

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Okinawa Base Issues: More Mixed Signals (6 pages)	08/15/1996	P1/b(1)
002. cable	Re: Digest Executive Edition (11 pages)	08/19/1996	P1/b(1)
003. cable	Re: Japan-U.S./Okinawa Base Issues (3 pages)	08/19/1996	P1/b(1)
004. cable	Re: Conservative Landowners (4 pages)	08/20/1996	P1/b(1)
005. cable	Re: Secretary's Morning Summary (18 pages)	08/20/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[08/15/1996 - 08/21/1996]

2016-0420-F
sb1878

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]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Okinawa Base Issues: More Mixed Signals (6 pages)	08/15/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[08/15/1996 - 08/21/1996]

2016-0420-F
sb1878

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO7611 2290217-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 160217Z AUG 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 160217Z AUG 96
ORIG: AMEMBASSY TOKYO
TO: RUEHIA/USIA WASHDC IMMEDIATE 0601
RUEHC/SECSTATE WASHDC IMMEDIATE 6127
INFO: RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUEAIIA/CIA WASHDC
RUCPDOG/USDOC WASHDC
RHEHAAA/WHITE HOUSE WASHDC
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEBBEA/USDOT WASHDC
RUEKJCS/SECDEF WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS AUGUST 16
TEXT: UNCLAS SECTION 01 OF 07 TOKYO 007611

USIA

FOR: USIA D/P, I/GEA, I/RE, 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 AUGUST 16

TOP HEADLINES:

ASAHI: TO REVIEW EDUCATION CURRICULUM FROM KINDERGARTEN
TO SENIOR HIGH SCHOOL; EDUCATION PANEL TO RESUME
DELIBERATION FOR FIRST TIME IN NINE YEARS; RESPONSE
NEEDED TO A FIVE-DAY WEEK SYSTEM; ABOUT 25 PERSONS, SUCH
AS SHUMON MIURA AND JUN'ICHI NISHIZAWA, TO SERVE AS
MEMBERS

NIHON KEIZAI: CERTIFICATE TO BE GIVEN TO FIRMS STRONGLY
AWARE OF ENVIRONMENT; DECIDED BY ISO; TO URGE FOR SETTING

GOALS, SUCH AS REDUCTION IN INDUSTRIAL WASTE; MAY BECOME CONDITIONS FOR INTERNATIONAL DEALS

TOKYO SHIMBUN: KANTO REGION SWELTERS AFTER TYPHOON PASSES; 38.7 DEGREES CENTIGRADE IN TOKYO AND 39.4 DEGREES CENTIGRADE IN KOSHIGAYA

MAINICHI: MITI'S POLICY LINE FOR TIME-LIMIT LAW AGAINST INDUSTRIAL HOLLOWING-OUT; 30 BILLION YEN MAY BE APPROPRIATED IN BUDGET FOR INVESTMENT PROMOTION IN BASE INDUSTRIES

YOMIURI: TO IMPOSE TAX ON FINES INFLICTED ABROAD; NOT TO ALLOW FIRMS TO TREAT SUCH FINES AS LOSSES; FINANCE MINISTRY CONSIDERING REVISION OF LAW TO TAKE SAME MEASURES AS AT HOME (ARTICLE IN ENGLISH ED.)

SANKEI: ROK'S "A PROJECT": SEC RET STUDY OF ROK VISIT BY EMPEROR; PRESIDENT ENTHUSIASTIC TO REALIZE IT WHILE IN OFFICE; SECURITY SYSTEM NOW IN FOCUS (TRANSLATION BELOW)

PRIME MINISTER TO PRESENT CASE TODAY IN COURT AGAINST OKINAWA ON BASE-LEASES ISSUE (SANKEI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO WILL BRING AN ACTION TODAY AGAINST OKINAWAN GOVERNOR MASAHIDE OTA TO FUKUOKA HIGH COURT'S NAHA BRANCH OFFICE FOR AN ORDER FOR DUTIES TO BE PERFORMED BECAUSE THE GOVERNOR DID NOT PUT ON PUBLIC DISPLAY, BY THE DEADLINE DATE, AUGUST 15, LEGAL PAPERS REQUIRED TO CONTINUE THE FORCED USE OF LAND LOTS OF ABOUT 3,000 LANDOWNERS -- NOW USED AS 11 (UNITED STATES) MILITARY FACILITIES IN OKINAWA PREFECTURE, SUCH AS KADENA AIR BASE. THE LEASE CONTRACTS ON THOSE FACILITIES WILL EXPIRE NEXT MAY.

THIS LAWSUIT WILL BE THE THIRD ONE SEEKING IMPLEMENTATION OF THE DUTIES ASSIGNED BY THE CENTRAL GOVERNMENT TO THE GOVERNOR, FOLLOWING THE ONE RELATED TO PROXY-SIGNING NOW APPEALED TO A FINAL COURT AND THE ONE ON PUBLIC DISPLAY OF LEGAL PAPERS ON THE SITE NOW USED AS SOBE TELECOM SITE.

THE FIRST ORAL PLEADINGS WILL TAKE PLACE POSSIBLY IN EARLY SEPTEMBER, BUT UNLESS THERE IS ANY CHANGE IN GOVERNOR OTA'S RESPONSE, A RULING IS EXPECTED TO BE HANDED DOWN IN NOVEMBER. IT SEEMS CERTAIN THAT THE CENTRAL GOVERNMENT WILL WIN IN THIS LAWSUIT, IN ADDITION TO THE ONE RELATED TO PUBLIC DISPLAY OF LEGAL PAPERS ON THE SOBE COMMUNICATIONS SITE. HOWEVER, THE START OF DELIBERATIONS AT THE PREFECTURAL EXPROPRIATION COMMITTEE AS TO WHETHER TO ALLOW THE FORCED USE OF LAND PLOTS WILL BE CERTAIN TO BE WIDELY DELAYED.

REGARDING PUBLIC DISPLAY OF LEGAL PAPERS ON THE FORCED USE OF LAND PLOTS, 12 FACILITIES, SUCH AS KADENA AIR BASE AND FUTENMA AIR STATION COME UNDER THE CASES OF THE FORCED USE OF LAND PLOTS. OF THEM, HOWEVER, IEJIMA AUXILIARY AIRFIELD (FOR WHICH 23 LANDOWNERS LEASED THEIR

LAND LOTS) IS NOW EXCLUDED BECAUSE THE HEAD OF IE VILLAGE COMPLIED WITH THE ORDER FOR THE PUBLIC DISPLAY OF LEGAL PAPERS ON THE FORCED USE OF LAND PLOTS, BUT THE REMAINING NINE HEADS OF CITIES, TOWNS AND VILLAGES HAVE REFUSED TO DO SO. ON AUGUST 5, THE CENTRAL GOVERNMENT THEN ORDERED UNCLAS SECTION 02 OF 07 TOKYO 007611

USIA

FOR: USIA D/P, I/GEA, I/RE, 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 AUGUST 16

THE GOVERNOR TO DO SO ON BEHALF OF THOSE NINE HEADS.

IN REACTION, THE GOVERNOR HAS REFUSED TO DO SO AS A PROXY CITING THE FOLLOWING REASONS:

1. THERE IS A NEED TO TAKE INTO CONSIDERATION A RULING THAT THE SUPREME COURT WILL HAND DOWN ON THE 28TH REGARDING "THE PROXY-SIGNING LAWSUIT"; AND
2. NO PLAN FOR REALIGNING, CONSOLIDATING AND REDUCING U.S. BASES CONVINCING TO THE PREFECTURAL RESIDENTS HAS BEEN SHOWN AS IS SEEN IN THE CASE OF FUTENMA AIR STATION.

SDP OFFICIAL: GOVERNOR OTA TO SIGN LAND LEASES IF SUPREME COURT SO RULES (MAINICHI - PAGE 3)

THE SOCIAL DEMOCRATIC PARTY'S OKINAWA PREFECTURAL FEDERATION CHAIRMAN ZENSHUN ARAKAKI (65), A MEMBER OF THE OKINAWA PREFECTURAL ASSEMBLY, ANSWERED A PRESS REPORTER'S QUESTION ON AUGUST 15 REGARDING THE EXECUTION OF PUBLIC POSTING AND REVIEW REFUSED BY OKINAWA PREFECTURE'S GOVERNOR MASAHIDE OTA BUT REQUIRED FOR THE (GOVERNMENT'S) FORCIBLE USE OF LAND LOTS CURRENTLY OFFERED TO THE U.S. MILITARY. IN THIS REGARD, ARAKAKI STATED, "THE GOVERNOR WILL HAVE TO RESPOND TO EXECUTION IF THE SUPREME COURT HANDS DOWN ITS JUDGMENT (AGAINST HIM) ON THE PROXY-SIGNING LAWSUIT CASE." THE SDF OKINAWA PREFECTURAL FEDERATION IS THE LARGEST SUPPORTER OF GOVERNOR OTA. THE GOVERNOR ONCE IMPLIED HIS INTENTION OF ABIDING BY THE SUPREME COURT'S RULING WHEN GIVEN (ON AUGUST 28), AND THE CHAIRMAN'S REMARKS HAVE NOW SHOWN THE POSSIBILITY OF A SETTLEMENT BEING PROMOTED ON THE MILITARY BASE ISSUE FOR THE PRESENT.

AS FOR THE ISSUE OF CONTINUING THE FORCIBLE USE OF LAND LOTS, THE PRIME MINISTER HAS ALREADY EXECUTED SIGNING AS PROXY (FOR LAND LEASES) AFTER TAKING LEGAL PROCEEDINGS FOR PROXY SIGNING, AND THE REMAINING PROCEDURE IS NOW

ONLY THE PENT-UP EXECUTION OF PUBLIC POSTING AND REVIEW. IF THIS PROXY SIGNING IS EXECUTED BY THE GOVERNOR AFTER THE TOP COURT'S RULING IS HANDED DOWN, THE PROCEDURE WILL SMOOTHLY GO ON. ASKED ABOUT WHEN, THE CHAIRMAN POINTED OUT, "I'M EXPECTING IT WILL BE AFTER THE PREFECTURE'S PUBLIC PLEBISCITE (SET FOR SEPTEMBER 8) THAT WOULD PROBABLY TURN OUT AGAINST THE COURT RULING." AS A CONDITION, HE NOTED, "SO AS TO GIVE AN EXPLANATION THAT IS CONVINCING TO THE ORGANIZATIONS OF SUPPORTERS AND ALSO TO THE PEOPLE OF OKINAWA PREFECTURE, THE GOVERNMENT WILL HAVE TO COME UP WITH A VISIBLE, REAL SOLUTION OF THE BASE PROBLEM."

AS A POSSIBLE WAY OUT OF THE IMPASSE, ARAKAKI TOUCHED ON THE BASE ACTION PROGRAM PRESENTED BY THE PREFECTURAL GOVERNMENT OF OKINAWA (TO THE CENTRAL GOVERNMENT), AND HE REMARKED THAT "THE CENTRAL GOVERNMENT SHOULD INDICATE A FIRM VIEW." ON THE OTHER HAND, HOWEVER, ARAKAKI STATED THAT HIS ORGANIZATION "WILL SUPPORT THE GOVERNOR'S FINAL JUDGMENT" EVEN IN CASE THE GOVERNOR DOES NOT RESPOND TO EXECUTING THE PROXY-SIGNING. (SHUNJI NOZAWA)

JDA DIRECTOR GENERAL TO VISIT TRANSFER SITES FOR LIVE FIRING FROM THE 19TH (SANKEI - PAGE 2)

IN AN EFFORT TO DEAL WITH THE RELOCATION PROBLEM OF THE LIVE-ARTILLERY FIRING TRAINING NOW CARRIED OUT ACROSS PREFECTURAL ROAD 104 BY THE UNITED STATES FORCES IN OKINAWA PREFECTURE, THE JAPAN DEFENSE AGENCY (JDA) YESTERDAY ANNOUNCED THAT DIRECTOR GENERAL HIDEO USUI WILL VISIT FIVE CANDIDATE-RELOCATION SITES WHICH HAVE GROUND SELF DEFENSE FORCE (GSDF) MANEUVERING GROUNDS, AS WELL AS THE CITIES, TOWNS AND VILLAGES CLOSE BY.

DURING HIS VISITS TO THOSE PLACES, THE DIRECTOR GENERAL WILL DISCUSS THE MATTER WITH GOVERNORS AND HEADS OF UNCLAS SECTION 03 OF 07 TOKYO 007611

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 AUGUST 16

CITIES, TOWNS AND VILLAGES AND WILL EXPLAIN THE CIRCUMSTANCES BEFORE THE DECISION WAS MADE AND THEN SEEK THEIR UNDERSTANDING AND COOPERATION. MUNICIPALITIES WHICH HAVE BEEN DESIGNATED AS CANDIDATES FOR THE RELOCATIONS, HOWEVER, HAVE DECLARED THEIR OPPOSITION TO ACCEPTING SUCH MILITARY TRAINING. THE DIRECTOR GENERAL IS EXPECTED TO FACE DIFFICULTIES IN PERSUADING THEM.

DEFENSE FACILITIES ADMINISTRATION AGENCY DIRECTOR GENERAL MASUO MORODOMI CATEGORICALLY STATES: "NO RELOCATION WILL OCCUR UNLESS UNDERSTANDING IS OBTAINED FROM THE LOCAL AREAS."

THE JDA DIRECTOR GENERAL'S ITINERARY IS:

AUGUST 19: VISIT YAMANASHI AND SHIZUOKA PREFECTURE
AUGUST 22: VISIT MIYAGI PREFECTURE
AUGUST 23: VISIT OITA PREFECTURE
AUGUST 26: VISIT HOKKAIDO PREFECTURE.

TALK OF SPECIAL CABINET MINISTER TO DEAL WITH OKINAWA DEVELOPMENT PLAN (SANKEI - PAGE 2)

SOCIAL DEMOCRATIC PARTY (SDP) POLICY DELIBERATION COUNCIL CHAIRMAN SHIGERU ITO, IN A MEETING WITH THE PRESS YESTERDAY IN NAHA CITY, TOUCHED ON THE OKINAWA PROMOTION PACKAGE THAT OKINAWA PREFECTURE HAS CALLED FOR. HE EXPRESSED HIS DESIRE TO SEE IT COME ABOUT, SAYING: "I WOULD LIKE TO HANDLE IT WITH SPECIAL CONSIDERATION SO THAT WHAT THE PREFECTURAL SIDE HAS DESIRED WILL BE TAKEN INTO CONSIDERATION." AT THE SAME TIME, HE REVEALED THAT A SIX-PERSON MEETING OF SECRETARIES GENERAL AND POLICY RESEARCH AFFAIRS COUNCIL CHAIRMEN OF THE THREE RULING PARTIES WILL BE HELD ON THE 23RD TO CONSIDER THE PACKAGE.

ITO SAID COMPREHENSIVE LEGISLATION AND BUDGETARY MEASURES WOULD BE NECESSARY TO GIVE SHAPE TO A PROMOTION PACKAGE, AND ADDED: "FOR IMPLEMENTATION, AN ORGANIZATION HAVING WIDE POWERS WILL BE NEEDED. IT IS A GOOD IDEA TO ESTABLISH THE POSITION OF MINISTER FOR OKINAWA IN THE GOVERNMENT IN ADDITION TO THE OKINAWA DEVELOPMENT AGENCY."

HE ALSO INDICATED HIS UNDERSTANDING TOWARD THE "ACTION PROGRAM FOR RETURN OF BASES" SET BY OKINAWA PREFECTURE, A PLAN THAT AIMS AT REMOVING ALL OF U.S. MILITARY BASES THERE BY 2015. HE SAID, "THE CENTRAL GOVERNMENT HAS TO TAKE IT SERIOUSLY AND SHOULD ANNOUNCE ITS VIEW TO STRIVE TO REALIZE IT."

REFERRING TO A RULING ON THE PROXY-SIGNING LAWSUIT TO BE GIVEN ON THE 28TH BY THE SUPREME COURT AND THE OKINAWA REFERENDUM SET FOR SEPTEMBER 8, ITO EMPHASIZED: "THE OKINAWA PROBLEM WILL ENTER ITS MOST CRITICAL MOMENT IN SEPTEMBER. WE HAVE TO PUSH AHEAD ON THE BASE PROBLEM AND THE PROMOTION PACKAGE TOGETHER, NOT SEPARATELY."

SDP WANTS SOFT-LANDING FOR OKINAWA; BANKING ON DEVELOPMENT PACKAGE (NIHON KEIZAI - PAGE 2)

SOCIAL DEMOCRATIC PARTY (SDP) OKINAWA FEDERATION CHAIRMAN YOSHIHARU NIIGAKI YESTERDAY REVEALED HIS OUTLOOK THAT GOVERNOR MASAHIDE OTA IS LEANING TOWARD CARRYING OUT PROXY-SIGNING AFTER THE PREFECTURAL REFERENDUM IN SEPTEMBER TO LET THE U.S. ARMED FORCES CONTINUE TO USE THEIR FACILITIES ON OKINAWA. IT IS VIEWED THAT THE SDP,

THE PARTY BACKING GOVERNOR OTA AS THE BIGGEST PARTY IN THE OKINAWA ASSEMBLY, HAS VIRTUALLY SHIFTED ITS STRATEGY TOWARD CONSOLIDATING THE ENVIRONMENT TO BRING THE BASE PROBLEM TO A "SOFT LANDING."

CHAIRMAN NIIGAKI EVALUATED HIGHLY THE CENTRAL GOVERNMENT'S EFFORT TO DETERMINE ALTERNATIVE SITES FOR THE HELIPORT IN FUTENMA AIR STATION: "THE CENTRAL GOVERNMENT IS WORKING EARNESTLY WITH THE U.S. SIDE." HIS UNCLAS SECTION 04 OF 07 TOKYO 007611

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 AUGUST 16

REMARKS SUGGESTED A SENSE OF CRISIS, SUSPECTING THAT IF THE GOVERNOR CONTINUES TO REJECT PROXY-SIGNING EVEN AFTER THE SUPREME COURT DECISION IN FAVOR OF THE CENTRAL GOVERNMENT COMES OUT, THE ONGOING REALIGNMENT, CONSOLIDATION, AND REDUCTION OF THE OKINAWA BASE PROGRAM MIGHT RETURN TO A CLEAN SLATE.

RECENTLY THE MOOD HAS BEEN SPREADING IN LOCAL ADMINISTRATIVE AND POLITICAL CIRCLES TO PLACE IMPORTANCE ON THE OKINAWA RECOVERY PACKAGE COUPLED WITH THE BASE REVERSION PLAN. THE CENTRAL SDP HAS BEEN NUDGING ITS OKINAWA CHAPTER HARDER TO IMPROVE THE SITUATION, FEARING THAT IF GOVERNOR OTA CONTINUE TO REJECT PROXY-SIGNING, SUCH MIGHT CONFUSE THE OVERALL POLITICAL SITUATION AND EVENTUALLY LEAD TO AN EARLY LOWER-HOUSE DISSOLUTION.

EVER SINCE THE SCHOOLGIRL RAPE CASE OCCURRED LAST SEPTEMBER, CHAIRMAN NIIGAKI HAS BEEN KEEPING CLOSE CONTACT WITH GOVERNOR OTA AND INVOLVED DEEPLY IN OKINAWA'S SERIOUS DECISION MAKING. AGAIN THIS TIME, HIS ADVICE SEEMS TO HAVE A CERTAIN IMPACT ON THE GOVERNOR'S FINAL DECISION. IT CAN BE SAID THAT CHAIRMAN NIIGAKI'S INDICATION OF A BRIGHT PROSPECT FOR PROXY-SIGNING ADDED MORE SIGNIFICANCE TO THE JAPAN-U.S. HELIPORT TALKS AS WELL AS TO THE NEW OKINAWA PROMOTION PACKAGE.

ADMINISTRATIONQS OKINAWA FORUM STARTRS ON THE 20TH
(NIHON KEIZAI - PAGE 2)

THE GOVERNMENT ON THE 20TH WILL LAUNCH AN "OKINAWA ROUND TABLE FORUM (OKINAWA KONDANKAI)" (TENTATIVE NAME), AN ADVISORY PANEL TO CHIEF CABINET SECRETARY SEIROKUKAJIYAMA. THE FORUM, COMPO RELATED MEMBERS, WILL DISCUSS OVERALL OKINAWA MEASURES, WITH SPECIAL EMPHASIS ON A RECOVERY PACKAGE FOR LOCAL

AREAS THAT ARE LIKELY TO BE AFFECTED BY THE U.S. MILITARY BASE RELOCATION PROGRAM, AND TO LOOK INTO HOW TO INCORPORATE THE COSTS IN THE FY1997 BUDGETARY PLAN. THE GOVERNMENT ALSO WILL STUDY A MEDIUM-TERM OKINAWA RECOVERY PACKAGE, SEPARATE FROM THE FORUM'S EFFORT. THE GOAL IS TO CONSOLIDATE THE ENVIRONMENT TO ELICIT A CHANGE IN STANCE FROM GOVERNOR MASAHIRO OTA REGARDING PROXY-SIGNING BY COMPILING A RECOVERY PACKAGE REFLECTING OKINAWA'S REQUESTS.

POSSIBILITY OF U.S.-JAPAN DEFENSE COOPERATION IN ANTI-SUB ACTIVITIES, WITH CHINA IN MIND (NIHON KEIZAI - PAGE 1)

THE JAPAN DEFENSE AGENCY AND THE U.S. DEPARTMENT OF DEFENSE HAVE NOW DECIDED ON A COURSE OF ACTION TOWARD PROMOTING JOINT STUDY ON TACTICS AND MILITARY TECHNOLOGIES REGARDING ANTI-SUBMARINE OPERATIONS IN COASTAL AND OTHER SHALLOW SEA AREAS. IN THE COLD-WAR PERIOD, JAPAN AND THE U.S. USED TO STUDY ANTI-SUBMARINE OPERATIONS FOR DEEP SEA AREAS AND CARRIED OUT JOINT TRAINING REPEATEDLY WHILE HYPOTHESIZING THE SOVIET (RUSSIAN) NAVY'S SUBMARINES. IN VIEW OF SUCH TRENDS AS THE RECENT MODERNIZATION OF SUBMARINE OPERATIONAL CAPABILITIES IN SUCH COUNTRIES AS CHINA AND IRAN, JDA AND DOD AGREED TO PUSH FOR COOPERATION WITH EMPHASIS ON JOINT STUDY ON ANTI-SUBMARINE WARFARE IN COASTAL AND OTHER SHALLOW WATERS, SINCE FORMER STUDIES ARE INSUFFICIENT.

THE CHINESE NAVY HAS RECENTLY INTRODUCED FROM RUSSIA (A) KILO-CLASS SUBMARINE(S) THAT CAN BE CLASSIFIED INTO THE CATEGORY OF MOST-ADVANCED-TYPE CONVENTIONAL-POWERED SUBMARINES IN THE WORLD, AND HAS NOW SET ABOUT REINFORCING ITS CAPABILITY OF CARRYING OUT SUBMARINE OPERATIONS IN THE COASTAL AREAS OF THE CONTINENT. AS FOR (SUBMARINE OPERATIONS IN) THE COASTAL SHALLOW WATERS, THERE ARE SUCH PROBLEMS AS NOISES EASILY ARISING, BUT BOTH JAPAN AND THE U.S. HAVE SO FAR FAILED TO CONDUCT SUFFICIENT STUDY OF SUCH SUBJECTS AS SUBMARINE DETECTION AND IDENTIFICATION IN THAT FIELD.

UNCLAS SECTION 05 OF 07 TOKYO 007611

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 AUGUST 16

REGARDING JOINT STUDY IN SONAR SENSING AND OTHER TECHNOLOGICAL AREAS, THE JAPANESE SIDE PROPOSED SUCH AT A WORKING-LEVEL MEETING OF THE JAPAN-U.S. PERIODICAL

CONSULTATIONS ON EQUIPMENT AND TECHNOLOGY (MINI-S AND TF MEETING) HELD IN WASHINGTON IN APRIL. THE U.S. SIDE ALSO HAS INDICATED IT WOULD CONSIDER THE PROPOSAL IN A POSITIVE WAY. THE TWO COUNTRIES ARE EXPECTED TO WORK OUT A LIST OF ITEMS AND OTHER MATTERS AND ADD THEM FORMALLY TO THE TARGETED SPHERE OF STUDY.

MEANWHILE, JAPAN'S MARITIME SELF-DEFENSE FORCE AND THE U.S. NAVY HAVE NOW ALREADY STARTED THEIR JOINT STUDY ON TACTICAL OPERATIONS, SUCH AS TEAMWORK AMONG ANTI-SUBMARINE AIRCRAFT AND ESCORT SHIPS (GOEIKAN) (TN: ACTUALLY DESTROYERS) AND FRIENDLY SUBMARINES. IN THE RIM-OF-THE-PACIFIC JOINT EXERCISES (RIMPAC '96) FROM MAY TO JUNE AS WELL, JAPAN AND THE U.S. SEEMED TO HAVE CARRIED OUT TRAINING THAT HYPOTHESIZED SHALLOW-SEA ANTI-SUBMARINE WARFARE.

SEC RET ROK PROJECT TO ENGINEER A VISIT BY THE EMPEROR (SANKEI - TOP PLAY)

(SEOUL, AUGUST 15, KATSUHIRO KURODA) THE EMPEROR'S VISIT TO THE REPUBLIC OF KOREA (ROK) IS A MAJOR PENDING ISSUE BETWEEN JAPAN AND THE ROK. THE ROK GOVERNMENT HAS BEEN MAKING PREPARATIONS SECRETLY FOR WHAT IS CALLED "PROJECT A," THE EMPEROR'S FUTURE ROK TRIP, WITH SPECIAL EMPHASIS ON SECURITY MEASURES, ACCORDING TO AN ROK GOVERNMENT SOURCE YESTERDAY. THE "A" IN THE "PROJECT A" IS SAID TO BE TAKEN FROM THE EMPEROR'S NAME "AKIHITO." THE MAJOR HURDLE FOR THE PROJECT IS SECURITY. THE SOURCE REVEALED THAT AT PRESENT, THE PRESIDENTIAL SECURITY OFFICE AND OTHER CONCERNED AUTHORITIES ARE "ONLY 90 PERCENT CERTAIN" (ABOUT GUARANTEEING THE EMPEROR'S SECURITY).

HASHIMOTO TO ANNOUNCE 62 BILLION YEN LOAN TO PERU DURING VISIT (SANKEI - PAGE 3)

PRIME MINISTER RYUTARO HASHIMOTO WILL LEAVE FOR A TRIP TO LATIN AMERICAN COUNTRIES IN LATE AUGUST. DURING HIS VISIT TO PERU, HE WILL OFFER YEN LOANS TOTALING 62 BILLION TO SUPPORT THAT COUNTRY'S EFFORTS TO BUILD ITS SOCIAL INFRASTRUCTURE. THE PLAN WAS REVEALED BY A GOVERNMENT SOURCE YESTERDAY.

THE PRIME MINISTER WILL OFFER YEN LOANS TO BRAZIL AND MEXICO, IN ADDITION TO PERU. HOWEVER, THE AMOUNT OF YEN LOANS TO PERU IS LARGER THAN TO THE OTHER TWO COUNTRIES. THIS IS BECAUSE PRIME MINISTER HASHIMOTO HAS GIVEN CONSIDERATION TO: 1) PERU IS BEHIND OTHER COUNTRIES IN SOCIAL INFRASTRUCTURE, AND 2) JAPAN'S STRONG EXPECTATION OF PRESIDENT FUJIMORI TO PROMOTE ECONOMIC REFORM.

THE THREE PROJECTS TO BE TARGETED FOR THE YEN LOANS ARE (1) CONSTRUCTION OF THE SECOND HYDROELECTRIC POWER PLANT AT PAUKARUTANBO(?) (33 BILLION YEN), (2) REPAIR OF LOCAL PRINCIPAL ROADS (16.4 BILLION YEN) AND (3) IMPROVEMENT OF SEWERAGE IN THE SOUTHERN PART OF LIMA (12.6 BILLION YEN). THE HYDROELECTRIC POWER PLANT WILL ENABLE PERU TO STEADILY SUPPLY ELECTRICITY TO THE CENTRAL NORTHERN AREA

WHICH IS THE STRONGEST PART OF ITS ECONOMY. UNDER THE LOCAL ROADS REPAIR PROJECT, THE LENGTH OF 613 KILOMETERS THAT WAS DESTROYED BY TERRORISM WILL BE REPAIRED SO THAT GOODS DISTRIBUTION WILL BECOME ACTIVE AGAIN. THE PRIME MINISTER PLANS TO INDIRECTLY SUPPORT THE FUJIMORI ADMINISTRATION'S EFFORTS TO PROMOTE ECONOMIC STRUCTURAL REFORM BY EXTENDING YEN LOANS FOR THE TWO PROJECTS.

REGARDING THE PROJECT TO IMPROVE SEWERAGE, A SEWER SYSTEM WILL BE BUILT IN THE SOUTHERN PART OF LIMA WHICH HAS CAUSED A SERIOUS ENVIRONMENTAL PROBLEM BECAUSE THERE IS NO WASTE WATER DISPOSAL SYSTEM. SO JAPAN WILL COOPERATE UNCLAS SECTION 06 OF 07 TOKYO 007611

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 AUGUST 16

WITH THE FUJIMORI GOVERNMENT WHICH HAS BEEN TACKLING WITH THE ISSUE OF "ELIMINATING POVERTY."

JAPAN READY TO PROVIDE FINANCIAL ASSISTANCE TO ISRAEL, JORDAN FOR BORDER BRIDGE (ASAHI -PAGE 2)

THE GOVERNMENT YESTERDAY REACHED A POLICY DECISION TO GRANT 800 MILLION YEN IN NON-REIMBURSABLE FUND TO REBUILD THE "SHEIK HUSSEIN BRIDGE" ACROSS THE JORDAN RIVER AT THE ISRAELI-JORDAN BORDER. FORMAL AGREEMENT WILL BE REACHED BETWEEN FOREIGN MINISTER YUKIHIKO IKEDA AND JORDAN DURING HIS MIDDLE EAST TOUR THAT WILL START ON THE 20TH. THIS IS THE FIRST CASE FOR JAPAN TO ASSIST CROSS-BORDER BRIDGE CONSTRUCTION.

DURING (THEN) PRIME MINISTER TOMIICHI MURAYAMA'S MIDDLE EAST TRIP LAST SEPTEMBER, THE PRIME MINISTER REVEALED THAT JAPAN WAS READY TO MAKE A FINANCIAL CONTRIBUTION FOR THE BRIDGE AND THE "ARENBEE BRIDGE (TN: PHONETIC)" ON THE WEST BANK OF THE JORDAN RIVER.

THE GOVERNMENT, BASED ON THE RESULTS OF THE FEASIBILITY STUDY TEAM IT DISPATCHED THIS JANUARY AND JUNE, HAS REACHED A CONCLUSION THAT THERE IS A POSSIBILITY OF ECONOMIC EXCHANGES BETWEEN THE TWO COUNTRIES, AND FORMALLY DECIDED TO EXTEND NON-REIMBURSABLE FUND TO THE REGION. THE GOVERNMENT AIMS TO EARMARK THE FUND FROM THE FY1997 BUDGET. DURING HIS MIDDLE EAST TRIP, THE FOREIGN MINISTER IS GOING TO URGE ISRAEL AND ARAB NATIONS TO MAKE STEADY PROGRESS IN THE PEACE PROCESS.

THE GOVERNMENT WILL CONTINUE TO LOOK INTO ITS ASSISTANCE FOR THE ARENBEE BRIDGE.

JAPANESE INSURERS LIMITING THEIR ACCIDENT-INSURANCE SALES IN DEFERENCE TO U.S. COMPANIES (NIHON KEIZAI -PAGE 4)

SIX LIFE INSURERS, INCLUDING NIPPON LIFE INSURANCE AND THE DAI-ICHI MUTUAL LIFE INSURANCE, WHICH HAVE ESTABLISHED NON-LIFE INSURANCE SUBSIDIARIES, HAVE DECIDED TO RESTRICT SALES CHANNELS FOR ACCIDENT INSURANCE TO BE HANDLED BY THEM. AS A RESULT, THOSE SUBSIDIARIES WILL NOT SELL PRODUCTS THROUGH "CORPORATE ASSOCIATIONS" OR TRAVEL AGENTS, WHICH FORM THE MARKETING BASE FOR AMERICAN INSURER AIU. ONLY SALESMEN AND HEADQUARTERS EMPLOYEES WILL ENGAGE IN THE SALE OF ACCIDENT INSURANCE. THE ENTRY OF THESE SUBSIDIARIES INTO THE ACCIDENT INSURANCE SECTOR IS A KEY ISSUE IN THE ONGOING JAPAN-UNITED STATES INSURANCE TALKS. THE COMPANIES STILL AIM AT LAUNCHING THEIR BUSINESSES IN OCTOBER, WHILE TAKING A STANCE OF GIVING CONSIDERATION TO U.S. FIRMS.

CORPORATE ASSOCIATIONS (HOJINKAI) ARE A CORPORATE JUDICIAL PERSON ORGANIZED BY MEDIUM-RANKING/MEDIUM AND SMALL BUSINESSES FOR THE PURPOSE OF PROMOTING TAX PAYMENTS. THERE ARE 442 ASSOCIATIONS THROUGHOUT THE COUNTRY, AND APPROXIMATELY 1.3 MILLION CORPORATIONS JOIN THEM. AIU IS THE INSURER ENTRUSTED BY THE JAPAN GENERAL FEDERATION OF CORPORATE ASSOCIATIONS -- THE CORPORATE ASSOCIATION'S UPPER ORGANIZATION. IT NEARLY MONOPOLIZES THE SALE OF ACCIDENT INSURANCE.

MOST OF THE MEMBERS OF CORPORATE ASSOCIATIONS ARE MEDIUM AND SMALL BUSINESSES. DOMESTIC INSURERS REGARD SUCH ASSOCIATIONS AS THE "MOST PROMISING SALES CHANNEL" (LEADING INSURER), BUT THEY WILL ALL GIVE UP USING SUCH AS THAT SALES CHANNEL, JUDGING, "A SALES SYSTEM USING SALESMEN HAS TO BE ESTABLISHED FIRST." THEY ALSO INTEND TO DELAY THE SALE OF ACCIDENT INSURANCE POLICIES THROUGH TRAVEL AGENTS -- A MAJOR SALES CHANNEL FOR AIU -- FOR ABOUT THREE YEARS.

IN THE BILATERAL INSURANCE TALKS, THE U.S. GOVERNMENT HAS ASKED JAPAN TO DELAY FOR THREE YEARS THE TIMING FOR LIFE UNCLAS SECTION 07 OF 07 TOKYO 007611

USIA

FOR: USIA D/P, I/GEA, I/RE, 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/P.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS AUGUST 16

INSURERS' SUBSIDIES' ENTRY INTO THE ACCIDENT INSURANCE SECTOR. THE GOVERNMENTS OF THE TWO COUNTRIES REMAIN AT ODDS OVER THE ISSUE. NO PROSPECTS ARE SEEN FOR REACHING AN AGREEMENT IN THE NEGOTIATIONS TO BE RESUMED IN SEPTEMBER OR AFTER.

U.S., JAPAN AGREE TO DOUBLE-TRACK TALKS ON CIVIL AVIATION ISSUES (TOKYO SHIMBUN - PAGE 4)

INFORMAL TALKS BETWEEN THE JAPANESE AND UNITED STATES GOVERNMENTS STARTED AT THE TRANSPORT MINISTRY. THE TALKS STARTING FROM THE 15TH WILL RUN FOR TWO DAYS. ON THE FIRST DAY, THEY AGREED TO CONCURRENTLY DISCUSS TWO AGENDA ITEMS -- IMMEDIATE POINTS AT ISSUE, SUCH AS THE OPENING OF NEW AIR ROUTES, WHICH WAS DISCUSSED DURING THE ALL-PASSENGER TALKS HELD IN WASHINGTON LATE IN JUNE, AND EQUALIZATION OF THE TWO COUNTRIES' OVERALL RIGHTS REGARDING CIVIL AVIATION, WHILE ACKNOWLEDGING DIFFERENCES IN PRIORITIES.

REGARDING THE AIR CARGO SECTOR, WHICH COULD DEGENERATE INTO A SANCTIONS BATTLE, MOVES ARE AFOOT FOR SETTLING THE ISSUE THROUGH TALKS, WITH THE U.S. MAKING A STATEMENT, "THERE IS A POSSIBILITY OF (THE TWO COUNTRIES) CLASHING WITH EACH OTHER, BUT WE MUST WARD OFF SUCH A SITUATION."

DURING THE ALL-PASSENGER TALKS HELD IN JUNE, THE U.S. ASKED JAPAN TO UNCONDITIONALLY GRANT APPROVAL TO APPLICATIONS FOR THE OPENING OF A PASSENGER ROUTE BETWEEN JAPAN AND JAKARTA TO BE OPERATED BY UNITED AIRLINES AND AIR CARGO ROUTES TO BE OPERATED BY FEDERAL EXPRESS BETWEEN JAPAN AND FIVE ASIAN CITIES, INCLUDING BEIJING.

THE JAPANESE SIDE PLACED EMPHASIS ON THE CORRECTION OF A DISPARITY IN RIGHTS EXISTING BETWEEN THE TWO COUNTRIES IN THE CIVIL AVIATION SECTOR AND WITHHELD APPROVAL OF THE U.S. REQUEST, ARGUING THAT APPLICATION OF BEYOND RIGHTS SHOULD BE RESTRICTED. AS A RESULT, THE TALKS FELL THROUGH. AFTER THAT, THE U.S. DECIDED ON A SANCTIONS PLAN THAT WOULD RESTRICT PORTIONS OF AIR FREIGHT TRANSPORTATION TO THE U.S. BY JAPAN AIR LINES. JAPAN IS ALSO PREPARING A COUNTERMEASURE TO RESTRICT IN THE SAME WAY AIR FREIGHT TRANSPORTATION TO ASIA OPERATED BY U.S. CARRIERS. CRANE

SECT: SECTION: 01 OF 07

<^SECT>SECTION: 02 OF 07

<^SECT>SECTION: 03 OF 07

<^SECT>SECTION: 04 OF 07

<^SECT>SECTION: 05 OF 07

<^SECT>SECTION: 06 OF 07

<^SECT>SECTION: 07 OF 07

SSN: 7611

<^SSN>7611

<^SSN>7611

<^SSN>7611

<^SSN>7611

<^SSN>7611

<^SSN>7611

TOR: 960815232021 M2359794
<^TOR>960815232110 M2359795
<^TOR>960815232153 M2359796
<^TOR>960815232236 M2359797
<^TOR>960815232250 M2359798
<^TOR>960815232340 M2359799
<^TOR>960815232341 M2359800

DIST:
SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO7634 2290755-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 160755Z AUG 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 160755Z AUG 96
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 6158
INFO: RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE
RUCPDOG/USDOC WASHDC IMMEDIATE
RUEATRS/TREASURY DEPT WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 0615
RUEAIIA/CIA WASHDC IMMEDIATE
RUEKJCS/DIA WASHDC IMMEDIATE
RUEHKON/AMCONSUL NAGOYA 8457
RUESDJ/FBIS OKINAWA JA
RHHMUNA/USCINCPAC HONOLULU HI
RUEHKOF/AMCONSUL FUKUOKA 1276
RUEHKOS/AMCONSUL SAPPORO 7818
RUCWAAB/FBIS RESTON VA
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUAGJHA/CGUSARJ CAMP ZAMA JA//IX CORPS G5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEHOK/AMCONSUL OSAKA KOBE 7944
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUHBBMA/AMCONSUL NAHA 5286
SUBJ: JAPANESE DAILY PRESS SUMMARY 08/16/96
(PART 2)
TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 007634

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/16/96
(PART 2)

INDEX:

(5) Abandoned Chemical Weapons: Disposal to Be Started by 1998; Government to Present Plan to China This Fall

(6) "WTO" -- Patron God of Free Trade; Fire-Helicopter to Be Procured by Tokyo Metropolitan Fire Defense Agency Hits Turbulent Air Pocket

(7) MITI to Present Time-limited Legislation to Prevent Industrial Hollowing out

(8) Professional Anti-War Group Using Okinawa; Fear that They May Possibly Bend Public Opinion and Bring about an Unfortunate Situation: Tadae Takubo, Dean of the Social Science Department of Kyorin University

ARTICLES:

(5) Abandoned Chemical Weapons: Disposal to Be Started by 1998; Government to Present Plan to China This Fall

ASAHI (Page 1) (Full)
August 16, 1996

Regarding the disposal of chemical weapons abandoned by the defunct Japanese army on the Chinese continent during World War II, the Government has firmed up its intention of starting it in 1998 at the latest. Japan and China are scheduled to hold intergovernmental consultations this fall, and on that occasion Japan, based on that course of action, will come up with a framework for ways to dispose of those weapons. A convention on the prohibition of chemical weapons, which will obligate countries that abandoned chemical weapons to dispose of those chemical weapons, is now expected to come into force at the beginning of next year at the earliest. So, the Government has taken this timetable and other factors into consideration. According to the Chinese side's data, however, such chemical weapons abandoned in China total 2,000,000 shells. Because of such "an unprecedented-scale quantity of abandonment" (according to a senior official of the Foreign Ministry), it is also predicted that the Japanese Government may encounter difficulties in its talks with the Chinese side over such matters as domestic coordination regarding fiscal measures and where to dispose of those chemical weapons.

The convention on the prohibition of chemical weapons stipulates such matters as an all-out ban on chemical weapons, including the manufacturing and possession of chemical weapons. Countries that had abandoned or possessed chemical weapons will be required to complete their disposal of all

those chemical weapons within ten years after its effectuation. The convention will be put into effect 180 days after it is ratified by a total of 65 countries. So far it has been ratified by 61 countries, including Japan. A Foreign Ministry UNCLAS SECTION 02 OF 08 TOKYO 007634

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/16/96
(PART 2)

source is "expecting 65 countries late this month at the earliest."

There are now almost no data on the Japanese side about the accurate quantities and whereabouts of those chemical weapons left by the former Japanese military. So, there are many points unknown. However, many of those chemical weapons were dumped in China's northeastern districts that were put into confusion with the Soviet military's entry into the War. There are also some cases where China itself removed and disposed of such chemical weapons after the end of the War. As a result of six field surveys alone conducted by the Japanese Government in the past, the whereabouts of more than 700,000 shells are now known. But the Government still has no prospects for overall disposal.

Furthermore, the processing methodology, in actual disposal, will vary with the types of chemical weapons, and there are also many other difficult problems.

Judging from such circumstances, the Government judged that in order to complete the disposal of all abandoned chemical weapons within ten years after the convention takes effect, it will be necessary for Japan and China to work out a disposal plan at an early date, and then that plan will have to be implemented by 1998 at the latest.

(6) "WTO" -- Patron God of Free Trade; Fire-Helicopter to Be Procured by Tokyo Metropolitan Fire Defense Agency Hits Turbulent Air Pocket; U.S. Complains about Bidding Specificati?ns That Require Clockwise Blade Rotation; U.S. and Japanese-Made Helicopters Are Counter-clockwise; Only French-Made

Aircraft Are Clockwise

MAINICHI (Page 2) (Excerpts)
August 13, 1996

The World Trade Organization (WTO) was launched as the patron god of free trade last January. WTO principles call for the application of non-discrimination between domestic and foreign companies in open procurement bidding by central and local governments. This is creating a sudden gust of wind for the firefighters who operate helicopters. The turbulent air of the WTO is blowing violently over the selection of a fire and disaster-prevention helicopter. (Hironobu Ono)

Soichi Uzawa, Assistant Division Director of the Tokyo Metropolitan Fire Defense Agency (TMFDA) Flying Corps, noted with a troubled look, "Safety operation is a must in Tokyo, whose topography is complicated, including its isolated islands and mountainous areas. For that reason, we want to procure the same aircraft model." Since its establishment in 1968, the TMFDA flying corps has used helicopters manufactured by Eurocopter of France. It is now not allowed to stick to the same model due to the WTO principle that calls for non-UNCLAS SECTION 03 OF 08 TOKYO 007634

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/16/96
(PART 2)

discriminate and open government procurement.

The general public tends to think that "since autos are all the same, so are helicopters," but the TMFDA says, "It is entirely different." It says that there is a crucial difference -- the direction of the rotation of blades.

The blade rotation of U.S. and Japanese-made helicopters is counter-clockwise, when seen from above. Eurocopter-made helicopters are "the only aircraft in the world that adopt a "clockwise rotating formula" (civil aviation source). Deputy Division Director Uzawa underscored, "Counter-clockwise blade rotation could lead to serious accidents in emergency cases, such as the

malfunctioning of engines."

For that reason, the TMFDA included a condition "blade rotation should be clockwise when seen from above" in specifications distributed for the open bidding held this May. Viewed from different angles, such a "condition" can be seen as "intended to introduce" a specific model,. As a result, three agents were kept out of the bidding. Only one agent that handles Eurocopter-made helicopters took part. As a natural consequence, Eurocopter's "AS365NII model" was chosen for approximately 1.1 billion yen.

"Matter of Experience"

The three agents excluded from the bidding were reportedly furious at the bidding briefing, complaining, "The bidding is unfair" or "There is no difference between clockwise and counter-clockwise rotation in terms of performance and safety standards." In defense, the TMFDA reiterated "safety concerns in emergency cases" and "matter of experience"

The matter has become even more complicated when the American Embassy stepped forward to complain, "U.S. products were unduly excluded. Blade rotation has nothing to do with performance standards. There is only one model that meets the specifications presented by the TMFDA."

The TMFDA is at a loss over such a reaction. Approval for signing a contract was given by the Metropolitan Assembly, but final contract has yet to be inked. The response from a person in charge of the procurement was far from clear: "We will set up a dispute-settlement committee (on bidding) in the Metropolitan Government. We will see what will happen ..."

Eurocopter's helicopters account for 70 percent of the whole fleet adopted by fire houses across the country. It is said that when the flying fire corps were launched all over the country in the mid-1960's, "all the helicopters were Eurocopter-made" (person connected with flying corps). Other government offices will have a similar problem if they introduce an open public-bidding system. Some
UNCLAS SECTION 04 OF 08 TOKYO 007634

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. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/16/96
(PART 2)

municipalities expressed their sympathy for the TMFDA, Yokohama City noting, "Under the present circumstances, (other models) would be inconvenient. Economic reasons are also involved," or Nagoya City commenting, "To have both systems -- clockwise and counter-clockwise rotation systems -- could represent a high risk. We are worried what will happen in emergency cases."

Police Adopt Both Formulas

However, considering the fact that police flying corps commonly use helicopters with both clockwise and counter-clockwise blade rotation formulas, the American Embassy's claim seems to make sense. The view of the Metropolitan Policy Board Flying Corps is: "It may have been better to adopt a unified system, but no accidents so far have far occurred." One experienced pilot who is a former member of the Transport Ministry Airplane Accident Survey Committee and has a 16,000-hour flying time record of 16,000 hours noted, "There is no difference between clockwise and counter-clockwise blade rotation in terms of safety. It is a matter of experience and economics. I operated both types on the same day, but I had no problem at all."

Comment by Economic Commentator Atsuyuki Suzuta

Setting such a condition to purchase a French-made helicopter may draw fire as being a trick. It is not fair, either. If the reason for setting such a condition is because to purchase another model is costly, the TMFDA should openly say, "We cannot ask the Metropolitan citizens to foot a higher bill stemming from the purchase of another model." That would have persuaded the U.S. It is questionable to apply the "principle of open bidding" to the purchase of such a small amount of goods by a local government.

(7) MITI to Present Time-limited Legislation to Prevent Industrial Hollowing out; Will Request Budgetary Allocation of 30 Billion Yen for Promoting Investments in Basic Industries.

MAINICHI (Top Play) (Full)
August 16, 1996

The Ministry of International Trade and Industry (MITI) yesterday decided to submit to the next regular Diet session a "special measure law on

active integration of local industries," which will be limited to an approximately 10-year period. In connection with the bill, MITI will request an appropriation of 30 billion yen in the fiscal 1997 national budget. The aim is to prevent a decline of basic technologies that have been buttressing Japan's manufacturing industry, including metal molding, lathing, the manufacturing of precision parts, and plating. Industrial hollowing-out is going on in all these industries. MITI intends to put together a package of measures to tackle industrial hollowing-out in cooperation with the construction, transport and labor ministries.

UNCLAS SECTION 05 OF 08 TOKYO 007634

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/16/96
(PART 2)

In Japan, mass-production-type processing and assembling industries, as well as such basic technology industries as metal molding -- which prop up the very foundation of the nation's manufacturing sector, are concentrated in industrial areas that are referred to as "industrial castle towns" -- examples being Ota Ward in Tokyo, Higashi-Osaka City and Hamamatsu City in Shizuoka Prefecture. There is a growing fear that with companies engaged in the labor intensive processing and assembling industries now leaving for foreign countries where costs are lower, these industries, which have propped up Japan's competitiveness, will become feeble.

MITI intends to direct its efforts to help each local area with basic technologies to move into new technological areas, and to promote higher-level technology. To reach this goal, it will render support to: (1) building industrial infrastructure; (2) promote research and development, and fostering of human resources; (3) promote investments in integrated industrial areas; and (4) promote industrial tie-ups in such a way as to build information-processing facilities.

MITI has divided areas where basic industries are concentrated into two: "integration of basic industries that support Japan's goods

manufacturing" and "integration of medium and small businesses that support and are the driving force of local economies." About 20 areas will be designated as one or the other. Support will be rendered for building personnel-training facilities and data-processing facilities and for promoting research and development.

(Shinji Furuta)

(8) Professional Anti-War Group Using Okinawa; Fear that They May Possibly Bend Public Opinion and Bring about an Unfortunate Situation: Tadae Takubo, Dean of the Social Science Department of Kyorin University

SANKEI (Page 4) (Excerpts)
August 15, 1996

Anxious about the Future of Okinawa

The Okinawa problem has weighed on my mind partly because I once lived in Okinawa and am greatly attached to its people, customs and practices. On August 28, less than two weeks from now, a ruling on the proxy-signing lawsuit will be handed down by the Supreme Court. On September 8, a prefectural referendum in Okinawa is to take place over the question on the Japan-United States Status of Forces Agreement (SOFA) and on realignment and reduction of (United States) bases. Regardless of the ruling by the Supreme Court, Okinawan Governor Masahide Ota may cling to his position of refusing to sign as proxy. Why? And why are a portion of Liberal Democratic Party (LDP) Dietmembers and most

UNCLAS SECTION 06 OF 08 TOKYO 007634

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/16/96
(PART 2)

of the Social Democratic Party (SDP) lawmakers, joining hands, opposed to enacting a special law that would avoid the case of a refusal of proxy-signing?

Politicians I meet in Tokyo all alike appear gloomy, and one of them even asked me, "What is the best way to deal with the Okinawa issue?" And

since the United States-Japan Security Treaty, a lifeline for Japan, seems to have been taken in effect "hostage," they would not likely feel relieved even if Governor Ota clearly stated that "this is not a conditional struggle." Although we use the word "Okinawa" as the object, who that refers to is not necessarily clear. In common-sense terms, it is perhaps Governor Ota, but there seem to be some who are trying to elicit from the central government in a conditional struggle the maximum number of concessional measures as possible. Other people are trying to hit the government at this juncture with as much of their deep-seated historical grudge as possible. All they want to do is add something to the pure call for removal of various kinds of damage caused by bases.

But those movements are not my immediate concern. What I am most worried about is the presence of a professional group who are using "Okinawa" in their ideological anti-government movement, and trying foment their "third security-treaty and Okinawa struggle" under the slogan, "We will never allow the forced use of land lots for military purposes." The opinions of such anti-government activists are now apparently being interpreted as the views of the Okinawan public, and the Ryukyu Shimpo and The Okinawa Times, two major local newspapers, have served as an engine to permeate such views across the island. If every Japanese were to be under the impression that Governor Ota took action in line with such views, Japan would face a critical situation. It would be an unhappy situation also for Okinawa.

Background of Emergence of Hitotsubo-(or 3.3 square-meter) Antiwar Landowners

At the time of reversion of Okinawa to mainland Japan, there were 30,000 landowners who leased their land plots to the U.S. military. Of them, about 10 percent or 3,000 landowners were "hitotsubo"-antiwar landowners. Due partly to the central government's efforts to persuade them and other matters, those who agreed to conclude a land-lease contract have increased gradually. In 1982, the 10th anniversary of the reversion of Okinawa, the number of "hitotsubo"-antiwar landowners fell to 150. In reaction to that trend, scholars who are called reformists and lawyers, among others, backed up by the former Japan Socialist Party (the predecessor of the SDP) and the Japan Communist Party (JCP), hit on an exquisite idea to increase that number. The idea was to purchase about 600 tsubo of land from Antiwar Landowners Association Chairman Tsuneji Hirayasu and then for four or five people to register as a landowner of a hitotsubo

UNCLAS SECTION 07 OF 08 TOKYO 007634

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/16/96
(PART 2)

land lot. In the spring of 1982, as many as 830 people organized a "hitotsubo antiwar landowners association." In 1990, about 20 tsubo of land within Futenma Air Station was subject to a "campaign for co-possession of a hitotsubo land lot," and then 620 tiny-land-lot owners were added.

For now, the number of "co-landowners of a hitotsubo land plot" has reached 2,900, and such landowners live in 42 prefectures throughout Japan. The breakdown is 1,500 living in Okinawa Prefecture and the remaining 1,400 now on mainland Japan. The space of land possessed by them accounts only for 0.001 percent of the private and public land in total. The land owned by landowners of the antiwar landowners association altogether only reaches 0.2 percent. The number of contracted landowners comes to 29,400, and the land possessed by them accounts for 99.8 percent. It seems possible to increase in geometrical progression the number of hitotsubo antiwar landowners whose lease contracts on their land plots are to run out on May 14 next year. Among them is Shoichi Chibana, who was looked on as a hero for his being an antiwar landowner related to Sobe Telecommunications Site by some nation-wide newspapers in their local news pages as well as by two major local papers. Zenshin, an organpaper of the radicals group, Central Core Faction (or Chukaku-ha), to which he sometimes contributes articles, is now claiming a "third security-treaty struggle."

Government Should Release a List of Landowners

The central government should release a list of "hitotsubo antiwar landowners" to the public so that we can find what kind of people are included among them. A few are widely known, having announced themselves, such as upper-house members Kantoku Teruya and Soko Shimabukuro (Chairman of the Okinawa Shadaito) of the (SDP) and Protection of the Constitution Group. But are there any leftist terrorist group members? "Okinawa" is now attracting the attention of the people on mainland

Japan, but we do not have to be so generous as to offer our goodwill response to professional ideological activists.

Governor Ota is often slandered personally, but no one need pay attention to such attacks. I believe he is a politician with superb intellect and judgment. I would like him to make a choice toward a right direction. I think the reason why the SDP changed their party name in the recent past is because of its awareness that it has greatly cast aside its past. The party is capable of making a brave decision, just as Chairman Tomiichi Murayama did during his tenure, changing the party position from "opposition to the security treaty" to "firm maintenance of the security treaty." It is inconceivable that a situation that would cause a crack in the bilateral alliance would be left unattended. Moreover, foolish moves that would cause Governor Ota to deviate from a wise decision are even more unacceptable.

UNCLAS SECTION 08 OF 08 TOKYO 007634

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/16/96
(PART 2)

DEMING

SECT: SECTION: 01 OF 08

<^SECT>SECTION: 02 OF 08
<^SECT>SECTION: 03 OF 08
<^SECT>SECTION: 04 OF 08
<^SECT>SECTION: 05 OF 08
<^SECT>SECTION: 06 OF 08
<^SECT>SECTION: 07 OF 08
<^SECT>SECTION: 08 OF 08

SSN: 7634

<^SSN>7634
<^SSN>7634
<^SSN>7634
<^SSN>7634
<^SSN>7634
<^SSN>7634
<^SSN>7634

TOR: 960816051408 M2360034

<^TOR>960816051528 M2360035
<^TOR>960816051543 M2360036
<^TOR>960816051633 M2360037

<^TOR>960816051648 M2360038
<^TOR>960816051738 M2360039
<^TOR>960816051820 M2360040
<^TOR>960816051821 M2360041

DIST:

SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. cable	Re: Digest Executive Edition (11 pages)	08/19/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[08/15/1996 - 08/21/1996]

2016-0420-F
sb1878

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO7653 2320223-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 190223Z AUG 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 190223Z AUG 96
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 6180
RUEHIA/USIA WASHDC IMMEDIATE 0628
INFO: RHEHAAA/WHITE HOUSE WASHDC
RUEKJCS/SECDEF WASHDC
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUCPDOG/USDOC WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEAIIA/CIA WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEBBEA/USDOT WASHDC
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS AUGUST 19

TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 007653

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 AUGUST 19

TOP HEADLINES:

ASAHI: HEALTH AND WELFARE MINISTRY TO STANDARDIZE MANUAL
FOR A SURVEY OF FOOD POISONING WITHIN THE YEAR, SET OFF
BY E. COLI O-157 BACTERIA-CAUSED FOOD POISONING; TO
INCORPORATE COOPERATION WITH MUNICIPALITIES

NIHON KEIZAI: ESTABLISHMENT OF BANKING AUDIT BUREAU NOW
UNDER CONSIDERATION IN FINANCE MINISTRY; BANKING AND
SECURITIES BUREAU MAY BE INTEGRATED; REORGANIZATION WITH
NO SEPARATION MAY MEET WITH OPPOSITION FROM RULING

PARTIES

TOKYO SHIMBUN: FINANCIAL REFORM WITH EMPHASIS ON NATIONAL BURDEN: 442 TRILLION YEN LEFT UNTOUCHED; "GREAT TAX-RAISE NATION" MOST LIKELY TO COME; FINANCE MINISTRY UNABLE TO SHOW POLICIES; LIKELY TO BRING ABOUT "DEBT-RIDDEN COUNTRY"

MAINICHI: COMPETITION FOR DEVELOPMENT OF IDEAL SAFE CAR AMONG AUTO MAKERS; AUTOMATICALLY AVOIDS COLLISION; TO SOUND ALARM WHEN SENSING A DOZE

YOMIURI: GOVERNMENT'S NEW PLAN FOR ANTI-WARMING COUNTERMEASURES; TO JOINTLY CARRY OUT RESEARCH WITH U.S.; POSSIBLE DISPOSAL OF EMITTED CO2 IN THE OCEAN; COLLECTION, RELEASE AT A DEPTH OF 1,000 METERS AND DISSOLUTION OF CO2 (ARTICLE IN ENGLISH ED.)

SANKEI: FULL STUDY OF EXPLORATION OF MARS; DISCUSSION AT SPACE DEVELOPMENT COMMITTEE MEETING ON THE 28TH IN THE SCIENCE AND TECHNOLOGY AGENCY; DETAIL FOR JAPAN-U.S. COOPERATION TO BE FURTHER DISCUSSED

OKINAWA OFFICIAL SHOWS FLEXIBILITY ON TRANSFERRAL OF FUTENMA HELIPORT TO KADENA BASE
(NIHON KEIZAI - PAGE 1, AUG. 17 EDITION)

OKINAWA PREFECTURAL VICE GOVERNOR YOSHIMOTO ON THE 16TH WAS INTERVIEWED BY A NIHON KEIZAI SHIMBUN REPORTER ABOUT THE PROPOSAL THAT KADENA AIR BASE BE A CANDIDATE FOR RELOCATION OF THE HELIPORT OF FUTENMA AIR STATION. STATING, "WE WOULD LIKE TO MAKE A RESPONSE THAT WILL DIFFER FROM THE PREVIOUS ONE," HE INDICATED A FLEXIBLE POSTURE ABOUT RELOCATING (THE HELIPORT) TO KADENA AIR BASE. IN ADDITION, YOSHIHARU NIIGAKI, CHAIRMAN OF THE OKINAWA CHAPTER OF THE SOCIAL DEMOCRATIC PARTY (SDP), WHICH IS THE CONTROLLING PARTY IN THE OKINAWA PREFECTURAL ASSEMBLY, ALSO TOOK A STANCE OF TOLERATING THE RELOCATION OF THE BASE FUNCTIONS. REGARDING RELOCATION OF THE HELIPORT OF FUTENMA AIR STATION TO KADENA AIR BASE, COORDINATION IS NOW UNDERWAY BETWEEN THE JAPANESE AND U.S. GOVERNMENTS, BUT THE UNITED STATES SIDE HAS REJECTED THE IDEA DUE TO SAFETY AND AIR CONTROL PROBLEMS.

UNTIL NOW OKINAWA PREFECTURE HAS NOT AGREED TO THE RETURN OF FUTENMA WITH CONDITIONS ATTACHED, ARGUING, "PEOPLE LIVING IN THE PROPOSED PLACE FOR THE RELOCATION ARE STRONGLY OPPOSED" (GOVERNOR OTA). BUT ON SUCH CONDITIONS FOR RELOCATION, VICE GOVERNOR YOSHIMOTO HINTED AT A POSSIBILITY OF OKINAWA PREFECTURE MAKING A CHANGE IN ITS REPOSE, NOTING, "WE DO NOT INTEND TO TAKE AN ALL-OR-NOTHING APPROACH."

NIIGAKI SAID: "IF THE U.S. IS CONVINCED TO ACCEPT THE PLAN FOR RELOCATION TO KADENA, RELOCATION OF (THE HELIPORT) TO KADENA WOULD BE PROMOTED BY BOTH GOVERNMENTS. THE SDP'S PREFECTURAL CHAPTER WILL TAKE A STANDPOINT OF OPPOSING IT, BUT WE WILL NOT CONSTRAIN THE

ADMINISTRATIVE SIDE FROM MAKING ITS JUDGMENT. MOREOVER, THERE DOES NOT EXIST ANY OTHER WAY OF SETTLING THIS," INDICATING HIS STAND OF ALLOWING THE CONSOLIDATION OF BASE FUNCTIONS TO INCLUDE THE RELOCATION OF THE HELIPORT TO KADENA.

UNCLAS SECTION 02 OF 06 TOKYO 007653

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 AUGUST 19

BUT THE U.S. HAS BEEN NEGATIVE ABOUT ANY PROPOSAL FOR CONSOLIDATION INTO KADENA. MOREOVER, MANY IN THE AFFECTED LOCALITY HAVE VOICED THEIR STRONG OPPOSITION. IT SEEMS COORDINATION WILL NOT GO SO SMOOTHLY EVEN IF THE PREFECTURAL SIDE SWITCHES ITS THINKING.

GOVERNMENT IN FINAL PHASE OF DEBATE ON STRENGTHENING JOINT STAFF COUNCIL AND PKO RESPONSE (SANKEI - PAGE 2)

THE JAPAN DEFENSE AGENCY (JDA) WILL HOLD A COUNSELOR-LEVEL MEETING TODAY TO MAKE A FINAL DECISION REGARDING THE STRENGTHENING OF "JOINT STAFF COUNCIL FUNCTIONS" SO THAT THE SELF-DEFENSE FORCES (SDF) CAN BE DISPATCHED MORE EFFECTIVELY TO CARRY OUT PEACE-KEEPING OPERATIONS (PKO) AND OTHER DISASTER ASSISTANCE WORK. THE MAJOR GOAL IS TO EXPAND THE JSC'S FUNCTIONS, WHICH ARE NOW LIMITED TO EMERGENCIES, TO PEACETIME AS WELL. IF AGREEMENT IS REACHED, THE NECESSARY COSTS OF SUCH WOULD BE INCLUDED IN THE FY1997 BUDGETARY REQUEST.

THE JOINT STAFF COUNCIL IS COMPOSED OF THE CHAIRMAN, AND THE THREE CHIEFS OF STAFF FROM THE GROUND, MARITIME AND AIR SELF-DEFENSE FORCES. THE COUNCIL IS TASKED TO ASSIST THE JDA DIRECTOR GENERAL AS THE SDF'S ORGAN TO CARRY OUT GENERAL OPERATION AND COORDINATION FROM A MILITARY PERSPECTIVE. THE STRENGTHENING OF COUNCIL FUNCTIONS IS A STEP IN RESPONSE TO THE DEMAND OF THE TIMES CALLING FOR THE SDF'S GREATER COMMITMENT IN CRISIS-MANAGEMENT, SUCH AS RESCUING JAPANESE NATIONALS OVERSEAS, IN ADDITION TO THE CONVENTIONAL PKO AND DISASTER DISPATCH. SPECIFICALLY, THE JOINT STAFF COUNCIL PLAN THAT IS LIKELY TO BE ADOPTED CALLS FOR THE REVISION OF THE JDA LAW, ARTICLE 26, SO THAT: 1) THE COUNCIL'S ASSISTING FUNCTION PERTAINING TO COMMANDING AND COORDINATING THE SDF, WHICH IS NOW LIMITED TO "AT THE TIME OF MOBILIZING THE SDF" IN AN EMERGENCY, CAN ALSO BE EXERCISED IN PEACETIME AS WELL; AND 2) THE COUNCIL WILL BE ABLE TO FORMULATE A JOINT

MARITIME SECURITY OPERATION PLAN.

SPECIFICALLY, THIS WILL ALLOW THE JOINT STAFF COUNCIL TO DEFINE THE ROLE OF EACH SELF-DEFENSE FORCE IN TIME OF A LARGE-SCALE DISASTER, WHICH IS NOT CLEAR LEGALLY AT PRESENT; CARRYING OUT TRANSPORT COORDINATION IN DISPATCHING AND WITHDRAWING PKO UNITS; MAPPING OUT AN EFFECTIVE TRANSPORT PLAN FOR RESCUING JAPANESE NATIONALS OVERSEAS; AND DRAFTING MEASURES AGAINST ILLEGAL LANDINGS ON ISOLATED ISLANDS.

IN THE COUNSELOR-LEVEL MEETING, COORDINATION WILL BE CARRIED OUT ON A UNIFIED PLAN. HOWEVER, OPINION RECENTLY HAS SURFACED IN THE JDA SUGGESTING, "THE SDF'S PEACETIME DUTIES ARE NOT CLEAR AND SO ADOPTING A NEW PLAN IS PREMATURE," BECAUSE PKO IS NOT PART OF THE SDF'S ORIGINAL DUTY.

THE JDA HAS REACHED A POLICY DIRECTION TO CREATE A DIVISION THAT WOULD RESPOND TO DISASTERS AND WOULD DISPATCH TROOPS FOR PKO. THIS COMES FROM WORK LOOKING INTO A POSSIBLE "REORGANIZATION OF JDA FUNCTIONS," WHICH WAS CARRIED OUT IN TANDEM WITH THE OPTION OF UPGRADING COUNCIL FUNCTIONS. AS A RESULT, THE PREVALENT OPINION IN THE AGENCY IS THAT "STRENGTHENING THE JOINT STAFF COUNCIL'S FUNCTIONS IS AN URGENT TASK," (SENIOR OFFICER) IN THE SENSE OF BALANCING OUT THE FUNCTIONS OF INTERNAL BUREAU OFFICIALS AND UNIFORMED OFFICIALS.

OTHER MAJOR POWERS HAVE UNIFIED MILITARY OPERATION FUNCTIONS DURING PEACETIME. SO THE JDA'S JUDGMENT IS THAT JAPAN NEEDS UNIFIED FUNCTIONS TO ASSIST THE JDA DIRECTOR GENERAL DURING PEACETIME, AS WELL TO CARRY OUT COORDINATION WITH THE HEADQUARTERS OF THE U.S. FORCES IN JAPAN (USFJ), HYPOTHESIZING A RISE OF TENSIONS ON THE KOREAN PENINSULA.

UNCLAS SECTION 03 OF 06 TOKYO 007653

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 AUGUST 19

JDA VICE MINISTER TO CHINA FOR SECURITY DISCUSSIONS
(ASAHI - PAGE 2)

JAPAN DEFENSE AGENCY (JDA) ADMINISTRATIVE VICE MINISTER MURATA WILL VISIT CHINA FOR FOUR DAYS FROM THE 20TH. DURING HIS VISIT, HE WILL MEET WITH DEFENSE MINISTER ZHI

HONGTIAN AND TOP OFFICERS OF THE PEOPLE'S LIBERATION ARMY. THIS IS THE FIRST TIME IN NINE YEARS FOR A JDA RANKING OFFICIAL TO VISIT CHINA, SUCH HAVING BEEN SUSPENDED SINCE THE TIANANMEN SQUARE INCIDENT. THE PREVIOUS CONTACT WAS THEN JDA DIRECTOR GENERAL KURIHARA'S VISIT IN 1987.

IN A SERIES OF MEETINGS, VICE MINISTER MURATA WILL EXPLAIN JAPAN'S NEW DEFENSE POLICY, INCLUDING THE NEW NATIONAL DEFENSE PROGRAM OUTLINE RELEASED LAST NOVEMBER AND THE JAPAN-UNITED STATES SECURITY JOINT DECLARATION ISSUED THIS APRIL. ESPECIALLY WITH RESPECT TO THE REVIEW OF THE "JAPAN-U.S. DEFENSE COOPERATION GUIDELINES," CHINA HAS HARBORED A SENSE OF WARINESS, AS SEEN FROM THE REMARK (BY FOREIGN MINISTER QIAN QICHEN) "IF THE SECURITY TREATY IS TO COVER A WIDER REGION, A SERIOUS PROBLEM WILL OCCUR." UNDER THIS CIRCUMSTANCE, VICE MINISTER MURATA IS WILLING TO REITERATE THE JAPANESE GOVERNMENT INTENTION OF REVIEWING THE TREATY WITHIN THE FRAMEWORK OF ITS CONSTITUTION. HE WILL ALSO ASK DEFENSE MINISTER ZHI TO VISIT JAPAN.

FOREIGN MINISTRY SEEKING WAY TO RESTART NORMALIZATION TALKS WITH NORTH KOREA
(TOKYO SHIMBUN - PAGE 3, AUG. 17 EDITION)

IN AN ATTEMPT TO SEARCH FOR WAYS TO RESUME NEGOTIATIONS TO NORMALIZE DIPLOMATIC RELATIONS WITH THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA), THE GOVERNMENT AS OF AUGUST 16TH MADE AN OFFER TO NORTH KOREA, AS A PRIOR STEP, THAT A DIVISION-DIRECTOR-LEVEL MEETING BE HELD IN A THIRD COUNTRY, FOR EXAMPLE IN BEIJING, AND AS EARLY AS THIS MONTH, BETWEEN FOREIGN MINISTRY (MOFA) NORTHEAST ASIAN DIVISION DIRECTOR KORO BESSHO, AND NORTH KOREA'S FOREIGN MINISTRY JAPAN DIVISION DIRECTOR LI CHOL JIN. THE OFFER WAS MADE BY THE JAPANESE EMBASSY IN BEIJING TO THE NORTH KOREAN EMBASSY.

NO RESPONSE HAS BEEN SHOWN BY THE NORTH KOREAN SIDE. IF A JAPAN-NORTH KOREA DIVISION-DIRECTOR-LEVEL CONTACT IS REALIZED, IT WILL BE THE THIRD TIME, FOLLOWING THE ONE IN MARCH THIS YEAR HELD IN BEIJING AND ANOTHER IN JUNE IN TOKYO. THE PREVIOUS TWO CONTACTS ALSO WERE BETWEEN BESSHO AND LI.

THE REASON WHY THE JAPANESE SIDE BEGAN GROPING FOR A CHANCE TO REOPEN BILATERAL TALKS BETWEEN JAPAN AND THE NORTH LIES IN ITS JUDGMENT THAT NOW WITH THE STRAINS IN JAPAN-REPUBLIC OF KOREA RELATIONS EASED BY THE JUNE JAPAN-ROK SUMMIT (HELD ON CHEJU ISLAND), EVEN IF JAPAN-NORTH KOREA TALKS WERE RESUMED BEFORE THE NORTH ACCEPTS THE PROPOSAL MADE BY BOTH THE UNITED STATES AND THE ROK FOR FOUR-PARTY TALKS, (JAPAN) COULD OBTAIN AN UNDERSTANDING FROM THE ROK SIDE.

IN ADDITION, ANOTHER AIM SEEMS TO BE THAT JAPAN WOULD LIKE TO INDIRECTLY CONTRIBUTE TO REALIZING FOUR-WAY TALKS BY URGING NORTH KOREA IN BILATERAL TALKS, IF RESUMED, TO

ACCEPT SUCH A PROPOSAL.

JAPAN IS NOW CONSIDERING THAT IF A CERTAIN LEVEL OF RESULTS IS ATTAINED BY DIVISION-DIRECTOR CONTACTS, THEN SUCH WOULD BE UPGRADED TO BE THE ASIAN AFFAIRS BUREAU DEPUTY DIRECTOR-GENERAL-LEVEL TO MAKE THEM FORMAL OVERTURES BETWEEN JAPAN AND NORTH KOREA.

HOWEVER, NORTH KOREA RECENTLY HAS BEEN SEVERELY UNCLAS SECTION 04 OF 06 TOKYO 007653

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 AUGUST 19

CRITICIZING JAPAN, BEGINNING WITH ITS OBJECTION TO REMARKS MADE BY CHIEF CABINET SECRETARY SEIROKU KAJIYAMA ON EMERGENCIES ON THE KOREAN PENINSULA AND ITS REQUEST TO JAPAN FOR AN APOLOGY AND COMPENSATION FOR THE REASON THAT JAPAN "PARTICIPATED" IN THE KOREAN WAR. THEREFORE A PREDOMINANT VIEW IS THAT EVEN IF A DIVISION-DIRECTOR-LEVEL CONTACT IS REALIZED, IT WOULD BE DIFFICULT TO EXPECT SUBSTANTIAL PROGRESS TO BE MADE SOON.

JAPANQS SHARE OF KEDO REACTOR EXPENSE TO BE OVER 100 BILLION YEN (TOKYO SHIMBUN - PAGE 2)

IT WAS REVEALED YESTERDAY THAT THE GOVERNMENT HAS SET A POLICY COURSE OF SIGNING WITHIN THE YEAR AN AGREEMENT WITH THE KOREAN ENERGY DEVELOPMENT ORGANIZATION (KEDO) THAT WOULD INCLUDE THE CAPITAL CONTRIBUTION FOR JAPAN TO BEAR AS ITS SHARE OF TWO NUCLEAR REACTORS TO BE PROVIDED TO NORTH KOREA (DEMOCRATIC PEOPLES REPUBLIC OF KOREA). IT WILL THEN PRESENT THE ACCORD TO THE DIET FOR RATIFICATION.

THE AGREEMENT SPECIFIES THAT JAPAN OVER THE NEXT TEN YEARS WILL PROVIDE AN OVERALL SUM OF MONEY TO KEDO FOR THE COST OF CONSTRUCTING THE REACTORS. ALSO CLEARLY MENTIONED IS THE METHODS FOR SUPPLYING THE FUNDS AND FOR REPAYMENT. THERE IS A HIGH POSSIBILITY THAT JAPAN'S SHARE FOR THE 10 YEAR PERIOD WILL BE APPROXIMATELY 100 BILLION YEN, AND THE OUTLOOK IS THAT THE SUPPLYING WILL TAKE THE FORM OF FINANCING FROM THE EXPORT-IMPORT BANK TO NORTH KOREA VIA KEDO.

AS FOR CONSTRUCTION COSTS, THE REPUBLIC OF KOREA POWER COMPANY, WHICH WILL DO THE CONSTRUCTION, HAS ALREADY PROVIDED KEDO WITH AN ESTIMATE. THE CONTENTS ARE NOT

CLEAR BUT, IT APPEARS TO HAVE EXCEEDED THE ORIGINAL ESTIMATE OF ABOUT 400 BILLION YEN, AND IF ATTACHED FACILITIES AND NEIGHBORING ROADS ARE INCLUDED, REACHES ABOUT 600 BILLION YEN.

THE GOVERNMENT PLANS NOW TO ASK KEDO TO RIGOROUSLY CHECK THE ROK ESTIMATE SO THAT THE COST CAN BE CONSTRAINED. HOWEVER, THE POSSIBILITY IS HIGH THAT EVEN WITH COST CONTAINMENT, THE PRICE COULD BE MORE THAN 500 BILLION YEN.

PRIME MINISTER DEPARTS TOMORROW FOR LATIN AMERICA, WITH ROTATING UNSC SEAT IN MIND (ASAHI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO WILL DEPART TOMORROW FOR A ROUND OF VISITS TO FIVE LATIN AMERICAN COUNTRIES INCLUDING MEXICO AND BRAZIL. HE WILL EXPRESS JAPAN'S WILLINGNESS TO EXPAND ITS ASSISTANCE FOR THE "SOUTH-SOUTH COOPERATION" PROJECTS, UNDER WHICH DEVELOPING COUNTRIES WILL OFFER TECHNOLOGICAL AND OTHER COOPERATION TO OTHER DEVELOPING COUNTRIES. THE PRIME MINISTER ALSO AIMS TO DEEPEN THE CONVENTIONAL FRIENDLY RELATIONS WITH SUCH COUNTRIES BY PLAYING UP "ESTABLISHMENT OF A PARTNERSHIP FOR A NEW ERA" IN LINE WITH CHANGES IN LATIN AMERICA.

SUPPORT FOR "GRADUATION"

STARTING WITH MEXICO, THE PRIME MINISTER WILL VISIT CHILE, BRAZIL, PERU, AND COSTA RICA. IN MOST LATIN AMERICAN COUNTRIES, MILITARY REGIMES HAD HELD POLITICAL POWER, BUT IN THE EARLY 1980'S, ONE AFTER ANOTHER LOST ITS HOLD ON POWER, AS SEEN IN THE ASSUMPTION OF POLITICAL AUTHORITY BY CIVIL GOVERNMENT IN BRAZIL IN 1985 AND CHILE IN 1990.

LOOKING AT THE ECONOMIES AS WELL, NEGATIVE GROWTH CONTINUED IN THE 1980'S, TRIGGERED BY MEXICO'S DEBT CRISIS, BUT SINCE THE BEGINNING OF THE 1990'S, EACH COUNTRY HAS REGAINED ITS ECONOMIC STRENGTH. THE AVERAGE GDP (GROSS DOMESTIC PRODUCT) GROWTH RATE OF 33 LATIN UNCLAS SECTION 05 OF 06 TOKYO 007653

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 AUGUST 19

AMERICAN COUNTRIES FOR THE FIVE YEARS STARTING IN 1991 REGISTERED 14.9 PERCENT.

WITH DEMOCRATIZATION PROGRESSING IN LATIN AMERICAN COUNTRIES, JAPAN HAS ACTIVELY RENDERED ECONOMIC COOPERATION. THE JAPANESE GOVERNMENT'S ODA (OFFICIAL DEVELOPMENT ASSISTANCE) DISBURSEMENTS TO LATIN AMERICA TOTALED APPROXIMATELY 560 MILLION DOLLARS IN 1990, BUT THE AMOUNT DOUBLED IN 1995 TO ABOUT 1.14 BILLION DOLLARS.

THE GOVERNMENT IS STRESSING THE NEED TO "GRADUATE" FROM BEING AN "AID-RECEIVING COUNTRY" TO BEING AN "AID-GIVING ONE." SPECIFICALLY, THE GOVERNMENT WILL DISPATCH JAPANESE EXPERTS AND PROVIDE THEM WITH EQUIPMENT WHEN MEXICO, BRAZIL AND CHILE ACCEPT TRAINEES FROM THEIR NEIGHBORS.

BRIDGING ROLE

"WE WANT TO PUT OUR ENERGIES INTO DEEPENING OUR DYNAMIC TIES WITH LATIN AMERICA ACROSS THE PACIFIC. LATIN AMERICA'S EXPECTATIONS TOWARD ASIA ARE MOUNTING." THE PRIME MINISTER EXPRESSED TOWARD REPORTERS FROM LATIN AMERICAN COUNTRIES ON AUGUST 7 JAPAN'S EAGERNESS TO PLAY A "BRIDGING ROLE" BETWEEN LATIN AMERICA AND ASIA.

LATIN AMERICAN COUNTRIES ARE ENTHUSIASTIC ABOUT ESTABLISHING TIES WITH ASIA, EYEING ITS ECONOMIC GROWTH. MEXICO AND CHILE HAVE JOINED THE ASIA-PACIFIC ECONOMIC COOPERATION COUNCIL (APEC). PERU ALSO HAS DESIRED TO JOIN IT AND ASKED FOR JAPAN'S SUPPORT.

LATIN AMERICA IS A REGION FRIENDLY TO JAPAN, WITH ABOUT 1.5 MILLION PERSONS OF JAPANESE ANCESTRY LIVING THERE. BRAZIL, PERU AND CHILE ARE AMONG COUNTRIES THAT HAVE ALREADY EXPRESSED SUPPORT FOR JAPAN'S INTENT TO BID FOR THE ROTATING SEAT ON THE UN SECURITY COUNCIL THIS FALL. THE PRIME MINISTER INTENDS TO TAKE UP UN REFORMS DURING HIS TALKS WITH EACH COUNTRY'S TOP LEADER BUT HE CANNOT DISGUISE HIS INTENTION ALSO FOR A FUTURE BID FOR JAPAN ON THE UN SECURITY COUNCIL.

GOVERNMENT STRENGTHENING POLICY APPROACH TOWARD ATTAINING ROTATING UNSC SEAT (NIHON KEIZAI - PAGE 2)

THE GOVERNMENT WILL STEP UP MEASURES IN ITS CAMPAIGN FOR ELECTION TO THE NON-PERMANENT ROTATING SEAT ON THE UNITED NATIONS SECURITY COUNCIL (UNSC), WHICH WILL TAKE PLACE THIS FALL. THE DECISION WAS REVEALED BY A SENIOR OFFICIAL OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA). IT PLANS TO MAKE THE BEST USE OF ITS DIPLOMATIC ESTABLISHMENTS ABROAD. IT IS MOST LIKELY THAT JAPAN AND INDIA WILL FACE OFF IN THE ELECTION FOR THE SEAT THAT REPRESENTS ASIA. JAPAN INTENDS TO WIN THE ELECTION, AIMING AT JOINING THE UNSC AS A PERMANENT MEMBER IN THE FUTURE.

THE ELECTION IS EXPECTED TO BE CARRIED OUT IN LATE OCTOBER AT EARLIEST. (IN AN EFFORT TO WIN THE ELECTION) PRIME MINISTER RYUTARO HASHIMOTO WILL ASK COUNTRIES CONCERNED FOR THEIR SUPPORT DURING HIS TOUR OF LATIN

AMERICAN COUNTRIES IN THE MIDDLE OF AUGUST. FOREIGN MINISTER IKEDA ALSO WILL REQUEST MIDDLE EASTERN COUNTRIES FOR SUPORT WHILE HIS VISITING THERE IN MID-AUGUST.

THE GOVERNMENT PLANS TO CALL FOR SUPPORT FROM AFRICAN COUNTRIES, WHICH ARE SAID TO BE KEY TO WINNING THE ELECTION, AND WILL SEND FORMER AMBASSADORS TO THAT REGION. IT ALSO WILL PUT ON THE LAST SPURT BY DISPATCHING PERSONNEL TO THE UN HEADQUARTERS IN NEW YORK ON AND AFTER SEPTEMBER WHEN THE UN GENERAL ASSEMBLY STARTS, AND HAVE THEM NEGOTIATE WITH REPRESENTATIVES OF VARIOUS COUNTRIES.

UNCLAS SECTION 06 OF 06 TOKYO 007653

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 AUGUST 19

THE GOVERNMENT DECISION STEMS FROM THE FACT THAT INDIA HAS NOW MADE ITS STANCE CLEAR TO RUN IN THE ELECTION. IN JAPANESE-INDIAN FOREIGN MINISTERIAL HELD IN JAKARTA IN JULY, THE TWO FOREIGN MINISTERS FAILED TO "COORDINATE IN VIEWS ON CHOOSING A CANDIDATE" FOR A REPRESENTATIVE OF THE ASIA REGION. "ONLY INDIA'S POSITIVE STANCE STOOD OUT" (MOFA SOURCE) SAYS.

THE TERM OF THE NON-PERMANENT MEMBERS OF THE UNSC IS TWO YEARS, AND A HALF OF THEM ARE REELECTED EVERY YEAR. WHAT IS NOTICEABLE IS THAT UNTIL A CANDIDATE OBTAINS SUPPORT FROM MORE THAN TWO-THIRDS OF THE MEMBER COUNTRIES, VOTING WILL BE REPEATEDLY CARRIED OUT. TWO COUNTRIES REPRESENT THE ASIA REGION. IN THE ELECTION THIS FALL, THE SEAT TO REPLACE INDONESIA WILL BE UP FOR ELECTION. IN MOFA, THE DOMINANT VIEW IS THAT "EVEN IF INDIA RUNS IN THE ELECTION, JAPAN WILL HAVE THE EDGE ON IT." HOWEVER, SOME HAVE VOICED CONCERN THAT "IF JAPAN CANNOT WIN IN THE FIRST VOTE, THE CONCLUSION WILL BE UNCERTAIN."

FOREIGN MINISTER OFF TO FOUR MIDDLE-EASTERN COUNTRIES IN SUPPORT OF PEACE PROCESS (SANKEI - PAGE 2)

FOREIGN MINISTER YUKIHIKO IKEDA ON THE 20TH WILL KICK OFF HIS MIDDLE EAST TOUR VISITING EGYPT, SYRIA, JORDAN, ISRAEL, AND THE PALESTINIAN SELF-RULE AREA OF GAZA. THE MAJOR PURPOSE IS TO ANNOUNCE JAPAN'S ASSISTANCE AND COMMITMENT TO THE MIDDLE EAST PEACE PROCESS. TO THAT END, JAPAN IS DETERMINED TO "PLAY A POLITICAL ROLE BEFITTING JAPAN'S INTERNATIONAL POSITION" (FOREIGN

MINISTRY OFFICIAL) TRANSCENDING ITS CONVENTIONAL ECONOMIC ASSISTANCE.

DURING HIS TRIP, THE FOREIGN MINISTER IS SCHEDULED TO MEET WITH PRESIDENT MUBARAK OF EGYPT, PRESIDENT ASAD OF SYRIA, KING HUSSEIN OF JORDAN, PRESIDENT NETANYAHU OF ISRAEL, AND CHAIRMAN ARAFAT OF THE PALESTINE LIBERATION ORGANIZATION (PLO). JAPAN IS DETERMINED TO PLAY AN ACTIVE ROLE FOR THE PEACE PROCESS, WHICH HAS NOW BEEN DARKENED BY THE BIRTH OF THE NETANYAHU ADMINISTRATION IN ISRAEL.

THE FOREIGN MINISTER WILL ALSO ANNOUNCE JAPAN'S ACTIVE PARTICIPATION IN THE "MIDDLE EAST-NORTH AFRICA ECONOMIC SUMMIT" TO BE HELD IN CAIRO IN NOVEMBER. THE PURPOSE IS TO "UNDERLINE JAPAN'S STRONG INTEREST IN THE MIDDLE EAST PEACE PROCESS AND ITS ASSISTANCE AS 'PEACE DIVIDEND'" (FOREIGN MINISTRY OFFICIAL). IN HIS MEETING WITH CHAIRMAN ARIGHT SCHEDULED FOR THE 25TH, THE FOREIGN MINISTER WILL FORMALLY INVITE THE CHAIRMAN TO JAPAN IN MID-SEPTEMBER. THE FOREIGN MINISTER IS ALSO SCHEDULED TO CALL ON THE UN DISARMAMENT OBSERVER FORCE (UNDOF) HEADQUARTERS ON THE GOLAN HEIGHTS TO BOOST THE EFFORTS OF THE SELF-DEFENSE FORCES (SDF) UNIT WORKING THERE.

FOREIGN MINISTER IKEDA IS THE FIRST JAPANESE CABINET MINISTER TO MAKE A MIDDLE EAST TOUR SINCE (THEN) PRIME MINISTER MURAYAMA DID SO LAST SEPTEMBER. ON HIS WAY HOME, THE FOREIGN MINISTER WILL VISIT HONG KONG AS THE FIRST JAPANESE FOREIGN MINISTER TO DO SO IN SEVEN YEARS TO MEET WITH ACTING GOVERNOR-GENERAL AN SONG CHAN (TN: PHONETIC) ON THE 28TH. HE WILL RETURN HOME ON THE 29TH. CRANE

SECT: SECTION: 01 OF 06
<^SECT>SECTION: 02 OF 06
<^SECT>SECTION: 03 OF 06
<^SECT>SECTION: 04 OF 06
<^SECT>SECTION: 05 OF 06
<^SECT>SECTION: 06 OF 06

SSN: 7653
<^SSN>7653
<^SSN>7653
<^SSN>7653
<^SSN>7653
<^SSN>7653

TOR: 960818232837 M2362284
<^TOR>960818232923 M2362285
<^TOR>960818232938 M2362286
<^TOR>960818233000 M2362287
<^TOR>960818233050 M2362288
<^TOR>960818233104 M2362289

DIST: SIT: CULLIN FETIG JOHNSON KRISTOFF MOFFETT PRITCHARD SUETTINGER
SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. cable	Re: Japan-U.S./Okinawa Base Issues (3 pages)	08/19/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[08/15/1996 - 08/21/1996]

2016-0420-F
sb1878

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHKO7716 2330822-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 200822Z AUG 96

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 200822Z AUG 96

ORIG: AMEMBASSY TOKYO

TO: RUEHC/SECSTATE WASHDC IMMEDIATE 6261

INFO: RUCPDOG/USDOC WASHDC IMMEDIATE
RUEATRS/TREASURY DEPT WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 0655
RUEAIIA/CIA WASHDC IMMEDIATE
RUEKJCS/DIA WASHDC IMMEDIATE
RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE
RUEHOK/AMCONSUL OSAKA KOBE 7984
RHHMUNA/USCINCPAC HONOLULU HI
RUHBBMA/AMCONSUL NAHA 5307
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUCWAAB/FBIS RESTON VA
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUEHKON/AMCONSUL NAGOYA 8477
RUAGJHA/CGUSARJ CAMP ZAMA JA//IX CORPS G5//
RUEHKOF/AMCONSUL FUKUOKA 1306
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEHKOS/AMCONSUL SAPPORO 7844
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUESDJ/FBIS OKINAWA JA

SUBJ: JAPANESE DAILY PRESS SUMMARY 08/20/96

TEXT:

UNCLAS SECTION 01 OF 12 TOKYO 007716

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. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

INDEX:

(1) Prime Minister Urges Preparations for
Compiling a Nursing-Care Insurance Law Bill in

September, Aiming to Take the Initiative in Political Management

(2) Government to Expand Yen Loans to China's Inland Areas, Placing Emphasis on Economic Cooperation and Environmental Conservation

(3) Construction Ministry to Come up with New Cooperation Measures for Social Infrastructure in Developing Countries

(4) U.S. Minister on Futenma Heliport: "Transfer to Kadena Would Be Difficult"

(5) Main Points of (Okinawa Prefectural Government's Request) for Special Measures (for Recovery of the Economy)

(6) Thoughts on Politics: Crisis Management Legislation Fraught with Flaws

ARTICLES:

(1) Prime Minister Urges Preparations for Compiling a Nursing-Care Insurance Law Bill in September, Aiming to Take the Initiative in Political Management; Specific Time Frame Suggested About Convocation of Extraordinary Diet

NIHON KEIZAI (Page 2) (Excerpts)
August 20, 1996

Prime Minister Ryutaro Hashimoto yesterday instructed Liberal Democratic Party (LDP) Policy Affairs Research Council Chairman Taku Yamasaki to finish the preparatory work to submit a nursing-care insurance law bill to the Diet by the end of September. He also revealed that such was necessary to convoke the next extraordinary Diet in early October. He has been avoiding to mention any specific time frame of the extraordinary Diet. But yesterday, the Prime Minister finally indicated a specific policy issue to kick off the Diet to demonstrate his determination to take the initiative during the fall session, which is saddled with an array of sticky issues, such as the compilation of a FY1996 supplementary budget and legal consolidation to speed up the legal process to let the U.S. armed forces continue to use their facilities on Okinawa.

During the Lyon Summit, the Prime Minister revealed to the press corps his enthusiasm toward the extraordinary Diet in the fall, remarking, "We definitely need to grapple with the nursing-care insurance issue." In response, the coalition parties have held public hearings in various parts of the country to listen to views from a wide

variety of municipalities and organizations. Their work is now underway to compile a revision plan by mid-September to the draft bill compiled by the Ministry of Health and Welfare (MHW).

UNCLAS SECTION 02 OF 12 TOKYO 007716

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. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

The development of the Okinawa issue and the compilation of a supplementary budget, which were originally expected to become priority issues during the extraordinary Diet, is still uncertain. A possible amicable settlement of the Okinawa problem has come into sight. "If the central government wins the Supreme Court case on the 28th and Okinawa decides to cooperate in the legal process," as the Government and the ruling camp expect, expediting legal consolidation during the fall session will not be necessary.

As for the propriety of compilation of a supplementary budget, positive opinion is prevalent in the LDP, whereas a cautious view is dominant in the Social Democratic Party (SDP) and the Sakigake Party. Plagued with other pressing issues, such as economic buoyancy, election strategy, and fiscal reconstruction, the Prime Minister is in a tough spot to make a decision. Presenting a supplementary budget alone to the Diet may end up fueling the atmosphere to dissolve the Lower House.

Under those circumstances, the handling of the nursing-care insurance issue is now regarded as a major feature in the upcoming Diet session. The LDP has been lacking in zeal toward early passage of such legislation, which would require new financial resources. As a result, quite a few members are pessimistic about drawing up a bill in time for the fall session of the Diet.

Taking another step forward, the Prime Minister yesterday called for greater efforts to draw up a bill to meet the deadline that he had suggested. His clear indication of specific policy issues for the coming Diet mirrors his determination to enhance his survivability and his leadership in the ruling camp.

If the coalition completes its coordination work in September in line with the Prime Minister's instruction, the ruling camp would naturally aim to pass the bill during the extraordinary Diet. Such would possibly push a lower-house dissolution to the end of the extraordinary Diet or even after. Dissolving the Diet after the legislation is passed would not affect the unity of the ruling camp, which could sustain the Hashimoto Administration after the election. In that sense, following such a scenario would give the Prime Minister a plenty of options.

Nevertheless, rocky developments are expected in ironing out the differences in opinions among the ruling parties toward the nursing-care insurance issue. Some LDP members are dubious about the Prime Minister's real intention, suspecting, "The nursing-care insurance issue is not necessarily helpful to the election. Is he serious about such a plan?"

(2) Government to Expand Yen Loans to China's Inland Areas, Placing Emphasis on Economic Cooperation and Environmental Conservation; To UNCLAS SECTION 03 OF 12 TOKYO 007716

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

Consider Changing to a "Single Fiscal Year Program"

NIHON KEIZAI (Top Play) (Full)
August 18, 1996

Aiming at Japan-China relationships in the 21st century, the Government will start a sweeping review of its economic cooperation toward China. With the remarkable expansion of China's political and economic influence in mind, it will expand its yen loan assistance to China, now centered on the coastal areas, to the inland areas. The Government also will put its own imprint on the program by designating the northeastern part of China as a "developing region." Giving priorities to projects to preserve the environment, Japan will look into the possibility of changing the five-year term of yen loan programs to a single-year term. It will

dispatch a large-scale government survey mission to China in 1997, which will mark the 25th anniversary of establishment of diplomatic ties between the two countries. After coordination with the Chinese Government is completed, the Government will draw up a new basic policy approach that will be applied from fiscal 1999 when the final phase of the fourth yen loan package starts.

In March 1992, the Government dispatched an economic cooperation survey mission to China led by former foreign minister Saburo Okita. After those discussions with China regarding how economic cooperation would be extended following the Tiananmen Square incident, the Government adopted the current aid policy line which focuses on the improvement of economic infrastructure and agricultural development. However, circumstances in China since then have greatly changed, as seen, serious environmental destruction that has accompanied China's spurt in economic growth and the enormous arms buildup spurred by economic development. So, the Government has judged that "a new program standards are necessary in order to obtain the Japanese people's understanding for our economic cooperation toward China" (Foreign Ministry source).

The new basic policy line will greatly change the existing approach under which "in principle grant aid is provided for projects carried out in the inland areas, which are poor, and yen-loan programs for the coastal areas, which are continuing to develop" (Foreign Ministry source)." The Government in its new approach will actively provide yen loans to projects in inland areas.

Giving consideration to the fact that international development agencies and Western countries have put their efforts into such coastal provinces as Chekiang, Fuchien and Kuangtung, Japan, aiming at displaying its own economic-assistance imprint, will give priority to the northeastern part (formerly Manchuria) of China, a region "with close ties to Japan but where development is lagging," focusing on environmental countermeasures.

In China, antipollution measures lag far behind
UNCLAS SECTION 04 OF 12 TOKYO 007716

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. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

other countries. Especially in large cities, air pollution has become a serious problem. Acid rain is rapidly destroying forests. Since it is viewed that China's air pollution will be harmful to Japan's own environment in the future, the Japanese Government will give priority to projects with measures attached to protect the environment and to pollution-prevention facilities.

Under the conventional five-year-term economic aid to China, it is difficult to quickly respond to changes in the situation. So the Government will consider changing the five-year term for the aid program to a single-year period. The aim is to apply a certain amount of influence on China's actions, such as nuclear testing, which impact negatively on the peace and stability of Asia, learning from the most favored nation treaty of the United States, which renews the commitment every year.

(3) Construction Ministry to Come up with New Cooperation Measures for Social Infrastructure in Developing Countries; Focusing on Standardization in Line with "Local Features"; Giving Advice, based on Experience

ASAHI (Page 2) (Excerpt)
August 20, 1996

The Ministry of Construction (MOC) has decided to start from next fiscal year new international cooperation toward developing countries. Developing countries have left unconsolidated standardization regarding social infrastructure for buildings, roads, bridges and riparian works, as well as systems related to building engineers and superintendents. Under the new policy, Japan will help them establish standards and systems that are in conformity with their realities. Those needed by each country are diversified, but a MOC official says, "If Japan gives advice based on its experience, instead of imposing its style, such will certainly be of great help."

In developing countries, no unified standards have been compiled regarding buildings, riparian works and roads. In most cases, social infrastructure has been carried out by such aid-giving countries as the United States and Europe in accordance with their own standards. Because of a lack of uniform standards, there is even a case where a bridge is built strong enough to bear the running load of 30 tons while another bridge on the same road is

designed to withstand only 15 tons.

If each developing country has proper standards, aid-donors will be able to draw up plans and designs that fit those countries. As a result, waste and danger can be avoided. Maintaining and managing facilities will also become easier for developing countries. In addition, such efforts will facilitate the improvement of international roads and control of international rivers in the future, benefiting developing countries over the long term.

UNCLAS SECTION 05 OF 12 TOKYO 007716

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. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

According to a MOC survey, in Indonesia and Vietnam, various foreign countries have pushed ahead with infrastructure projects based on their own standards. Nepal is being pressed to set disaster-prevention standards against landslides and sand erosion and to arrange legal arrangements for controlling and consolidating riparian works. In Saudi Arabia, a study group has been established to discuss how to formulate unified standards on construction. In Thailand, standards are now needed for underground tunnels and joint ditches, beginning with sewerage.

With the standards of the U.S. and Germany as reference, Japan, after taking into account its earthquakes, its mountainous and constricted landscape, public pollution and traffic accidents or jams, has adopted standards and systems that span the Meiji through the post-war periods. A MOC official says that such an experience can be used for consolidating social infrastructure in various Asian countries.

The MOC will establish an "international cooperation promotion council" composed of division directors to draw up a basic policy direction. The council is planning to send its members next fiscal year to Indonesia to survey how rivers have been controlled and to Vietnam to see the conditions of roads. The members will survey natural features, climates, whether there are earthquake-prone or

not, how infrastructure and social conditions have progressed, as well as the requests of local residents. Based on the results, they will draft necessary technical standards and systems. The draft plan will be presented to the Government and public organs.

Now that aid policy is in a transitional period from placing emphasis on "quantity to on quality" with the ODA (official development assistance) budget to be held at the lowest level ever in the budget request for next fiscal year, Japan is groping for one more means of assistance.

(4) U.S. Minister on Futenma Heliport: "Transfer to Kadena Would Be Difficult"

ASAHI (Page 1) (Full)
Eve., August 20, 1996

U.S. Minister to Japan Deming this morning met with Liberal Democratic Party Policy Affairs Research Council Chairman Taku Yamasaki at party headquarters. On the question of moving the heliport at Okinawa's Futenma Air Station, he stated, "The United States Government considers it difficult to shift it to Kadena Air Base. What would the residents near the base think of that? Looking at it from the long-term perspective, some take the view that moving it to Kadena would create many problems, but it is still under study. I will let you know my Government's thinking on this in the near future." He stressed the perception that (accepting) the Japanese-side's proposal for
UNCLAS SECTION 06 OF 12 TOKYO 007716

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

absorbing the heliport into Kadena would be difficult.

According to Yamasaki, Deming raised as a problem, the ill-effect on the environment from the increased number of aircraft taking off and landing at Kadena Air Base.

(5) Main Points of (Okinawa Prefectural Government's Request) for Special Measures (for

Recovery of the Economy)

TOKYO SHIMBUN (Page 2) (Full)
August 20, 1996

Okinawa Prefecture is planning to create an international city that would bring alive its special geographical features and its historical experience, and would aim at contributing to the peace and development of the Asia-Pacific region. In order to accomplish this goal, the challenge is to plan and revert in stages the United States military bases, which are blocking prefectural recovery and development, and to use the sites for our plan. It is essential that income to replace what comes from the bases be secured by industrial development, and we request decisive policy measures in that connection.

In order for Japan to demonstrate its role as an economic exchange base for the Asia-Pacific region, it is necessary to introduce a new system and take other steps. In order to consolidate a front-running model region for the economy, we request implementation of special measures for industrial development, such as easing of restrictions.

1. Creation of a Special Economic District by
Expansion and Strengthening of the Free Trade Zone

The current free trade zone goes no farther than add tax measures under the bonded goods system under the Tariff Law, and the business results of companies in the zone are severe. The Prefecture positions the formation of a goods-distribution transfer center to be on the same level as an industrial development policy, and considers it necessary to drastically expand and strengthen this zone.

a. Special measures in the tax system (reduction of the corporate tax and other taxes; introduction of a separate tariff, etc.)

b. Liberalization of imports

c. Expansion of designated zone (rest omitted (by the newspaper))

2. Designating Naha Harbor as a "Base Port"
(omitted)

3. Consolidation of Bases into International
Tourist Attractions and Recreational Sites

In order to develop Okinawa into an international
UNCLAS SECTION 07 OF 12 TOKYO 007716

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. 12958: N/A
 TAGS: PGOV, PINR, JA
 SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

tourist attraction, it is necessary to have policy-support measures, such as a great reduction in airfares, expansion of international flights, introduction of a no-visa system that targets passengers from Taiwan, the Republic of Korea, and other Asian countries, and transformation of Naha Airport into an international hub airport.

4. Concentration of Information-related Industries

There should be concentration and nurturing of information-related industries by such measures as promotion of infrastructure building that would expand international informational exchange, and special tax treatment.

5. Activation of Official Development Assistance (ODA)

By promoting reciprocal economic cooperation with the Asia-Pacific region, applying ODA, industries within the prefecture will be invigorated.

(6) Thoughts on Politics: Crisis Management
 Legislation Fraught with Flaws; No Progress Seen in Debates Due to "Handling It with Kid Gloves"

YOMIURI (Page 3) (Excerpts)
 August 20, 1996

If hardware in the defense of our country means frontline equipment including tanks, fighters and escort vessels, then a legal system for crisis management (emergency legislation) bears the role of software, so to speak. While the establishment of a crisis management law has been vigorously sought by the Government and the ruling parties until now, a cautious view is still deep-rooted there, fearing a backlash from the general public because such legislation would remind people of the martial law and National Mobilization Law of pre-war Japan. What are the problems with an "old but new issue" of crisis management legislation?

(Takayuki Tanaka of the Political Affairs Department)

No Provisions Exist in the Constitution

Hypothetical crises threatening the security of Japan would be, for example, a direct armed attack on Japan or an armed dispute in the area surrounding Japan, like on the Korean Peninsula. In order to quickly deal with such a critical situation, it is deemed necessary for Japan to be equipped with a crisis-management law that covers the legal, administrative, and juridical aspects.

However, under Japan's Constitution, there is no other provision but the one on convoking an emergency session (Article 54) of the Upper House. According to that provision, when the Lower House is dissolved, automatically closing the Upper House, the Cabinet may in time of national emergency convoke the Upper House in emergency session. Moreover, no comprehensive legal system

UNCLAS SECTION 08 OF 12 TOKYO 007716

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

for crisis management exists in Japan, except for some measures incorporated in the Self Defense Forces (SDF) Law that stipulates the duties and authority given to the SDF.

Recently, however, the spotlight has turned to crisis-management legislation ever since Prime Minister Hashimoto and U. S. President Clinton, meeting in April, agreed to carry out a study on coping with nearby contingencies, such as one on the Korean Peninsula. In response to this agreement, the Prime Minister in May instructed the Cabinet Security Affairs Office, the Foreign Ministry (MOFA), the Defense Agency (JDA) and other government offices to study measures for rescuing Japanese nationals overseas, dealing with a flood of refugees and supporting U.S. forces.

In the ongoing study, instead of "armed invasion of Japan," which is difficult now to hypothesize owing to the collapse of the Soviet Union, various other crises that may occur in regions near Japan, such as the Korean Peninsula, China and Taiwan also are assumed. What is now needed is to set up a legal

system to cover a wide-ranging area, something which have so far been untouched, such as logistic support -- supplying goods with U.S. troops -- and a response by the police and the Maritime Safety Agency.

Furthermore, the way the administrative organizations should be equipped to quickly respond to a crisis may also be covered by such studies.

Taking into consideration the results of the studies, the Government intends to launch into the legislation work, but the Social Democratic Party (SDP) is circumspect about doing so. SDP Secretary General Sato notes: "Revision of law should not be set forth as a premise."

No Passing through of Privately-owned Land

The first full-fledged studies of crisis-management legislation in the Government were carried out in the "research of emergency legislation," which made a start in 1977, in response to a number of problems that were pointed out, such as, "there is no government ordinance necessary for the SDF in time of emergencies to expropriate goods and use land" or "SDF troops cannot pass through private land." The aim was to let the SDF perform their duties efficiently and smoothly. But the actual work of legislation has remained shelved, for the reason that "a judgment will be made after seeing moves of the public opinion in the country and debate in the Diet." That is, the SDF has been still placed in a "position unable to fulfill their duties unless they violate numerous laws" (government source).

Regarding legislation linked to laws pertaining to movements of U.S. troops and how to do with evacuation and protection of Japanese and treatment toward POWs, no studies have been carried out for the reason that it is unclear which government

UNCLAS SECTION 09 OF 12 TOKYO 007716

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. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

agency is responsible for such studies. Masayuki Manabe, an expert on crisis-management legislation,

a former legal officer in the Ground Staff Office, points out the necessity of fixing a crisis-management system covering the entire country. He also criticizes the Government's studies of emergency legislation, noting: "There is no consistent thinking nor principle with only items scattered with no connection with one another."

The studies of crisis-management legislation in Japan have been always haunted by the image of "uniformed officers" acting without consulting other officials," partly because of the "Mitsuya research" and the "Kurusu statement," and such studies have been in a way "handled with kid gloves." In the Government, there is a thinking of "putting emergency legislation in a drawer." To give explanations about it, the desirable way of studying emergency legislation is: in peacetime, armchair study of legislation alone will be carried out, but in time of emergency, a bill will "be put out from the drawer" and it will be forwarded to the Diet to get it approved through quickened deliberations. This thinking is based on the judgment that if crisis-management legislation is touched in peacetime, discussion might fall into confusion.

That thinking however has met with criticism from uniformed officers. For example, "Even if a bill is not 100 percent satisfactory, it should be discussed in the Diet in a way visible to the people." Moreover, as an SDF leader points out, the fact is that "unless politicians make a law, the SDF cannot avoid moving at their own discretion." Crisis-management legislation in that sense is viewed as a law to manage the SDF also in time of emergencies.

Even at present when the public opinion has become positive about the SDF as is seen in the SDP's switching to consider the SDF to be constitutional, crisis-management legislation is still fraught with difficulties because it is in a way contradictory to restrictions on basic human rights. The rest in the end may depend on "national awareness of national defense" (senior JDA officer).

Major Laws Whose Problems Are Pointed out In Research on Emergency Legislation

First Group (Laws under the JDA's jurisdiction)

Problematical points in the existing laws

-- No government ordinance that stipulates the legal steps necessary to expropriate goods and use land exists (Article 103 of the SDF Law).

-- Not possible to use land in case landowners' whereabouts are unknown (ditto).

-- Not possible to remove buildings in the case of using land (ditto).

UNCLAS SECTION 10 OF 12 TOKYO 007716

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. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

-- No punitive regulation exists in the case of violation of an order for storing goods (ditto).

-- No special legislation for mobilization allowances for troops exists (Article 30 of the JDA Workers Payment Law).

-- Not possible to protect radar and telecommunications equipment (Article 95 of the SDF Law).

-- It is necessary to call reserved SDF personnel from the standby stage for defense mobilization (Article 70 of the SDF Law).

Additional Provisions Needed

-- Because it is not possible to pass through private land (SDF Law).

-- Because there is no approval for use of weapons in the standby stage for defense mobilization (SDF Law).

Second Group (Laws under other government ministries' and agencies' jurisdiction)

-- A special measure needed for (SDF) troops to make temporary repairs in the case of roads being destroyed (Roads Law).

-- A special measure needed to build up a strong point (Coast Law, Forest Law and Natural Parks Law).

-- A special measure needed to construct a commanding headquarters at an air base

(Construction Standards Law).

-- A special measure needed to establish a field hospital (Medical Treatment Law)

-- A special measure needed for burying and cremating the war dead (Grave and Burial Law)

-- Measures needed to transport gunpowder (Prime Minister's Office's ordinance for transportation of gunpowder; regulations on transporting and storing dangerous objects by ships).

Mitsuya Research

A map exercise that was carried out in 1963 by the Joint Staff Council and the Ground, Maritime and Air Staff Councils. It hypothesized a second Korean war would spread to Japan. It included comprehensive emergency legislation studies, specifying amendments of about 90 laws for drafting and private-sector defense and other matters. The existence of that exercise was disclosed in the Diet in February 1965 by lower-house member Haruo Okada of the Japan Socialist Party (JSP at the time) and was harshly pursued all at once by the opposition parties. Emergency legislation came up as a major controversial issue.

UNCLAS SECTION 11 OF 12 TOKYO 007716

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. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

Kurisu Statement

In July 1978, Joint Staff Council Chairman Hiroomi Kurisu (at the time) pointed out in news briefings that there was no legal system concerning movements of the SDF before troops were mobilized for defense, and stated: "In the case of a surprise attack (on Japan), the SDF, upon a judgment by a commander on the frontline, must take action going beyond regulations." He later met with objections from all opposition parties, and JDA Director General Kanemaru (at the time) dismissed Chairman Kurisu, reasoning: "He caused a misunderstanding about civilian control."

Past Circumstances As To Emergency Legislation

July 1954:

JDA was established, and the Ground, Maritime and Air Self Defense Forces were organized.

Feb. 1965:

"Mitsuya research" hypothesizing a Korean Peninsula emergency was disclosed in the Diet.

Aug. 1977:

JDA Director General Mihara gave orders for studies of emergency legislation.

July 1978:

Joint Staff Council Chairman Hiroomi Kurisu issued a statement on "beyond-law movements."

Sept.:

JDA released prerequisite conditions for emergency legislation (denying martial law, a drafting system and control over speech).

Nov.:

Government had Japan-U.S. guidelines approved at a cabinet meeting.

April 1981:

JDA announced the first group of studies for emergency legislation (laws under the JDA's jurisdiction).

Oct. 1984:

Government released the second group of studies for emergency legislation (laws under the jurisdiction of government ministries and agency other than the JDA).

Dec.:

Government launched into working out the second group of studies for emergency legislation (over which it is unknown which government ministries and agencies have jurisdiction).

Nov. 1994:

The revised SDF Law approved, for purpose of rescuing Japanese nationals abroad by SDF planes.

April 1996:

Japan-U.S. Joint Security Declaration released in UNCLAS SECTION 12 OF 12 TOKYO 007716

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. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 08/20/96

the Hashimoto-Clinton summit. Agreement was reached to review the guidelines.

May:

Prime Minister Hashimoto gave orders for studies of four items, such as protection of Japanese nationals abroad, countermeasures for refugees, guard on coastal areas and important facilities, and support for U.S. troops.

The Most Crucial Task for Politicians Left to Others

Comments by Atsuyuki Sasa (former Cabinet Security Affairs Office chief):

Peacetime has continued for a long time after the end of World War II. Partly because of that, security affairs have been left in the hands of the U.S. But the role of the nation is to protect the lives and properties of its people. The most important task for politicians has so far been left in the charge of other people. That is because both politicians and bureaucrats (here in Japan) have not taken it as their own duty, but from an international point of view, that attitude is nothing more than nonsense.

The job for administrators is to establish emergency legislation to make good use of the SDF, learning lessons from the sarin-gas attacks on the subway system and the great Hashin-Awaji earthquake. If a manual for mobilizing the SDF in time of emergencies is formulated, it can be applied also to disaster cases.

Furthermore, no emergency law has been set that concerns U.S. troops in connection with the situation that is described in Article 6 (Far-East emergencies) of the U.S.-Japan Security Treaty, such as rear support for U.S. troops in time of Far-East emergencies and laws for supply of goods to U.S. troops. The Government is considering the way of assistance to U.S. troops, but what is now needed in addition to that is to make an emergency law for the sake of both the SDF and U.S. troops including a response to emergencies in Japan.

DEMING

SECT: SECTION: 01 OF 12

<^SECT>SECTION: 02 OF 12

<^SECT>SECTION: 03 OF 12

<^SECT>SECTION: 04 OF 12
<^SECT>SECTION: 05 OF 12
<^SECT>SECTION: 06 OF 12
<^SECT>SECTION: 07 OF 12
<^SECT>SECTION: 08 OF 12
<^SECT>SECTION: 09 OF 12
<^SECT>SECTION: 10 OF 12
<^SECT>SECTION: 11 OF 12
<^SECT>SECTION: 12 OF 12

SSN: 7716

<^SSN>7716
<^SSN>7716
<^SSN>7716
<^SSN>7716
<^SSN>7716
<^SSN>7716
<^SSN>7716
<^SSN>7716
<^SSN>7716
<^SSN>7716
<^SSN>7716

TOR: 960820052820 M2364008

<^TOR>960820053021 M2364010
<^TOR>960820053037 M2364011
<^TOR>960820053127 M2364012
<^TOR>960820053142 M2364013
<^TOR>960820053231 M2364014
<^TOR>960820053344 M2364015
<^TOR>960820053430 M2364016
<^TOR>960820053445 M2364017
<^TOR>960820053508 M2364019
<^TOR>960820053559 M2364021
<^TOR>960820053613 M2364022

DIST:

SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. cable	Re: Conservative Landowners (4 pages)	08/20/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[08/15/1996 - 08/21/1996]

2016-0420-F
sb1878

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]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. cable	Re: Secretary's Morning Summary (18 pages)	08/20/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[08/15/1996 - 08/21/1996]

2016-0420-F
sb1878

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO7724 2340253-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 210253Z AUG 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 210253Z AUG 96
ORIG: AMEMBASSY TOKYO
TO: RUEHIA/USIA WASHDC IMMEDIATE 0668
RUEHC/SECSTATE WASHDC IMMEDIATE 6277
INFO: RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
RUEAIIA/CIA WASHDC
RUCPDO/USDOC WASHDC
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUEBBEA/USDOT WASHDC
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHEHAAA/WHITE HOUSE WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUAYJAA/COMPATWING ONE KAMI SEYA JA
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS AUGUST 21
TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 007724

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 AUGUST 21

TOP HEADLINES:

ASAHI: OSAKA DISTRICT PUBLIC PROSECUTOR'S OFFICE TO RAID
GREEN CROSS TODAY; FIRST AMONG MEDICALLY-INDUCED AIDS
CASES; ON CHARGES OF PROFESSIONAL NEGLIGENCE RESULTING IN
DEATH

NIHON KEIZAI: MITSUBISHI MOTORS, MALAYSIA TO ESTABLISH
JOINT VENTURE FOR ENGINE PRODUCTION IN CHINA; TO BE
APPROVED SHORTLY; OUTPUT OF 300,000 ENGINES OF 1,300CC-
2,000CC STARTING IN 1998

TOKYO SHIMBUN: OSAKA DISTRICT PUBLIC PROSECUTOR'S OFFICE TO RAID GREEN CROSS TODAY; FIRST AMONG MEDICALLY-INDUCED AIDS CASES; ON CHARGES OF PROFESSIONAL NEGLIGENCE RESULTING IN DEATH

MAINICHI: OSAKA DISTRICT PUBLIC PROSECUTOR'S OFFICE TO RAID GREEN CROSS POSSIBLY TODAY; ON CHARGES OF PROFESSIONAL NEGLIGENCE RESULTING IN DEATH IN CONNECTION WITH MEDICALLY-INDUCED AIDS CASES

YOMIURI: MEDICALLY-RELATED AIDS: OSAKA DISTRICT PUBLIC PROSECUTOR'S OFFICE TO RAID GREEN CROSS ON SUSPICION OF PROFESSIONAL NEGLIGENCE RESULTING IN DEATH; "UNTREATED" BLOOD PRODUCTS CONTINUED TO BE SHIPPED

SANKEI: OSAKA DISTRICT PUBLIC PROSECUTOR'S OFFICE TO INVESTIGATE GREEN CROSS'S HEAD OFFICE TODAY AS WELL AS QUESTION FORMER COMPANY C.E.O. ON CHARGES OF PROFESSIONAL NEGLIGENCE RESULTING IN DEATH IN CONNECTION WITH MEDICALLY-INDUCED AIDS CASES

TWO-PLUS-TWO MEETING NEXT MONTH TO DECIDE ON OKINAWA BASE REDUCTION (NIHON KEIZAI - PAGE 2)

THE JAPANESE AND UNITED STATES GOVERNMENTS FIRMED UP THEIR PLAN IN CONNECTION WITH REALIGNMENT, CONSOLIDATION AND REDUCTION OF U.S. BASES ON OKINAWA. ACCORDING TO THE PLAN, AROUND SEPTEMBER 10, A WORKING GROUP OF THE JAPAN-U.S. SPECIAL ACTION COMMITTEE ON OKINAWA (SACO) WILL BE HELD, AND ON SEPTEMBER 19, A MEETING OF THE JAPAN-U.S. SECURITY CONSULTATIVE COMMITTEE (2 PLUS 2) OF FOREIGN AND DEFENSE MINISTERS. REGARDING THE PROBLEM OF RELOCATING THE HELIPORT OF FUTENMA AIR STATION, A MAJOR POINT OF ISSUE, U.S. CHARGE D'AFFAIRS DEMING (MINISTER) YESTERDAY EXPRESSED DISAPPROVAL AGAIN OF RELOCATING IT TO KADENA AIR BASE, BUT JAPAN AND THE U.S. HAVE AGREED TO QUICKEN THE COORDINATION WORK, TARGETING THE 2 PLUS 2 MEETING. NEGOTIATIONS ARE LIKELY TO COME TO A CLIMAX IN MID-SEPTEMBER.

IN CONNECTION WITH THE U.S. BASES PROBLEM, ON THE 28TH, THE SUPREME COURT WILL HAND DOWN A RULING ON THE PROXY-SIGNING SUIT RELATED TO THE FORCED LEASING OF LAND FOR BASES. ON SEPTEMBER 8, OKINAWA PREFECTURE WILL HOLD A PREFECTURAL REFERENDUM. RIGHT AFTER THOSE TWO EVENTS ARE OVER, THE WORKING GROUP MEETING OF SACO AND THE 2 PLUS 2 MEETING ARE TO TAKE PLACE. THE 2 PLUS 2 MEETING WILL BE HELD IN WASHINGTON, AND IN THE MEETING, BOTH SIDES WILL DISCUSS A RESTUDY OF "JAPAN-U.S. DEFENCE COOPERATION GUIDELINES" IN ADDITION TO THE BASES PROBLEM. AN INTERIM REPORT WILL BE COMPILED.

BUT REGARDING THE WORK OF RECONSIDERING THE GUIDELINES, HARDLY ANY PROGRESS HAS BEEN SEEN FOR NOW IN DISCUSSION ON SPECIFICS EXCEPT FOR AREAS FOR CONSIDERATION ALONE HAVING BEEN DECIDED. IN CONTRAST, ON THE PROBLEM OF TRIMMING BASES, PARTLY BECAUSE THE DEADLINE FOR A FINAL

REPORT BY SACO HAS BEEN SET FOR NOVEMBER, AND ALSO BECAUSE OF THE U.S. PRESIDENTIAL ELECTION IN NOVEMBER, BOTH JAPAN AND THE U.S. ARE ENVELOPED IN THE MOOD THAT "WE WOULD LIKE TO COME CLOSER TO AGREEMENT IN OUTLINE IN THE UPCOMING 2 PLUS 2 MEETING SET FOR SEPTEMBER" (FOREIGN UNCLAS SECTION 02 OF 06 TOKYO 007724

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 AUGUST 21

MINISTRY SOURCE).

SACO'S WORKING GROUP IS A KIND OF FORUM FOR COORDINATION PRIOR TO THE 2 PLUS 2 MEETING, AND IS LIKELY TO BE HELD IN TOKYO. IN-DEPTH DISCUSSION WILL OCCUR, BASED ON A SPECIFIC PLAN FOR AN ALTERNATIVE HELIPORT PLANNED TO BE PRESENTED SHORTLY BY THE U.S. SIDE.

CHARGE DEMING REITERATES DIFFICULTY OF SHIFTING FUTENMA HELIPORT TO KADENA (MAINICHI - PAGE 2)

UNITED STATES CHARGÉ D'AFFAIRES TO JAPAN RUST DEMING YESTERDAY MET WITH LIBERAL DEMOCRATIC PARTY (LDP) RESEARCH AFFAIRS COUNCIL CHAIRMAN TAKU YAMASAKI AT LDP HEADQUARTERS. IN THE MEETING, HE REFERRED TO THE ISSUE OF RELOCATION OF THE HELIPORT OF FUTENMA AIR STATION TO KADENA AIR BASE, NOW THE FOCUS OF ATTENTION IN THE CONSOLIDATION AND REDUCTION OF THE U.S. MILITARY BASES IN OKINAWA. HE STATED: "I WONDER WHAT THE RESIDENTS AROUND KADENA AIR BASE THINK (ABOUT THE IDEA). WHEN VIEWED OVER THE LONG RUN, RELOCATION WILL CREATE MANY PROBLEMS," REITERATING THE AMERICAN SIDE'S DIFFICULTY WITH THE RELOCATION. YAMASAKI THEN ASKED ABOUT THE U.S. GOVERNMENT'S SPECIFIC PROPOSAL RELATED TO A SITE FOR RELOCATION. THE CHARGE REPLIED: "I WOULD LIKE YOU TO WAIT A WHILE LONGER. I WILL BE TRANSMITTING THE U.S. ANSWER SOON."

AFTER THE MEETING, YAMASAKI TOLD THE PRESS: "I THINK THERE IS RESISTANCE (ON THE U.S. SIDE) TO JOINTLY USING A RUNWAY FOR THE AIR FORCE AND MARINE CORPS." (SIMILAR COVERAGE IN MOST DAILIES.)

LANDOWNERSQ ASSOCIATION IN OKINAWA PLANS TO BOYCOTT REFERENDUM ON BASES (SANKEI - PAGE 2)

THE FEDERATION OF OKINAWA MILITARY SITES LANDOWNERS ASSOCIATIONS (TOCHIREN FOR SHORT; CHAIRED BY KAORU SHINJO

(?)) AS OF YESTERDAY REACHED A DECISION TO BOYCOTT THE OKINAWA REFERENDUM THAT WILL BE CARRIED OUT (ON SEPTEMBER 8) ON THE QUESTION OF REALIGNMENT AND REDUCTION OF THE U.S. MILITARY BASES AND A REVIEW OF THE JAPAN-U.S. STATUS OF FORCES AGREEMENT (SOFA). THE FEDERATION HAS NOTIFIED ITS 26 MEMBER ASSOCIATIONS OF ITS DECISION. THIS IS THE SECOND CASE OF AN ORGANIZATION DECIDING TO BOYCOTT THE PREFECTURAL REFERENDUM, THE OTHER BEING THE ALL-OKINAWA U.S. FORCES WORKERS UNION, A NEW LABOR UNION WITH 150 MEMBERS WHO WORK FOR THE MILITARY FACILITIES. SINCE THE TOCHIREN HAS A MEMBERSHIP OF 28,000, ITS DECISION IS LIKELY TO HAVE A DEFINITE INFLUENCE ON THE OUTCOME OF THE REFERENDUM.

THE FEDERATION'S NOTICE CITES THE FOLLOWING REASONS FOR THE BOYCOTT:

-- THE SCALE, CONTENTS, AND CONDITIONS OF THE PLANNED BASE REDUCTIONS ARE UNCLEAR.

-- BOTH THE BASE REDUCTION PLAN AND A REVIEW OF THE SOFA HAVE ALREADY BEEN DISCUSSED THOROUGHLY AT THE LOCAL ASSEMBLY LEVEL, AND ITS DECISION HAS BEEN CONVEYED TO THE GOVERNMENTS OF JAPAN AND THE UNITED STATES AS OKINAWA'S CONSENSUS, ALONG WITH A REQUEST FOR SETTLEMENT.

-- THE ORDINANCE FOR A PREFECTURAL REFERENDUM WAS NOT DECIDED BY UNANIMOUS VOTE IN THE OKINAWA ASSEMBLY. THE QUESTIONS THEMSELVES ARE NOT PROPER ONES TO ASK IN A PREFECTURAL REFERENDUM.

OKINAWA DEPUTY GOVERNOR HINTS OF PROXY PAPER SIGNING IF HIGH COURT RULES AGAINST OTA (SANKEI - PAGE 2)

OKINAWA LIEUTENANT GOVERNOR MASANORI YOSHIMOTO YESTERDAY AFTERNOON HELD TALKS WITH LIBERAL DEMOCRATIC PARTY (LDP)
UNCLAS SECTION 03 OF 06 TOKYO 007724

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 AUGUST 21

EXECUTIVE COUNCIL CHAIRMAN MASAJURO SHIOKAWA AT THE LDP HEADQUARTERS. IN IT, YOSHIMOTO REMARKED THAT "THE GOVERNMENT OF OKINAWA WOULD RESPECT THE COURT RULING" IF OKINAWA LOSES THE SUPREME COURT CASE OVER PROXY-SIGNING. HE THUS AGAIN INDICATED THE PERSPECTIVE THAT GOVERNOR MASAHIDE OTA WOULD CARRY OUT GOVERNMENT-ASSIGNED ADMINISTRATIVE WORK, SUCH AS PUBLIC DISPLAY OF LEGAL

PAPERS PERTAINING TO THE SOBE TELECOM SITE.

SHIOKAWA STRESSED: "THE OKINAWA REHABILITATION PACKAGE WOULD BECOME AN IMPORTANT POLITICAL SUBJECT IN THE FUTURE. OKINAWA AND THE CENTRAL GOVERNMENT MUST GRAPPLE WITH IT WHILE KEEPING CLOSE CONTACT WITH EACH OTHER." LIEUTENANT GOVERNOR YOSHIMOTO REMARKED REFERRING TO A SUPREME COURT DECISION THAT WILL COME OUT ON AUGUST 28: "(THE OKINAWA GOVERNMENT) WOULD LIKE TO TAKE MEASURES BY RESPECTING THE COURT RULING." EARLIER ON THE 16TH, LIEUTENANT GOVERNOR YOSHIMOTO HAD ALREADY SUGGESTED THE POSSIBILITY OF GOVERNOR OTA CARRYING OUT PROXY-SIGNING IF OKINAWA LOSES THE CASE, NOTING, "BEING PART OF CONSTITUTIONAL STATE, IT IS ONLY NATURAL THAT WE FOLLOW THE SUPREME COURT DECISION."

AT THE SAME TIME, YOSHIMOTO REQUESTED: "WE ARE HOPING TO SEE AN OKINAWA RECOVERY PACKAGE THAT WILL GIVE BRIGHT HOPE AND PROSPERITY TO THE PEOPLE OF OKINAWA. AS WE HAVE ALREADY REQUESTED OF THE CENTRAL GOVERNMENT, WE HOPE THAT THE PACKAGE WOULD FEATURE AN INTERNATIONAL CITY FORMATION PROGRAM, A BASE-REVERSION ACTION PROGRAM, AND THE DEREGULATION THAT IS NEEDED IN ORDER TO BOOST OKINAWA'S INDUSTRY."

CONSULTATIVE OKINAWA FORUM LAUNCHES DISCUSSION OF ECONOMIC PACKAGE FOR OKINAWA (ASAHI - PAGE 2)

CHIEF CABINET SECRETARY SEIROKU KAJIYAMA YESTERDAY REVEALED A PLAN TO LAUNCH WHAT IS CALLED THE "ROUND TABLE FORUM PERTAINING TO MUNICIPALITIES HOUSING U.S. MILITARY FACILITIES ON OKINAWA" (CHAIRMANED BY KEIO UNIVERSITY PROFESSOR HARUO SHIMADA), AN ADVISORY PANEL TO THE CHIEF CABINET SECRETARY. THE PLAN REFLECTS THE PRIME MINISTER'S RESIDENTIAL OFFICE'S (KANTEI) ENTHUSIASM TO DIRECTLY WORK WITH OKINAWA TO GRAPPLE WITH ECONOMIC PROBLEMS IN AN EFFORT TO CREATE THE RIGHT ENVIRONMENT TO SETTLE THE TOUGH ISSUE OF PLANNED REALIGNMENT AND REDUCTION OF U.S. BASES AND FORCIBLE USE OF MILITARY SITES THERE. THE FORUM IS COMPOSED OF DEREGULATION-ORIENTED BUSINESS LEADERS, LABOR PROBLEMS ACADEMICS, AS WELL AS ECONOMIC, LABOR AFFAIRS AND MEDIA SPECIALISTS REPRESENTING OKINAWA. THE FIRST MEETING IS SCHEDULED FOR MID-AUGUST. THEY ARE CONSIDERING TO HOLD THE SECOND SESSION IN SEPTEMBER IN OKINAWA TO HEAR VIEWS FROM LOCAL HEADS.

COORDINATION IS UNDERWAY IN THE GOVERNMENT AND THE RULING CAMP LED BY THE LIBERAL DEMOCRATIC PARTY (LDP) TO COMPILE AN OKINAWA ECONOMIC REHABILITATION PACKAGE IN LINE WITH OKINAWA'S WILL. APART FROM THIS, THE OKINAWA FORUM'S GOAL IS TO "LISTEN TO REQUESTS AND COMPLAINTS FROM OKINAWA MUNICIPALITIES THAT HOUSE BASE FACILITIES AND REFLECT ALL THE PAINS OF THE BASE PROBLEM IN THE ADMINISTRATION" (KAJIYAMA). IN OTHER WORDS, THE MAJOR PURPOSE WAS TO CREATE A NEW "KANTEI-OKINAWA ROUTE" SEPARATELY FROM THE REGULAR "GOVERNMENT/RULING CAMP-OKINAWA PREFECTURAL OFFICE" CHANNEL.

ONE OF THE MEMBERS OF THE OKINAWA FORUM IS MASAHIRO TOKUJI (?), CHAIRMAN OF THE RENGO (JAPANESE TRADE UNIONS CONFEDERATION) OKINAWA. HE HAS ENGINEERED THE SEPTEMBER 8 OKINAWA REFERENDUM, ASSISTING GOVERNOR MASAhide OTA. THE FORUM ALSO INCLUDES CHAIRMEN OF TWO INFLUENTIAL LOCAL NEWSPAPERS. OBSERVING THE FORUM, A DIETMEMBER ELECTED FROM OKINAWA REMARKED, "IT IS LIKE STRANGLING THE GOVERNOR'S NECK SOFTLY WITH COTTON."
UNCLAS SECTION 04 OF 06 TOKYO 007724

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 AUGUST 21

BESIDE TOKUJI, MEMBERS INCLUDE ETSUYA WASHIO, RENGO'S SECRETARY GENERAL, AND CHAIR SHIMADA, WHO IS LABOR AFFAIRS SPECIALIST. THIS INDICATES KANTEI'S SERIOUSNESS TO RESOLVE OKINAWA'S UNEMPLOYMENT.

IT ALSO SUGGESTS KANTEI'S SPECIAL CONSIDERATION TO OKINAWA'S PLAN TO MAKE THERE INTO AN "ECONOMIC MODEL AREA." IN ADDITION TO THE MEMBERS MENTIONED ABOVE, THE FORUM INCLUDES YOSHIO TATEISHI, CHAIRMAN OF OMRON WHO IS KNOWN AS DEREGULATION ADVOCATE, AND KEIICHI INAMINE, WHO IS ADVOCATING THE EXPANSION OF THE "FREE TRADE ZONE" IN THE OKINAWA BUSINESS COMMUNITY.

SEEING THE LINE-UP OF THE FORUM, PRIME MINISTER HASHIMOTO IS SAID TO REMARK: "THE JOB WELL DONE."

OKINAWA THE SITE OF INTERNATIONAL SOCIAL SECURITY CONFERENCE IN DECEMBER (YOMIURI - PAGE 2)

CHIEF CABINET SECRETARY KAJIYAMA AT YESTERDAY'S PRESS CONFERENCE STATED THAT AN INTERNATIONAL CONFERENCE BY CABINET MINISTERS OF EAST ASIAN COUNTRIES WHO ARE IN CHARGE OF SOCIAL SECURITY WOULD BE HELD IN OKINAWA PREFECTURE ON DECEMBER 12. THIS WILL BE AS PART OF THE GLOBAL WELFARE INITIATIVE CONCEPT THAT PRIME MINISTER RYUTARO HASHIMOTO PROPOSED AT THE LYON SUMMIT.

IN ADDITION TO THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN), CHINA AND SOUTH KOREA, JAPAN WILL CALL ON INTERNATIONAL ORGANIZATIONS TO PARTICIPATE IN THE CONFERENCE. PARTICIPANTS ARE EXPECTED TO DISCUSS EACH COUNTRY'S SOCIAL SECURITY MEASURES, THEIR EXPERIENCES, AS WELL AS THE FUTURE COURSE OF INTERNATIONAL COOPERATION IN

THE SOCIAL SECURITY AREA.

TRANSPORT MINISTRY: TWO U.S. F/A-18S APPROACHED QANTAS JUMBO JET OVER JAPANESE AIRSPACE (NIHON KEIZAI - PAGE 34)

ABC RADIO, A STATE-RUN AUSTRALIAN RADIO STATION, REPORTED YESTERDAY THAT A QUANTAS 747 JETLINER, HEADING FOR SYDNEY FROM NARITA, WAS TAILED BY TWO AIR SELF DEFENSE FORCE (ASDF) PLANES AND WAS FORCED TO ASCEND STEEPLY TO AVOID THEM. IN CONNECTION WITH THIS PROBLEM, THE MINISTRY OF TRANSPORT (MOT) ANNOUNCED YESTERDAY THAT THE PLANES THAT FLEW CLOSE TO THE 747 JETLINER WERE TWO PLANES OF THE UNITED STATES FORCES IN JAPAN (USFJ), NOT ASDF'S.

ACCORDING TO A REPORT BY AUSTRALIAN AUTHORITIES TO THE MOT, TWO FIGHTERS CAME FROM AHEAD ON THE RIGHT CLOSE TO A QUANTAS AIRLINER THAT WAS ASCENDING AT NOON ON AUGUST 20, ABOUT 37 KILOMETERS EAST-NORTHEAST OF (JAPAN'S) MIYAKEJIMA ISLAND ON THE PACIFIC OCEAN. THE QANTAS JET TOOK ACTION TO AVOID THEM WITH THE COLLISION ALERT SYSTEM FUNCTIONING. AT THE TIME WHEN THE PLANES WERE AT THEIR CLOSEST, THE PLANE WAS FLYING AN ALTITUDE OF ABOUT 360 METERS AND AT A HORIZONTAL DISTANCE OF ABOUT 5.6 KILOMETERS. IN RESPONSE TO INQUIRIES BY THE MINISTRY, THE USFJ YESTERDAY AFTERNOON CONVEYED ITS OPINION: THE FIGHTERS THAT APPROACHED THE QUANTAS JETLINER WERE TWO U.S. NAVY FA-18 HORNET FIGHTERS OF THE U.S. ATSUGI NAVY BASE, AND ON THEIR WAY TO THE TRAINING AIR SPACE NORTHEAST OF MIYAKEJIMA ISLAND, THEY FLEW BELOW THE QUANTAS WHILE KEEPING A WATCH ON IT, SO THIS CASE IS NOT A NEAR MISS."

SHINSHINTO TO PROPOSE BILL TO DEFER CONSUMPTION-TAX HIKE IN FALL DIET SESSION (NIHON KEIZAI - PAGE 2)

THE SHINSHINTO (NEW FRONTIER PARTY) IN ITS "TOMORROW'S CABINET" MEETING HELD YESTERDAY DISCUSSED ITS CAMPAIGN PLEDGES FOR THE NEXT GENERAL ELECTION. AS A RESULT, IT HAS SET ITS POLICY INTENTION OF PRESENTING TO THIS FALL'S EXTRAORDINARY DIET SESSION A BILL THAT WOULD FREEZE THE UNCLAS SECTION 05 OF 06 TOKYO 007724

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 AUGUST 21

CURRENT 3-PERCENT CONSUMPTION TAX AFTER MAKING CLEAR FISCAL SUPPORTING DATA WITH THE SHOWING OF SPECIFIC STEPS FOR ADMINISTRATIVE AND FINANCIAL REFORM. AS FOR THE

SHOWCASE PROPOSAL TO PRIVATIZE THREE POSTAL SERVICES, OPINIONS WERE DIVIDED, AND A CONCLUSION WAS POSTPONED. PARTY POLICY DELIBERATION COUNCIL CHAIRMAN TAKESHI NODA INDICATED HIS PLAN TO PRODUCE A DRAFT FOR CAMPAIGN PLEDGES TO THE AUGUST 27 MEETING OF THE "TOMORROW'S CABINET" AND TO MAKE A DECISION ON SUCH PLEDGES POSSIBLY IN EARLY SEPTEMBER.

AROUND THE END OF THE EARLIER REGULAR DIET SESSION, THE SHINSHINTO CONSULTED ON ITS RESPONSE TO THE PROBLEM OF RAISING THE CONSUMPTION TAX RATE, BUT IT PUT OFF SUBMISSION OF A BILL FREEZING THE CONSUMPTION TAX RATE, GIVING CONSIDERATION TO THOSE IN THE PARTY WHO WANTED THE CONSUMPTION TAX TO BE HIKED. BUT AS THE ELECTION CAMPAIGN HAS HEATED UP, IN PREPARATION FOR THE NEXT LOWER HOUSE ELECTION, PARTY MEMBERS, PARTICULARLY JUNIOR MEMBERS, ARE LOUDLY CALLING FOR "MAKING CLEAR THE AREAS OF CONFLICT WITH THE RULING PARTIES SO THAT WE CAN FIGHT WELL IN THE ELECTION." FURTHERMORE, KOMEITO HAS ASKED THE SHINSHINTO TO SUBMIT SUCH A BILL. AS A RESULT, THE SHINSHINTO REVISED ITS PREVIOUS POLICY LINE.

REGARDING THE RESTUDY OF THE THREE POSTAL SERVICES, MANY STATED IN SUCCESSION, "IT SHOULD BE AT LEAST POSSIBLE FOR PRIVATE-SECTOR FIRMS TO ENTER INTO PROVIDING POSTAL SERVICES," BUT A CAUTIOUS VIEW WAS ALSO EXPRESSED THAT "SINCE THE PRESENT POSTAL SERVICES ARE NOT COVERED BY THE GENERAL ACCOUNT, IT IS NECESSARY TO STUDY WHETHER PRIVATIZATION WILL LEAD TO FINANCIAL RECONSTRUCTION."

"PRIVATIZATION OF POSTAL SERVICES" IS INCLUDED IN THE POLICY PROPOSAL MADE BY FORMER PRIME MINISTER MORIHIRO HOSOKAWA AND HAS RECEIVED A GOOD EVALUATION FROM PARTY PRESIDENT ICHIRO OZAWA. SO A PLAN WAS SHOWN TO INCORPORATE IT IN CAMPAIGN PLEDGES. BUT A CAUTIOUS VIEW IS DEEP-SEATED ESPECIALLY AMONG FORMER DEMOCRATIC SOCIAL PARTY MEMBERS WHO ARE SUPPORTED BY THE ALL JAPAN POSTAL OFFICE LABOR UNION (ZENYUSEI). COORDINATION IN THE PARTY IS LIKELY TO EXPERIENCE DIFFICULTIES.

THE SHINSHINTO HAS ALREADY WORKED OUT ITS POLICY APPROACH OF PURSUING LIBERAL DEMOCRATIC PARTY SECRETARY GENERAL KOICHI KATO FOR HIS BEING SUSPECTED OF HAVING RECEIVED DONATIONS BEHIND THE SCENES. THE PARTY IS DEMANDING CONVOCAION OF THE EXTRAORDINARY DIET SESSION WITHIN SEPTEMBER.

COALITION RESTARTS DEBATE OVER FINANCE MINISTRY REFORM, FOCUS ON INSPECTION, MONITORING (ASAHI - PAGE 2)

THE RULING PARTIES' FINANCE MINISTRY REFORM PROJECT TEAM (CHAIRLED BY SOCIAL DEMOCRATIC PARTY (SDP) POLICY BOARD CHAIRMAN SHIGERU ITO) RESUMED DISCUSSION YESTERDAY. CHAIRMAN ITO EXPLAINED A CHAIRMAN DRAFT PLAN ON REFORM OF THE MINISTRY OF FINANCE (MOF). THE AUGUST 6 MEETING WAS THROWN INTO CONFUSION AS THE LIBERAL DEMOCRATIC PARTY (LDP) REJECTED THE DRAFT PLAN, BUT "ARRANGEMENTS HAVE NOW BEEN MADE FOR RESTARTING MEETINGS" (CHAIRMAN ITO).

REGARDING INSPECTION AND OVERSIGHT SECTIONS OF THE MOF, HOWEVER, THE CHAIRMAN DRAFT SUGGESTS THEY BE MADE INDEPENDENT, LIKE THE FAIR TRADE COMMISSION (FTC), WHEREAS SOME LDP MEMBERS HAVE BEEN CALLING FOR ONES SIMILAR TO THE "NATIONAL TAX ADMINISTRATION AGENCY (NTAA)," A MOF-AFFILIATED BODY. OVER THIS ISSUE, STORMY DISCUSSION IS EXPECTED.

DURING YESTERDAY'S MEETING, NO SCENE OF INTENSIVE HAGGLING OVER THE CHAIRMAN DRAFT WAS OBSERVED. THE MEETING ENDED UP WITH THE SCHEDULING CONFIRMED OF RESUMING FULL-FLEDGED DEBATE IN SEPTEMBER AND FINALIZING A REFORM PLAN AT THE END OF THAT MONTH.
UNCLAS SECTION 06 OF 06 TOKYO 007724

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 AUGUST 21

AS FOR THE MOST STICKING ISSUE OF REFORMING INSPECTION AND OVERSIGHT SECTIONS, THE CHAIRMAN DRAFT FORMULATES TWO IDEAS -- FTC-TYPE SECTIONS OR THOSE ATTACHED TO THE MOF, LIKE THE SECURITIES AND EXCHANGE SURVEILLANCE COMMISSION (SESC).

THE DRAFT SUGGESTS THAT EVEN IN THE CASE OF ADOPTING SESC-TYPE ONES, THEY TAKE ON STRONGER INDEPENDENT NATURE THAN THE NTAA DOES, WITH INDEPENDENCE MAINTAINED IN PERSONNEL MANAGEMENT. CHAIRMAN ITO IS DETERMINED TO INSIST ON THE INDEPENDENCE OF INSPECTION AND OVERSIGHT SECTIONS.

MEANWHILE, LDP POLICY-RELATED OFFICIALS HAVE BEGUN TO CALL FOR "NTAA-TYPE" SECTIONS.

THE NTAA IS SAID TO BE INDEPENDENT FROM THE MOF IN ADMINISTRATIVE TERMS, BUT LOOKING AT PERSONNEL TERMS, BOTH ARE IN A BODY, AS SEEN FROM THE NTAA DIRECTOR GENERAL IS RANKED JUST UNDER THE MOF ADMINISTRATIVE VICE MINISTER. SOME SENIOR OFFICIALS OF THE LDP SEEM TO BE THINKING THAT UNDER THIS IDEA, ALTHOUGH INSPECTION AND OVERSIGHT SECTIONS REMAIN INDEPENDENT TO SOME EXTENT, MOF ADMINISTRATIVE OFFICIALS WOULD FIND IT RATHER EASIER TO ACCEPT THEM. IN TALKS IN SEPTEMBER AND AFTER, THE LDP MIGHT TAKE UP THIS IDEA AS A CARDINAL POINT OF ITS ASSERTIONS.

SHINTO SAKIGAKE HAS EVALUATED (THE CHAIRMAN DRAFT) POSITIVELY, A POLICY OFFICIAL STATING "THE CHAIRMAN'S

DRAFT INCLUDES CONSIDERABLY DRASTIC CONTENTS THAT INCORPORATE THE CONTENTS OF OUR REFORM PLAN," BUT IT IS SHOWING WILLINGNESS (TO CONTINUE TO INSIST SAKIGAKE ASSERTIONS), AS SEEN FROM THE REMARK "IT WOULD NOT BE DESIRABLE THAT THE CONTENTS OF THE CHAIRMAN DRAFT ARE MADE THE MAXIMUM FOR REFORM EFFORTS. WE WILL CONTINUE TO MAKE MORE SUGGESTIONS, INCLUDING SEPARATION OF FINANCIAL AND FISCAL POLICIES" (SAME).

SHINSHINTOQS OZAWA RELAXING AT VACATION HOME
(YOMIURI - PAGE 2)

SHINSHINTO (NEW FRONTIER PARTY) PRESIDENT ICHIRO OZAWA IS NOW ENJOYING A SIX-DAY SUMMER VACATION STARTING YESTERDAY. HE PLANS TO SPEND HIS TIME PLAYING GOLF AND OTHER ACTIVITIES IN A VILLA AT TATESHINA-KOGEN, NAGANO PREFECTURE. HAVING RESHUFFLED HIS PARTY'S EXECUTIVE OFFICERS ON THE 8TH, HE WAS BUSY TO DO PARTY AFFAIRS DURING THE BUDDHIST FESTIVAL (BON) PERIOD (AUGUST 13-15). SO HE WENT ON HOLIDAY A WEEK LATER THAN PLANNED. HE HAS HURRIEDLY BEEN MAKING PREPARATIONS FOR THE GENERAL ELECTION WHICH WILL TAKE PLACE AFTER THE DISSOLUTION OF THE LOWER HOUSE EXPECTED IN THE FALL. HE DID THIS BY ESTABLISHING A LOWER-HOUSE ELECTION COUNTERMEASURES HEADQUARTERS (HEADED BY OZAWA) ON THE 15TH, IN ADDITION TO THE RESHUFFLE OF THE PARTY LEADERSHIP. IN A MEETING OF THE PARTY OFFICIALS ON THE 19TH, HE TOLD THE PARTY LEADERS THAT HE WOULD LEAVE TO SECRETARY GENERAL NISHIOKA THE PROBLEM OF ALLEGATIONS OF LIBERAL DEMOCRATIC PARTY SECRETARY GENERAL KATO'S RECEIVING AN ILLICIT POLITICAL DONATION. HE THEN WENT ON VACATION.

HE TOLD HIS ASSOCIATES THAT DURING THE HOLIDAYS, "I WILL COMPLETELY FORGET ABOUT POLITICS, I WILL BE REFRESHED." AFTER RELAXING, HE INTENDS TO MAKE EFFORTS TO HEIGHTEN THE MOOD OF ELECTION AT THE PARTY SPEECH RALLY TO BE HELD ON THE 28TH IN HIBIYA KOKAIDO PUBLIC HALL. CRANE

SECT: SECTION: 01 OF 06

<^SECT>SECTION: 02 OF 06

<^SECT>SECTION: 03 OF 06

<^SECT>SECTION: 04 OF 06

<^SECT>SECTION: 05 OF 06

<^SECT>SECTION: 06 OF 06

SSN: 7724

<^SSN>7724

<^SSN>7724

<^SSN>7724

<^SSN>7724

<^SSN>7724

TOR: 960821024259 M2365546

<^TOR>960821024348 M2365547

<^TOR>960821024403 M2365548

<^TOR>960821024523 M2365549

<^TOR>960821024539 M2365550

<^TOR>960821024600 M2365551

DIST:

SIT: CULLIN FETIG JOHNSON KRISTOFF MOFFETT PRITCHARD SUETTINGER

SIT: NSC