN AND THE U.S. IS UNBALANCED IN TERMS OF THE NUMBER OF AMERICAN SCHOLARS WHO STUDY IN JAPAN BEING ONLY ONE FOURTH OF THE NUMBER OF JAPANESE SCHOLARS STUDYING IN THE U.S.
(LOCAL NEWS SECTION, JOJIMA)

HASHIMOTO TO MEET TOP BUSINESS LEADERS TOMORROW
(SANKEI - PAGE 2)

IT WAS REVEALED ON THE 22ND THAT PRIME MINISTER RYUTARO HASHIMOTO AND THE LEADERS OF FOUR BUSINESS ORGANIZATIONS -- KEIDANREN (JAPAN FEDERATION OF ECONOMIC ORGANIZATIONS) CHAIRMAN SHOICHIRO TOYODA, NISSHOKO (JAPAN CHAMBER OF
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COMMERCE AND INDUSTRY) CHAIRMAN KOSAKU INABA, NIKKEIREN (JAPAN FEDERATION OF EMPLOYERS ASSOCIATIONS) CHAIRMAN JIRO NEMOTO AND KEIZAI DOYUKAI (JAPAN ASSOCIATION FOR CORPORATE EXECUTIVES) CHAIRMAN JIRO USHIO -- WOULD HOLD A BREAKFAST MEETING TOMORROW AT A TOKYO HOTEL. IT WILL BE THE FIRST SUCH INFORMAL MEETING BETWEEN THE FOUR BUSINESS LEADERS AND THE PRIME MINISTER, THOUGH THE FOUR HAD CALLED AT THE PRIME MINISTER'S RESIDENTIAL OFFICE TO REQUEST REVISION OF THE TAX SYSTEM AND OTHER MATTERS. FOLLOWING THE REAFFIRMATION OF THE IMPORTANCE OF THE BILATERAL SECURITY-TREATY ARRANGEMENTS AT THE SUMMIT MEETING BETWEEN THE PRIME MINISTER AND PRESIDENT CLINTON AND HASHIMOTO'S SUBSEQUENT PARTICIPATION IN THE NUCLEAR

ENERGY SUMMIT, THE BUSINESS LEADERS INTEND TO ASCERTAIN THE GOVERNMENT AND RULING COALITION'S POLICY STANCE AND TO COORDINATE VIEWS.

IT WILL BE THE FIRST SUCH MEETING FOR THE FOUR BUSINESS LEADERS SINCE LAST NOVEMBER WHEN THEY MET WITH (THEN) PRIME MINISTER TOMIICHI MURAYAMA TO SUBMIT THEIR REQUESTS. THEY INTEND TO FRANKLY EXCHANGE VIEWS WITH THE PRIME MINISTER.

DURING THE TENURE OF PRIME MINISTER MURAYAMA, SOME BUSINESS EXECUTIVES HELD DISCUSSION MEETING WITH HIM OVER BREAKFAST ON A MONTHLY BASIS, BUT THE FOUR TOP LEADERS DID NOT PARTICIPATE IN SUCH SESSIONS. THE FOUR LEADERS AIM AT HOLDING A MEETING WITH PRIME MINISTER HASHIMOTO REGULARLY WITH TOMORROW'S MEETING AS THE FIRST SUCH EVENT. BLACKBURN

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SIT: CULLIN FETIG JOHNSON KRISTOFF SCHUKER SUETTINGER
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INFO: RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 6155
RUEHKOF/AMCONSUL FUKUOKA PRIORITY 9686
SUBJ: MEDIA REACTION, US-JAPAN SECURITY TIES; JAPAN

LEAD STORIES: A NIHON KEIZAI SHIMBUN POLL SHOWED ABOUT 70 PERCENT OF RESPONDENTS APPROVED OF THE RECENT US-JAPAN AGREEMENT TO RETURN FUTENMA AIRFIELD ON OKINAWA.

TEXT:
UNCLAS TOKYO 003662

USIA

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

E.O. 12958: N/A
SUBJECT: MEDIA REACTION, US-JAPAN SECURITY TIES; JAPAN

LEAD STORIES: A NIHON KEIZAI SHIMBUN POLL SHOWED ABOUT 70 PERCENT OF RESPONDENTS APPROVED OF THE RECENT US-JAPAN AGREEMENT TO RETURN FUTENMA AIRFIELD ON OKINAWA. THE YOMIURI GAVE TOP PLAY TO THE SUSPENSION OF TALKS ON THE MERGER OF DAIWA AND SUMITOMO BANKS.

1. "RULING AND OPPOSITION PARTIES SHOULD DISCUSS HOW TO

COPE WITH EMERGENCIES" THE TOP-CIRCULATION, MODERATE YOMIURI EDITORIALIZED (APRIL 23), "PRIME MINISTER HASHIMOTO MET WITH LEADERS OF THE RULING AND OPPOSITION PARTIES ON MONDAY AFTER A WEEK OF IMPORTANT TALKS WITH PRESIDENTS CLINTON AND YELTSIN AND THE NUCLEAR SAFETY SUMMIT IN MOSCOW. MEETINGS BETWEEN THE PRIME MINISTER AND PARTY CHIEFS SHOULD SERVE AS OPPORTUNITIES FOR EACH TO EXPRESS THEIR OWN FEELINGS AND WELL-MEASURED OPINIONS ABOUT IMPORTANT POLITICAL ISSUES FACING THE NATION. THE SECURITY ISSUE IS ONE SUCH ISSUE, AND THE U.S. AND JAPAN LAST WEEK AGREED TO PROMOTE A JOINT STUDY ON DEFENSE COOPERATION IN TIMES OF EMERGENCY IN THE FAR EAST.

"HASHIMOTO'S MEETINGS WITH THE PARTY LEADERS ON THIS SUBJECT WERE NOT NECESSARILY SATISFACTORY, EVEN THOUGH THE TIMING WAS JUST RIGHT. THOSE MEETINGS SHOULD LEAD TO THE BEGINNING OF JOINT EFFORTS BY THE RULING AND OPPOSITION CAMPS TO OVERCOME THE DIFFERENCES THAT SEPARATES THEM AND DISCUSS THE S6

*'fif FORCES

IN TIMES OF EMERGENCY IN THE FAR EAST, AND EVEN THE MERE DISCUSSION OF THE ISSUE, HAS BEEN TABOO. THIS IS BECAUSE OF THE FEAR THAT SUCH ACTION MAY INVOLVE EXERCISING THE RIGHT TO COLLECTIVE DEFENSE..."

2. "HASHIMOTO SHOULD SHOW STRONGER LEADERSHIP" THE CONSERVATIVE SANKEI OPINED (APRIL 23), "PRIME MINISTER HASHIMOTO, WHOM THE PUBLIC HAD CALLED 'FACELESS' BECAUSE OF THE ABSENCE OF HIS LEADERSHIP SINCE HIS INAUGURATION, HAS COME ALIVE AND BECOME MORE ANIMATED SINCE THE SUMMIT WITH PRESIDENT CLINTON IN TOKYO AND HIS ATTENDANCE AT THE MOSCOW NUCLEAR SAFETY SUMMIT. HASHIMOTO SHOULD BE MORE CONFIDENT OF HIS LEADERSHIP WITH THE SUBSTANTIAL RESULTS OF THESE IMPORTANT DIPLOMATIC ENGAGEMENTS. WE PARTICULARLY WELCOME HIS STRONG LEADERSHIP IN ESTABLISHING THE U.S.-JAPAN AGREEMENT ON THE PLANNED RETURN OF FUTENMA AIRFIELD.

"DURING HIS MEETINGS WITH COALITION AND OPPOSITION PARTY CHIEFS ON MONDAY, PM HASHIMOTO SAID THE NEWLY-SIGNED U.S.-JAPAN SECURITY DECLARATION WOULD NOT EXPAND THE AREA COVERED BY THE U.S.-JAPAN SECURITY TREATY FROM THE FAR EAST TO INCLUDE ASIA-PACIFIC REGION. HE ALSO SAID THE GOVERNMENT WOULD NOT ALTER ITS CURRENT INTERPRETATION OF THE CONSTITUTION WHICH BANS JAPAN'S PARTICIPATION IN COLLECTIVE DEFENSE... HASHIMOTO MADE THE REMARKS OUT OF DEFERENCE FOR THE SOCIALIST PARTY WHICH IS OPPOSED TO GREATER U.S.-JAPAN DEFENSE COOPERATION... MEANWHILE, PROMOTING DEBATE ON THE CONSTITUTIONAL BAN ON COLLECTIVE DEFENSE HAS BECOME MORE NECESSARY THAN EVER. AS LONG AS HASHIMOTO IS DEDICATED TO MAINTAINING THE COALITION GOVERNMENT, THE STRENGTHENING AND ADVANCE OF THE U.S.-JAPAN SECURITY ACHIEVED BY PRESIDENT CLINTON AND PM HAS HIMOTO MAY YET TAKE A STEP BACKWARD, ONCE AGAIN INVITING U.S. DISTRUST" BLACKBURN

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RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
SUBJ: JAPANESE DAILY PRESS SUMMARY 04/23/96
TEXT:
UNCLAS SECTION 01 OF 07 TOKYO 003663

DEPT FOR E, P, PM, EB, EAP/J AND S/AL
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WHITE HOUSE FOR NEC CUTTER
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DEPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETER

E.O. 12356: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/23/96

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(1) Nikkei Poll: Cabinet Support Rate Recovery
Reflects Positive Evaluation of Leadership and
Sense of International Affairs; Annuity, Welfare

First Desired as Priority Policy

(2) Japan to File Complaint against Brazil for Violation of WTO Agreement regarding Auto Tariffs; High Tariff Rates Applied on Imported Cars and Parts

(3) Changing Japan-U.S. Security Arrangements -- Emergency Interview with Taku Yamazaki, Chairman of Liberal Democratic Party Policy Affairs Research Council: Debates Now Needed As to What Action to Take in "Time of Mounting Tensions"

ARTICLES:

(1) Nikkei Poll: Cabinet Support Rate Recovery Reflects Positive Evaluation of Leadership and Sense of International Affairs; Annuity, Welfare First Desired as Priority Policy

NIHON KEIZAI (Pages 2 & 3) (Lead & Extracts)
April 23, 1996

The rate of support for the Hashimoto Cabinet has sharply recovered in the recent public opinion survey conducted by the Nihon Keizai Shimbun. It reflects the public's positive evaluation of Prime Minister Ryutaro Hashimoto whose face is now finally becoming visible with such achievements as the recent Japan-U.S. agreement on the (U.S. Forces') reversion of Futenma Air Station (in Okinawa Prefecture). On the other hand, however, there is no denying his cabinet image's going ahead with its diplomatic "performance" and other showings. Accordingly, we still cannot draw a hasty conclusion as to whether or not such recovery will lead to a full-scale boost of his government.

Questions & Answers

(The figures are shown in terms of percentage. In some cases, the total percentage does not become 100 as a result of rounding to one decimal. The figures in parentheses are the results of the last survey conducted in March.)

Q: Do you support the Hashimoto Cabinet, or do you not?

Support	48.3	(36.7)
Don't support	28.5	(40.2)
Can't say; don't know	23.2	(23.2)

Q: (To those who answered they "support" it) Why do you support it? (plural answers)

The Prime Minister has a sense of international affairs	38.7	(35.6)
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The Prime Minister is trustworthy	34.5	(33.5)
Because the Prime		
Minister is from the LDP	27.7	(32.1)
The Prime Minister has leadership	25.9	(21.4)
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Because it's a coalition cabinet		
of the LDP, SDP, and Sakigake	19.9	(21.6)

Q: (To those who answered they "don't support" it)
 Why do you not support it? (plural answers)

Its policy is bad	39.0	(48.4)
Because it's a coalition cabinet		
of the LDP, SDP, and Sakigake	32.3	(30.1)
The Prime Minister is		
lacking in leadership	28.5	(29.8)
It's unstable	26.2	(27.4)
The Prime Minister is untrustworthy	25.8	(24.3)

Q: What policy do you want the Hashimoto Cabinet
 to take? (plural answers)

Annuity, welfare	45.1	(47.8)
Business stimulus		
and economic measures	44.2	(47.8)
Tax reform	34.0	(35.8)
Administrative reform	32.7	(35.1)
Political reform	31.9	(33.0)

Q: Which political party do you support or like?

Liberal Democratic Party (LDP)	40.7	(39.2)
New Frontier Party (NFP) (Shinshinto)	11.3	(14.4)
Social Democratic Party (SDP)	8.7	(9.4)
Japan Communist Party (JCP)	5.4	(4.9)

Shinto Sakigake (Sakigake Party)	5.2	(3.1)
Other political parties	1.2	(1.0)
None	23.4	(23.7)
Can't say; don't know	4.0	(4.3)

Q: The consumption tax rate will be raised to 5 percent in April next year. What do you think about this?

For	4.4
Unavoidable	30.7
The date of raising should be delayed	12.6
Against	51.3
Can't say; don't know	1.1

Q: The special income tax reduction ends this year. What do you think about this?

It should be continued, regardless of the consumption tax rate	35.7
It should be continued, if the consumption tax rate is raised	28.7
No way for it but to end this year	26.9
Can't say; don't know	8.7

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Defense Cooperation

Q: What do you think should be done about the Japan-U.S. security arrangement from now on?

The current arrangement should be maintained	56.1
It should be abrogated	32.0
Can't say; don't know	11.8

Q: (To those who answered "the current arrangement
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should be maintained) What do you think about Japan's defense cooperation?

The current level is good	70.3
Japan should extend even more cooperation	27.1
Can't say; don't know	2.5

Q: The site of the U.S. Forces' Futenma Air Station will be returned entirely. What do you think about this?

It can be appreciated	68.6
It can't be appreciated	21.8
Can't say; don't know	9.6

Q: Some of the functions of military bases on Okinawa and the firing range there will be removed to the mainland of Japan. What do you think about this?

For	8.3
Unavoidable	47.6
Against	39.5
Can't say; don't know	4.6

Q: Japan and the U.S. are going to review the modality of bilateral defense cooperation in case a conflict breaks out in the Far East. What do you think about this?

Against Japan-U.S. defense cooperation that hypothesizes a conflict	48.5
The Government should consider such measures as revising laws so that Japan will be enabled to give rear support to U.S. forces in the event of a conflict	39.6
Can't say; don't know	11.9

Q: Even though an armed conflict takes place near Japan between the U.S. and another country, the Self-Defense Forces will not be allowed to participate in combat operations unless Japan is damaged. This is the Government's interpretation of the Constitution. What do you think about this?

Better to support U.S. forces in the rear without changing the interpretation of the Constitution	42.9
No need to alter the interpretation of the Constitution or cooperate with U.S. forces	36.8
The SDF should be enabled to participate in combat operations with U.S. forces by changing	

the interpretation of the Constitution 11.6
Can't say; don't know 8.7

Method of Survey

(1) Date of Survey: April 19-21.
(2) Objects of Survey: 3,000 persons chosen from among all eligible voters throughout the country.
(3) Method of Sampling: The voting populations of wards, cities, and counties were stratified, and the object persons were sampled out of telephone directories throughout the country at random. As
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E.O. 12356: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/23/96

telephone numbers belong to households, the object persons were specified on the basis of statistical procedures.

(4) Method of Conducting: Telephone interview based on a questionnaire form.
(5) Number of Effective Respondents: 1,776 persons (59.2 percent)
(6) Conducting Organ: Nikkei Research

(2) Japan to File Complaint against Brazil for Violation of WTO Agreement regarding Auto Tariffs; High Tariff Rates Applied on Imported Cars and Parts

YOMIURI (Page 6) (Full)
April 23, 1996

A government source yesterday revealed Japan's plan to file a petition against Brazil on the allegation that the tariffs its government imposes on foreign-made autos and auto parts are in breach of the World Trade Organization (WTO) Agreement. It will

make a proposal for bilateral negotiations in accordance with the WTO Agreement as early as within this week. It will, at the same time, take the case to the WTO.

This is the second time for Japan to file a complaint with the WTO since last May, when it took the same action against the United States to run counter to its retaliatory measures against Japan during Japan-U.S. auto and auto parts negotiations.

Last March, Brazil raised tariffs on imported cars from 32 percent to 70 percent. It then came up with a policy measure last June to adopt lowered tariffs only when foreign auto manufacturers operating in Brazil whose local content of parts exceeds 60 percent import replacement parts and finished cars. This measure has been implemented since January this year. As a result, exports of Japanese cars to Brazil have significantly dropped.

Japan has judged that this measure adopted by Brazil is inconsistent with the WTO Agreement, that stipulates that imported goods and home products be treated impartially (principle of national treatment). According to complaint-filing procedures set by the WTO, bilateral negotiations are to be started within 30 days after a complaint was filed. LS]days since the start of such bilateral negotiations, a trouble-shooting subcommittee (panel) is to be set up.

Since the launching of the WTO, Japan has made clear its trade policy line of honoring international rules, such as the WTO rules. It will play up its stance of aiming at solving problems in compliance with international rules both to domestic and foreign audiences, by filing a petition with the WTO against Brazil.

(3) Changing Japan-U.S. Security Arrangements --
Emergency Interview with Taku Yamazaki, Chairman of
Liberal Democratic Party Policy Affairs Research
Council: Debates Now Needed As to What Action to
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Take in "Time of Mounting Tensions"

TOKYO SHIMBUN (Page 2) (Almost Full)
April 23, 1996

"The Japan-United States security arrangements" are now metamorphosing into "the security arrangements for Asia and the Pacific." In addition, Japan has been pressed hard to tackle the serious issue of to what extent it can cooperate with the U.S. in the case of emergencies occurring in the Far East.

-- What is your view about the just-released "Japan-U.S. Joint Security Declaration"?

"Debates have been long continued over the way of the Japan-U.S. security arrangements in the post-cold war period. In that course, some expressed why the security treaty was necessary now that the former Soviet Union collapsed. But with the top leaders of Japan and the U.S. having confirmed the firm upholding of the security arrangements, the solid foundation for the peace and security of the Asia-Pacific region has been now rebuilt. I think it epoch-making."

-- A new age seems to have come before no progress has been seen in national debates.

"It will be an essential theme to put together opinions at home, and political parties have to tackle that job. The Japanese and U.S. Governments, if meeting with opposition from public opinion, could not make any headway in discussions. The ruling parties will take the lead in promoting debates and exert ourselves to the utmost to obtain a national consensus."

-- A review of the "Guidelines for Japan-U.S. Defense Cooperation" is to make a start.

"A commitment has been made by both Japan and the U.S. to strengthen defense cooperation in terms of its contents in preparation for the time of emergencies in the Far East. The tacit understanding made by the two governments is that such work will be tentatively completed in November. Along that schedule, we have to aim to

launch debates in the ruling parties around the end of the consecutive holidays (from late April to early May) and to finalize them around the summer. This work, I think, will become a major topic in the extraordinary Diet session this fall."

-- What will be reviewed in specific terms?

"A vague situation, that is, 'mounting#tensions,' sandwiched between peacetime and emergency, is expected to arise. One example is seen in recent relations between China and Taiwan. Since no war has broken out between those two countries, the situation as to their relationship is not called an emergency, but calling it peacetime is inaccurate, either. In such 'mounting tensions,' what can we do? This matter will become a theme for discussion. I do not think providing logistical support 'in time of mounting tensions' is

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SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/23/96

categorized into the exercise of the right to collective self-defense."

-- What do you think about logistical support in the case of emergencies?

"The principle is no joint action will be taken between the Self-Defense Forces (SDF) and U.S. troops on the front-line. The areas (the SDF) can do will likely be limited. But something should be done. For example, food, water and medical treatment should be supplied. Refueling probably comes under a gray zone because it is directly linked to combat action."

-- Rear support in the time of emergencies involves the problem of the right to collective self-defense, so coordination in the ruling camp may be confronted by many difficulties.

"The premise is that debates will be held in principle within the framework of the current interpretation of the Constitution that prohibits any use of the right to collective self-defense. That point has been made clear also in the ruling camp's recent joint statement. The LDP will likely extend the scope allowed (under the Constitution) to the maximum. The Social Democratic Party (SDP) will however try to narrow it down as much as possible; as a result, adjustment of views will face difficulties, but it is unacceptable to say to the U.S. that has decided to return Futenma Air Station, that 'since we did not arrive at a consensus, Japan can do nothing.' The SDP also ought to understand that point."

-- The project team of the Shinshinto (New Frontier Party) has compiled its view that goes, "the use of the right of collective self-defense is not in violation of the Constitution."

"I think it is one way of thinking. Sooner or later, the time will supposedly come to modify the interpretation of the Constitution that prohibits the exercise of the right to collective self-defense. But now is not the time to do so. The security problem, which has now come to the fore, is connected with the basic policy of the nation, so it has to get support from the great majority of the people. We in that sense would like to make efforts so that we can obtain a consensus from the Shinshinto."

-- What will come up as problems regarding the total reversion of Futenma Air Station?

"I think a major one is how to handle the relocation cost. The Ministry of Finance (MOF)'s opinion is the relocation expenses should be handled within the framework of defense spending. But defense spending is a minimum and limited budget set along the National Defense Program Outline adopted by the Government. So it is not possible to cut defense spending by handling the relocation cost within that framework."

(Interviewer: Yasuyuki Oguri)

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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 24

TOP HEADLINES

TEXT:

////////////////////// DUPLICATE SECTION ////////////////////////

UNCLAS SECTION 01 OF 07 TOKYO 003677

USIA

FOR: USIA D/Pl I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAR/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; CINCPACFLT/PA; COMUSJ/PA;
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 24

TOP HEADLINES

ASAHI: DRUG-CAUSED AIDS: LAWMAKER MOCHINAGA, ONCE
PHARMACEUTICAL AFFAIRS BUREAU DIRECTOR GENERAL, "HAD
ENTRUSTED TO STUDY TEAM" HANDLING OF BLOOD PRODUCTS; "DID
NOT CONSIDER COUNTERMEASURES INDEPENDENTLY"

NIHON KEIZAI: MODEL HOUSING IN A MULTIMEDIA AGE;
CONSTRUCTION MINISTRY TO CONSTRUCT 6,000 HOUSES AS EARLY
AS IN JUNE; FOR EXPERIMENT OF WORKING AT HOME; TO INVITE
APPLICANT FAMILIES THROUGHOUT THE COUNTRY

TOKYO SHIMBUN: PRESIDENT DUDAEV KILLED" IN ROCKET-BOMB
ATTACK; TASS NEWS AGENCY REPORTS; POSSIBILITY OF PEACE IN
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BLOOD PRODUCTS MADE BY "MIDORI JUJI"; VIGOROUS SALE OF
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ADDITION TO HEMOPHILILACS?

YOMIURI: GOVERNMENT TO STUDY RESPONSE DURING EMERGENCIES
IN THE FAR EAST; "PRIOR CONSULTATIONS" ALSO TO BE
INCLUDED AS SUBJECT; TO MAKE CLEAR CRITERIA TO ALLOW U.S.
FORCES' LAUNCHING OF ATTACKS; MAY JOINTLY TRANSPORT
REFUGEES (TRANSLATION BELOW; TOP PLAY IN ENGLISH EDITION)

SANKEI: GOVERNMENTAL TAX SYSTEM RESEARCH COUNCIL AGREES
TO HIKE THE CONSUMPTION TAX TO 5 PERCENT AS PLANNED;
SPECIAL INCOME-TAX-CUT MEASURES LIKELY TO BE
DISCONTINUED; RULING PARTIES TO ENTER COORDINATION "ON
IMPLEMENTATION IN (NEXT APRIL)" (TRANSLATION BELOW)

HASHIMOTO CABINET POPULARITY RATE AT 38 PERCENT, BOOSTED
BY RESOLUTION OF BASE ISSUE (MAINICHI - PAGE 1)

THE MAINICHI SHIMBUN CONDUCTED A NATIONWIDE PUBLIC
OPINION SURVEY OVER THE PERIOD OF THREE DAYS FROM APRIL
19 IN THE WAKE OF THE LOWER HOUSE'S PASSAGE OF THE BUDGET
BILL FOR FY1996 AND THE JAPAN-U.S. SUMMIT MEETING. THE
RATE OF SUPPORT FOR THE RYUTARO HASHIMOTO CABINET WAS 38
PERCENT -- 17 PERCENTAGE POINTS HIGHER THAN THE RATE OF
"NON-SUPPORT." IT IS 21 PERCENTAGE POINTS LOWER THAN
THAT MARKED RIGHT AFTER HIS CABINET'S INAUGURATION THIS
JANUARY (TELEPHONE SURVEY). AS COMPARED WITH THE RATES
OF SUPPORT FOR PREVIOUS SUCCESSIVE CABINETS IN THE SECOND
SURVEY AFTER THEIR COMING INTO OFFICE, THE HASHIMOTO
CABINET WAS LOWER THAN THE HOSOKAWA AND TANAKA CABINETS
BUT WAS HIGHER THAN THE MURAYAMA CABINET, AND HIS CABINET
SUSTAINS A RATE OF PUBLIC SUPPORT HIGHER THAN IN THE CASE
OF THE TAKESHITA, KAIFU, AND MIYAZAWA CABINETS AND MOST
OTHER LDP (LIBERAL DEMOCRATIC PARTY) CABINETS. THE RATE
OF "NON-SUPPORT" SHOWED AN INCREASE OF 5 PERCENTAGE
POINTS OVER THE JANUARY SURVEY.

HASHIMOTO CABINET SUPPORT RATE AT 38 PERCENT
(MAINICHI - PAGE 2)

AS A RESULT OF THE PUBLIC OPINION POLL CONDUCTED BY THE
MAINICHI SHIMBUN, THE RATE OF SUPPORT FOR THE HASHIMOTO
CABINET, AT 38 PERCENT, WAS FOUND TO BE FAIRLY HIGH.
REGARDING THIS FACT, THE THREE RULING PARTIES TOOK IT AS
"THE FUTENMA (AIR BASE) EFFECT" (LIBERAL DEMOCRATIC PARTY
SECRETARY GENERAL KOICHI KATO). IN THEIR VIEW, THE
CABINET'S HAVING OBTAINED RESULTS AT THE JAPAN-U.S.

SUMMIT MEETING ON THE PROBLEM OF MILITARY BASES ON
OKINAWA HAD A POSITIVE EFFECT. AS FOR THE RATES OF
SUPPORT FOR POLITICAL PARTIES, ALL PARTIES BUT THE JAPAN
COMMUNIST PARTY LEVELED OFF. ON THE PROBLEM OF INSOLVENT
HOUSING LOAN CORPORATIONS (JUSEN), THE GOVERNMENT IS
STILL BEING CRITICIZED SEVERELY. MEANWHILE, HOWEVER, IT
IS CONSPICUOUS THAT THE SHINSHINTO (NEW FRONTIER PARTY)
HAS SHOWN NO MARKED INCREASE IN POPULARITY. AS SEEN IN
THIS, THE SHINSHINTO'S PICKETING TACTICS (IN THE DIET)
DOES NOT SEEM TO HAVE OBTAINED THE PUBLIC'S
BT
#3677

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SECT: SECTION: 01 OF 07

SSN: 3677

TOR: 960423234846 M2195056

DIST:

SIT: KRISTOFF SUETTINGER

SIT: NSC

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PREC: IMMEDIATE

CLASS: UNCLASSIFIED

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RUCPDOG/USDOC WASHDC PRIORITY
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RUEKJCS/SECDEF WASHDC//USDA;ISA// PRIORITY
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RUEHC/SECSTATE WASHDC PRIORITY 1700

INFO: RUEHKOF/AMCONSUL FUKUOKA PRIORITY 9697
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 6166

SUBJ: MEDIA REACTION, US-JAPAN SECURITY TIES; JAPAN

TEXT:

UNCLAS SECTION 01 OF 02 TOKYO 003702

USIA

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

E.O. 12958: N/A

SUBJECT: MEDIA REACTION, US-JAPAN SECURITY TIES; JAPAN

LEAD STORIES: THE YOMIURI GAVE TOP COVERAGE WEDNESDAY
MORNING TO A GOJ STUDY OF HOW TO RESPOND TO EMERGENCIES
IN THE FAR EAST. MOST PAPERS FRONT-PAGED THE REPORTED
KILLING OF CHECHEN REBEL LEADER DUDAYEV.

1. "MUCH HOMEWORK MUST COME BEFORE CONTINGENCY
PLANNING" THE LIBERAL ASAHI EDITORIALIZED (APRIL 24),
"A WEEK HAS PASSED AFTER PRIME MINISTER RYUTARO
HASHIMOTO AND U.S. PRESIDENT BILL CLINTON SIGNED THE
JAPAN-U.S. JOINT SECURITY DECLARATION. SINCE THEN, THE
GOVERNMENT AND THE LIBERAL DEMOCRATIC PARTY HAVE PUT

FORTH NEW PROPOSALS FOR JAPAN-U.S. COOPERATION TO DEAL WITH CONTINGENCIES IN THE AREAS SURROUNDING JAPAN.

THE PRIME MINISTER SAID THE GOVERNMENT INTENDS TO STUDY WHAT SHOULD BE DONE IN SPECIFIC SITUATIONS, ASSUMING, FOR EXAMPLE, THAT JAPANESE CITIZENS WOULD NEED TO BE EVACUATED FROM OTHER COUNTRIES, AND ASSUMING REFUGEES MUST BE ACCEPTED BY JAPAN. CHIEF CABINET SECRETARY SEIROK(KAJIYAMA AND LDP SECRETARY-GENERAL KOICHI KATO HAVE CONFIRMED THAT THE LDP WILL START REVIEWING EMERGENCY PREPAREDNESS PLANS, INCLUDING POSSIBLE LEGISLATION.

MEMBERS OF THE RULING AND OPPOSITION PARTIES, PROMPTED BY A REMARK BY SHINSHINTO (NEW FRONTIER PARTY) PRESIDENT ICHIRO OZAWA TO THE EFFECT THAT COLLECTIVE SELF-DEFENSE IS A LEGITIMATE RIGHT OF THE NATION, EVEN UNDER THE CONSTITUTION, HAVE COME UP WITH WIDELY DIFFERENT OPINIONS ON THE ISSUE, WHICH IS CLOSELY RELATED TO QUESTIONS ABOUT JAPAN-U.S. CONTINGENCY COOPERATION.

IT IS THE DUTY OF POLITICIANS TO CONDUCT SPIRITED DEBATE ON NATIONAL SECURITY, WHICH IS IMPORTANT TO THE NATION'S FUTURE COURSE. IT IS ALSO NECESSARY TO CLARIFY THE DISTINCTIONS BETWEEN WHAT JAPAN CAN AND CANNOT DO IN CONTINGENCIES.

BUT AN IMPORTANT POINT IS BEING MISSED IN THE PRESENT DISCUSSION ON CONTINGENCY RESPONSE. IT IS NOT EVEN CLEAR WHAT KIND OF SITUATIONS COULD ARISE NEAR JAPAN THAT WOULD QUALIFY AS "CONTINGENCIES."

IT IS ALSO A MISTAKE TO INTERPRET RETURN OF MARINE CORPS AIR STATION FUTENMA IN OKINAWA BY THE UNITED STATES AS A RARE U.S. CONCESSION THAT WARRANTS GIVING THE HIGHEST PRIORITY TO SATISFYING ITS REQUEST.

THE JAPAN-U.S. JOINT SECURITY DECISION*TERAL SECURITY TREATY. THE DIET MUST RATIFY CHANGES IN TREATIES. THE DIET, KNOWING THAT AND ITS SIGNIFICANCE, MUST SCRUTINIZE THE CONTENT OF THE DECLARATION.

2. "A BIT-AT-A-TIME PLAN FOR DEALING WITH CONTINGENCIES IS UNACCEPTABLE" THE LIBERAL TOKYO SHIMBUN OPINED (APRIL 24), "HEATED DISCUSSIONS ARE BEING HELD OVER HOW TO RESPOND TO CONTINGENCIES IN THE AREA SURROUNDING JAPAN. THE GOVERNMENT NEEDS TO DISCUSS THE MATTER IN A CALM MANNER, WHILE GATHERING UNDERSTANDING AND SUPPORT FROM THE PUBLIC. WE WOULD LIKE TO WARN THE GOVERNMENT NOT TO REVISE THE PRESENT U.S.-JAPAN DEFENSE COOPERATION GUIDELINES 'A BIT AT A TIME.'

"A KNOTTY PROBLEM OVER JAPAN'S GREATER SUPPORT FOR U.S. FORCES IS THE ISSUE OF COLLECTIVE DEFENSE, WHICH JAPAN IS PROHIBITED BY THE CONSTITUTION. PRIME MINISTER HASHIMOTO SAID IT WOULD BE NECESSARY TO STUDY WHAT JAPAN CAN

DO TO SUPPORT THE U.S. MILITARY UNDER THE PRESENT

FRAMEWORK OF THE CONSTITUTION AND LEGAL SYSTEM. THE
PRIME MINISTER THUS SEEMS TO DENY ANY INTENTION TO ENACT
NEW LEGISLATION OUT OF DEFERENCE TO THE SOCIALIST AND
SAKIGAKE PARTIES, THE OTHER TWO PARTNERS OF THE CURRENT
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#3702

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UNCLAS SECTION 02 OF 02 TOKYO 003702

USIA

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

E.O. 12958: N/A

SUBJECT: MEDIA REACTION, US-JAPAN SECURITY TIES; JAPAN

THREE-PARTY COALITION GOVERNMENT. WE WONDER WHETHER THE
U.S. MILITARY WILL BE SATISFIED WITH JAPAN'S SUPPORT
WITHIN THESE CONSTITUTIONAL AND LEGAL RESTRICTIONS."
BLACKBURN

BT

#3702

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SECT: SECTION: 01 OF 02

<^SECT>SECTION: 02 OF 02

SSN: 3702

<^SSN>3702

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RUCWAAB/FBIS RESTON VA
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RUHBBMA/AMCONSUL NAHA 3935
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RHHMUNA/USCINCPAC HONOLULU HI
RUEHKON/AMCONSUL NAGOYA 7285
SUBJ: JAPANESE DAILY PRESS SUMMARY 04/25/96 (a)

TEXT:
UNCLAS SECTION 01 OF 07 TOKYO 003772

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 04/25/96 (a)

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Ministry to Shift Strategy toward NTT

(2) Deepening Japan-U.S. Security Relations; Valued Highly for Leaving the Cold-War Period Viewpoint

(3) Radical Realism; Wisdom Now Needed for Stable "Alliance": Yoichi Funabashi, Asahi Shimbun American Bureau Chief

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(1) Forecasting Personnel Assignments in Kasumigaseki (Central Government Offices): Tsutomu Makino to Be Appointed MITI Vice Minister; Postal Ministry to Shift Strategy toward NTT

MAINICHI (Page 9) (Full) April 5, 1996

Ministry of International Trade and Industry (MITI)

"I understand the feelings of junior staff members who want all high-ranking officials who served as director general or higher posts to leave office," (MITI senior official). Junior officials are now disgusted with the internal discord that stemmed from the fact that Masahisa Naito, the former director general of the Industrial Policy Bureau, was released from duty (in December 1993). That discord still smolders in the ministry. It would be impossible to ask all high officials such as vice minister and directors general to give up their posts. Therefore, in an attempt to avoid the internal dispute from intensifying, a basic policy is in place to give consideration so that no more scars will be left in the Ministry. Appointments will have to be settled on influential but trouble-free personnel.

The "dominant view" in the ministry is: Vice Minister Tomio Tsutsumi (entered MITI in 1962) will retire; and Industrial Policy Director General Tsutomu Makino (1963) will be promoted to be his successor. Yoshihiro Sakamoto, the vice-minister for international affairs, who joined MITI in the same year as Tsutsumi, will retire. Hisashi Hosokawa (1964), the director general of the International Trade Policy, is the most likely candidate to succeed Sakamoto. Osamu Watanabe (1964), the director general of the Machinery and Information Industries Bureau, is likely to assume the director general's post in the Industrial Policy Bureau.

However, if internal discord again intensifies due to personnel issues or other problems, more turmoil can be expected.

Ministry of Posts and Telecommunications (MPT)

The question of breaking up of Nippon Telegraph and Telephone Corp. (NTT) has been put off for a year.

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UNCLAS SECTION 02 OF 07 TOKYO 003772

DEPT FOR E, P, PM, EB, EAP/J AND S/AL

USIA FOR MR AND REA

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TREASURY FOR OASIA/IMI/JAPAN

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E.O. 12356: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/25/96 (a)

Akemi Yamaguchi (joined MPT in 1963), the director general of the Communications Policy Bureau, and Mitsuo Igarashi (1963), the Telecommunications Bureau chief, are the two candidates expected to succeed Administrative Vice Minister Haruki Matsuno. However, as Yamaguchi is two years senior to Igarashi, Yamaguchi has the edge over Igarashi because of the policy of "giving consideration to seniority" (Government source).

Some in the ruling parties think that "Igarashi's many services rendered to Dietmembers who support NTT will not be forgotten." For this, the possibility is that Igarashi will be appointed to the newly established post of Postal Administration vice-minister (administrative vice-minister-level).

As the successor to Igarashi, the name of Masahito Tani (1964), who is said to be "super-serious," is now being mentioned. The entire Telecommunications Bureau is preparing for dealing with the "NTT problem" with the next regular Diet session in mind.

Ministry of Transport (MOT)

Since the ministry is saddled with such difficult issues as the long-term debts by Japanese National Railways Liquidation Corporation (JNRLC) and civil aviation negotiations between Japan and the United

States, Administrative Vice-Minister Minoru Toyoda will probably be retained in the present post. Maritime Safety Agency Director General Yutaka Hatano (1963) will retire and Transport Policy Bureau Director General Yasutoshi Tsuchisaka (1963) will succeed him as Maritime Safety Agency director. Hiromichi Toya (1965), the director general of the Secretariat, will become the Transport Policy Bureau director general. Railway Bureau Director General Hisashi Umezaki will assume the post of director general of the Secretariat and deal with the JNRLC issue. Civil Aviation Bureau Director General Masahiko Kurono will remain in office.

The Railway Bureau director general will likely be picked from officials who joined the ministry in 1967, but Councillor Shogo Arai (for the Railway Bureau) might be appointed to the post. Hideo Kayahara (1964), the director general of the Ports and Harbors Bureau, is expected to assume the newly established post of councillor (bureau director-general-level) responsible for comprehensive technology affairs.

(2) Deepening Japan-U.S. Security Relations; Valued Highly for Leaving the Cold-War Period Viewpoint

NIHON KEIZAI (Page 1) (Full) April 18, 1996

There is hardly any precedent in recent memory for the extent of meticulous preparation that went into the summit meeting between Japan and the United States this time. How to define the meaning of the Japan-U.S. security setup in the post-cold-war period and what should be done in it? The process to reach that point took over two years.

BT

#3772

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UNCLAS SECTION 03 OF 07 TOKYO 003772

DEPT FOR E, P, PM, EB, EAP/J AND S/AL

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TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/25/96 (a)

"Security Summit"

Preparations for the summit essentially started with consultations between Japanese and U.S. officials concerned held this year in mid-January on the U.S. west coast. The joint security declaration which had been once readied for release at the time of President Clinton's unrealized visit to Japan in last November was scrapped.

The reason was changes in circumstances on the Japanese side, specifically, the adoption of a new National Defense Program Outline (NDPO) and the start of the Hashimoto Administration.

Agreement was reached (in January) to draft a new declaration just before the bilateral summit. (For that,) there was the need to ascertain progress in the problem of (U.S.) bases in Okinawa.

Already in March the Clinton Administration's economic team gave its consent to making the upcoming bilateral summit a "security summit." The outlook for the presidential race was bright, and a leader who talks about security issues rather than on economic negotiations appears more presidential. U.S. Trade Representative (at the time) Kantor also seemed to be agreeable to that idea.

To make a "security summit," Prime Minister Ryutaro Hashimoto, on his part, passed along his "ideas" to relevant ministries and agencies. One of his efforts was seen in his urging officials concerned to engage in domestic coordination over the acquisition and cross-servicing agreement (ACSA), which had been once thought to be difficult (for both countries) to arrive an agreement. Lying in the background of the direction set by the Ministry of Transport (MOT) to provide airports and harbors/ports in Japan in the case of an emergency occurring in the Far East has been the Prime Minister's influence over it.

A high-level official of the Ministry of Foreign Affairs (MOFA) who took part in a series of preparations characterizes the Joint Declaration issued this time as "the starting point for the Japan-U.S. alliance in a new age, instead of seeing it just as a redefining or reaffirming of the U.S.-Japan Security Treaty." But since the preparation work that had continued since last January was in effect in the final stage of the long process of redefining the security treaty, it is then presumably more accurate to see that after such

work, both countries have at last arrived at a "new starting point."

The work of redefining the security treaty virtually ended with East Asian Strategic Report, which the U.S. Department of Defense (DOD) released in February 1995 and with the new NDPO, which the Japanese Government approved in a cabinet meeting last November. Those two documents were formed as a result of an interplay between Japan and the U.S. The process of such an interplay itself was meant as the work of redefinition.

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UNCLAS SECTION 04 OF 07 TOKYO 003772

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E.O. 12356: N/A

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SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/25/96 (a)

Japan Took the Initiative

Japan was the first to take action. In February 1994, a defense problems council (chaired by Kotaro Higuchi) was established. There, fundamental discussions were started to compile a new NDPO.

In May, triggered by suspicions about a nuclear weapons development program in the Democratic People's Republic of Korea (North Korea), tensions came to a head. Around that time, former ambassador to the U.S. Nobuo Matsunaga flew to the U.S. In his meetings there with Joseph Nye, who at the time was chairman of the National Intelligence Council (NIC), and other U.S. officials, he expressed concern about the Clinton Administration's policy line of placing priority on economic affairs and he transmitted his view about the importance of the Japan-U.S. security relationship.

Nye and other officials felt it was necessary to reaffirm the security treaty. The same thinking was shared by DOD officials, who had looked at the draft of a report by the Defense Problems Council that was informally briefed to them from June through July. The reason why they were concerned was that the report could be read as giving emphasis to multilateral security while downplaying the Japan-U.S. security arrangement.

In September, Nye assumed the position of Assistant Secretary of Defense and in November, drafted a short memo that went: "A new dimension must be opened for Japan-U.S. cooperation from a variety of angles, such as bilateral, regional and global." This was the start of the so-called Nye Initiative, which later led to the East Asia Strategic Report.

Broadened Cooperation

After February 1995, the focus again shifted to the Japanese side. The NDPO casually incorporated the phrasing that mentions, albeit indirectly, concerns about China and hypothesizes a possible emergency on the Korean Peninsula. The significance of the Japan-U.S. security setup was then underscored to the maximum level.

In the coming months, Japan and the U.S. will begin working on implementation, such as compiling new guidelines for defense cooperation. Debate over the right of collective self-defense will be unavoidable.

Bilateral, regional and global security cooperation, as is pointed out by the Nye Initiative and in the joint security declaration, for practical reasons has to be handled by unified action. As if to symbolize that, President Clinton, now completing summit meetings with the Republic of Korea and with Japan, will now had for the Nuclear Power Safety Summit in Moscow.

The more security cooperation widens from bilateral to regional and then to global, the more the

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UNCLAS SECTION 05 OF 07 TOKYO 003772

DEPT FOR E, P, PM, EB, EAP/J AND S/AL

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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
SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/25/96 (a)

contents of that cooperation expands. And non-military areas, such as weapons exports restrictions, will have more significance. Although the focus tends to be centered on a possible emergency in the Far East, reaffirming the the security treaty will have a much broader meaning than one could have imagined.

The U.S.-Japan Security Treaty has now been broadened and deepened. Any sense of alarm that this will become as in the past an "argument for involvement" is nothing more than a remnant of cold-war-type thinking. (Senior writer Hisayoshi Ina)

(3) Radical Realism; Wisdom Now Needed for Stable "Alliance": Yoichi Funabashi, Asahi Shimbun
American Bureau Chief

ASAHI (Page 1) (Full) April 19, 1996

United States President Clinton during his stay in Japan paid a visit to the U.S. aircraft carrier Independence to encourage seamen there. In his message given to them, he congratulated himself for his earlier dispatch of the carrier to patrol near Taiwan, remarking, "The U.S. has demonstrated its presence to the world without firing a single bullet" -- the presence, that is, "unruffled strength."

The carrier was the first to arrive in the Gulf when war broke out there. Its "Liberty Bells," an early-warning aircraft unit, played an active part. The compass of activities developed by the Independence covering "the Gulf," "China" and "oceans," has now become a good indication of changes in the strategic environment in Asia and the Pacific in the post-cold-war period.

Japan and the U.S. have now taken a step forward toward "an alliance for the 21st century," as is shown in the subtitle of the Joint Security Declaration the two countries have just signed. Although the two countries, after the cold war, lost their way in managing bilateral ties, they now apparently have recovered their compass.

Dynamics Similar to That at Time of Reversion of
Okinawa

Japan and the U.S. have seen their bilateral relationship begin to drift after the Gulf war. That is because the U.S., after its "victory in the cold war," lost its goals, while Japan had no vision to follow "its own success story." In other words, it was caused by unclear roles played by the two as well as by their wobbling confidence. In addition, what has made it difficult for Japan and the U.S. to have bilateral dialogues was the change in generations of (political) leaders in the U.S. and the end of single rule by the conservative party in Japan. Outrage against the (U.S.) bases issue sparked off by the rape of an Okinawan schoolgirl (committed by U.S. servicemen) and President Clinton's cancellation of his Japan visit, both occurring last fall, helped to bring
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into sharp relief the critical situation in which the Japan-U.S. security framework was placed and Japan-U.S. ties existed in name only.

"Okinawa" changed the situation. It made politicians aware that the crisis would become more serious under the preconceived ideas and the policy of maintaining the status quo. Despite a number of difficulties possibly to arise in the implementation stage, the leaders of the two countries displayed political leadership, never seen for a long time, in their decision for consolidating and reducing bases, beginning with complete reversion of Futenma Air Station. In

1972, when Okinawa was returned to Japan, there was the sense of crisis seen in both Japan and the U.S. that if such reversion were not realized, the bilateral security arrangements might collapse. That critical awareness brought to a fruitful conclusion the Japan-U.S. joint work. A similar dynamics seems to have functioned this time.

The Joint Declaration, however, is not the terminal point in redefining the U.S.-Japan Security Treaty but the starting point. Too many problems to tackle await. The alliance that has lost a definite enemy and a threat tends to fall into danger, starting with its definition. How to adjust security ties and economic and trade relations? How to define a multilateral framework for the stability of the Asia-Pacific region and a relationship of alliance between Japan and the U.S.? What will be a solution to the problem of sharing the role and mission between Japan and the U.S. and how to keep a balance in terms of bilateralism? How to make clear a relationship between a creating of preparedness in time of emergency and the right of collective self-defense? Hardly any attention has been paid this time to the work of envisioning the future images of the United Nations and the Japan-U.S. alliance in relating the former to the latter.

Japan-U.S. Cooperation

To what extent is it possible for Japan and the U.S. to work together to involve China in the international community? How far is that possible? That may define the nature of the bilateral alliance from a long-term perspective.

China has suspected that "redefinition" might have another name of "containment of China." Prior to Clinton's Japan visit, the U.S. Government gave China details about the circumstances on "redefinition." In response, questions came from the Chinese side, focusing on the following three: (1) How to treat China; (2) how to regard Taiwan; and (3) whether to deviate from the framework stipulated in the current Japanese Constitution. Its doubt lies in the point that reactivating the security arrangement might spur Japan to grow into a military superpower.

That brings to mind a past event in which China became more suspicious about Japan and the U.S. in 1969, when the two countries in the Sato-Nixon

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summit set forth Japan-U.S. security cooperation. Following that, Presidential Assistant Kissinger in his secret visit to China to normalize relations between the U.S. and China could not help repeating that "The U.S.-Japan alliance is not designed to target China."

Many things have changed between in and after the cold war, but it is incorrect to see everything as changed. There has not been much change in geopolitical dynamics among Japan, the U.S. and China, in which a balance has been kept between Japan and China to allow inclusion of the U.S. in that dynamic. So far the Japan-U.S. alliance has contributed to the stability of the Asia-Pacific region, and it does so even today. Wisdom must be learned that it is necessary to maintain an alliance even if no enemy exists.

Ideology Needs to Be Excluded

It is however impossible to do so from the standpoint of keeping the status quo. This has been made much clearer in dealing with the Okinawa bases problem. Ideology needs to be eradicated. No leeway is allowed for such debates to be played. What is now necessary is to make specific and particular policy debates more animated. For that purpose, a sound opposition party is indispensable. But it is not acceptable to make such political footballs.

Now is not an age to group forces into conservatives or reformists or hawkish or dovish. A pragmatic approach is now needed. To maintain stability instead of keeping the status quo intact, what should be left, cut and added? It is now necessary to have the spirit and stand of dispassionately looking at the realities and

fundamentally grappling with problems. I would like to call such an approach radical realism. That is the very starting point of "the alliance for the 21st century."

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