

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Ambassador Addresses Diet Group (5 pages)	04/27/1996	P1/b(1)
002. cable	Re: Secretary's Morning Summary (12 pages)	04/29/1996	P1/b(1)
003. cable	Re: Japan: Guideline (3 pages)	04/29/1996	P1/b(1)
004. cable	Re: Japanese Press Speculation (2 pages)	04/30/1996	P1/b(1)
005. cable	Re: President's Visit: Successes, Challenges (7 pages)	04/30/1996	P1/b(1)
006. cable	Re: Japan-U.S. / Security Relations (3 pages)	04/30/1996	P1/b(1)
007. cable	Re: Digest Executive Edition 82-96 (9 pages)	05/02/1996	P1/b(1)
008. cable	Re: Accept New Military Port (5 pages)	05/08/1996	P1/b(1)
009. cable	Re: Demarche Delivered (3 pages)	05/08/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/26/1996 - 05/08/1996]

2016-0420-F
sb1870

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: ROUTINE
CLASS: UNCLASSIFIED
LINE1: RAAUZYUW RUEHOKA0380 1170615-UUUU--RHEHAAX.
LINE2: ZNR UUUUU ZZH
LINE3: R 260615Z APR 96
LINE4: FM AMCONSUL OSAKA KOBE
OSRI: RUEHOK
DTG: 260615Z APR 96
ORIG: AMCONSUL OSAKA KOBE
TO: RUEHKO/AMEMBASSY TOKYO 2869
RUEHC/SECSTATE WASHDC 3012
INFO: RUEHKON/AMCONSUL NAGOYA 0785
RUEHKOS/AMCONSUL SAPPORO 1104
RUHBBMA/AMCONSUL NAHA 1124
RUEHKOF/AMCONSUL FUKUOKA 1112
SUBJ: DEMONSTRATIONS AT CONSULATE CONNECTED WITH
PRESIDENT'S 4/16-18 VISIT TO TOKYO

CONSULATE GENERAL OSAKA-KOBE WAS THE SITE OF TEN
PEACEFUL PROTESTS AND DEMONSTRATIONS DURING THE WEEK

TEXT:
UNCLAS SECTION 01 OF 02 OSAKA KOBE 000380

E.O. 12958: N/A
TAGS: ASEC, PGOV, MARR, JA
SUBJECT: DEMONSTRATIONS AT CONSULATE CONNECTED WITH
PRESIDENT'S 4/16-18 VISIT TO TOKYO

CONSULATE GENERAL OSAKA-KOBE WAS THE SITE OF TEN
PEACEFUL PROTESTS AND DEMONSTRATIONS DURING THE WEEK
OF PRESIDENT CLINTON'S VISIT TO TOKYO, APRIL 16 -
18, 1996:

0. 4/12/96, 19:20 - 19:45: MARCH-BY DEMONSTRATION
OF APPROX. 7,000 - 8,000 PEOPLE FROM OSAKA ZENJIRO
(FEDERATION OF ALL LABOR UNIONS?). SLOGAN: "RETURN
OF THE BASES IN OKINAWA. "

2. 4/15/96, 14:00: TWO MEN FROM THE ZEN OSAKA
ROHDOH KUMIAI SORENGO (ALL-OSAKA LABOR UNION
FEDERATION, FEDERATED WITH THE JAPANESE COMMUNIST
PARTY), HANDED CONSULATE FSN STAFF MEMBERS A
PETITION ASKING FOR THE ABOLITION OF THE STATUS OF
FORCES AGREEMENT (SOFA) AND THE JAPAN- U. S. MUTUAL
SECURITY TREATY (ANPO). THE PETITION CARRIED 3,318
SIGNATURES WHICH HAD BEEN COLLECTED SINCE LATE 1995.

GIST OF THE PETITION: BECAUSE OF SOFA, THE RAPE
CRIMINALS WERE NOT HANDED OVER TO THE JAPANESE
POLICE UNTIL THEY WERE TO BE PROSECUTED. AS LONG AS
WE HAVE U. S. BASES IN JAPAN, THE U. S. MILITARY

CAN BEHAVE THAT WAY. THEREFORE, ABOLISH SOFA, ANPO, AND ALL U. S. BASES.

3. 4/15/96, 14:20 - 14:45: MR. MIKIO HASHIBA, A RIGHT WINGER, CAME ALONE AND SPOKE WITH OUR GUARDS AND POLICE OFFICERS ABOUT REMOVING THE BASES ON OKINAWA.

4. 4/15/96, 20:58 - 21:45: MARCH-BY DEMONSTRATION OF APPROX. 7,000 PEOPLE FROM OKINAWA DAIHYODAN-OSAKA SHIMIN SHUKAI (GROUP OF REPRESENTATIVES FROM OKINAWA-OSAKA CITIZEN'S MEETING). SLOGAN: "PROTEST FROM OKINAWA. WE DON'T ALLOW FORCED USE OF LAND. "

ACCORDING TO NEWSPAPER ACCOUNTS, THIS FOLLOWED A RALLY--NAMED "APPEAL FROM OKINAWA!-OSAKA RALLY NOT TO PERMIT FORCED LAND LEASE"--IN NEARBY OGIMACHI PARK BY 7,000 PARTICIPANTS, WHICH CALLED FOR THE WITHDRAWAL OF U. S. BASES IN OKINAWA. ABOUT 100 PEOPLE FROM OKINAWA ATTENDED, INCLUDING THE LEADING LANDOWNER-PROTESTER MR. CHIBANA AND THE MAYOR OF OKINAWA CITY.

5. 4/16/96, 12:45 - 12:50: MARCH-BY DEMONSTRATION OF APPROX. 150 PEOPLE FROM OSAKA JICHIROREN (OSAKA FEDERATION OF LOCAL AND MUNICIPAL GOVERNMENT WORKERS' UNION). SLOGAN: "ABOLISH NUCLEAR PROGRAMS. LET'S PROTECT PEACEFUL DEMOCRACY. "

6. 4/16/96, 20:00 - 20:18: MARCH-BY DEMONSTRATION OF APPROX. 2,000 PEOPLE FROM KOKUKORO (NATIONAL/PUBLIC LABOR UNION), ZENHORU (ALL LAW LABOR UNION?), ZENIKYO (ALL MEDICAL LABOR UNION), AND OSAKA JICHIROREN (OSAKA FEDERATION OF LOCAL AND MUNICIPAL GOVERNMENT WORKERS' UNION), SLOGANS: "LET'S PROTECT OUR PEACEFUL CONSTITUTION. WE ARE AGAINST THE MUTUAL SECURITY TREATY. ABOLISH THE MUTUAL SECURITY TREATY. GOVERNMENT SHOULD BE RESPONSIBLE FOR CARE COMPENSATION. "

7. 4/17/96, 10:05 - 10:35: PROTEST BY 28 PEOPLE FROM CHUKAKUHA (MIDDLE CORE FACTION) FROM KYOTO UNIVERSITY, INCLUDING IZUMISANO CITY ASSEMBLY MEMBER MR. KOKUGA AND ANOTHER MAN WHO MET WITH CONSULATE FSN STAFF AND LODGED A LETTER OF PROTEST. SLOGANS: "REMOVE U. S. BASES COMPLETELY. WE ARE AGAINST THE RENEWAL OF THE MUTUAL SECURITY TREATY. "

THE GIST OF LETTER: WE STRONGLY OPPOSE TODAY'S REAFFIRMATION OF THE JAPAN- U. S. MUTUAL SECURITY TREATY AT THE SUMMIT MEETING. THE U. S. GOVERNMENT SHOULD RECOGNIZE TO THE STRONG DETERMINATION OF JAPANESE CITIZENS TO OPPOSE WAR AND DEMAND THE ABOLITION OF U. S. BASES AND THE MUTUAL SECURITY TREATY. THE AGREEMENT TO ABOLISH FUTENMA MARINE BASE ONLY MEANS A TRANSFER OF FUNCTIONS TO KADENA AND IWAKUNI BASES, WHICH WILL ENHANCE U. S. FORCES. WE REQUEST CANCELLATION OF THE JOINT STATEMENT."

8. 4/17/96, 11:05 - 16:20: PROTEST BY 5 PEOPLE FROM JINMIN IINKAI (THE GROUP WHO RAISED A VIOLENT DISTURBANCE ON 4/3, SEE SEPTTEL), WHO SAT ON A SIDE STREET FOR MORE THAN FIVE HOURS SHOUTING AND SINGING THEIR ORIGINAL SONGS OVER A BULLHORN. SLOGANS: "WE ARE AGAINST THE REDEFINITION OF THE JAPAN- U. S. MUTUAL SECURITY TREATY."

BT
#0380

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UNCLAS SECTION 02 OF 02 OSAKA KOBE 000380

E.O. 12958: N/A
TAGS: ASEC, PGOV, MARR, JA
SUBJECT: DEMONSTRATIONS AT CONSULATE CONNECTED WITH PRESIDENT'S 4/16-18 VISIT TO TOKYO

9. 4/17/96, 16:00: MR. MIKIO HASHIBA, A RIGHT WINGER (SEE 3 ABOVE), LEFT A LETTER OF PROTEST WITH THE GUARDS.

THE GIST OF THE LETTER: ALTHOUGH I SUPPORT THE JAPAN- U. S. MUTUAL SECURITY TREATY, I DISAGREE WITH THE U. S. REQUEST THAT JAPAN SHOULD PAY THE COST OF MOVING THE BASES ON OKINAWA. I HAVE ASKED FOR MEETINGS THREE TIMES, BUT I AM OFFENDED AT BEING STOPPED BY THE GUARDS. WHEN CLINTON MET THE EMPEROR TODAY, HE WAS VERY IMPOLITE.

10. 4/17/96, 16:00 - 16:20: DEMONSTRATION OF APPROX. 20 PEOPLE FROM JAPAN PEOPLE'S MOVEMENT WHO LEFT A LETTER OF PROTEST WITH THE GUARDS.

THE GIST OF THE LETTER: STOP THE REDEFINITION OF THE JAPAN U. S. MUTUAL SECURITY TREATY AND ABOLISH IT INSTEAD. REMOVE ALL U. S. BASES IN ASIA.

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SECT: SECTION: 01 OF 02
<^SECT>SECTION: 02 OF 02

SSN: 0380
<^SSN>0380

TOR: 960426022128 M2199606
<^TOR>960426022129 M2199607

DIST:
SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO3839 1170845-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 260845Z APR 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 260845Z APR 96
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1853
INFO: RUCPDO/USDOC WASHDC IMMEDIATE
RUEATRS/TREASURY DEPT WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 8779
RUEAIIA/CIA WASHDC IMMEDIATE
RUEKJCS/DIA WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE
RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUCWAAB/FBIS RESTON VA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHHMUNA/USCINCPAC HONOLULU HI
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUEHOK/AMCONSUL OSAKA KOBE 6236
RUAGJHA/CGUSARJ CAMP ZAMA JA//IX CORPS G5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUHBBMA/AMCONSUL NAHA 3952
RUESDJ/FBIS OKINAWA JA
RUEHKON/AMCONSUL NAGOYA 7303
RUEHKOF/AMCONSUL FUKUOKA 9753
RUEHKOS/AMCONSUL SAPPORO 6398
SUBJ: JAPANESE DAILY PRESS SUMMARY 04/26/96
TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 003839
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 04/26/96
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(1) Imported Cars Now in "Great Demand," but Also
in Hot Sales Competition

(2) Daiichi Jukin Invests Huge Money in Hawaii Subsidiaries; 10 Billion Yen for Hotel Acquisition and Other Purposes; Driven into Project Suspension, Financial Difficulty

(3) Pressure "for U.S." to Put Hold on Higher-Dollar Trend Weakens; Market Respond to Statement by Summers; Yen-Selling Progresses

(4) Return of Futenma -- Japan-U.S. Agreement Now in Motion: Top Leaders' Decision; Door Opened for "Advance" of Security Arrangements

ARTICLES:

(1) Imported Cars Now in "Great Demand," but Also in Hot Sales Competition

TOKYO SHIMBUN (Page 3) (Excert)
April 21, 1996

Imported cars, which used to be "beyond one's reach," have gradually been in use recently. Sales of imported cars for FY1995 topped the 400,000-unit level (including trucks) for the first time. In the sharply expanding market for imported cars, a hard battle has broke out at one stroke, with car dealers coming up with various tactical maneuvers, preparing drastically low-interest auto loans or reducing automobiles' market prices. Competition will likely become even more heated not only between domestic and imported automobiles but also among imported cars themselves.

Below Official Discount Rate

France Motors, the general import agent of "Renault," has drastically lowered the ordinary interest rate of 5.3 percent to "0.3 percent" -- lower than the official discount rate (now at 0.5 percent) -- on the "special loan" the agent has been offering for a limited period of time until the end of April. The aim is to boost purchases.

France Motors began to offer the special loan in mid-February. The dealer makes up the difference between the special loan rate and one offered by a credit company tied up with it. By generating the same impact as a price discount in effect, it aims to underscore an "ultra low-interest rate." The company emphatically states, "When a customer uses our special loan to the maximum to buy a car priced at 1.82 million yen, the customer's total payment will be about 150,000 yen lower than in the case of the ordinary rate of interest."

The special loan was initially planned to be continued until the end of March. However, it

"began to filter down among customers in early March," so France Motors decided to extend the campaign period by one month. In part for this reason, sales of "Renault" climbed to a record high

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UNCLAS SECTION 02 OF 08 TOKYO 003839

DEPT FOR E, P, PM, EB, EAP/J AND S/AL
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TREASURY FOR OASIA/IMI/JAPAN
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E.O. 12356: N/A

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SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/26/96

of 325 units in March.

Sweden's "Saab" as well has extended the initial March-end deadline for its annual "2.9 percent interest rate" campaign to the end of May. In addition, Germany's Porsche has adopted a special interest rate of 2.9 percent for coupe-type cars, and BMW -- 3.9 percent for its cars with some series excluded.

Same Price Levels As Those of Japanese Cars

While European car manufacturers have set forth "low interest" on auto loans, American companies' strategy is to compete for auto prices themselves. American manufacturers, which have been putting their energies to making inroads into the Japanese market by introducing right-hand steering-wheel cars since last year's bilateral automobile talks, are now aiming to offer "auto prices that can compete with those of Japanese cars" (Chrysler).

Regarding a newly released right-hand model of "Taurus," which Ford developed for the Japanese market and has been put on sale since late February, the company has priced it 185,000 yen to 285,000 yen lower than those of its previous model. Japanese auto manufacturers were surprised at the prices, a Honda Motor executive saying, "The two million yen level for a car of the 3,000-cc class

poses a threat to us."

Yanase, a dealer selling General Motors (GM) cars, has priced down three types of "Cadillac," a high-class passenger car model, by up to 13.4 percent. Chrysler also offers "Jeep Grand Cherokee," which has been placed on the market since March. Chrysler stresses that its price is at the same level as that of Mitsubishi Motors' "Pajero" equipped with a full set of options. It is ready to pursue Japanese-manufactured popular RVs (recreational vehicles).

Tailwind Still Blowing?

According to surveys by the Japan Automobile Import Association (JAIA), sales of imported passenger cars for FY1995 reached approximately 378,000 units. Although this figure includes 106,000 imported cars that Japanese manufacturers produced overseas, sales posted an increase of more than 20 percent compared to a year earlier.

A JAIA member cited as reasons for the boost: (1) the lower annual interest rate of 5.3 percent even on ordinary loans -- almost half that for domestic cars; (2) reduction in car prices; (3) an effect of imports of compact cars developed for the Japanese market by foreign manufacturers; and (4) increase in the number of sales agents for imported cars, including existing domestic car dealers. He then explained: "This trend will continue also during this fiscal year."

In addition to interest and car prices, Jaguar started this February to offer free services for a period of four years, covering regular car checks,
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UNCLAS SECTION 03 OF 08 TOKYO 003839

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

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if a customer pays a certain amount of contract fees when buying a new car. With such services, Jaguar has brought forward a reduction in maintenance costs.

With "contests among imported cars being added to those between Japanese and imported cars" (Volvo Cars Japan), sales competition has heated up among European cars backed by "low interest," American cars with reduced prices as a sales point and "discounted" Japanese cars.

(2) Daiichi Jukin Invests Huge Money in Hawaii Subsidiaries; 10 Billion Yen for Hotel Acquisition and Other Purposes; Driven into Project Suspension, Financial Difficulty

ASAHI (Page 35) (Full) April 24, 1996

When Japan was in the 'bubble' boom days, The Daiichi Housing Loan Co., Ltd. (Daiichi Jutaku Kin'yu or Daiichi Jukin) (of Shinjuku Ward, Tokyo), a housing loan corporation (jusen), established three corporations in Hawaii in the U.S. as its local subsidiaries and pushed for a plan to acquire a hotel and another plan to have a high-class condominium constructed there, with a total investment of approximately 10 billion yen ... Nowadays, those local subsidiaries' business projects are partially at a standstill, and even those still continued are also said to be not very profitable. Those local corporations used to raise funds, with their obligations guaranteed by Daiichi Jukin or with loans or investments furnished by another subsidiary of Daiichi Jukin. The Government, in its jusen liquidation package, will presumably appropriate taxpayers' money also for making up their losses incident to those overseas businesses.

The three Hawaii-based local subsidiary corporations in question are: "Sefco (TN: phonetic) Hawaii" (established in June 1988); "Sefco Beletania (TN: phonetic)" (established in February 1990); and "Sefco Kapiolani" (established in August 1990). All those local corporations are either subsidiaries established by "Sefco USA," a subsidiary totally capitalized by Daiichi Jukin, or subsidiaries founded by Sefco USA's subsidiaries.

In October 1990, Sefco Kapiolani and four other companies, including Daiichi Jukin's client(s), acquired a land lot of about one hectare along Kapiolani Avenue (or Street?), as well as (a) building(s) standing on that landed property, for a

total of 47.5 million dollars (equivalent to approximately 6 billion yen at the exchange rate in those days). Sefco Kapiolani then planned to have a condominium constructed there. According to a registered document of the Hawaii State Government, Sefco USA loaned 46 million dollars to the consortium of those five companies. And Daiichi Jukin itself is also said to have financed those four client companies.

Soon after that, however, the bubble economy collapsed and the plan was called off. After all,
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UNCLAS SECTION 04 OF 08 TOKYO 003839

DEPT FOR E, P, PM, EB, EAP/J AND S/AL
USIA FOR MR AND REA
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in December 1993, an affiliate of Daiichi Jukin, "Chuei Shoko" (of Chuo Ward, Tokyo), took over that landed property for 31.5 million dollars (more than 3.4 billion yen at that time). Sefco Kapiolani was dissolved in January 1994, the following year. The open space is now used as a parking lot. But all the company can do now is to pay for that landed property's upkeep. At present, the tax appraisal of that landed property, including the building(s) standing on it, is down to a little over 22 million dollars (more than 2.3 billion yen at the present exchange rate).

On the other hand, Sefco Hawaii, in July 1988, took over the "Waikiki Royal," a hotel located in the Waikiki area of Honolulu City, for 7.25 million dollars (about 975 million yen at that time). The hotel has nine floors and about 50 rooms. A Daiichi Jukin executive says the hotel's balance is "barely even."

In 1992, Sefco Beletania and a Hawaii-based

subsidiary of Haseko Corporation jointly borrowed 46 million dollars (about 5.9 billion yen at the exchange rate at that time) from (a) Japanese bank(s) and had a high-class condominium constructed along Beletania Avenue (or Street?) in Honolulu City. In 1994, Sefco Beletania began to sell the condominium's units. However, more than 20 percent of its rooms still remain unsold even today. According to a securities report, Daiichi Jukin, in March last year, guaranteed and endorsed Sefco Beletania's obligation for its borrowings of approximately 17 million dollars (about 1.5 billion yen at the then exchange rate).

At the end of March 1993, Daiichi Jukin had already invested 19.9 million dollars (about 2.3 billion yen at the exchange rate in those days) in those three Hawaii-based local subsidiaries through Sefco USA. Daiichi Jukin's financial burden for its business projects in Hawaii is calculated to total about 10 billion yen, including its guarantee and endorsement of obligations (about 1.5 billion yen as of the end of March 1993) and its financing (of those local corporations) through Sefco USA (about 6 billion yen at the time of financing).

An official of Daiichi Jukin explains, "We promoted business diversification there. It was of inevitability in those days." Daiichi Jukin's head office says, "We'd like to refrain from giving any comment."

(3) Pressure "for U.S." to Put Hold on Higher-Dollar Trend Weakens; Market Respond to Statement by Summers; Yen-Selling Progresses

NIKKEI KIN'YU SHIMBUN (Full) April 18, 1996

The interest of the Government of the United States lies in seeing a drop in Japan's current account surplus --. At an informal discussion meeting held on the 17th with top-level executives of private firms, Deputy Treasury Secretary Summers indicated a stance of tolerating the value of the dollar edging upward, substantiated by a drop in

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UNCLAS SECTION 05 OF 08 TOKYO 003839

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

USIA FOR MR AND REA
WHITE HOUSE FOR NSC ROTH
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E.O. 12356: N/A
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SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/26/96

the current account surplus. In response, there is a widespread view in the market: "There will be no statements by the U.S. authorities that will check a lower yen and higher dollar for some time to come"#(Toshihiko Masaki, Manager of the Citibank Tokyo Branch Foreign Exchange Department).

According to related sources, Deputy Secretary Summers remarked at the meeting, "If Japan's current account surplus steeply drops due to a smooth economic recovery, an adequate exchange-rate level will change accordingly." He did not refer to a specific exchange-rate level, but it has been reported in some circles that (the U.S.) "would tolerate the 110 - 115 yen level. At one point, the value of the yen dropped to the upper 108 yen range.

One participant at the meeting revealed, "Deputy Secretary Summers was worried that Japanese firms might embark on export offensives, taking advantage of the higher yen trend." It means he did not forget to hold Japan in check so that it will continue its effort to curtail its current account surplus, which is once again on the rise from last year. However, the view is that Japan's current account surplus for FY1996 will contract to 2 percent of the nominal gross domestic product, nearing the level sought by the U.S. around 1993, when the Japan-U.S. Framework Talks were launched.

In early February, top-level executives of leading U.S. auto makers expressed their dissatisfaction with the Clinton Administration's tolerating the higher yen trend. However, they have recently been keeping a low profile due to good business performance. "The possibility of the U.S. applying pressure for a lower dollar has considerably lessened" -- market participants have apparently felt that way toward the Summers statement.

(4) Return of Futenma -- Japan-U.S. Agreement Now in Motion: Top Leaders' Decision; Door Opened for "Advance" of Security Arrangements

"I would like you to tell me in specific terms what is Okinawa desiring," asked United States President Bill Clinton in his summit meeting held in Santa Monica on the U.S. west coast on February 23. Faced with this unexpected question, Prime Minister Ryutaro Hashimoto was at a loss for words but said, "If asked to say specifically, I would say it is reversion of Futenma Air Station."

Scenario Changed Altogether

The day before, the Prime Minister broached his idea to senior officials of the Ministry of Foreign Affairs (MOFA) and of the Japan Defense Agency (JDA), saying, "What do you think about suggesting return of Futenma (Air Station)?" But he was dissuaded by them from doing so, for the reason that "The U.S. side will absolutely not accept it." Then he made up his mind "not to mention it after all." But a single word that was not included in BT
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UNCLAS SECTION 06 OF 08 TOKYO 003839

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
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(the Prime Minister's scenario) came out of the mouth of the President. And it raised the curtain on the drama of total reversion of (Futenma).

The stage for Clinton's visit to Japan was set by working-level Japanese and American officials in charge of foreign and security affairs. Their efforts were all concentrated on realizing setting forth in a joint security declaration "a new start of the Japan-U.S. alliance" as a pivotal factor in stabilizing the Asia-Pacific region. They were like the team of stagehands who worked in closer cooperation with their enthusiasm to accomplish a historic "advance" of the U.S.-Japan Security

Treaty.

The major objective of the Joint Security Declaration was to facilitate cooperation in the event of an emergency in the Far East by reviewing the guidelines for Japan-U.S. defense cooperation. Such had been set from the beginning, so it is incorrect to see it surfaced in return for the proposal for reversion of Futenma. But yet a high-level MOFA official, looking back on that time, now remarks: "Any declaration would have lost its attractiveness if it evaded the Okinawa problem." The summit meeting, if entangled over the Okinawa issue, would otherwise had been spoilt. Secretary of Defense Perry then came to Japan earlier to try to avoid that case and made out a schedule to aim to finalize in advance the bases issue while meeting with the Prime Minister.

Negotiations however were faced with many difficulties in the Japan-U.S. Special Action Committee on Okinawa (SACO), a panel to deal with the bases issue. Total reversion of Futenma Air Station, frankly speaking, was unofficially among options for the U.S. to choose. But what were set as the conditions for such return were stricter than those as are incorporated in the final agreement. One condition, for example, was to secure an alternative airport to firmly maintain the functions of the Marines to quickly deal with an emergency. So late March the Japanese side inclined to continue negotiations, reasoning, "It is unacceptable indeed. Return (of Futenma) is quite difficult."

Determined to Accept All of It As Is

On the part of the U.S. side, the foundation for it to make a decision to return it was already laid out. Experts on East Asian affairs have previously pointed out that "Reducing military bases on Okinawa is unavoidable to strengthen the Japan-U.S. security ties." One representing such experts is former assistant secretary of defense Armitage, who has a personal network with the Republican Party. At the request of Secretary Perry, he gave the reasons for reversion of Futenma. Former assistant secretary of defense Nye also had the perception that "Return would be possible if a threat now posed by the Democratic People's Republic of Korea (North Korea) and other countries vanished."

The best policy approach is to assuage Okinawan
BT
#3839

NNNN

UNCLAS SECTION 07 OF 08 TOKYO 003839

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 04/26/96

people's rage and urge Japan to adopt a quick response system enabling it to deal with an emergency -- the Clinton Administration inclined further toward that approach after the bilateral summit in Santa Monica. Mounting tensions across the Taiwan Straits sent a tail wind. And the East Asian situation was in the center of interest in the Republican Party in the U.S. Congress. The President was then pressed hard to show in some form a success of his foreign policy toward Japan for the past three years.

The Marines raised objection to such return, but in the end accepted it upon Secretary Perry's persuasion. "In the U.S., too, a view exists favoring withdrawal of the Marines from Okinawa, so a moderate settlement measure was taken" (insider related to national defense). What was needed to persuade the military was to take the form of a political decision. In addition, the U.S. side calculated that the matter would advance at one effort if the plan is directly shown to the Prime Minister's Residential Office (Kantei), which was searching for ways to buoy up the administration.

On April 2, Ambassador to Japan Walter Mondale conveyed a proposal for total return (of Futenma), but included in it were severe conditions, such as research on whether to be able to use commercial airports in the event of an emergency. But the Prime Minister made up his mind to accept it as is. Later, he gave business orders to several senior officials of the Kantei and MOFA. A new security-alliance age has been then ushered in as was in the scenario by the recent bilateral summit. The door has now been opened, helped by a chance factor of the economic conditions enjoying a temporary lull as well as by the decision made by the two leaders. That time, the stagehands team also toasted for a

success. "This might be one of inevitabilities of history," mumbled an American official. A nod was given from the Japanese side.

The Prime Minister, aiming to buoy up his Administration, opted for "name," that is, total reversion. His speculation turned out to be true as was indicated by a sudden recovery of the approval rate for his Cabinet. Although the U.S. side has decided to return Futenma Air Station, it has not yielded at all regarding "substance," namely, its giving no approval for a decline in the functions of U.S. troops. On a heliport planned to be newly constructed in Kadena Air Base, what the U.S. has requested is to build the one with a runway which the Marines' fixed-wing aircraft can use. But opposition for relocation has come from Iwakuni, a place where some functions will be transferred, and the huge amount of the relocation cost Japan is to shoulder and hard domestic coordination now await the Prime Minister. "If I were in that position, I could not accept it. I cannot take on responsibility for implementation," reveals a certain official tasked with security.

Put to Be Tested As to Cooperation in Time of Emergencies

BT
#3839

NNNN
UNCLAS SECTION 08 OF 08 TOKYO 003839

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 04/26/96

On cooperation in the event of an emergency, the Government and ruling coalition have yet to fix even basic policy line because of the cautious stance by the Social Democratic Party (SDP). The Prime Minister's standpoint is not to amend the interpretation of the Constitution that prohibits

any exercise of the right to collective self-defense, but when debates go into specifics, the gray zone problem very close to violation of the right of collective self-defense will be certain to come out. For stagehand bureaucrats, facilitation may be what is in the already-decided policy course, but that policy course might be thrown into confusion, depending on motives of politicians who keep an eye on the next political realignment. The U.S. side's eye is now fixed on how the Prime Minister will steer his country. The drama of return of Futenma with a potential source of dispute will go to the second stage.

(Masato Shimizu of the Political Department and Akihiko Miyamoto in Washington)

MONDALE
BT
#3839

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SECT: SECTION: 01 OF 08

<^SECT>SECTION: 02 OF 08
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DIST:

SIT: KRISTOFF KYLE SUETTINGER TARULLO WALSH
SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Ambassador Addresses Diet Group (5 pages)	04/27/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/26/1996 - 05/08/1996]

2016-0420-F
sb1870

RESTRICTION CODES

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

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

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.

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. cable	Re: Secretary's Morning Summary (12 pages)	04/29/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/26/1996 - 05/08/1996]

2016-0420-F
sb1870

RESTRICTION CODES

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

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- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. cable	Re: Japan: Guideline (3 pages)	04/29/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/26/1996 - 05/08/1996]

2016-0420-F
sb1870

RESTRICTION CODES

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

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. cable	Re: Japanese Press Speculation (2 pages)	04/30/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/26/1996 - 05/08/1996]

2016-0420-F
sb1870

RESTRICTION CODES

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

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. cable	Re: President's Visit: Successes, Challenges (7 pages)	04/30/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/26/1996 - 05/08/1996]

2016-0420-F
sb1870

RESTRICTION CODES

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

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006. cable	Re: Japan-U.S. / Security Relations (3 pages)	04/30/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/26/1996 - 05/08/1996]

2016-0420-F
sb1870

RESTRICTION CODES

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

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Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO3907 1220322-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 010322Z MAY 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 010322Z MAY 96
ORIG: AMEMBASSY TOKYO
TO: RUEHIA/USIA WASHDC IMMEDIATE 8808
RUEHC/SECSTATE WASHDC IMMEDIATE 1917
INFO: RUEBBEA/USDOT WASHDC
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEKJCS/SECDEF WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEKJCS/JOINT STAFF WASHDC//J5//
RUCPDOG/USDOC WASHDC
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUEAIIA/DIA WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RHEHAAA/WHITEHOUSE WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS MAY 1

TOP HEADLINES

TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 003907

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 MAY 1

TOP HEADLINES

ASAHI: TBS RELEASES ITS SURVEY REPORT ON "VIDEO TAPE OF
LAWYER SAKAMOTO"; CANCELLATION OF AIRING IN PARTY BECAUSE
OF PRESSURE FROM AUM CULT; IT WAS POSSIBLE TO ADMIT
"VIDEO TAPE WAS SHOWN" LAST OCTOBER; SUPERVISOR ALSO
INVOLVED AND DISMISSED IN DISGRACE; PRESIDENTS AND TWO
OTHER EXECUTIVES TO RESIGN TODAY

NIHON KEIZAI: TAIWANESE PRESIDENT TO SUGGEST POLITICAL

DIALOGUE TO CHINA; VICE-MINISTER-LEVEL TALKS FIRST OF ALL; POLICY CHANGE AIMED AT EASING TENSIONS; CONSIDERING HOLDING SUMMIT TALKS

TOKYO SHIMBUN: FIGHT FOR RIGHT TO KNOW -- FROM REPORTERS' EXPERIENCES (PART 1); "IMPOSSIBLE SPECIFICATION" IN DEMANDING DOCUMENTS; ACTUAL SITUATION OF INFORMATION DISCLOSURE; TOKYO METROPOLITAN GOVERNMENT STILL HEAVILY VEILED

MAINICHI: TBS'S SUVEY REPORT ABOUT VIDEOTAPE PROBLEM; "LOST COURAGE TO ANNOUNCE"; CANCELLATION OF AIRING OF VIDEOTAPE; PARTLY BECAUSE OF PRESSURE FROM AUM CULT; GENERAL PRODUCER DISMISSED IN DISGRACE; PRESIDENT ISOZAKI ALSO TO RESIGN TODAY

YOMIURI: TBS'S RE-SURVEY REPORT ON INTERVIEW WITH LAWYER SAKAMOTO; GENERAL PRODUCER ALSO INVOLVED; DISMISSED IN DISGRACE; "STRUCTUAL DEFECTS SEEN IN THE COMPANY"; PRESIDENT AND TWO OTHER EXECUTIVES TO RESIGN TODAY; CANCELLATION OF AIRING DUE PART TO PRESSURE FROM AUM CULT

SANKEI: TBS'S FINAL REPORT ON VIDEOTAPE PROBLEM CONNECTED WITH LAWYER SAKAMOTO; "IN VIOLATION OF REPORTING ETHICS"; GENERAL PRODUCER INVOLVED; CANCELLATION OF AIRING IN PART BECAUSE OF PRESSURE FROM AUM CULT

NO OUTLOOK YET FOR EARLY DISSOLUTION OF THE DIET
(ASAHI - PAGE 2)

SHINSHINTO (NEW FRONTIER PARTY) PRESIDENT ICHIRO OZAWA IS GOING TO STEP UP THE OFFENSIVE TOWARD THE GOVERNMENT AND THE RULING COALITION IN THE SECOND HALF OF THE DIET THAT WILL START AFTER THE SPRING HOLIDAY SEASON, DEMANDING ALTERATION OF THE GOVERNMENT'S JUSEN (HOUSING LOAN COMPANIES) BAILOUT SCHEME. HOWEVER, NO BRIGHT PROSPECT CAN BE SEEN FOR AN EARLY DISSOLUTION OF THE LOWER HOUSE. HE HAS SWITCHED HIS STANCE AND DECLARED THAT THE RIGHT TO USE COLLECTIVE SELF-DEFENSE IS "CONSTITUTIONAL," OBVIOUSLY IN AN EFFORT TO SHAKE THE THREE COALITION PARTIES. BUT THAT HAS ONLY SET OFF ALARMS IN THE PARTY, SOME SUSPECTING, "IS THIS A SPRING BOARD TOWARD A NEW CONSERVATIVE-CONSERVATIVE ALLIANCE?" SOME ARE EVEN PREDICTING "SEPARATION FROM THE SHINSHINTO BY THE SOKA GAKKAI," A POWERFUL RELIGIOUS ORGANIZATION WHICH HAS BEEN "THE MOST DEPENDABLE ELECTION BASE" (SENIOR SHINSHINTO MEMBER). THE PARTY ALSO NEEDS TO KEEP CLOSE TABS ON THE MOVE OF SHINSHINTO ACTING EXECUTIVE COUNCIL CHAIRMAN HAJIME FUNADA AND OTHERS, WHO HAVE BEEN LOOKING FOR WAYS TO FORM A NEW PARTY IN COLLABORATION WITH SAKIGAKE SECRETARY GENERAL YUKIO HATOYAMA. OZAWA WILL VISIT CHINA FROM MAY 2 TO 12 AT THE INVITATION OF THE CHINESE COMMUNIST PARTY. DIFFICULT PARTY MANAGEMENT AWAITS HIM AFTER RETURNING HOME.

"AS PARTY HEAD, THERE ARE ONLY TWO THINGS ON MY MIND: ELECTIONS AND THE COUNTRY." THIS IS OZAWA'S PET PHRASE THAT HE STRESSES OFTEN TO HIS AIDES THESE DAYS.

ALMOST EVERY WEEK, OZAWA ATTENDS MEETINGS OF SINGLE-CONSTITUENCY CHAPTERS FOCUSING ON JUNIOR MEMBERS. IN SUCH A MEETING, HE ACTIVELY MINGLES AND TAKES PICTURES WITH YUAIKAI MEMBERS AND LEADERS OF SUPPORTERS' ASSOCIATIONS. PREDICTS A SENIOR ELECTION-CAMPAIGN OFFICIAL: "UNLIKE THE LIBERAL DEMOCRATIC PARTY, OUR BT
#3907

NNNN
UNCLAS SECTION 02 OF 06 TOKYO 003907

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 MAY 1

CANDIDATES ARE FRESH AND VIGOROUS. ACHIEVING A MAJORITY INDEPENDENTLY IS POSSIBLE."

BUT HE IS CAUTIOUS ABOUT THE TIMING FOR A DIET DISSOLUTION, ONLY SAYING, "WE HAVE TO HAVE AN ELECTION IN THE NEXT ONE YEAR OR SO." FROM EARLY ON DURING THE CURRENT DIET SESSION, THE SHINSHINTO HAS BEEN CALLING FOR AN "EARLY DISSOLUTION." BUT BEFORE THE WALL OF THE TOTAL SEATS OF "292" OF THE THREE COALITION PARTIES IN THE LOWER HOUSE, THE PARTY HAS YET TO COME UP WITH ANY BRIGHT STRATEGY. "IF THERE IS ANY CHANCE FOR US, THAT WOULD BE THE COLLAPSE OF THE PRESENT ARRANGEMENT AMONG THE LDP, SDP, AND SAKIGAKE" (SENIOR SHINSHINTO MEMBER). IN OTHER WORDS, THE PARTY IS COUNTING ON THE RIVAL'S FAILURE.

IN PASSING THE FY1996 BUDGET IN THE LOWER HOUSE, THE SHINSHINTO HAS TARGETED AT JOINT REVISION WITH THE RULING CAMP THROUGH THE LDP'S FORMER TAKESHITA FACTION MEMBERS. AS A RESULT, THE PARTY SUCCEEDED IN MAKING SOME REVISIONS IN THE GENERAL PROVISIONS OF THE FISCAL BUDGET. BUT SUCH A SCHEME, THAT WAS CARRIED OUT WHILE LEAVING THE SECRETARY GENERAL IN THE DARK, HAS RESULTED IN ENTANGLEMENT IN THE PARTY. AS A RESULT, SOME IN THE PARTY EVEN OPPOSED THE BUDGET, OPPOSING THE PARTY'S POLICY LINE.

FOREIGN MINISTRY REBUTS DOLE CRITICISM OF JAPAN
INFORMATION ON WHITE HOUSE INTERNET (YOMIURI -PAGE 9)

IN REACTION TO CRITICISM BY REPUBLICAN SENATE MAJORITY LEADER BOB DOLE MADE ON THE FLOOR OF THE SENATE IN APRIL THAT "THE WHITE HOUSE HAS HAD JAPAN WRITE A DOCUMENT ON TRADE POLICY," JAPAN'S FOREIGN MINISTRY PRESS SECRETARY HIROSHI HASHIMOTO REBUTED: "THERE IS A MISUNDERSTANDING."

THE POINT OF DOLE'S CRITICISM IS: "IT IS STRANGE THE JAPANESE GOVERNMENT'S ASSERTION THAT TRADE AGREEMENTS (SUCH AS THE JAPAN-U.S. SEMICONDUCTOR AGREEMENT) ARE UNNECESSARY CAN BE FOUND ON THE WHITE HOUSE'S INTERNET HOME-PAGE." MAJORITY LEADER DOLE SLAMMED THE CLINTON ADMINISTRATION, ARGUING THAT THIS WAS EVIDENCE OF WEAKNESS IN ITS TRADE POLICY TOWARD JAPAN.

HOWEVER, THE JAPANESE SPOKESMAN SAID JAPAN'S ASSERTIONS ARE ON THE HOME PAGE WHICH MOFA HAD OPENED IN COMMEMORATION OF PRESIDENT CLINTON'S VISIT TO JAPAN, AND THAT "DURING THE PRESIDENTIAL VISIT TO JAPAN, THAT HOME-PAGE, AT OUR REQUEST TO THE U.S. GOVERNMENT, WAS LINKED TO THE WHITE HOUSE'S HOME-PAGE." THAT COMMEMORATIVE PAGE HAD MORE THAN 470,000 ACCESSES IN APRIL. OF THEM, MORE THAN 130,000 CAME FROM THE U.S.

THIS TROUBLE HAS BEEN SETTLED FOR NOW AFTER IT WAS FOUND THAT THE ELDERLY DOLE DID NOT UNDERSTAND THE MECHANISM OF THE INTERNET LINKING COMPUTERS ALL OVER THE WORLD THROUGH WEBS. BUT MOFA IS BECOMING ALARMED THAT "JAPAN-BASHING" MAY COME UP AS A POINT AT ISSUE IN THE PRESIDENTIAL CAMPAIGN.

FOREIGN MINSITER IKEDA IN AFRICA: AID AS LEVERAGE IN CAMPAIGN FOR ROTATING UNSC SEAT (YOMIURI - PAGE 2)

(MIDLAND IN SOUTH AFRICA, APRIL 30, AYUMU TSUDA) WHAT FOREIGN MINISTER IKEDA AIMS AT IN HIS TRAVEL THIS TIME TO AFRICA IS FIRST OF ALL TO OBTAIN AS MUCH SUPPORT AS POSSIBLE FROM AFRICAN COUNTRIES IN THE ELECTION SET FOR THIS FALL TO CHOOSE THE NON-PERMANENT MEMBERS ON THE UNITED NATIONS SECURITY COUNCIL (UNSC). ANOTHER AIM IS TO TAP A "MAJOR SOURCE OF VOTES" IN THE FUTURE WHEN SEEKING A PERMANENT SEAT ON THE UNSC BY SECURING A POSITION OF RESPONSIBILITY IN THE INTERNATIONAL COMMUNITY. IN THIS RESPECT, HE SEEMS TO HAVE PRODUCED SOME RESULTS AS IS SEEN IN SOUTH AFRICAN PRESIDENT MANDELA'S FORWARD-LOOKING STANCE TOWARD IKEDA'S PROPOSAL
BT
#3907

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UNCLAS SECTION 03 OF 06 TOKYO 003907

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/APAN;
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 MAY 1

FOR A MEETING OF THE AFRICA DEVELOPMENT CONFERENCE IN
TOKYO.

HOWEVER, THE QUESTION OF LINKING EFFECTIVE ASSISTANCE
ACTIVITIES TO REFORM OF THE UN ECONOMIC AND SOCIAL
COUNCIL (ECOSOC), AS IKEDA SUGGESTED IN HIS SPEECH TO THE
ANNUAL MEETING OF THE UN CONFERENCE ON TRADE AND
DEVELOPMENT (UNCTAD), HAS SET OFF CONCERNS AMONG
DEVELOPING COUNTRIES, WHICH SUSPECT THAT THE PROPOSAL
MIGHT LEAD TO LESS ASSISTANCE. JAPAN MUST DEAL WITH SUCH
CONCERNS IF IT EXPECTS, AS A MAJOR AID DONOR, TO OBTAIN A
BROAD BASE OF SUPPORT.

UNLIKE SOUTHEAST ASIAN COUNTRIES, WHICH ARE
GEOGRAPHICALLY CLOSE TO JAPAN, AND LATIN AMERICAN
COUNTRIES, TO WHICH JAPANESE PEOPLE HAVE IMMIGRATED,
AFRICAN COUNTRIES UNTIL NOW HAVE HAD THE WEAKEST
CONNECTIONS AMONG DEVELOPING COUNTRIES TO JAPAN. THE
FACT THAT THIS IS THE FIRST VISIT TO AFRICA IN 12 YEARS
BY A JAPANESE FOREIGN MINISTER, THE LAST BEING FOREIGN
MINISTER ABE'S, SYMBOLIZES THAT SITUATION.

DURING HIS MEETING WITH THE FOREIGN MINISTER, SOUTH
AFRICAN PRESIDENT MANDELA PRAISED IKEDA WITH THE REMARK,
"HE IS ONE OF MY CLOSEST FRIENDS." IKEDA ALSO OBTAINED
SUPPORT IN THE ELECTION FOR THE ROTATING SEAT ON THE
UNSC. WHAT LIES BEHIND SUCH SUPPORT IS (IKEDA'S) PLEDGE
MADE DURING HIS VISIT TO PROVIDE YEN LOANS WORTH 7.8
BILLION YEN OR MORE AND TO EXTEND OTHER ASSISTANCE.

IN ADDITION, IN THE MAY 1 MEETING BETWEEN FOREIGN
MINISTER IKEDA AND MINISTERS OF THE SOUTHERN AFRICAN
DEVELOPMENT COMMUNITY (SADC), WHICH CONSISTS OF 12
SOUTHERN AFRICAN COUNTRIES INCLUDING TANZANIA AND ZAMBIA,
THOSE COUNTRIES WILL LIKELY EXPRESS THEIR EXPECTATIONS ON
JAPAN FOR HELD WITH AFRICAN DEVELOPMENT.

ON THE OTHER HAND, HOWEVER, ON THE AGENDA AT THE UPCOMING
LYON SUMMIT WILL BE THE PROBLEM OF REVIEWING OFFICIAL
DEVELOPMENT ASSISTANCE (ODA), OWING TO FISCAL
STRINGENCIES IN INDUSTRIALIZED COUNTRIES. SO FAR JAPAN
HAS PLAYED THE ROLE OF AN INTERMEDIARY BETWEEN THE

INDUSTRIALIZED AND DEVELOPING COUNTRIES, BUT IN THE COMING YEARS, THE MAJOR TASK IS HOW TO PLAY ITS ROLE, KEEPING A BALANCE BETWEEN GIVING ASSISTANCE AND OBTAINING SUPPORT.

FORMER PRIME MINISTER MURAYAMA TO VISIT CHINA
(ASAHI - PAGE 1)

WINDING UP HIS CHINA TRIP, SOCIAL DEMOCRATIC PARTY (SDP) POLICY DELIBERATION COUNCIL CHAIRMAN SHIGERU ITO RETURNED TO JAPAN LATE ON THE 30TH. DURING HIS STAY IN CHINA, ITO MET WITH LI SHUZHENG, CHIEF OF THE CENTRAL FOREIGN AFFAIRS LIAISON COUNCIL OF THE CHINESE COMMUNIST PARTY. IN IT, LI REVEALED A PLAN TO INVITE AN SDP DELEGATION LED BY PARTY HEAD TOMIICHI MURAYAMA TO CHINA, ACCORDING TO ITO. THE SDP INTENDS TO ACCEPT THE INVITATION. THE PARTY WILL SEND A DELEGATION TO CHINA POSSIBLY THIS MONTH IF THE TRIP IS REALIZED, A MEETING BETWEEN MURAYAMA AND PRESIDENT JIANG Z EMIN IS LIKELY.

WITH SECURITY TIES RECONFIRMED BETWEEN JAPAN AND THE UNITED STATES, ITO WAS VISITING CHINA IN ORDER TO EXCHANGE VIEWS WITH CHINESE LEADERS REGARDING SUCH ISSUES AS SECURITY IN EAST ASIA AND THE NORMALIZATION TALKS BETWEEN JAPAN AND NORTH KOREA.

ACCORDING TO ITO, THE CHINESE SIDE NOTED: "(CHINA) HAS NO OBJECTION TO JAPAN AND THE U.S. CARRYING OUT JOINT EXERCISES IN ACCORDANCE WITH ARTICLE 5 IN THE U.S.-JAPAN SECURITY TREATY. BUT ARTICLE 6 (THAT HYPOTHESIZES FAR EAST CONTINGENCY) WOULD BE A PROBLEM. WE WILL NOT REMAIN SILENT ABOUT EXPANDING THE SCOPE OF THE FAR EAST."

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UNCLAS SECTION 04 OF 06 TOKYO 003907

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 MAY 1

FORMER LOWER HOUSE SPEAKER TAMURA TO LEAD LDP DELEGATION TO TAIWAN INAUGURATION (SANKEI - PAGE 1)

YESTERDAY, FORMER LOWER-HOUSE SPEAKER HAJIME TAMURA WAS CHOSEN TO BE LEAD THE DELEGATION OF POLITICAL PARTIES THAT WILL PARTICIPATE IN THE INAUGURAL CEREMONY FOR TAIWANESE PRESIDENT LEE TENG-HUI TO BE HELD ON MAY 20. COORDINATION IS NOW BEING CARRIED OUT IN AN EFFORT TO REALIZING A MEETING WITH PRESIDENT LEE ON THE 21ST.

THE GOVERNMENT AND RULING COALITION CAMP STARTED PICKING CANDIDATES TO ATTEND THE CEREMONY RIGHT AFTER THE PRESIDENTIAL ELECTION IN MARCH. THE GOVERNMENT, HOWEVER, HAS LIMITED ITS RELATIONS WITH TAIWAN TO NON-POLITICAL CONTACTS SINCE JAPAN NORMALIZED DIPLOMATIC TIES WITH CHINA. IT ALSO AFFIRMED AT THE EARLIER HELD JAPAN-UNITED STATES SUMMIT MEETING THAT IT WOULD UPHOLD THE HITHERTO POLICY APPROACH TOWARD CHINA. GIVEN SUCH CIRCUMSTANCES, THE GOVERNMENT AND RULING PARTIES HAD INTENDED TO FORM A DELEGATION COMPRISING OF SUPRA-PARTY DIETMEMBERS CENTERING ON THE MEMBERS OF THE "JAPAN-CHINA AFFAIRS DIETMEMBERS INFORMAL COUNCIL" (CHAIRIED BY FORMER POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN MASAYUKI FUJIO) BY SELECTING A LEADER FROM AMONG THOSE WHO HAD SERVED AS PRIME MINISTER, UPPER-HOUSE PRESIDENT OR LOWER-HOUSE SPEAKER.

REGARDING PRESIDENT LEE'S INAUGURAL CEREMONY LAST TIME IN MAY 1990, THE LATE SHIN KANEMARU, THE FORMER VICE PRESIDENT OF THE LIBERAL DEMOCRATIC PARTY (LDP), THEN ATTENDED. AS MISSION LEADER, THE NAMES OF YASUHIRO NAKASONE, NOBORU TAKESHITA AND KIICHI MIYAZAWA WERE MENTIONED BECAUSE THE TAIWANESE SIDE SOUGHT "A FORMER JAPANESE PRIME MINISTER" TO PARTICIPATE IN THE CEREMONY THIS TIME.

BUT SINCE CHINA INFORMALLY INDICATED ITS UNHAPPINESS WITH THE IDEA OF A FORMER JAPANESE PRIME MINISTER'S ATTENDING THE CEREMONY, THE JAPANESE GOVERNMENT AND RULING COALITION HAD A DIFFICULT TIME IN PICKING THE LEADER. TAKESHITA IS CLOSE TO CHINA. BOTH NAKASONE AND MIYAZAWA TOOK CAUTIOUS STANCES IN CONSIDERATION OF CHINA. PRIME MINISTER RYUTARO HASHIMOTO ALSO HAD EXPRESSED HIS OPINION AGAINST ANY FORMER PRIME MINISTER BEING SENT THERE. WITH ALL THOSE ELEMENTS IN MIND, HAJIME TAMURA WAS PICKED FROM AMONG FORMER LOWER-HOUSE SPEAKERS AND UPPER-HOUSE PRESIDENTS AS LEADER OF THE DELEGATION THIS TIME.

OECD REPORTS YEN LOANS GAIN TWO POINTS IN GRANT ELEMENT QSOFTNESSQ (ASAHI - PAGE 2)

ACCORDING TO THE REPORT ON OPERATIONS FOR FISCAL 1995 ISSUED BY THE OVERSEAS ECONOMIC COOPERATION FUND (OECD) ON APRIL 30, THE GRANT ELEMENT FOR YEN LOANS, WHICH INDICATES THE SOFTNESS OF CONDITIONS FOR SUCH LENDING (ON A COMMITMENT BASE), ROSE 2 PERCENTAGE POINTS, REACHING THE 60 PERCENT LEVEL FOR THE FIRST TIME. FIGURES COVERING OFFICIAL DEVELOPMENT ASSISTANCE (ODA) IN

GENERAL, INCLUDING GRANTS, WILL BE CALCULATED BY THE MINISTRY OF FOREIGN AFFAIRS AROUND JUNE. SINCE THE RATIO OF GRANTS IN JAPAN'S ODA IS SMALL, THE ESTIMATE IS THAT ITS GRANT ELEMENT WILL BE ABOUT 10 PERCENTAGE POINTS BELOW THE AVERAGE OF OTHER INDUSTRIALIZED NATIONS.

THE GRANT ELEMENT IS AN INDEX THAT INDICATES THE QUALITY OF AID. IN THE CASE OF LOANS, THE LOWER THE INTEREST RATE AND THE LONGER THE LENDING TERM, THE HIGHER THE INDEX RISES.

KEIDANREN TO REORGANIZE ITSELF (SANKEI - PAGE 1)

THE FEDERATION OF ECONOMIC ORGANIZATIONS (KEIDANREN CHAIRED BY SHOICHIRO TOYODA) YESTERDAY UNVEILED A POLICY LINE OF LAUNCHING AN ORGANIZATIONAL REFORM ON THE LARGEST SCALE EVER SINCE ITS FOUNDATION. ACCORDING TO THE PLAN, BT
#3907

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UNCLAS SECTION 05 OF 06 TOKYO 003907

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 MAY 1

POLICY COMMITTEES, WHICH HAVE MADE NUMEROUS PROPOSALS TO THE CONCERNED CIRCLES, WILL BE CONSOLIDATED AND REORGANIZED. IN THE MEANTIME, THE SECRETARIAT WILL ABOLISH THE DEPARTMENT-DIVISION SYSTEM. IT WILL INSTEAD EMPLOY A HEADQUARTERS SYSTEM THAT WILL LAY EMPHASIS ON POLICY MEASURES. THE AIM IS TO DISPLAY MOBILITY IN TUNE WITH CHANGES IN JAPAN'S ECONOMIC STRUCTURE AND PROGRESS TOWARD INTERNATIONALIZATION. KEIDANREN WANTS TO MAKE SUCH REFORMS A "CENTERPIECE" OF THE 50TH ANNIVERSARY OF ITS FOUNDATION.

THE NUMBER OF POLICY COMMITTEES, WHICH ARE HEADED BY TOP-LEVEL EXECUTIVES OF BUSINESS FIRMS, HAS KEPT ON INCREASING OVER THE PAST SEVERAL YEARS. THERE ARE NOW 46 COMMITTEES. KEIDANREN HAS JUDGED THAT RESTRUCTURING WOULD BE UNAVOIDABLE, TAKING INTO ACCOUNT ITS POSITION

OF BACKING UP ADMINISTRATIVE REFORM. IT WILL CUT THE NUMBER OF POLICY COMMITTEES TO 34 AT A PLENARY MEETING TO BE HELD IN LATE MAY.

TO BE CONCRETE, IT WILL DIVIDE THE FISCAL AND FINANCIAL AFFAIRS COMMITTEE INTO TWO -- A FISCAL AFFAIRS COMMITTEE AND A FINANCIAL AFFAIRS COMMITTEE. THIS IS APPARENTLY A MOVEMENT IN ANTICIPATION OF THE REFORM OF THE MINISTRY OF FINANCE (MOF). THE INTERNATIONAL FINANCE AND CAPITAL EXCHANGE COMMITTEE WILL BE PLACED UNDER THE FINANCIAL AFFAIRS COMMITTEE. IN ADDITION, AS A RESULT OF AN INCREASE IN OVERSEAS INVESTMENTS, THE TAX SYSTEM COMMITTEE, WHICH IS RESPONSIBLE FOR DOMESTIC TAX AFFAIRS, AND THE INTERNATIONAL TAX COMMITTEE, WHICH IS RESPONSIBLE FOR INTERNATIONAL TAX AFFAIRS, WILL BE CONSOLIDATED. THE ECONOMIC RESEARCH COMMITTEE, ECONOMIC STRUCTURE PROBLEM COMMITTEE AND INDUSTRIAL POLICY COMMITTEE, WHICH HAVE ENGAGED IN DISCUSSION ON SIMILAR THEMES, WILL BE UNIFIED INTO A NEW ECONOMIC POLICY COMMITTEE.

THE COMPREHENSIVE COUNTERMEASURES COMMITTEE AND THE DIPLOMATIC PROBLEMS COMMITTEE WILL BE CONSOLIDATED. DISCUSSIONS ON SECURITY ISSUES WILL BE PURSUED AS OCCASION ARISES. FIVE COMMITTEES THAT HAVE HAD INDISTINGUISHABLE FUNCTIONS, INCLUDING THE TRADE COUNTERMEASURES COMMITTEE, ECONOMIC COOPERATION COMMITTEE, SERVICES AND TRADE COMMITTEE, INTERNATIONAL INDUSTRIAL COOPERATION COMMITTEE AND INTERNATIONAL CULTURAL EXCHANGE COMMITTEE, WILL BE CONSOLIDATED. INSTEAD A TRADE AND INVESTMENTS COMMITTEE AND AN INTERNATIONAL COOPERATION COMMITTEE WILL BE ESTABLISHED. THE CORPORATE ETHICS COMMITTEE, CONSUMER AND WORKING PEOPLE COMMITTEE AND COEXISTENCE COMMITTEE WILL BE UNITED INTO A CORPORATE ACTION COMMITTEE.

IN TANDEM WITH THE REORGANIZATION OF THE COMMITTEES, KEIDANREN WILL START THE REFORM OF THE SECRETARIAT FROM JUNE. ACCORDING TO THE PLAN, IT WILL SCRAP THE PRESENT DEPARTMENT-DIVISION SYSTEM AND SHIFT TO A SIX-HEADQUARTERS SYSTEM, CONSISTING OF INTERNATIONAL, ECONOMIC, INDUSTRIAL, SOCIAL, GENERAL AFFAIRS AND OPERATIONAL SECTORS. VARIOUS GROUPS RESPONSIBLE FOR EACH THEME, SUCH AS POLITICS, ADMINISTRATIVE REFORM, WILL BE ESTABLISHED IN EACH HEADQUARTERS. HEADQUARTERS CHIEFS, DEPUTY HEADQUARTERS CHIEFS, DIVISION DIRECTORS AND RESEARCHERS WILL BE APPOINTED AS LEADERS OF THOSE GROUPS. THE AIM IS TO URGE THEM TO REFORM THEIR AWARENESS THROUGH DRASTIC POWER SHIFT.

KEIDANREN SAYS, "WE HAVE DECIDED TO REORGANIZE THE COMMITTEES AND REFORM THE SECRETARIAT IN ACCORDANCE WITH NEEDS OF THE TIMES." KEIDANREN, A QUINTESSENTIAL OF HEAVY INDUSTRIES, IS AT LAST BEGINNING TO AWAKE TO THE NECESSITY OF ITS OWN REFORM, GREETING THE 50TH ANNIVERSARY OF ITS FOUNDATION.

PRIME MINISTER APOLOGIZES TO YAMAGUCHI PREFECTURE FOR NO PRIOR CONSULTING ON BASE TRANSFER (MAINICHI - PAGE 7)

BT
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UNCLAS SECTION 06 OF 06 TOKYO 003907

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 MAY 1

ON THE PROBLEM OF TRANSFERRING THE AERIAL REFUELING
AIRCRAFT UNIT OF THE U.S. FORCES' FUTENMA AIR STATION (IN
OKINAWA PREFECTURE) TO IWAKUJI AIR STATION (IN YAMAGUCHI
PREFECTURE) ALONG WITH THE AGREEMENT (REACHED EARLIER
BETWEEN JAPAN AND THE U.S.) ON RETURNING THE FUTENMA
AIRFIELD TO THE LOCAL SIDE, YAMAGUCHI PREFECTURE'S
GOVERNOR TOHRU HIRAI AND IWAKUNI CITY'S MAYOR YOSHIMITSU
KIFUNE MET WITH PRIME MINISTER RYUTARO HASHIMOTO AT HIS
OFFICIAL RESIDENCE ON APRIL 30. AT A PRESS CONFERENCE
HELD AFTERWARD, THE TWO LOCAL HEADS CLARIFIED THAT THE
LOCAL SELF-GOVERNING BODIES AND THE DEFENSE FACILITIES
ADMINISTRATION AGENCY WOULD SET UP A CONSULTATIVE PANEL
AFTER THE MONTH'S CONSECUTIVE HOLIDAYS AT THE EARLIEST TO
COORDINATE LOCAL OPINIONS, AND THAT THE LOCAL SIDE WOULD
RESPOND TO HOLDING TALKS WITH THE GOVERNMENT SIDE.

GOVERNOR HIRAI POINTED OUT THE LOCAL RESIDENTS' GROWING
SENSE OF UNEASINESS AND ANXIETY, AND THEN REQUESTED THE
GOVERNMENT TO ENSURE THREE POINTS: (1) THE GOVERNMENT
SHOULD TAKE SINCERE MEASURES FOR THE LOCAL SIDE; (2) THE
FUTURE OUTLOOK FOR THE IWAKUNI BASE SHOULD BE SHOWN; AND
(3) ANY BASE RELOCATION AND FUNCTIONAL CHANGES SHOULD BE
SUBJECTED TO PRIOR CONSULTATIONS WITHOUT FAIL. THE PRIME
MINISTER REFERRED TO THE FACT OF THE GOVERNMENT SIDE'S
HAVING HELD NO PRIOR CONSULTATIONS WITH THE LOCAL SIDE,
AND EXPRESSED HIS REGRET, REMARKING THAT HE WAS "SORRY."
THE PRIME MINISTER STRESSED, "THE FUTENMA PROBLEM IS AN
UNPRECEDENTED CASE ABOVE ALL. WE WILL MAKE EFFORTS SO AS
NOT TO CAUSE ANYTHING LIKE THIS IN THE FUTURE." THE
PRIME MINISTER THEN ORDERED DFAA DIRECTOR GENERAL MASUO
MORODOMI TO HOLD SUFFICIENT CONSULTATIONS WITH THE LOCAL
SIDE.

IN CONNECTION WITH THE GOVERNMENT'S SETTING UP A WORKING GROUP WITH DEPUTY CHIEF CABINET SECRETARY TEIJIRO FURUKAWA AS ITS RESPONSIBLE PERSON, GOVERNOR HIRAI CLARIFIED A PLAN TO SET UP ANOTHER CONSULTATIVE PANEL CONSISTING OF OFFICIALS FROM YAMAGUCHI PREFECTURE, IWAKUNI CITY, AND DFAA TO HEAR LOCAL OPINIONS AFTER THE CONSECUTIVE HOLIDAYS.

MAYOR KIFUNE TOLD THE PRESS, "THE PRIME MINISTER ALSO SAID THAT THE GOVERNMENT 'WILL HOLD PRIOR CONSULTATIONS, AND THERE WILL BE NO BASE EXPANSION OR BUILDUP'."

BLACKBURN

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SECT: SECTION: 01 OF 06

<^SECT>SECTION: 02 OF 06

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TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1962
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INFO: RHEHAAA/WHITE HOUSE WASHDC
RUALSFJ/COMUSJAPAN YOKOTA AB JA
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RUEAIIA/CIA WASHDC

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS MAY 2

TOP HEADLINES

TEXT:

UNCLAS SECTION 01 OF 05 TOKYO 003948

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 MAY 2

TOP HEADLINES

ASAHI: COSMO CREDIT UNION SCANDAL; TOKYO DISTRICT PUBLIC
PROSECUTORS' OFFICE TO INVESTIGATE FORMER DIRECTOR TAIDO
AFTER CONSECUTIVE HOLIDAYS ARE OVER ON CHARGE OF BREACH
OF TRUST

NIHON KEIZAI: CITY BANKS' BAD DEBTS RUN UP TO 14.82
TRILLION YEN AT END OF MARCH; 2.57 TRILLION YEN PLANNED
TO BE PROVIDED AS ASSISTANCE INCLUDED; 9.6-PERCENT DROP

IN TERMS OF PREVIOUS STANDARDS

TOKYO SHIMBUN: HEARINGS AT UPPER HOUSE ON JUSEN ISSUE;
LARGE BORROWER TOGENSHA PRESIDENT AGGRESSIVELY TESTIFIES:
"REPAYMENT IS IMPOSSIBLE UNLESS LAND PRICES RISE AGAIN";
ASKED FORMER PRIME MINISTER'S SECRETARY FOR INTRODUCTION
FEES: "THREE OR FOUR TIMES A MONTH"; MOMENTARILY REFUSES
TO TESTIFY

MAINICHI: DRUG-CAUSED AIDS; TEIKYO UNIVERSITY'S HOSPITAL
PRESIDENT AND OTHERS QUESTIONED; TOKYO DISTRICT PUBLIC
PROSECUTORS OFFICE TO START FULL-FLEDGED INVESTIGATIONS
IN RESPONSE TO CHARGES OF MURDER AGAINST ABE

YOMIURI: FAR-EAST EMERGENCIES: GOVERNMENT INTENDS TO
ALLOW REFUGEES TEMPORARY STAY; LEGISLATIVE PREPARATIONS
INCLUDING "RESCUE MEASURES" (TRANSLATION BELOW; ARTICLE
ALSO IN ENGLISH ED.)

SANKEI: U.S. TMD RESEARCH'S ASSUMED DISPUTE SCENARIO
REVEALED; NORTH KOREA MAY LAUNCH MISSILES AT JAPAN BEFORE
INVADING SOUTH KOREA; POSSIBLY TO SPLIT LOGISTICAL
SUPPORT NETWORK OF U.S. FORCES IN SEVEN BASES AND OTHER
FACILITIES (TRANSLATION BELOW)

GOVERNMENT TO ALLOW ENTRY OF REFUGEES INTO JAPAN DURING
FAR EAST EMERGENCIES (YOMIURI - TOP PLAY)

THE GOVERNMENT ON THE 1ST REACHED A POLICY DIRECTION TO
LET REFUGEES STAY IN JAPAN TEMPORARILY, AS WAS THE CASE
OF INDOCHINESE REFUGEES, AS AN EMERGENCY MEASURE TO COPE
WITH, FOR INSTANCE, A LARGE NUMBER OF REFUGEES COMING
FROM FAR EAST REGIONS LIKE THE KOREAN PENINSULA. THE
GOVERNMENT IS GOING TO STEP UP THE LEGAL SYSTEM AS
COMPREHENSIVE REFUGEE MEASURES, ALONG WITH SPECIFIC STEPS
TO RESCUE JAPANESE NATIONALS AS WELL AS U.S. MILITARY
FAMILIES BY USING SELF-DEFENSE FORCES' AIRCRAFT AND
SHIPS. THE GOVERNMENT ALSO NEEDS TO WORK OUT SPECIFICS
WITH LOCAL GOVERNMENTS TO SECURE REFUGEE FACILITIES,
FINANCIAL RESOURCES, IMMIGRATION PERSONNEL AND THE LIKE.
(ED. NOTE: YOMIURI EXCLUSIVE)

GOVERNMENT TO COMPLETELY REVISE QJAPAN EMERGENCYQ IN
DEFENSE COOPERATION GUIDELINES (ASAHI - PAGE 1)

TO REVIEW THE "GUIDELINES FOR DEFENSE COOPERATION," AS IS
INCORPORATED IN THE JAPAN-UNITED STATES JOINT SECURITY
DECLARATION, THE GOVERNMENT HAS SET A POLICY APPROACH AS
OF MAY 1 TO COMPLETELY REVISE NOT ONLY BACK-UP SUPPORT
FOR U.S. FORCES DURING CONTINGENCIES BUT ALSO ITS
RESPONSES IN CASE JAPAN IS DIRECTLY INVADED BY ANOTHER
COUNTRY. UNDER THE PRESENT GUIDELINES, IT IS STIPULATED
THAT JAPAN "WILL REPEL A LIMITED AND SMALL-SCALE
INVASION BY ITS OWN EFFORTS," BUT UNDER THE PLANNED NEW
GUIDELINES, WHAT WILL COME TO THE FORE IN THE CASE OF "AN
EMERGENCY IN JAPAN" AND "EMERGENCY IN THE FAR EAST" WILL
BE JAPAN-U.S. DEFENSE COOPERATION, ACCORDING TO SOURCES
OF THE FOREIGN MINISTRY (MOFA) AND THE JAPAN DEFENSE

AGENCY (JDA) .

THE NEW GUIDELINES WILL BE IN LINE WITH THE POLICY COURSE AS IS SEEN IN THE NEW NATIONAL DEFENSE PROGRAM OUTLINE (NDPO) THAT WAS APPROVED AT A CABINET MEETING LAST NOVEMBER. UNDER THE NDPO, IT IS STATED "IN CASE A DIRECT INVASION OCCURS, (JAPAN), IN COOPERATION WITH THE U.S.,
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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.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MAY 2

WILL ELIMINATE SUCH INVASION AS EARLY A DATE AS POSSIBLE," AND AS IS FOUND THERE, (JAPAN) HAS ALREADY SWITCHED TO THE IDEA OF MAKING AN OVERALL JAPAN-U.S. JOINT TACTIC A BASIS.

THE PRESENT GUIDELINES WERE FORMULATED IN NOVEMBER 1978 AND INDICATES THE FOLLOWING FUNDAMENTAL THINKING: (1) A SYSTEM TO PREVENT INVASION OF JAPAN; (2) COUNTERACTION AGAINST ARMED ATTACK ON JAPAN; AND (3) JAPAN-U.S. COOPERATION IN THE EVENT OF EMERGENCIES IN THE FAR EAST.

AS TO RESPONSES IN AN EMERGENCY IN JAPAN AS ARE SEEN IN THE ABOVE (1) AND (2), IT IS SPECIFIED THAT WHEN JAPAN FACES A DIFFICULT SITUATION UNDER WHICH IT CANNOT ELIMINATE INVASION BY ITS OWN EFFORTS, "IT WILL LOOK TO THE U.S. FOR HELP TO REPEL IT." REGARDING OPERATIONAL CONCEPTS, ROLE-SHARING IS SHOWN BY THE FOLLOWING PASSAGE: "THE SELF-DEFENSE FORCES (SDF) WILL CARRY OUT THEIR OPERATIONS IN JAPAN'S TERRITORY AND IN THE NEIGHBORING SEA AND AIR SPACE, WHILE U.S. TROOPS WILL COMPLEMENT THE FUNCTIONS THE SDF CANNOT PERFORM." BASED ON THIS GUIDELINE, JAPAN AND THE U.S. HAVE ASSEMBLED A NUMBER OF STUDIES OF JOINT ACTIONS UNTIL NOW.

IN THE COLD-WAR PERIOD, IT MIGHT HAVE BEEN HYPOTHESIZED THAT SOVIET FORCES WOULD LAND IN THE NORTHERMOST PART OF

HOKKAIDO, BUT SUCH A CASE IS NO LONGER REALISTIC. WHAT THE MOFA AND JDA HAVE IN MIND IS TO STRENGTHEN TIES BETWEEN THE SDF AND U.S. FORCES THROUGH A REVIEW OF THE (PRESENT) GUIDELINES WITH EMPHASIS PLACED ON RESPONSES TO REGIONAL DISPUTES AND THEN TO INCORPORATE INTO SUCH RESPONSES HOW TO DEAL WITH AN EMERGENCY IN JAPAN, IF IT OCCURS. IN ADDITION, THERE IS THE VIEW THAT: "WE WOULD LIKE TO INCLUDE PROTECTION AND TRANSPORTATION OF JAPANESE NATIONALS ABROAD AND A LARGE NUMBER OF REFUGEES IN (BILATERAL) DEFENSE COOPERATION" (JDA SOURCE).

IN THE GOVERNMENT, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA SAYS, "MUTUAL TIES IN THE CASE OF JAPAN BEING ATTACKED IS OF PRIMARY IMPORTANCE." IF THE GUIDELINES WERE SWEEPINGLY REVISED TAKING INTO CONSIDERATION EMERGENCIES IN BOTH JAPAN AND THE FAR EAST, IT IS QUITE POSSIBLE THAT JAPAN-U.S. DEFENSE COOPERATION IN VARIOUS KINDS OF EMERGENCIES WILL BE REINFORCED IN THE FORM OF AGREEMENT, COUPLED WITH THE ACQUISITION AND CROSS-SERVICING AGREEMENT (ACSA), WHICH HYPOTHESIZES A PEACETIME SITUATION. THE OUTLOOK THEN IS THAT DEBATE ON THE CONSTITUTION INTERTWINED WITH THE PROBLEM OF THE RIGHT TO EXERCISE COLLECTIVE SELF-DEFENSE WILL BE UNAVOIDABLE. (ED. NOTE: ASAHI EXCLUSIVE.)

U.S.Q TMD SCENARIO HAS NORTH KOREA LAUNCHING MISSILES AT JAPAN (SANKEI - TOP PLAY)

ON MAY 1, THE U.S. DISCLOSED THE DETAILS OF A SCENARIO REGARDING A HYPOTHESIZED CONFLICT ON THE KOREAN PENINSULA IN ITS "WEST PACIFIC REGION MISSILE DEFENSE STUDY OVERVIEW" (WESTPAC), WHICH WAS FORMULATED AS A SET OF TECHNICAL GUIDELINES FOR THE THEATER MISSILE DEFENSE (TMD) INITIATIVE ADVOCATED BY THE U.S. IT HYPOTHESIZES THAT NORTH KOREA (DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA) ATTACKS A TOTAL OF SEVEN SPOTS IN JAPAN, INCLUDING AN ATOMIC POWER PLANT AND OTHER CIVILIAN FACILITIES AS WELL AS U.S. MILITARY BASES, WITH ITS "NODONG 1" BALLISTIC MISSILES, AIMING TO CUT OFF JAPAN'S LOGISTIC SUPPORT FOR U.S. ARMED FORCES, BEFORE ITS POSSIBLE MILITARY AGGRESSION AGAINST THE REPUBLIC OF KOREA. THE CONFLICT SCENARIO IS A HYPOTHESIS TO THE LAST. HOWEVER, THE COMPILED OVERVIEW OF STUDIES IS CREATED ON THE BASIS OF INFORMATION PROVIDED BY THE U.S. DEPARTMENT OF DEFENSE, AND IT ARTICULATES THE POSSIBILITY THAT AN EMERGENCY ON THE KOREAN PENINSULA COULD BECOME A THREAT TO JAPAN AT ONCE.

THE OVERVIEW OF STUDIES WAS COMPILED BY THE U.S.

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FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
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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 MAY 2

DEPARTMENT OF DEFENSE IN APRIL 1993 WITH THE USE OF DATA
PRESENTED BY CONTRACT COMPANIES IN THE JAPANESE AND U.S.
DEFENSE INDUSTRIES. AS THE MOST REALISTIC THREATS OF
BALLISTIC MISSILES, THE OVERVIEW POINTS OUT NORTH KOREA'S
NODONG 1 (COVERING A RANGE OF 1,000 KILOMETERS) AND OTHER
MISSILES. IT MAKES SIMULATIONS THAT HYPOTHEZIZED ARMED
AGGRESSION AGAINST THE ROK, AND LISTS TECHNICAL FACTORS
REQUIRED FOR DEVELOPING TMD SYSTEMS.

THE CONFLICT SCENARIO BEGINS 40 DAYS BEFORE "D-DAY."
FIRST, NORTH KOREA STARTS DEMONSTRATIONS TOWARD JAPAN AND
CONDUCT SUBVERSIVE ACTIVITIES TARGETING FACILITIES IN
JAPAN FOR THE PURPOSE OF "ISOLATING JAPAN IN UNIFYING THE
KOREAN PENINSULA."

ON D-DAY, NORTH KOREA, ACCORDING TO THE SCENARIO,
LAUNCHES UP TO SIX NODONG 1 MISSILES (CONVENTIONAL
WARHEADED MISSILES) EACH, TARGETING THREE PLACES --
FUKUOKA CITY, KITA-KYUSHU CITY, AND THE GENKAI ATOMIC
POWER PLANT -- IN ORDER TO "FRIGHTEN THE JAPANESE
GOVERNMENT BY DEMONSTRATING THE CAPABILITY OF LAUNCHING
MASS DESTRUCTION WEAPONS, AND HAVE THE JAPANESE
GOVERNMENT REFUSE U.S. FORCES' USE OF FACILITIES (IN
JAPAN) FOR U.S. MILITARY DEPLOYMENT AND REINFORCEMENTS TO
THE ROK."

TWO DAYS AFTER, WHEN U.S. FORCES HAVE DISPATCHED
REINFORCEMENTS TO THE ROK, NORTH KOREA, THEN AIMING TO
BLOCK THOSE U.S. MILITARY OPERATIONS, LAUNCHES NODONG
MISSILES, INCLUDING CHEMICAL WARHEADED MISSILES, AT SUCH
MILITARY TARGETS AS FUKUOKA INTERNATIONAL AIRPORT
(FUKUOKA PREFECTURE), TSUIKI AIR BASE (FUKUOKA
PREFECTURE), IWAKUNI BASE (YAMAGUCHI PREFECTURE), AND
SASEBO PORT (NAGASAKI PREFECTURE). IN RESPONSE, NORTH
KOREA ADVANCES INTO SOUTH KOREA. (ED. NOTE: SANKEI
EXCLUSIVE.)

IWAKUNI MAYOR COULD CONDITIONALLY ACCEPT FUTENMA BASE
TRANSFER PLAN (YOMIURI - PAGE 1)

REGARDING THE PLAN OF PARTIALLY SHIFTING THE FUNCTIONS OF
U.S. FUTENMA AIR STATION (GINOWAN CITY, OKINAWA) TO

IWAKUNI AIR BASE (IWAKUNI CITY, YAMAGUCHI PREFECTURE), IWAKUNI MAYOR YOSHIMITSU KIFUNE UNTIL NOW HAS BEEN ADAMANT, STATING HE WOULD "REFUSE SUCH A PLAN UNDER ANY CIRCUMSTANCES." THE MAYOR, HOWEVER, IN THE FULL SESSION HELD BY THE CITY ASSEMBLY ON MAY 1 IMPLIED A POSSIBLE ACCEPTANCE OF THE PLAN IF THE SHIFT WOULD NOT LEAD TO STRENGTHENING THE FUNCTION OF IWAKUNI AIR BASE.

MAYOR KIFUNE IN THE SESSION YESTERDAY EXPLAINED: "I WOULD LIKE TO PROPOSE A PLAN TO ESTABLISH A CONSULTATIVE COUNCIL THAT WILL ALLOW THE PREFECTURE AND THE STATE TO DISCUSS THE PLAN IN A COOL-HEADED MANNER AND THAT WILL ALSO CREATE OPPORTUNITIES TO LISTEN TO LOCAL OPINIONS. AND IF WE REACH THE CONCLUSION THERE THAT THE RELOCATION WOULD NOT EXPAND THE FUNCTION OF (IWAKUNI AIR BASE), I WOULD CONSULT THE CITY ASSEMBLY."

THE DAY BEFORE, ON APRIL 30, MAYOR KIFUNE ALONG WITH YAMAGUCHI GOVERNOR HIRAI MET WITH PRIME MINISTER HASHIMOTO. IN THE SESSION, THE PRIME MINISTER REQUESTED THAT THEY TAKE A NEGOTIATING TABLE TO DISCUSS (THE RELOCATION PLAN)." IN RETURN, THE GOVERNOR AND THE MAYOR PROPOSED LAUNCHING A CONSULTATIVE COUNCIL. AS A RESULT, A "YAMAGUCHI-VERSION BASE PROBLEMS TASK FORCE" WILL BE FORMED POSSIBLY SOON AFTER THE CONSECUTIVE HOLIDAYS.

MEANWHILE, ICHIRO NISHIMURA, DIRECTOR GENERAL OF THE HIROSHIMA DEFENSE FACILITIES ADMINISTRATION BUREAU, ALSO ATTENDED THE CITY ASSEMBLY TO OFFER A BRIEFING AND TO APOLOGIZE FOR THE LACK OF PRIOR CONSULTATIONS ON THE PARTY OF THE CENTRAL GOVERNMENT. REGARDING THE CONSTRUCTION OF AN OFFSHORE RUNWAY FOR IWAKUNI AIR BASE THAT WILL START THIS FALL, NISHIMURA STATED, "SUCH HAS
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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 MAY 2

NOTHING TO DO WITH THE FUTENMA AIR STATION RELOCATION PLAN. WE WILL PUSH AHEAD WITH THE PROJECT COMPLETELY APART FROM THE RELOCATION ISSUE." (ED. NOTE: ASAHI HAD A SIMILAR ARTICLE.)

PRIME MINISTER RECALLS SALARIED WORKER DAYS AT MAY DAY RALLY (NIHON KEIZAI - PAGE 2)

"LOOKING AT THE BANNERS OF ZENSEN DOMEI (JAPANESE FEDERATION OF TEXTILE, GARMENT, CHEMICAL, MERCANTILE, AND ALLIED INDUSTRY WORKERS' UNIONS) STANDING ON THE PLATFORM, I RECALLED..." SAID PRIME MINISTER HASHIMOTO. YESTERDAY, HE PARTICIPATED IN A MAY DAY RALLY FOR THE FIRST TIME AS PRESIDENT OF THE LIBERAL DEMOCRATIC PARTY (LDP). HE GAVE HIMSELF UP TO DEEP EMOTION RECOLLECTING HIS DAYS OF BEING A SALARIED WORKER.

FOLLOWING RENGO (JAPANESE TRADE UNIONS CONFEDERATION) CHAIRMAN ASHIDA, HASHIMOTO GAVE A SPEECH. IN IT, LOOKING BACK ON HIS DAYS OF SERVICING WITH KUREHA BOSEKI, HE INTRODUCED HIMSELF, "I WAS A MEMBER OF ZENSEN DOMEI. AT THAT TIME, MR. ASHIDA USED TO GIVE ME A SCOLDING. IT IS MY PLEASURE TO DELIVER A SPEECH BESIDE HIM." HE DID NOT REFER TO SUCH DELICATE ISSUES AS SECURITY IN CONSIDERATION OF THE SOCIAL DEMOCRATIC PARTY. HE STRESSED THAT HE WOULD COOPERATE WITH LABOR UNIONS, SAYING, "THERE ARE DEBATABLE QUESTIONS BETWEEN THE GOVERNMENT AND RENGO, BUT THEY ARE NOT ACRIMONIOUS."

AFTER LONG LAYOFF, HASHIMOTO WORKS UP A SWEAT PRACTICING KENDO (SANKEI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO ON THE EVENING OF THE 1ST JOINED PERSONNEL OF THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) TO TRAIN IN KENDO (JAPANESE FENCING) AT A MITI ANNEX FENCING HALL IN KASUMIGASEKI, TOKYO. THIS WAS HIS FIRST CHANCE TO PRACTICE THE SPORT SINCE HE ASSUMED THE PRIME MINISTERSHIP.

BEFORE STARTING TRAINING, HASHIMOTO SAID: "I FEEL LIKE I AM COMING DOWN WITH A COLD TODAY. I HAVEN'T PRACTICED FENCING SINCE LAST SEPTEMBER (WHEN HE WAS STILL MITI MINISTER). SO I WILL TRY NOT TO HURT MYSELF. I REALLY HAVE TO BE CAREFUL ABOUT RUPTURING THE ACHILLES' TENDON."

HE TRAINED IN KENDO DURING HIS COLLEGE DAYS AT THE KEIO UNIVERSITY FENCING CLUB. HE HOLDS THE RANK OF KENDO FIFTH GRADE.

HE WILL SPENT TIME WITH HIS FAMILY AT A HOTEL IN ECHIGO-YUZAWA, NIIGATA PREFECTURE FOR FOUR DAYS AND THREE NIGHTS STARTING TODAY. THERE, HE WILL ENJOY CLIMBING MOUNTAINS AND PLAYING GOLF WITH HIS FAMILY. IN ADDITION, HE PLANS TO HOLD A STUDY SESSION WITH SUCH SCHOLARS AS JUN ETO, A PROFESSOR AT KEIO UNIVERSITY.

NFPQS OZAWA LEAVES FOR CHINA TRIP TODAY
(NIHON KEIZAI - PAGE 2)

A SHINSHINTO DELEGATION HEADED BY PRESIDENT OZAWA WILL VISIT CHINA FOR ELEVEN DAYS STARTING TODAY AT THE INVITATION OF THE CHINESE COMMUNIST PARTY. THIS WILL BE THE FIRST OVERSEAS TRIP FOR OZAWA SINCE HE ASSUMED THE PRESIDENCY OF HIS PARTY LAST DECEMBER. DURING HIS STAY IN BEIJING, HE WILL HOLD TALKS WITH PROMINENT PERSONS, INCLUDING PRESIDENT JIANG Z EMIN. THEY ARE EXPECTED TO EXCHANGE VIEWS MAINLY ON SECURITY PROBLEMS IN THE ASIAN REGION. OZAWA IS SCHEDULED TO STAY IN BEIJING UNTIL THE 6TH. AFTER THE 7TH, HE WILL VISIT WUHAN AND CHUNGQING AND MEET WITH PROMINENT PERSONS THERE. ALSO INCLUDED IN HIS SCHEDULE IS INSPECTION OF THE ECONOMIC SITUATION. THE DELEGATION WILL RETURN HOME ON THE 12TH.

SOCIAL DEMOCRATIC PARTY DECIDES TO SEND DELEGATION TO CHINA, POSSIBLY THIS MONTH (NIHON KEIZAI - PAGE 2)

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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.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MAY 2

THE SOCIAL DEMOCRATIC PARTY (SDP) YESTERDAY DECIDED TO DISPATCH A DELEGATION LED BY CHAIRMAN TOMIICHI MURAYAMA TO CHINA. THIS IS IN RESPONSE TO AN INVITATION BY CHINA, WHICH WAS OFFERED WHEN VICE PRESIDENT AND POLICY DELIBERATION COUNCIL CHAIRMAN SHIGERU ITO VISITED THERE IN LATE APRIL. THE DELEGATION WILL EXCHANGE VIEWS ON THE EAST ASIAN SITUATION FOLLOWING THE REDEFINITION OF THE JAPAN-UNITED STATES SECURITY ALLIANCE. AT THE SAME TIME, THE GROUP WANTS TO PAVE THE WAY FOR RESTARTING DIPLOMATIC NORMALIZATION TALKS WITH THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA). THE DELEGATION WILL VISIT CHINA AS EARLY AS THIS MONTH. A MEETING IS SCHEDULED WITH PRESIDENT JIANG Z EMIN.

GOVERNMENT TO STUDY REFORM OF PUBLIC SERVANT SYSTEM

(ASAHI - PAGE 2)

THE GOVERNMENT AS OF MAY 1 HAS BEGUN STUDIES TO REFORM THE OVERALL PUBLIC SERVANTS SYSTEM. EYEING TO RESTRICT "AMAKUDARI" (GOVERNMENT OFFICIALS LANDING LUCRATIVE JOBS IN THE PRIVATE SECTOR AFTER RETIREMENT), THE PLAN SPECIFICALLY AIMS TO CONTROL SUCH A PRACTICE BY NATIONAL PUBLIC SERVANTS WHO PASSED THE TYPE I EXAMINATION (IN OTHER WORDS, THOSE ON THE CAREER PATH). THE GOVERNMENT WILL LET PERSONNEL DIVISION DIRECTORS OF EACH GOVERNMENT AGENCY LOOK INTO THE FOLLOWING INFORMALLY: 1) EXTENDING THE MANDATORY RETIREMENT AGE; 2) CONSTRAINING NEW HIRES; AND 3) EXPANDING INTER-AGENCY PERSONNEL EXCHANGES.

U.S., JAPAN SET UP JOINT TRANSLATION CENTER FOR SCIENCE AND TECHNOLOGY PUBS (NIHON KEIZAI - PAGE 5)

(WASHINGTON, MAY 1, YASUHIKO OTA) THE GOVERNMENTS OF JAPAN AND THE UNITED STATES AGREED TO ESTABLISH A "MACHINE TRANSLATION CENTER" IN WASHINGTON FOR MACHINE TRANSLATION OF SCIENCE AND TECHNOLOGY LITERATURE WRITTEN IN JAPANESE. HIDENAO NAKAGAWA, SCIENCE AND TECHNOLOGY AGENCY DIRECTOR GENERAL, NOW VISITING THE U.S., AND A REPRESENTATIVE OF THE U.S. DEPARTMENT OF COMMERCE YESTERDAY SIGNED A CONTRACT FOR IMPLEMENTING SUCH A PROJECT. THE AIM IS TO CORRECT A GAP IN TRANSFERS OF TECHNICAL INFORMATION BETWEEN JAPAN AND THE U.S. THE GOVERNMENTS OF THE TWO COUNTRIES EXPECT THAT SUCH A CENTER WILL PROVIDE AMERICAN RESEARCHERS WITH MORE OPPORTUNITIES TO READ JAPANESE MATERIAL.

THIS CENTER IS PLANNED TO BE SET UP WITHIN THE COMMERCE DEPARTMENT. TRANSLATION MACHINES DEVELOPED BY THE JAPAN INFORMATION CENTER FOR SCIENCE AND TECHNOLOGY (JICST), A PUBLIC CORPORATION (TOKUSHU HOJIN), WILL BE EMPLOYED THERE. THIS SYSTEM IS EQUIPPED WITH A DICTIONARY CONTAINING 600,000 WORDS, INCLUDING TERMINOLOGY. IT CAN TRANSLATE ACADEMIC PAPERS, WHICH IS SUPPOSED TO BE DIFFICULT FOR ORDINARY TRANSLATING MACHINES, AT A HIGH SPEED WITH THE ACCURACY OF ABOUT 90 PERCENT.

FOR THE TIME BEING, THE CENTER WILL TRANSLATE LITERATURE BROUGHT BY RESEARCHERS AT UNIVERSITIES AND BUSINESS CORPORATIONS FREE OF CHARGE, AIMING AT IMPROVING AND SPREADING THE SYSTEM. THE SYSTEM CAN BE USED ON THE INTERNET AS WELL. THE JICST PLANS TO SELL SOFTWARE FOR PC'S THIS SUMMER.

THE U.S. HAS POINTED OUT THAT WHEREAS JAPANESE RESEARCHERS CAN EASILY OBTAIN ENGLISH INFORMATION THROUGH ACADEMIC SOCIETIES, THE FLOW OF INFORMATION FROM JAPAN TO THE U.S. IS SCANT. REFLECTING AN ARGUMENT THAT JAPAN IS ENJOYING A "FREE RIDE" REGARDING TECHNOLOGY, "ACCESS TO TECHNOLOGY" WAS ONCE BROUGHT TO THE DISCUSSION TABLE AT THE JAPAN-U.S. FRAMEWORK TALKS. (ED. NOTE: SIMILAR COVERAGE IN ALL DAILIES.)

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SECT: SECTION: 01 OF 05
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DIST:
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LINE1: OAAUZYUW RUEHKO4052 1280845--UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 070845Z MAY 96

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 070845Z MAY 96

ORIG: AMEMBASSY TOKYO

TO: RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 8860
RUHBBMA/AMCONSUL NAHA PRIORITY 4015
RUEATRS/TREASURY DEPT WASHDC PRIORITY
RUEHUL/AMEMBASSY SEOUL PRIORITY 2223
RUEHC/SECSTATE WASHDC PRIORITY 2053
RHHMUNA/USCINCPAC HONOLULU HI//USIA// PRIORITY
RHHMAH/CINCPACFLT PEARL HARBOR HI//N541// PRIORITY
RUALSFJ/COMUSJAPAN YOKOTA AB JA PRIORITY
RUHBANB/OAFO CAMP BUTLER JA PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUHVPAC/HQPACAF HICKAM AFB HI//CC/PA// PRIORITY
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA PRIORITY
RUEKJCS/SECDEF WASHDC//USDA:ISA// PRIORITY

INFO: RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 6303
RUEHKOF/AMCONSUL FUKUOKA PRIORITY 9816

SUBJ: MEDIA REACTION; DEFENSE ISSUE IN RELATION TO
JAPANESE CONSTITUTION

TEXT:

UNCLAS SECTION 01 OF 02 TOKYO 004052

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; DEFENSE ISSUE IN RELATION TO
JAPANESE CONSTITUTION

LEAD STORIES: NO MORNING PAPERS WERE PUBLISHED TUESDAY
BECAUSE MONDAY WAS A PRESS HOLIDAY.

1. BECAUSE MAY 3 IS CONSTITUTION DAY (A NATIONAL
HOLIDAY) AND THIS YEAR MARKS THE 50TH ANNIVERSARY OF THE
PRESENT CONSTITUTION GOING INTO EFFECT, MOST PAPERS
CARRIED EDITORIALS AND COMMENTARIES ON THE CONSTITUTION,
THE ISSUE OF COLLECTIVE SELF-DEFENSE AND HOW CONTINGENCY
OR SO-CALLED EMERGENCY MEASURES RELATE TO THE

CONSTITUTION. ALL EDITORIALS REFER TO THE INTERPRETATION BY SUCCESSIVE GOVERNMENTS THAT THE CONSTITUTION PROHIBITS THE EXERCISE OF THE RIGHT TO COLLECTIVE SELF-DEFENSE.

2. THE LIBERAL ASAHI OPINED (MAY 30), "WITHHOLDING EXERCISE OF THE RIGHT TO COLLECTIVE SELF-DEFENSE HAS BEEN MORE THAN JUST A QUESTION OF CONSTITUTIONAL INTERPRETATION BUT ONE OF JAPAN'S FUNDAMENTAL NATIONAL COMMITMENTS BASED ON ITS WARTIME EXPERIENCE. AND THE ISSUE OF COLLECTIVE SELF-DEFENSE HAS BEEN DISCUSSED IN THE PAST. JAPAN SHOULD FIRST WORK OUT THE DETAILS OF WHAT CAN BE DONE UNDER EXISTING LAW." THE ASAHI CONCLUDED "JAPAN CANNOT GO ON LIVING BY EXPANDING ITS MILITARY ROLE. THIS IS THE ONLY ANSWER TO DISCUSSIONS ABOUT THE RIGHT TO COLLECTIVE SELF-DEFENSE."

3. THE LIBERAL MAINICHI SAID (MAY 3), "WE HAVE PROTECTED THE CONSTITUTION AS THE SUPREME NATIONAL TREASURE FOR THE LAST FIFTY YEARS AND WE WOULD LIKE TO PROTECT IT FROM NOW ON. BUT WE MUST TRY TO CREATE PEACE IN ORDER TO PROTECT THE CONSTITUTION. TO DO SO, WE PROBABLY SHOULD NOT USE THE CONSTITUTION AS A STARTING POINT FOR DISCUSSION OF DEFENSE ISSUES. THIS IS BECAUSE NEITHER THE SELF-DEFENSE FORCES NOR THE U.S.-JAPAN SECURITY TREATY MAY BE CONSTITUTIONAL UNDER A STRICT INTERPRETATION... IF WE CONSIDER THE SECURITY TREATY NECESSARY, WE SHOULD BE READY TO SHOULDER CERTAIN BURDENS. WE DO NOT NEED TO DO AS TOLD BY THE U.S., BUT WE ALSO NEED TO LISTEN TO WHAT THE U.S. SAYS BECAUSE THE TREATY IS THE COMPROMISE PRODUCT OF BOTH GOVERNMENTS."

4. THE TOP-CIRCULATION, MODERATE YOMIURI EDITORIALIZED (MAY 4), "THERE IS A CONSENSUS WITHIN THE RULING COALITION OVER THE NEED TO MAINTAIN THE U.S.-JAPAN SECURITY TREATY AND TO PROVIDE SUPPORT FOR U.S. FORCES. ON THIS BASIS, THE COALITION PARTIES SHOULD FIRST DISCUSS WHAT JAPAN CAN OR CANNOT DO IN TIMES OF EMERGENCY WITHIN THE CURRENT LEGAL FRAMEWORK AND THEN, IF NEEDED, DISCUSS POSSIBLE AMENDMENTS OF EXISTING LAWS AND NEW LEGISLATION. THE COALITION PARTIES SHOULD CLARIFY WHAT KIND OF SUPPORT JAPAN CAN PROVIDE ON THE BASIS OF THE CURRENT CONSTITUTIONAL INTERPRETATION IN AREAS CALLED THE 'GREY ZONE' THAT MIGHT INVOLVE THE EXERCISE OF THE RIGHT TO COLLECTIVE SELF-DEFENSE. NATURALLY, THE GOVERNMENT SHOULD REVIEW POSSIBLE REINTERPRETATIONS OF THE CONSTITUTION TO ALLOW THE NATION TO EXERCISE THE RIGHT TO COLLECTIVE SELF-DEFENSE IF NEEDED."

5. ON THE SAME SUBJECT, THE SANKEI SAID (MAY 4), "THE RIGHT THAT CAN BE POSSESSED BUT CANNOT BE EXERCISED IS NOT WORTH HAVING AS A RIGHT." THE EDITORIAL CONTINUED "THE RECENT U.S.-JAPAN JOINT SECURITY DECLARATION DOES NOT FOR
CE JAPAN TO ESTABLISH A RIGHT TO COLLECTIVE
SELF-DEFENSE, AND THIS IS AS IT SHOULD BE. WHAT IS
DISCUSSED IS BETTER REAR SUPPORT FOR U.S. FORCES BY

JAPAN IN AN EMERGENCY IN THE FAR EAST. THE U.S. WANTED TO PLACE PRIORITY ON REALISTIC REQUESTS THAT MAY BE NEEDED IN A PRESSING SITUATION. BUT THE LEGISLATIVE BUREAU LIMITS SUCH REAR SUPPORT BECAUSE THE REAR SUPPORT MIGHT CONFLICT WITH THE ISSUE OF THE RIGHT TO COLLECTIVE BT
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UNCLAS SECTION 02 OF 02 TOKYO 004052

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; DEFENSE ISSUE IN RELATION TO JAPANESE CONSTITUTION

SELF-DEFENSE. THE RULING COALITION ONLY PLANS TO STUDY EMERGENCY MEASURES POSSIBLE UNDER THE EXISTING CONSTITUTION AND LEGISLATION. SHOULD JAPAN, BOUND BY THOSE LIMITS, FAIL TO PROVIDE EFFECTIVE REAR SUPPORT FOR THE U.S., THE BILATERAL ALLIANCE WOULD FACE DIFFICULTIES. PRIME MINISTER HASHIMOTO, WHO SUCCEEDED IN THE RETURN OF FUTENMA, IS BEING ASKED TO BRING ABOUT DECISIONS ON THIS MATTER, AS WELL."

6. THE BUSINESS-ORIENTED NIHON KEIZAI SHIMBUN'S SENIOR WRITER OKAZAKI SAID (MAY 3), "CLINTON AND HASHIMOTO'S REAFFIRMATION OF THE U.S.-JAPAN SECURITY ALLIANCE PROVIDED AN IMPORTANT OPPORTUNITY TO DISCUSS THE CONSTITUTION AND THE ISSUE OF THE RIGHT TO COLLECTIVE SELF-DEFENSE. THE LEGISLATIVE BUREAU'S INTERPRETATION OF THE CONSTITUTION'S PROHIBITION AGAINST THE EXERCISE OF THE RIGHT TO COLLECTIVE SELF-DEFENSE MAKES THE DISCUSSION DIFFICULT. EVERYONE KNOWS THAT THIS INTERPRETATION IS ONLY A CONVENIENT EXPLANATION AND THAT BOTH THE GROUPS -- THOSE WHO OPPOSE THE RIGHT AND THOSE WHO SUPPORT THE RIGHT -- HAVE FOR THEIR OWN REASONS PORTRAYED IT AS AN ABSOLUTE CONSTITUTIONAL INTERPRETATION... THE LIBERAL DEMOCRATIC PARTY HAS BEEN CAUTIOUS ABOUT THE SECURITY ISSUE SO WE DO NOT NEED TO BE CONCERNED ABOUT ANY IMMEDIATE CONSTITUTIONAL REVISION. BECAUSE OF THEIR HISTORIC DECISION TO RECOGNIZE THE SELF DEFENSE FORCES AS CONSTITUTIONAL, THE SOCIAL DEMOCRATIC PARTY NEEDS TO PARTICIPATE ACTIVELY IN THE WORK TO CLARIFY WHAT CAN BE DONE IN CASE OF AN EMERGENCY. WITHOUT THIS WORK [BY THE SOCIAL DEMOCRATIC

PARTY], NOTHING WILL HAPPEN IN AN EMERGENCY OR 'PERHAPS
EXTRA-LEGISLATIVE MEASURES WILL BE IMPLEMENTED DURING AN
EMERGENCY, LEADING TO A SPREADING CALL FOR QUICK
CONSTITUTIONAL REVISION." BLACKBURN

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SECT: SECTION: 01 OF 02

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DIST:

SIT: KRISTOFF SESTAK SUETTINGER

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PREC: IMMEDIATE
CLASS: UNCLASSIFIED
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LINE3: O 080403Z MAY 96
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INFO: RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHEHAAA/WHITE HOUSE WASHDC
RUEAIIA/CIA WASHDC
RUCPDOG/USDOC WASHDC
RUEBBEA/USDOT WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
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RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEKJCS/JOINT STAFF WASHDC//J5//
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS MAY 8
TEXT:
UNCLAS SECTION 01 OF 07 TOKYO 004084

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; COMMERWE FOR DAS;
USCINCPAC/PA; CINCPACFLT/PA; COMUSJ/PA;
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MAY 8

TOP HEADLINESASAHI: JUSEN BAILOUT FUND; FINANCE MINISTRY
CONSIDERING MAKING GOOD USE OF BANKS' PREFERRED STOCKS;
FOR PURPOSE OF COVERING SECONDARY LOSSES (TRANSLATION
BELOW)NIHON KEIZAI: AGRICULTURAL COOPERATIVES TO EXPAND
RESERVE FUND FOR BANKRUPTCY; CENTRAL COOPERATIVE BANK FOR
AGRICULTURE AND FORESTRY, AND PREFECTURAL CREDIT
FEDERATION OF AGRICULTURAL COOPERATIVES TO RAISE THEIR
RESERVE FUNDS BY 7 TIMES AS HIGH; TO UTILIZE SUCH FUNDS
FOR LIQUIDATION; PUBLIC FUND LIKELY TO BE AVOIDED; TO
START FROM NEXT SPRING IN FARM-AFFILIATED BANKING
INSTITUTIONSTOKYO SHIMBUN: WAY TO "BUREAUCRACY"
DEADLOCKED; REVIVAL OF JAPAN; SECOD ROUND OF BATTLE

BETWEEN "NAOTO KAN AND BUREAUCRACY"; BREAKTHROUGH NOW
MADMAINICHI: COSMO CREDIT UNION SCANDAL; 70 PERCENT
PASSED ON TO FORMER HEAD DIRECTOR; 6.7 BILLION YEN
FINANCED TO DUMMY COMPANY; OF THAT AMOUNT, 3.9 BILLION
YEN WENT TO RELATIVE-OPERATED FIRMYOMIURI: CONSTRUCTION
MINISTRY'S NEW GUIDELINES FOR HOUSING; TO SELL ONLY
LIVING SPACE TO CUT PRICES OF APARTMENT HOUSES; POSSIBLY
TO ADOPT A SYSTEM OF SUPPORTING THE ELDERLY BY HOLDING A
MORTGAGE ON THEIR HOUSESSANKEI: OECD COMMITTEE ADOPTS
TIME-LIMIT STRATEGY THAT WILL END BY 2015; ABSOLUTE POOR
CLASS EXPECTED TO BE HALVED; INFANT DEATH RATE LIKELY TO
BE DROPPED TO ONE-THIRD
BUDGET EXPECTED TO PASS DIET TOMORROW (YOMIURI - PAGE 3)

THE OUTLOOK IS THAT THE FISCAL 1996 BUDGET WHICH INCLUDES
THE FISCAL SPENDING TO HELP LIQUIDATE THE HOUSING LOAN
COMPANIES (JUSEN), WILL PASS THE DIET ON THE
9TH. YESTERDAY AT AN INFORMAL MEETING IN THE UPPER HOUSE,
THE PLAN WAS AGREED IN PRINCIPLE BY THE RULING AND
OPPOSITION PARTIES. THE UPPER HOUSE IN ITS STEERING
COMMITTEE MEETING TODAY IS EXPECTED TO FORMALLY DECIDE TO
CONVENE ITS PLENARY SESSION ON THE AFTERNOON OF THE 9TH
TO QUICKLY PASS THE NATIONAL BUDGET. FOLLOWING THIS, THE
FOCUS OF THE CURRENT DIET SESSION WILL SHIFT TO THE JUSEN
LIQUIDATION BILLS, DEBATE ON WHICH HAS BEEN A
PRECONDITION FOR EXECUTION OF THE BUDGET TO BAIL OUT THE
JUSEN DEBACLE. AT THE LOWER HOUSE, HAGGLING BETWEEN THE
RULING AND OPPOSITION CAMPS HAS ALREADY BEGUN.
POLL ON CONSUMPTION TAX: 80 PERCENT AGAINST TAX RATE HIKE
(MAINICHI - PAGE 3)
IT HAS BEEN FOUND THROUGH A PUBLIC OPINION POLL CONDUCTED
BY THE MAINICHI SHIMBUN THAT FOUR OUT OF EVERY FIVE
PERSONS HAVE "OPPOSED" (INCLUDING "RATHER OPPOSED") THE
RAISE IN THE CONSUMPTION TAX RATE TO FIVE PERCENT
STARTING NEXT APRIL. ONLY 17 PERCENT EXPRESSED SUPPORT
FOR THE TAX HIKE. AS REASONS FOR OPPOSITION, THOSE WHO
POINTED OUT "PRESSURE ON LOW-INCOME EARNERS' LIFE"
ACCOUNTED FOR 51 PERCENT, AND THIS ANSWER TOPPED ALL
OTHER ANSWERS. IN THE BREAKDOWN OF THOSE WHO GAVE
"DISAPPROVAL" INTO MEN AND WOMEN, WOMEN HELD 85 PERCENT,
10 POINTS MORE THAN MEN. CLASSIFIED BY AGE, THOSE IN
THEIR TWENTIES ACCOUNTED FOR 92 PERCENT AND THOSE IN
THEIR THIRTIES AND FORTIES REACHED 87 PERCENT. BY
OCCUPATION, HOUSEWIVES AND DISTRIBUTORS ACCOUNTED FOR 87
PERCENT. IN THE GROUPING OF THOSE RESPONDENTS IN SUPPORT
OF POLITICAL PARTIES, THOSE SUPPORTING THE COMMUNIST
PARTY AND THOSE WHO HAVE NO PARTY TO SUPPORT HELD 90
PERCENT AND 87 PERCENT, RESPECTIVELY. AMONG SUPPORTERS
FOR THE LIBERAL DEMOCRATIC PARTY (LDP) AND THE OPPOSITION
PARTY SHINSHINTO, THOSE IN FAVOR OF THE TAX RAISE STAYED
AT THE 20 PERCENT LEVEL. OUT OF THOSE WHO SUPPORT THE
HASHIMOTO CABINET, 73 PERCENT EXPRESSED "DISAPPROVAL,"
WHILE 26 PERCENT GAVE "SUPPORT." AMONG THE RESPONDENTS WHO
GAVE "PRESSURE ON THOSE IN LOW-INCOME BRACKETS" AS THE
REASON FOR DISAPPROVAL, THOSE IN THEIR SIXTIES ACCOUNTED
FOR ABOUT 60 PERCENT. THIS FIGURE SHOWS PENSIONERS'
APPREHENSIONS. 26 PERCENT REPLIED "NO BRAKE WILL BE
APPLIED TO RAISING THE CONSUMPTION TAX." AMONG THOSE WHO

EXPRESSED "APPROVAL," THOSE WHO LISTED AS THE REASON "A WELFARE FINANCIAL RESOURCE TO MEET AGING SOCIETY NEEDS" ACCOUNTED FOR 60 PERCENT, FOLLOWED BY THOSE WHO REPLIED "IN ORDER TO KEEP THE TAX SYSTEM IN BALANCE" -- 28 PERCENT. THE SURVEY WAS CONDUCTED ON 3,009 PERSONS CHOSEN BT
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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 MAY 8

FROM AMONG ALL ELIGIBLE VOTERS THROUGHOUT THE NATION OVER THREE DAYS FROM APRIL 19 TO 21. THEY WERE INTERVIEWED FOR ANSWERS. THE RECOVERY RATE WAS 69 PERCENT. UPPER HOUSEQS LDP SECRETARY GENERAL MURAKAMI RAPS LDP DELEGATION TO U.S. (SANKEI - PAGE 2)
UPPER HOUSE LIBERAL DEMOCRATIC PARTY (LDP) SECRETARY GENERAL MASAKUNI MURAKAMI STATED TO THE PRESS ON THE 7TH IN REFERENCE TO THE POSSIBILITY OF REVIEWING THE "GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION: "WE SHOULD CARRY OUT A THOROUGH DEBATE AT THIS POINT. WE OUGHT TO FIRST DISCUSS WHAT MEASURES WE SHOULD TAKE IN TIMES OF EMERGENCY. IT'S JUST THE OTHER WAY AROUND TO FOCUS ON WHAT THE U.S. SAID NOW." HIS REMARKS UNDERLINED HIS VIEW THAT LAWMAKERS SHOULD DISCUSS THE ISSUE MORE FREELY WITHOUT STICKING TO THE IDEA OF NOT ALTERING THE INTERPRETATION OF THE CONSTITUTION REGARDING THE USE OF THE RIGHT OF COLLECTIVE SELF-DEFENSE. EARLIER ON THE 2ND, THE LDP SECURITY DELEGATION TO THE U.S. (LED BY FORMER JAPAN DEFENSE AGENCY (JDA) DIRECTOR GENERAL TSUTOMU KAWARA) HELD TALKS WITH U.S. DEFENSE SECRETARY PERRY. ACCORDING TO THE DELEGATION, THE U.S. SIDE IN THE SESSION SHOWED UNDERSTANDING TOWARD JAPAN'S PLAN TO STUDY A POSSIBLE REVIEW OF THE GUIDELINES WITHIN THE FRAMEWORK OF THE PRESENT JAPANESE CONSTITUTION. WITH SUCH DEVELOPMENTS IN MIND, MURAKAMI SHARPLY CRITICIZED THE DELEGATION, REMARKING, "IT IS NONSENSE TO GIVE A REPORT FOCUSING ON WHAT THE U.S. SAID, WHETHER IT'S GOOD OR BAD." THE ISSUE WAS ALSO TAKEN UP IN THE LDP OFFICERS'

LIAISON MEETING ON THE 7TH. IN THE SESSION, SUCH DELEGATION MEMBERS AS KAWARA AND ORGANIZATIONAL BUREAU CHIEF TOKUICHIRO TAMAZAWA REPORTED THAT DEFENSE SECRETARY PERRY HAD SHOWN UNDERSTANDING TOWARD JAPAN'S PLAN TO REVIEW THE GUIDELINES WITHIN THE EXISTING FRAMEWORK. MURAKAMI REBUTTED, "A CONSTITUTION IS SOMETHING OTHER COUNTRIES ARE NOT ALLOWED TO SAY THIS OR THAT. SUCH A REPORTING STYLE MIGHT CAUSE SOME MISUNDERSTANDING. I THOUGHT THE LDP WAS IN FAVOR OF AMENDING THE CONSTITUTION."

OZAWA TRIP: PRIME MINISTER, CHIEF CABINET SECRETARY
REMAIN COOL (NIHON KEIZAI - PAGE 2)

SHINSHINTO (NEW FRONTIER PARTY) PRESIDENT ICHIRO OZAWA IN BEIJING, WHERE HE WAS VISITING, REMARKED TO THE PRESS THAT HIS PARTY WOULD COOPERATE WITH THE LIBERAL DEMOCRATIC PARTY (LDP) IF THAT PARTY WOULD DISSOLVE ITS ALLIANCE WITH THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY. IN THIS CONNECTION, PRIME MINISTER RYUTARO HASHIMOTO REPLIED TO THE PRESS IN HIS RESIDENTIAL OFFICE ON THE AFTERNOON OF THE 7TH: "IS THAT RIGHT? I HAVE NOTHING ELSE TO SAY BECAUSE I JUST HEARD ABOUT IT FROM YOU." MEANWHILE, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA LATER YESTERDAY ALSO MET WITH THE PRESS. IN IT, HE READ OUT THE FACSIMILE REPORTING OZAWA'S REMARKS, AND ONLY SAID, "'IS THAT SO?' IS ALL I CAN SAY FOR NOW IF YOU ARE ASKING FOR MY OPINION." HASHIMOTO AND KAJIYAMA, ALONG WITH OZAWA, ONCE BELONGED TO THE FORMER TAKESHITA FACTION, THE BIGGEST FACTION IN THE LDP. A SUSPICION RUNS DEEP AMONG COALITION MEMBERS FAVORING TO MAINTAIN THE PRESENT LDP-SDP-SAKIGAKE ARRANGEMENT, "THEY MAY BE CONSIDERING TO FORM A NEW CONSERVATIVE-CONSERVATIVE ALLIANCE IN RESPONSE TO MR. OZAWA'S CALL." FULLY AWARE OF SUCH A RUMOR, THE TWO RESPONDED COOLLY TO THE PRESS, WITH SPECIAL CONSIDERATION TO THE UNITY OF THE COALITION. NEVERTHELESS, NEITHER RENOUNCED OZAWA'S SUGGESTION.

LDP SECRETARY GENERAL KOICHI KATO, AN ARDENT PRO-COALITION PROPONENT, ALSO REMARKED IN HIS PRESS MEETING YESTERDAY AFTERNOON: "THE PRESENT THREE-PARTY COALITION HAS TAKEN CARE OF SUCH STICKY ISSUES AS THE JAPAN-U.S. SECURITY ARRANGEMENT, UNITED NATION PEACE-KEEPING OPERATIONS (PKO), AND THE OKINAWA PROBLEMS, WHICH HAD NOT BEEN SETTLED UNDER THE 1955 STRUCTURE (TN: THE YEAR THE LDP WAS FORMED AND ASSUMED SINGLE-PARTY RULE, WITH THE JAPAN SOCIAL PARTY BECOMING THE PERMANENT OPPOSITION PARTY). ALL THOSE ISSUES WERE SETTLED BECAUSE WE HAVE THIS COALITION GOVERNMENT." KATO PLAYED UP THE

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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;
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E.O. 12958: N/A

SUBJECT JAPANESE MORNING PRESS HIGHLIGHTS MAY 8

SIGNIFICANCE OF THE PRESENT LDP-SDP-SAKIGAKE ARRANGEMENT.

FORMER PRIME MINISTER YASUHIRO NAKASONE, WHO IS CALLING
FOR LAUNCHING A NEW COALITION, ALSO MET THE PRESS
YESTERDAY. IN IT, NAKASONE WELCOMED OZAWA'S SUGGESTING,
REMARKING, "IT IS GOOD TO HEAR ALL KINDS OF OPINIONS."
NAKASONE ALSO INDICATED A POSITIVE STANCE TOWARD WORKING
WITH THE SHINSHINTO, REMARKING, "AS FAR AS THE PRESENT
SITUATION IS CONCERNED, MANY ARE SHORT-SIGHTED AND TOO
FACTIOUS. IN OTHER WORDS, THEY ARE NARROW-MINDED."

OZAWA TRIP: SHINSHINTOQS HATA CRITICAL
(NIHON KEIZAI - PAGE 2)

BEFORE LEAVING HONG KONG, WHERE HE WAS VISITING, FORMER
PRIME MINISTER TSUTOMU HATA OF THE SHINSHINTO (NEW
FRONTIER PARTY) ON THE 7TH MET THE PRESS IN HIS HOTEL.
REFERRING TO SHINSHINTO PRESIDENT ICHIRO OZAWA'S BEIJING
COMMENT SUGGESTING "COOPERATION IN HANDLING CRITICAL
ISSUES WITH THE LIBERAL DEMOCRATIC PARTY (LDP) IF IT
FORMS AN INDEPENDENT ADMINISTRATION," HATA REMARKED
CRITICALLY, "I HAVE NOT HEARD IT DIRECTLY FROM HIM, BUT I
WONDER IF THE VOTERS WOULD CAST THEIR VOTES FOR A PARTY
THAT IS CONSIDERING TO JOIN HANDS WITH THE LDP IF IT CAN
FORM AN ADMINISTRATION INDEPENDENTLY."

HATA WENT ON TO MAKE IT CLEAR THE PERCEPTION GAP WITH
OZAWA, NOTING, "I HAVE ALWAYS TOLD HIM THAT I WOULD BE
HAPPY TO DISCUSS AND COOPERATE EARNESTLY WITH OTHER
PARTIES, WHETHER IT IS A COALITION OR INDIVIDUALLY. I
JUST CAN'T UNDERSTAND HIS PLAN TO COOPERATE IF (THE LDP)
CAN HAVE THE REINS INDEPENDENTLY."
(TAKUHIKO GOTO, HONG KONG)

MOF MULLING OVER BANK STOCKS FOR JUSEN LIQUIDATION
(ASAHI - TOP PLAY)

THE OUTLOOK SEEMS SURE THAT THE FISCAL 1996 DRAFT BUDGET
THAT INCLUDES THE INJECTION OF FISCAL OUTLAYS AMOUNTING
TO 685 BILLION YEN TO HELP LIQUIDATE PRIMARY LOSSES
INCURRED BY HOUSING LOAN CORPORATIONS OR JUSEN WILL BE
PASSED ON THE 9TH. IN RESPONSE, THE MINISTRY OF FINANCE
(MOF) IS NOW CONSIDERING USING PREFERRED STOCKS WITH
HIGHER YIELDING THAN ORDINARY STOCKS TO MAKE UP

"SECONDARY LOSSES," THAT ARE CERTAIN TO TOP 1 TRILLION YEN. ACCORDING TO THE PLAN, A FUND TO BE SET UP WITHIN THE DEPOSIT INSURANCE CORPORATION WILL BE OPERATED, USING PREFERRED STOCKS ISSUED BY BANKS. IN THE MEANTIME, FOR BANKS SUCH A PLAN HAVE BENEFITS THAT IF THEY ISSUE MORE PREFERRED STOCKS, IT WILL ENABLE THEM TO IMPROVE THEIR OWNED CAPITAL THAT IS BOUND TO DROP IN LIQUIDATING NON-PERFORMING LOANS. HOWEVER, THE PLAN WILL LIKELY DRAW CRITICISM THAT "SUCH A PLAN IS FAVORABLY TREATING BANKS. IN ADDITION, IT WILL DISTORT MARKET PRINCIPLES," BECAUSE IT IS TANTAMOUNT TO STOCK-PRICE KEEPING OPERATIONS (PKO), THAT IS TO SAY, PUBLIC ORGANIZATIONS PREVENT STOCK PRICES FROM FALLING, BY EFFECTIVELY SUPPORTING BANK STOCKS.

RULING, OPPOSITION PARTIES IN BARGAINING OVER DIETQS
JUSEN RESOLUTION (NIHON KEIZAI - PAGE 2)

WITH THE PROSPECTDFOR THE FY1996 BUDGET MOST LIKELY BEING PASSED ON THE 9TH, THE RULING AND OPPOSITION CAMPS YESTERDAY ENGAGED IN A HEATED DEBATE IN THE UPPER HOUSE OVER THE DETAILS OF THE DRAFT RESOLUTION AIMED AT REDUCING BURDENS TO BE SHOULDERED BY THE PEOPLE IN CONNECTION WITH THE LIQUIDATION OF HOUSING LOAN CORPORATIONS OR JUSEN. COORDINATION BETWEEN THE TWO CAMPS IS NOT GOING SMOOTHLY WITH THE HEISEIKAI INSISTING ON ADOPTING THE WORDING THAT CONNOTES THE "DELETION" OF FISCAL OUTLAYS AMOUNTING TO 685 BILLION YEN FROM THE DRAFT PREPARED BY THE RULING CAMP. IN THE MEANTIME, THE RULING AND OPPOSITION PARTIES ON THE SAME DAY HELD NEGOTIATIONS AT A LOWER HOUSE STEERING COMMITTEE DIRECTORS' MEETING ON A SCHEDULE FOR ENTERING
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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 MAY 8

DELIBERATIONS ON THE JUSEN LIQUIDATION BILL, BUT LITTLE PROGRESS WAS MADE DUE TO THE PROBLEM OF SUMMONING LIBERAL

DEMOCRATIC PARTY (LDP) SECRETARY GENERAL KOICHI KATO AS A DIET WITNESS.

THE HEISEIKAI COMPRISING OF MEMBERS OF THE UPPER HOUSE RULING PARTIES AND THE SHINSHINTO (NEW FRONTIER PARTY) INTERMITTENTLY HELD A MEETING OF ADMINISTRATIVE-LEVEL OFFICIALS YESTERDAY. AFTER HEATED DISCUSSIONS ON THE DRAFT JUSEN LIQUIDATION RESOLUTION, THE PROSPECTS HAVE BECOME SURE THAT WORDING DIRECTLY TOUCHING ON A REQUEST FOR PRIVATE FINANCIAL INSTITUTIONS TO SHOULDER ADDITIONAL BURDENS SHOULD NOT BE INCORPORATED. ALONG WITH THIS POLICY DIRECTION, COORDINATION WAS MADE IN THE DIRECTION OF SEEKING RELATED FINANCIAL INSTITUTIONS TO SHOULDER BURDENS, USING SUCH PHRASEOLOGIES AS (1) SETTING A DIRECTION FOR LIGHTENING BURDENS TO BE SHOULDERED BY THE PEOPLE AND (2) SEEKING ANEW COOPERATION OF RELATED FINANCIAL INSTITUTIONS. HOWEVER, COORDINATION HAS YET TO BE MADE REGARDING THE EXTENT OF CLEAR-CUT EXPRESSIONS TO BE EMPLOYED TO INDICATE THE DEGREE OF A REDUCTION IN SUCH BURDENS.

REGARDING THE NATURE OF THE PLANNED JUSEN RESOLUTION, THE RULING CAMP WANTS IT TO HAVE SUBSTANTIAL CONTENTS, INSTEAD OF BEING A MERELY FORMALISTIC ONE. AT THE LIAISON COUNCIL MEETING OF TOP-RANKING OFFICIALS OF THE GOVERNMENT AND THE RULING PARTIES HELD YESTERDAY, LDP SECRETARY GENERAL KATO UNDERScoreD THE INTENTION TO HAVE THE DRAFT CARRY CONTENTS THAT INDICATE THE WILL OF THE RULING PARTIES AS A WHOLE, INCLUDING THE LOWER HOUSE, REMARKING, "WE WILL FACILITATE THE COMPILATION OF THE DRAFT RESOLUTION, WHILE CONSULTING WITH THE POLICY COORDINATION COUNCIL."

IN THE MEANTIME, THE LOWER HOUSE DIET STEERING COMMITTEE MEETING YESTERDAY CONFERRED ON THE HANDLING OF THE JUSEN LIQUIDATION BILL, THAT WILL PROVIDE THE LEGAL GROUNDS FOR THE IMPLEMENTATION OF FISCAL OUTLAYS TO COVER JUSEN LOSSES AND FOUR FINANCE-RELATED BILLS. THE RULING CAMP PROPOSED THAT DELIBERATIONS ON THE FIVE BILLS BE STARTED, BY REFERRING THEM TO THE SPECIAL FINANCIAL PROBLEMS COMMITTEE, IMMEDIATELY AFTER GIVING A BACKGROUND EXPLANATION ON THOSE BILLS, BUT THE SHINSHINTO REJECTED THE PROPOSAL. AT A PRESS BRIEFING HELD ON THE SAME DAY, SHINSHINTO DIET POLICY COMMITTEE CHAIRMAN TAKEO NISHIOKA REITERATED THE PARTY'S VIEW THAT TO SUMMON KATO AS A DIET WITNESS IS A PREMISE FOR STARTING DELIBERATIONS AT THE SPECIAL COMMITTEE.

THE SHINSHINTO REJECTED THE IDEA OF A BACKGROUND EXPLANATION PROPOSED FOR THE 10TH, TOO. UNDER SUCH CIRCUMSTANCES, WHETHER THE SPECIAL COMMITTEE CAN START DELIBERATIONS THIS WEEK IS IN A DELICATE SITUATION. THE COMMITTEE IS ALSO EXPECTED TO HOLD AN INFORMAL DISCUSSION MEETING BY DIRECTORS.

U.S. MILITARY BASES ON OKINAWA: GOVERNMENT TO START WORKING GROUP TOMORROW WITH OKINAWA PREFECTURE
(YOMIURI - PAGE 3)

IN DEALING WITH REALIGNMENT AND REDUCTION OF UNITED STATES BASES ON OKINAWA, THE CENTRAL GOVERNMENT WILL LAUNCH A TASK FORCE CONSISTING OF RELEVANT GOVERNMENTAL AGENCIES AND OKINAWA PREFECTURE ON MAY 9 IN AN EFFORT TO FORMULATE A PLAN FOR UTILIZATION OF THE SITE OF THE BASE AFTER AMERICAN TROOPS LEAVE THERE AS WELL AS TO COORDINATE OPINIONS WITH AREAS TO WHICH BASES WILL BE RELOCATED. THE CENTRAL GOVERNMENT INTENDS TO WORK ON THE PREFECTURAL SIDE TO SERVE AS A "COORDINATOR TO PERSUADE" CITIES, TOWNS AND VILLAGES IN THE PREFECTURE. ALTHOUGH OKINAWA PREFECTURE INCLUDING GOVERNOR MASAHIDE OTA HAS CALLED FOR FINANCIAL ASSISTANCE TO MAKE GOOD USE OF THE SITE OF THE BASE AFTER THE BASE IS REMOVED, IT STILL HAS TAKEN THE STANCE OF KEEPING A DISTANCE FROM THE CENTRAL
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UNCLAS SECTION 05 OF 07 TOKYO 004084

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 MAY 8

GOVERNMENT, NOTING, "PERSUADING AREAS TO WHICH BASES ARE PLANNED TO BE RELOCATED TO ACCEPT SUCH A PLAN IS THE WORK THE CENTRAL GOVERNMENT SHOULD HANDLE." THE TASK FORCE WILL LIKELY MAKE A START WITH BOTH SIDES' "MOTIVES" BEING WIDE APART.

ACCORDING TO THE INTERIM REPORT BY THE "SPECIAL ACTION COMMITTEE FOR FACILITIES AND AREAS IN OKINAWA" (SACO), WHICH SPECIFIES RETURN OF 11 FACILITIES BEGINNING WITH FUTENMA AIR STATION, MOST OF FACILITIES PLANNED TO BE RETURNED WILL BE REVERTED TO OKINAWA ON THE CONDITION THAT SUCH FACILITIES AND THEIR FUNCTIONS WILL BE TRANSFERRED OR RELOCATED TO OTHER U.S. BASES IN THE PREFECTURE. THEREFORE, THE MAJOR TASK IN REALIZING SUCH REVERSION IS HOW SMOOTHLY TO MOVE AHEAD WITH RELOCATION PLANS FOR SUCH FACILITIES IN THE PREFECTURE.

PARTICULARLY BECAUSE OF THE PAST CIRCUMSTANCES WHERE WHEN

BOTH JAPAN AND THE U.S. AGREED LAST YEAR TO RETURN THE FACILITIES AT NAHA PORT, URASOE CITY, TO WHICH SUCH FACILITIES ARE PLANNED TO BE RELOCATED, DISAGREED TO THE PLAN AND REVERSION OF SUCH FACILITIES CAME TO A STANDSTILL, THE CENTRAL GOVERNMENT IN THIS CASE MADE DESPERATE EFFORTS TO CREATE A SYSTEM THAT CAN INCLUDE THE PREFECTURE, A KEY EXISTENCE TO MAKE COORDINATION BETWEEN THE CENTRAL GOVERNMENT AND LOCAL MUNICIPALITIES.

AS A PART OF SUCH EFFORTS, THE CENTRAL GOVERNMENT ASKED (OKINAWA) PREFECTURE TO PARTICIPATE IN THE TASK FORCE, AND ON APRIL 12, PRIME MINISTER HASHIMOTO IN HIS CONVERSATION WITH GOVERNOR OTA OVER THE PHONE PRIOR TO HIS ANNOUNCEMENT OF THE ENTIRE REVERSION OF FUTENMA AIR STATION OBTAINED HIS COOPERATION FOR REALIZING SUCH REVERSION. BUT IN OKINAWA PREFECTURE, A CAMPAIGN AGAINST RELOCATION HAS ALREADY BECOME WIDESPREAD, AND THE KADENA TOWN ASSEMBLY HAS MADE A RESOLUTION THAT IS OPPOSED TO ACCEPTING RELOCATION OF A PORTION OF THE FACILITIES OF FUTENMA AIR STATION. BUT THE PREFECTURAL SIDE HAS ASSUMED A WAIT-AND-SEE ATTITUDE.

JDA CHIEF POSITIVE ABOUT RUNWAY CONSTRUCTION FOR U.S. FORCES (ASAHI - PAGE 1)

JAPAN DEFENSE AGENCY DIRECTOR GENERAL HIDEO USUI, AT AN UPPER HOUSE CABINET COMMITTEE MEETING HELD ON MAY 7, REFERRED TO THE ISSUE OF THE U.S. SIDE'S HAVING REQUESTED THE JAPANESE SIDE TO CONSTRUCT A RUNWAY AS WELL IN CONNECTION WITH HELIPORT CONSTRUCTION WHICH IS A CONDITION FOR THE REVERSION OF THE SITE OF THE U.S. FORCES' FUTENMA AIRFIELD IN OKINAWA. USUI STATED, "SELF-DEFENSE FORCES (HELICOPTER) BASES ALSO HAVE RUNWAYS, SO WE WOULD LIKE TO PREPARE WHAT IS ORDINARILY NEEDED AS A BASE -- ALSO FOR THE U.S. FORCES." THIS IS THE FIRST TIME FOR THE GOVERNMENT TO FORMALLY CLARIFY ITS POSITIVE VIEW ON RUNWAY CONSTRUCTION. IT WAS A REPLY TO AN INTERPELLATION POSED BY THE JAPAN COMMUNIST PARTY'S AKIRA KASAI.

FORMER PRIME MINISTER NAKASONE NEGATIVE ABOUT EARLY DIET DISSOLUTION (ASAHI - PAGE 7)

REGARDING THE TIMING FOR A DISSOLUTION OF THE LOWER-HOUSE AND GENERAL ELECTIONS, FORMER PRIME MINISTER YASUHIRO NAKASONE OF THE LIBERAL DEMOCRATIC PARTY (LDP) YESTERDAY SAID TO REPORTERS IN HIS TOKYO OFFICE: "I ALSO TOLD THE PRIME MINISTER THAT IT WOULD BE BETTER NOT TO DISSOLVE THE DIET BEFORE HE DISPLAYS HIS ACHIEVEMENTS TO THE PEOPLE AND THE FOUNDATION (OF HIS GOVERNMENT) BECOMES SOLID." WITH THIS, HE STRESSED HIS VIEW THAT AN EARLY LOWER-HOUSE DISSOLUTION WAS UNDESIRABLE.

NAKASONE THEN ADDED: "THE PEOPLE WOULD APPRECIATE CARRYING OUT THE DISSOLUTION AFTER THE JUSEN (HOME MORTGAGE FIRMS) MESS IS SETTLED. AN IMPORTANT DECISION SHOULD NOT BE MADE JUST BECAUSE OF HIS HAVING SCORED SOME POINTS IN DIPLOMACY OR HIS CABINET'S HAVING GAINED A RISE IN SUPPORT RATING." MOREOVER, REFERRING TO THE WORK OF REVIEWING THE "GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION" IN THE FUTURE, HE STATED: "IT IS TOO EARLY
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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
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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 MAY 8

TO SET THE ISSUE OF USE OF THE COLLECTIVE SELF-DEFENSE
RIGHT AT THE CENTER OF THE POLITICAL SCHEDULE. FURTHER
DISCUSSION IS NEEDED ON THE ISSUE. WE SHOULD PRUDENTLY
WAIT UNTIL THE PEOPLE HAVE ROOM TO MAKE A JUDGMENT."

JDA LAUNCHES GSDF SCRAP-AND-BUILD PLAN

(NIHON KEIZAI - PAGE 1)

THE JAPAN DEFENSE AGENCY (JDA) HAS STRENGTHENED ITS
POLICY APPROACH AS OF MAY 7 TO CONSOLIDATE OR SCRAP
NEARLY 40 OF ABOUT 170 GSDF POSTS THROUGHOUT THE COUNTRY
IN THE 15 YEARS TO COME. THIS ACTION IS TO RESPOND TO
THE NEW NATIONAL DEFENSE PROGRAM OUTLINE (NDPO), WHICH
WAS APPROVED BY A CABINET MEETING IN LAST NOVEMBER. A
CUTBACK IN THE STRENGTH OF THE GSDF AND REALIGNMENT OF
THE GSDF ARE WORKED OUT IN THE NEW NDPO. WITH THE END OF
THE COLD WAR AND IN VIEW OF THE ACTUAL CONDITION OF THE
GSDF WHICH CANNOT MEET THE FULL STRENGTH, THE JDA IN THE
NEW NDPO SETS A POLICY LINE OF REDUCING THE REGULAR
STRENGTH OF SDF TROOPS FROM THE PREVIOUS 180,000 TO
145,000. IN ADDITION, IT HAMMERS OUT A PLAN TO CHANGE
FOUR DIVISIONS -- THE 5TH DIVISION (HEADQUARTERED IN
OBIHIRO CITY), THE 11TH DIVISION (IN SAPPORO CITY), THE
12TH DIVISION (IN SHINTO VILLAGE, GUMMA PREFECTURE) AND
THE 13TH DIVISION (IN KAITA TOWN, HIROSHIMA PREFECTURE) -
- INTO BRIGADES AND TO CONSOLIDATE OR SCRAP POSTS. TO
CONSOLIDATE OR SCRAP POSTS, ABOUT 40 SUCH WILL BE CHOSEN
IN FIVE YEARS STARTING IN FY1996 FROM AMONG POSTS AND
SUPPLY FACILITIES, BOTH OF WHICH CAN BE ALIGNED OR
CONSOLIDATED. THE MAJOR CRITERIA FOR SUCH SELECTION ARE:
(1) ANOTHER POST IS LOCATED NEAR, SO THERE WILL BE NO
TROUBLE IN DISPATCHING TROOPS IN THE CASE OF A DISASTER;
AND (2) THERE WILL BE HARDLY ANY EFFECT ON LOCAL
MUNICIPALITIES.

CHINESE AMBASSADOR CONCERNED ABOUT JAPAN'S OVERSEAS
MILITARY OPERATIONS (SANKEI - PAGE 2)

THE LIBERAL DEMOCRATIC PARTY'S POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI MET THE PRESS ON THE EVENING OF MAY 7, AND THEN REVEALED THAT CHINESE AMBASSADOR TO JAPAN XU DUNXIN IN HIS MEETING WITH YAMASAKI ON MAY 1 REFERRED TO THE JAPAN-U.S. JOINT DECLARATION ON SECURITY AND STATED TO HIM: "WE HAVE NO OBJECTION TO (JAPAN'S) UPHOLDING THE CONVENTIONAL JAPAN-U.S. SECURITY ARRANGEMENT, BUT WE ARE CONCERNED ABOUT JAPAN'S OVERSEAS MILITARY OPERATIONS." YAMASAKI REMARKED, "FROM NOW ON, WE ARE GOING TO WORK OUT THE DETAILS ABOUT HOW JAPAN AND THE UNITED STATES CAN CARRY OUT (DEFENSE) COOPERATION WITHOUT USING THE RIGHT OF COLLECTIVE SELF-DEFENSE (SHUDANTEKI JIEIKEN)." YAMASAKI THUS EXPLAINED JAPAN'S HAVING NO INTENTION OF CONDUCTING MILITARY OPERATIONS ABROAD BY USING THE RIGHT OF COLLECTIVE SELF-DEFENSE.

LDPQS TAMURA TO HEAD PARLIAMENTARY DELEGATION TO TAIWAN (ASAHI - PAGE 7)

THE LIBERAL DEMOCRATIC PARTY (LDP) DECIDED YESTERDAY TO DISPATCH FORMER LOWER HOUSE SPEAKER HAJIME TAMURA AS HEAD OF THE RULING AND OPPOSITION PARTIES' DELEGATION TO TAIWAN TO ATTEND THE INAUGURATION CEREMONY TO BE HELD ON THE 20TH FOR PRESIDENT LEE TENGHUI, WHO HAS BEEN ELECTED IN A DIRECT ELECTION. THE LDP JAPAN-ROC DIETMEN'S DISCUSSION COUNCIL (CHAIRMANED BY MASAYUKI FUJIO), COMPOSED OF PRO-TAIWANESE DIET MEMBERS, WILL OFFICIALLY MAKE THE REQUEST TO TAMURA AFTER CONFERRING ON IT TODAY. IN MAY 1990, SHIN KANEMARU, WHO EXPERIENCED THE POST OF DEPUTY PRIME MINISTER, ATTENDED A TAIWANESE PRESIDENTIAL INAUGURATION CEREMONY. THIS TIME, GIVING CONSIDERATION TO THE WEIGHT OF THE CEREMONY FOR THE "PRESIDENT ELECTED THROUGH THE FIRST DEMOCRATIC ELECTION," THE LDP WAS SELECTING A CANDIDATE AMONG FORMER PRIME MINISTERS, UPPER HOUSE PRESIDENTS AND LOWER HOUSE SPEAKERS.

TAIWANQS LEADING OPPOSITION PARTY DELEGATION TO ARRIVE IN JAPAN TODAY (ASAHI - PAGE 7)

(HONG KONG, MAY 7, HIDE TO FUJIWARA) THE FIRST POSITION PARTY MINJINDANG OF TAIWAN HEADED BY FORMER CHIEF OF STATE SHI MINGDE WILL ARRIVE IN JAPAN TODAY AND STAY UNTIL THE 14TH, ACCORDING TO CHUO NEWS AGENCY. THE MEMBERS WILL MEET SENIOR OFFICIALS OF THE LIBERAL

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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;
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COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS MAY 8

DEMOCRATIC PARTY (LDP) AND THE OPPOSITION PARTY
SHINSHINTO. DURING THE MEETINGS, THEY INTEND TO STRESS
THE IMPORTANCE OF TAIWAN FOR THE STABILITY AND PEACE OF
EAST ASIA, AND CALL FOR JAPAN'S COOPERATION IN THE
DEFENSE AREA. SHI HAS DESIRED TO HOLD TALKS ALSO WITH
SHINSHINTO HEAD ICHIRO OZAWA.
RUSSIA INFORMALLY DESIGNATES NEW AMBASSADOR TO JAPAN
(ASAHI - PAGE 2)

(MOSCOW, MAY 7; HIROKI IZAWA) ITAR-TASS ON THE 7TH
REPORTED THAT AT A MEETING HELD ON THE SAME DAY WITH
FORMER FOREIGN MINISTER TARO NAKAYAMA, DEPUTY PRIME
MINISTER IGNATENKO, CONCURRENTLY ITAR-TASS PRESIDENT, HAD
INTRODUCED HIM FOREIGN VICE-MINISTER PANOV AS "FUTURE
AMBASSADOR TO JAPAN." ACCORDING TO A RUSSIAN FOREIGN
MINISTRY SOURCE, THE DOMINANT VIEW IN THE MINISTRY IS
PANOV'S BECOMING NEXT AMBASSADOR TO JAPAN. HE IS NOW
WAITING FOR THE MINISTRY'S FORMAL DECISION AND APPROVAL
BY PRESIDENT YELTSIN AND THE PARLIAMENT. VICE MINISTER
PANOV WHO IS KNOWLEDGEABLE OF JAPAN AND SERVED AS
COUNSELOR AT THE RUSSIAN EMBASSY IN JAPAN AND AMBASSADOR
TO THE REPUBLIC OF KOREA. INCUMBENT AMBASSADOR TO JAPAN
CHIZHOV HAS BEEN IN OFFICE FOR FIVE AND A HALF
YEARS. NAKAYAMA AND DEPUTY PRIME MINISTER IGNATENKO
DISCUSSED MAINLY THE 40TH ANNIVERSARY OF THE DIPLOMATIC
NORMALIZATION OF THE TWO COUNTRIES WHICH WILL BE GREETED
ON OCTOBER 19 THIS YEAR. ACCORDING TO THE SAID DEPUTY
PRIME MINISTER, IN AN EFFORT TO MAKE THE ANNIVERSARY TO
BE AN OPPORTUNITY TO DEEPEN BILATERAL TIES, AN COMMITTEE
HAS BEEN ESTABLISHED IN THE RUSSIAN FOREIGN MINISTRY WITH
VICE-MINISTER PANOV AS LEADER. BLACKBURN

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
008. cable	Re: Accept New Military Port (5 pages)	05/08/1996	P1/b(1)

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

FOLDER TITLE:

[04/26/1996 - 05/08/1996]

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RESTRICTION CODES

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- 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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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009. cable	Re: Demarche Delivered (3 pages)	05/08/1996	P1/b(1)

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OA/Box Number: 510000

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[04/26/1996 - 05/08/1996]

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