

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Pleased with Meeting (4 pages)	09/11/1996	P1/b(1)
002. cable	Re: Okinawa Governor Meeting (4 pages)	09/13/1996	P1/b(1)
003. cable	Re: Japan-U.S./Okinawa Base Issue (3 pages)	09/13/1996	P1/b(1)
004. cable	Re: Support Cable for East Asia Brief (6 pages)	09/16/1996	P1/b(1)
005. cable	Re: Digest Executive Edition 177-96 (9 pages)	09/17/1996	P1/b(1)
006. cable	Re: Tokyo Visit (3 pages)	09/17/1996	P1/b(1)
007. cable	Re: Travel to Okinawa (2 pages)	09/17/1996	P1/b(1)
008. cable	Re: FBIS Foreign Media Note - Tokyo on Offshore Heliport [partial] (1 page)	09/17/1996	P3/b(3)
009. cable	Re: Ambassador Mondale's September 18 Meeting (4 pages)	09/18/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/11/1996 - 09/19/1996]

2016-0420-F

sb1881

RESTRICTION CODES

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

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

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

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]

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.

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Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHKO8524 2560121-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 120121Z SEP 96

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OSRI: RUEHKO

DTG: 120121Z SEP 96

ORIG: AMEMBASSY TOKYO

TO: RUEHC/SECSTATE WASHDC IMMEDIATE 7119
RUEHIA/USIA WASHDC IMMEDIATE 1026

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

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 12

TEXT:

UNCLAS SECTION 01 OF 07 TOKYO 008524

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 SEPTEMBER 12

TOP HEADLINES:

ASAHI: NTT TO DISCONTINUE TELEPHONE OPERATOR SERVICE LATE
AT NIGHT; TO CUT 35,000 EMPLOYEES; SOFTWARE SECTOR
EXPECTED TO BE SEPARATED

NIHON KEIZAI: CAPITAL INVESTMENT SHOWING MODERATE
INCREASE, ACCORDING TO SURVEY BY NIHON KEIZAI SHIMBUN; UP
7 PERCENT FOR THIS FISCAL YEAR, SUPPORTED BY
TELECOMMUNICATIONS INDUSTRY; BUT INSUFFICIENT TO LEAD
ECONOMY

TOKYO SHIMBUN: OKINAWA GOVERNOR TO DECLARE HE WILL "ACT AS PROXY" FOR PUBLIC DISPLAY OF PAPERS; NEW SOURCE OF TROUBLE MAY ARISE DUE TO STRONG "VOICE OF OPPOSITION" HEARD IN THE PREFECTURE (TRANSLATION BELOW)

MAINICHI: PRIME MINISTER SUGGESTS CUTTING NUMBER OF MINISTRIES AND AGENCIES BY HALF; INTEGRATION BASED ON FOUR MAJOR POLICY LINES; NO CHANGE IN HIKE IN CONSUMPTION TAX; EFFORT TO SHOW "HASHIMOTO" IMPRINT" WITH EYE ON NEXT GENERAL ELECTION (TRANSLATION BELOW)

YOMIURI: GENERAL ELECTION: "OCTOBER 20 TO BE SET AS ELECTION DAY"; LOWER HOUSE WILL BE DISSOLVED AS EARLY AS THE 26TH OF THE MONTH AT OUTSET OF AN EXTRAORDINARY DIET SESSION; RULING PARTIES HEADS TO MEET TODAY

SANKEI: PROMOTION OF DIVIDING NTT; LATER-HOUR OR EARLY-HOUR TELEPHONE GUIDE SERVICE ON DIAL "104" TO BE DISCONTINUED; TO ESTABLISH A NEW SOFTWARE COMPANY; REFORM PLAN FOR SERVICES AIMED TO AVOID PROPOSAL FOR SPLITTING NTT

GOVERNOR OTA TO ANNOUNCE TOMORROW WILL SIGN PROXIES, BUT MANY OKINAWANS AGAINST IT (TOKYO SHIMBUN - TOP PLAY)

IN THE WAKE OF PRIME MINISTER RYUTARO HASHIMOTO'S SHOWING OF HIS STRONG DETERMINATION IN HIS MEETING WITH OKINAWA PREFECTURE'S GOVERNOR MASAHIDE OTA ON SEPTEMBER 10 TO GO AHEAD WITH THE TASK OF PACKAGING OKINAWA DEVELOPMENT MEASURES AND THE TASK OF REALIGNING AND REDUCING THE U.S. MILITARY BASES, GOVERNOR OTA, TAKING BACK HIS REFUSAL, FIRMED UP HIS INTENTION ON SEPTEMBER 11 TO COMPLY WITH THE GOVERNMENT'S REQUEST FOR HIS EXECUTING THE PROCEDURES FOR THE GOVERNMENT'S MAKING CONTINUED FORCIBLE USE OF LAND LOTS CURRENTLY OFFERED TO THE U.S. MILITARY IN THE PREFECTURE. IN THIS CONNECTION, THE GOVERNOR IS EXPECTED TO FORMALLY ANNOUNCE HIS INTENTION OF TAKING ACTION TO EXECUTE PUBLIC POSTING AND DISCLOSURE ON SEPTEMBER 13 AT THE EARLIEST. WITH THIS, THE OKINAWA PROBLEM OVER THE PAST ONE YEAR WILL SEE A GENERAL SETTLEMENT. IN OKINAWA PREFECTURE, HOWEVER, THERE ARE ALSO DEEP-ROOTED VOICES REGARDING THE BASE REALIGNMENT AND REDUCTION AS "INSUFFICIENT," AND THE GOVERNOR'S EXECUTION OF THE PROCEDURES MAY CAUSE ANOTHER ISSUE TO SPARK.

AFTER MEETING WITH PRIME MINISTER HASHIMOTO, GOVERNOR OTA EXPRESSED HIS HIGH ACCLAIM FOR THE PRIME MINISTER'S RESPONSE, STATING, "I THINK OKINAWA WILL HAVE A BRIGHT PROSPECTIVE." THE GOVERNOR WAS ABLE TO 'SECURE' THE RESULTS OF HIS MEETING WITH THE PRIME MINISTER IN THE FORM OF THE PRIME MINISTER'S COMMENT AND BUDGETARY MEASURES. THIS APPARENTLY WAS ONE OF THE MAJOR FACTORS FOR THE GOVERNOR'S GOING IN THE DIRECTION OF EXECUTION.

ON THE MORNING OF SEPTEMBER 11, AFTER A MEETING OF THE BASE ISSUES CONSULTATIVE COUNCIL, GOVERNOR OTA WAS QUERIED BY THE PRESS CORPS ABOUT PUBLIC POSTING AND

DISCLOSURE, AND THEN HINTED AT HIS INTENTION OF COMPLYING WITH THE MATTER AT AN EARLY DATE, REMARKING: "I WILL MAKE A DECISION SHORTLY. THE PREFECTURAL ASSEMBLY SESSION WILL OPEN ON THE 20TH, BUT I THINK THEY CAN'T WAIT UNTIL THEN."

UNCLAS SECTION 02 OF 07 TOKYO 008524

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 SEPTEMBER 12

GOVERNOR OTA RETURNED TO OKINAWA IN THE AFTERNOON, AND ON SEPTEMBER 12 THE GOVERNOR WILL MEET WITH LEADERS OF HIS SUPPORTERS' ORGANIZATIONS TO HEAR THEIR VIEWS ABOUT HIS COMPLYING WITH THE GOVERNMENT'S REQUEST. PRIME MINISTER HASHIMOTO IS NOW PUTTING THE FINISHING TOUCHES ON PLANS FOR HIS VISIT TO OKINAWA PREFECTURE ON SEPTEMBER 17, SO THE GOVERNOR WOULD LIKE TO SETTLE THE ISSUE OF COMPULSORY LAND USE BEFORE THAT. THEREFORE, THE LIKELY SCHEDULE IS THAT THE GOVERNOR WILL POSSIBLY CLARIFY HIS PLAN TO EXECUTE THE PUBLIC PROMULGATION STEP ON SEPTEMBER 13.

IN HIS FORMAL ANNOUNCEMENT, GOVERNOR OTA IS EXPECTED TO ELUCIDATE TO HIS PREFECTURAL PUBLIC AUDIENCE THE COURSE OF EVENTS AND HIS STATE OF MIND UP TO HIS MAKING UP OF HIS MIND TO STEP INTO THE EXECUTION. HOWEVER, THERE ARE ALSO MANY WHO CONTINUE TO CALL STRONGLY FOR THE GOVERNOR'S REFUSAL OF SUCH EXECUTION, AND THERE IS THE VIEW THAT THE GOVERNOR MIGHT BE PUT INTO A DIFFICULT FIX.

GOVERNOR OTA SEEKS REDUCTION OF BASES IN MEETING WITH U.S. EMBASSY CHARGE (YOMIURI - PAGE 2)

OKINAWA GOVERNOR MASAhide OTA CALLED ON CHARGE D'AFFAIRES DEMING YESTERDAY AT THE AMERICAN EMBASSY IN JAPAN TO BRIEF HIM OF THE OUTCOME OF THE PREFECTURAL REFERENDUM. AT THE SAME TIME, HE ASKED FOR THE UNITED STATES' COOPERATION ON REALIGNING AND REDUCING THE U.S. BASES NOW ON OKINAWA. CHARGE D'AFFAIRES DEMING PROMISED HE WOULD SWIFTLY RELAY THE RESULTS OF THE REFERENDUM TO PRESIDENT CLINTON. REGARDING ONGOING JAPAN-U.S. DISCUSSION IN THE SPECIAL ACTION COMMITTEE ON OKINAWA AND AREAS (SACO) TO DEAL WITH THE PROBLEM OF REALIGNING AND REDUCING BASES, HE STATED, "WE WOULD LIKE TO COMPLETE THE WORK WITHOUT FAIL BY NOVEMBER."

U.S. EMBASSY CHARGE NEGATIVE TOWARD OTAQS CALL FOR SHIFTING LIVE-FIRE TRAINING OVERSEAS (SANKEI - PAGE 2)

OKINAWA GOVERNOR MASAHIDE OTA CALLED AT THE UNITED STATES EMBASSY IN MINATO WARD, TOKYO, ON THE AFTERNOON OF THE 11TH, TO MEET WITH CHARGE D'AFFAIRES DEMING AND TO REPORT HIM THE OUTCOME OF THE PREFECTURAL REFERENDUM WHICH TOOK PLACE ON THE 8TH.

IN THE SESSION, GOVERNOR OTA SINGLED OUT THE U.S. GOVERNMENT'S RELUCTANCE TO TRANSFER LIVE-SHELL FIRING EXERCISES OVER PREFECTURAL ROAD 104 TO THE UNITED STATES. REFERRING TO THE U.S. MARINE CORPS' ANNOUNCEMENT OF CARRYING OUT EXERCISES IN AUSTRALIA, HE ASKED HIM ABOUT A POSSIBILITY OF RELOCATION TO OUTSIDE JAPAN. THE CHARGE EXPRESSED HIS DIFFICULTY WITH SUCH A TRANSFER, SAYING, "SINCE IT HAS BEEN DECIDED ON THE SCALE OF MILITARY STRENGTH THAT THEY SHOULD BE STATIONED IN JAPAN, SHIFTING OF THEM WOULD BE DIFFICULT."

IN THIS CONNECTION, THE CHARGE INDICATED THAT THE JAPAN-U.S. SPECIAL ACTION COMMITTEE ON OKINAWA (SACO) WOULD FINALIZED ITS REPORT IN NOVEMBER AS SCHEDULED.

IN AN EFFORT TO SOLVE THE PROBLEM OF YOUTH UNEMPLOYMENT, THE GOVERNOR SOUGHT THE U.S. SIDE'S COOPERATION FOR CONSTRUCTION OF SHOPPING MALL. THE CHARGE REPLIED IN A FORWARD-LOOKING MANNER: "WE WOULD LIKE TO CONSIDER IT."

GOVERNMENT SPEEDING UP NEGOTIATIONS ON FUTENMA TRANSFERS
(NIHON KEIZAI - PAGE 2)

THE GOVERNMENT, FOLLOWING UP ITS CONFIRMATION OF A COURSE OF ACTION AT A SEPTEMBER 11 MEETING OF THE OKINAWA U.S. MILITARY BASE ISSUES CONSULTATIVE COUNCIL TO PUSH AHEAD WITH BASE REALIGNMENT AND REDUCTION, IS GOING TO SET ABOUT SUCH TASKS AS JAPAN-U.S. CONSULTATIONS IN EARNEST ON THE ISSUE OF CONSTRUCTING AN ALTERNATIVE HELIPORT
UNCLAS SECTION 03 OF 07 TOKYO 008524

USIA

FOR: USIA /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 SEPTEMBER 12

ACCOMPANYING THE FUTENMA AIRFIELD'S REVERSION. NOW THAT PRIME MINISTER RYUTARO HASHIMOTO'S U.S. TRIP SCHEDULE HAS BEEN FIRMED UP, THE GOVERNMENT INTENDS TO STRENGTHEN ITS STANCE OF WORKING ON THE U.S. SIDE, WHILE AIMING TO MAKE HEADWAY TO A CERTAIN EXTENT AT THE UPCOMING JAPAN-U.S. SUMMIT MEETING.

FOREIGN MINISTER YUKIHIKO IKEDA, AFTER THE SEPTEMBER 11 MEETING OF THE CONSULTATIVE COUNCIL, MET WITH COMMANDER EBERHART OF THE U.S. FORCES IN JAPAN AT THE FOREIGN MINISTRY. THE FOREIGN MINISTER THEN TOUCHED ON THE JAPAN-U.S. CONSULTATIONS THAT WILL ENTER INTO FINAL-STAGE COORDINATION BEGINNING WITH A WORKING GROUP MEETING OF THE JAPAN-U.S. SPECIAL ACTION COMMITTEE (ON FACILITIES AND AREAS IN OKINAWA) (SACO) ON SEPTEMBER 13. ABOUT THIS, THE FOREIGN MINISTER REQUESTED THE USFJ'S COOPERATION, STATING, "I HOPE YOU WILL DEAL WITH THE MATTER WHILE TAKING A FLEXIBLE STANCE AS FAR AS POSSIBLE." THIS HEADED THE FACT THAT THE USFJ AND THE PACIFIC FORCES, EVEN ON THE U.S. SIDE, HAVE BEEN HIGHLY NEGATIVE ABOUT THE PROPOSED IDEA OF CONSTRUCTING A FUTENMA ALTERNATIVE HELIPORT ON KADENA AIR FORCE BASE. THE COMMANDER REMARKED, "WE WOULD LIKE TO CONTINUE CLOSE COOPERATION WITH THE GOVERNMENT OF JAPAN."

PRIME MINISTER TO VISIT OKINAWA ON THE 17TH
(YOMIURI - PAGE 12)

PRIME MINISTER HASHIMOTO WILL VISIT OKINAWA ON THE 17TH. DURING HIS VISIT, HE WILL MEET GOVERNOR MASAHIDE OTA AND WILL CONVEY TO THE OKINAWAN RESIDENTS HIS DETERMINATION TO GRAPPLE WITH THE PROBLEM OF UNITED STATES MILITARY BASES ON OKINAWA AND THE OKINAWA PROMOTIONAL PACKAGE.

SINCE GOVERNOR OTA HAS INDICATED THAT HE WOULD ACCEPT, POSSIBLY ON THE 13TH, HIS ROLE AS A PROXY AND DISPLAY PAPERS NECESSARY FOR THE FORCED USE OF LAND BY U.S. MILITARY FACILITIES, THE PRIME MINISTER HAS DECIDED TO RESPOND TO A REQUEST FOR HIM TO VISIT THE PREFECTURE.

PRIME MINISTER ANNOUNCES THE POSSIBILITY OF APPROPRIATING THE SPECIAL COORDINATION EXPENSE FOR OKINAWA IN SUPPLEMENTARY BUDGET

PRIME MINISTER HASHIMOTO IN A SPEECH GIVEN AT THE JAPAN PRESS CLUB YESTERDAY MENTIONED HOW HE WOULD APPROACH THE 5 BILLION YEN IN SPECIAL COORDINATION MONEY THAT HE HAD PLEDGED DURING THE EARLIER MEETING WITH OKINAWA GOVERNOR MASAHIDE OTA. HE SUGGESTED THAT AN ALLOCATION MIGHT BE INCLUDED IN THIS FISCAL YEAR'S SUPPLEMENTARY BUDGET, NOTING, "IF OKINAWA PREFECTURE DESIRES, IT IS POSSIBLE TO PUT IT INTO A SUPPLEMENTARY BUDGET."

PRIME MINISTER TO SIGN TEST BAN TREATY IN NEW YORK
(YOMIURI -PAGE 2)

CHIEF CABINET SECRETARY KAJIYAMA ANNOUNCED IN A PRESS BRIEFING YESTERDAY THAT PRIME MINISTER HASHIMOTO WOULD TRAVEL TO THE UNITED STATES FROM THE 23RD THROUGH THE 25TH TO ATTEND THE UNITED NATIONS GENERAL ASSEMBLY IN NEW YORK. IN THIS CONNECTION, LIBERAL DEMOCRATIC PARTY'S POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI INDICATED TO REPORTERS YESTERDAY HIS OUTLOOK: "THE PLAN IS FOR THE PRIME MINISTER TO SIGN THE COMPREHENSIVE TEST BAN TREATY (CTBT) DURING HIS STAY IN THE U.S."

JAPANQS PRESENCE SLIGHT IN THE CTBT PROCESS
(ASAHI - PAGE 2)

IN NEGOTIATIONS ON THE COMPREHENSIVE TEST BAN TREATY
(CTBT), WHICH WAS ADOPTED YESTERDAY BY THE UNITED NATIONS
GENERAL ASSEMBLY, JAPAN WORKED BEHIND THE SCENES AS A
JOINT PROPOSER OF THE TREATY TO BRING AN "EARLY
RATIFICATION," WORKING ON EACH COUNTRY TO VOTE IN FAVOR
UNCLAS SECTION 04 OF 07 TOKYO 008524

USIA

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

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 12

OF THE TREATY. BUT IT HELD BACK ON OPEN ACTIVITIES,
FEARING A NEGATIVE REACTION AGAINST ITSELF, GIVEN JAPAN'S
DEPENDENCE ON THE NUCLEAR DETERRENT POWER OF THE UNITED
STATES. IT ALSO REFRAINED FROM MAKING ITS OWN
ASSERTIONS, SUCH AS CALLING FOR "A TIMETABLE FOR
ELIMINATION OF ALL NUCLEAR WEAPONS." UNDER SUCH
CIRCUMSTANCES, JAPAN'S PRESENCE AS AN ATOMIC-BOMBED
COUNTRY WAS WEAK.

THE JAPANESE GOVERNMENT HAS STEPPED UP ITS EFFORTS TO
GAIN SUPPORT FROM VARIOUS CONCERNED COUNTRIES FOR
ADOPTION OF THE TREATY, MOBILIZING ITS AMBASSADORS IN
EACH COUNTRY. THIS WAS BASED ON THE THINKING: "WE MUST
CULTIVATE THE GROWING INTERNATIONAL MOOD FOR NUCLEAR
DISARMAMENT" (FOREIGN MINISTRY SENIOR OFFICIAL).

MEANWHILE, THE JAPANESE GOVERNMENT REMAINS UNABLE TO STEP
AWAY FROM THE REALITY OF NUCLEAR STRATEGY INCLUDED IN THE
SECURITY POLICIES OF THE MAJOR POWERS, AS INDICATED BY
THE REMARK, "IT CANNOT CATEGORICALLY BE SAID THAT THE USE
OF NUCLEAR WEAPONS IS A BREACH OF INTERNATIONAL LAW, BUT
IT IS INCONSISTENT WITH THE SPIRIT OF HUMANITARIANISM IN
SUCH LAW" (FOREIGN MINISTRY SENIOR OFFICIAL). GIVEN ITS
CURRENT STATE OF RELYING ON THE U.S.' DETERRENCE POWER,
JAPAN HAS WORKED BEHIND THE SCENES AND NOT ON FRONT STAGE
IN ITS MOVES TO ASSEMBLE THE MANY SUPPORTERS OF THE
TREATY, CONCERNED THAT "THE THIRD WORLD MIGHT REACT
NEGATIVELY" (SENIOR FOREIGN MINISTRY OFFICIAL).

THERE WAS A POSSIBILITY THAT INDIA, WHICH IS LIKELY TO
VIE FOR THE NON-PERMANENT SEAT FOR ASIA ON THE UN
SECURITY COUNCIL THIS FALL, WOULD OPPOSE JAPAN'S
ASSERTIONS EMOTIONALLY. SUCH A FEAR ALSO SEEMED TO
DAMPEN JAPAN'S EAGERNESS TO GET OUT FRONT, LETTING

AUSTRALIA INSTEAD TAKE THE LEAD.

CHINESE AMBASSADOR PROTESTS SENKAKU ISLANDS ISSUE
(SANKEI - PAGE 2)

CHINESE AMBASSADOR TO JAPAN CHU DUNXIN YESTERDAY AFTERNOON MET WITH ADMINISTRATIVE FOREIGN VICE MINISTER SADAYUKI HAYASHI AT THE MINISTRY OF FOREIGN AFFAIRS (MOFA). HE SHARPLY PROTESTED THE FACT THAT A JAPANESE POLITICAL GROUP HAD ERECTED A LIGHTHOUSE AND REPAIRED IT ON ONE OF THE SENKAKU ISLANDS (DIAOYU ISLANDS IN CHINESE), WHICH HAVE BEEN ESSENTIALLY UNDER THE CONTROL OF JAPAN. IT WAS HIS FIRST VISIT TO MOFA TO MAKE SUCH A PROTEST.

IN THE MEETING, AMBASSADOR CHU CLAIMED: "THE DIAOYU ISLANDS ARE CHINA'S TERRITORY. A CERTAIN GROUP BUILT A LIGHTHOUSE BECAUSE JAPANESE AUTHORITIES LEFT THEM DO SO AND GAVE THEM ENCOURAGEMENT." IN ADDITION, HE TOOK A STRONG STANCE OF PROTEST, ARGUING, "THE INCIDENT HAS ENCROACHED UPON THE TERRITORY OF CHINA AND ELICITED THE ANGER OF THE CHINESE PEOPLE. OUR TWO COUNTRIES HAVE SHARED A COMMON PERCEPTION THAT THE TERRITORIAL ISSUE SHOULD BE SHELVED. I WANT THE JAPANESE GOVERNMENT NOT TO IGNORE THE GROUP'S ACTION."

VICE MINISTER HAYASHI, IN REPLY, TOOK AN OPPOSITE VIEW, EXPLAINING "THE SENKAKU ISLANDS ARE JAPANESE TERRITORY. THE JAPANESE GOVERNMENT HAS NOTHING TO DO WITH A PRIVATE ORGANIZATION'S ACTIVITY AND IT HAS OFFERED NO SUPPORT TO IT. WE HAVE NEVER AGREED TO SHELVE THE TERRITORIAL ISSUE."

SDP CHAIRMAN MURAYAMA SAYS THERE IS HIGH LIKELIHOOD OF ELECTION ON OCTOBER 20 (MAINICHI - PAGE 1)

SOCIAL DEMOCRATIC PARTY (SDP) CHAIRMAN TOMIICHI MURAYAMA MET LAST EVENING WITH DEPUTY PARTY HEAD KOKEN NOSAKA AND REGIONAL PARTY EXECUTIVES AT A HOTEL IN THE CITY AND DISCUSSED THE ISSUE OF THE DISSOLUTION OF THE DIET AND UNCLAS SECTION 05 OF 07 TOKYO 008524

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 SEPTEMBER 12

THE HOLDING OF A GENERAL ELECTION." STATING, "THERE IS A HIGH POSSIBILITY OF THE DATE BEING AS REPORTED IN THE PRESS, SO I WOULD LIKE PREPARATIONS TO BEGIN TO MEET

THAT," HE CALLED FOR THEM TO TACKLE PREPARATIONS, PREMISED ON THE ELECTION DATE BEING OCTOBER 20. THIS WAS THE FIRST TIME FOR MURAYAMA, WHO HAS BEEN AGAINST AN EARLY DIET DISSOLUTION, TO MAKE SUCH A CALL.

MURAYAMA WAS EXPECTED TO OPPOSE AN EARLY DISSOLUTION EVEN IN HIS MEETING WITH PRIME MINISTER HASHIMOTO TODAY, BUT WITHIN THE SDP, THE OVERWHELMING VIEW NOW IS "WE CAN'T STOP THE TIDE FOR DISSOLUTION AT THE OUTSET (OF THE EXTRAORDINARY DIET SESSION)" (PARTY LEADER). IT APPEARS THAT MURAYAMA'S INSTRUCTION HAS FACTORED IN SUCH A SITUATION.

PRIME MINISTER CALLS FOR ELIMINATING HALF OF THE GOVERNMENT AGENCIES (MAINICHI - TOP PLAY)

PRIME MINISTER RYUTARO HASHIMOTO YESTERDAY AT THE JAPAN PRESS CLUB-SPONSORED LUNCHEON MEETING IN THE PRESS CENTER BUILDING IN TOKYO'S UCHISAIWAI-CHO, REVEALED WHAT IS CALLED THE "KASUMIGASEKI (GOVERNMENT OFFICE AREA) REFORM INITIATIVE" CALLING FOR HALVING THE GOVERNMENT AGENCIES, WHICH NUMBER 22 AT PRESENT, INTO FOUR BRANCHES BY POLICY. HIS AIM SEEMINGLY IS TO GENERATE A HASHIMOTO IMPRINT IN ADMINISTRATIVE REFORM, WHICH IS MOST LIKELY TO BE A POINT AT ISSUE IN THE NEXT GENERAL ELECTION FOR OCTOBER. IN ADDITION, DESPITE SOME RELUCTANCE IN THE LIBERAL DEMOCRATIC PARTY (LDP), THE PRIME MINISTER INDICATED HIS PLAN TO RAISE THE CONSUMPTION TAX TO FIVE PERCENT NEXT APRIL AS PLANNED, REASONING, "WE SHOULD NOT LEAVE DEBTS TO OUR CHILDREN OR GRANDCHILDREN," POINTING TO SEVERE FINANCIAL STRAIN.

SPECIFICALLY, THE PRIME MINISTER'S "KASUMIGASEKI REFORM INITIATIVE" CALLS FOR INTEGRATING NATIONAL ADMINISTRATION INTO FOUR MAJOR AREAS: 1) DEFENSE, DIPLOMACY, LAW AND ORDER; 2) ECONOMY, INDUSTRIAL POLICY, INFRASTRUCTURE, SCIENCE AND TECHNOLOGY; 3) WELFARE, MEDICAL CARE, HEALTH AND HYGIENE; AND 4) EDUCATION AND CULTURE. HIS PLAN, CHARACTERIZED BY SYSTEMATIC REALIGNMENT, ALSO BOLDLY CALLS FOR "HALVING THE GOVERNMENT AGENCIES, WHICH NOW TOTAL 22."

IN ADDITION, UTILIZING LESSONS LEARNED FROM THE GREAT HANSHIN-AWAJI EARTHQUAKE DISASTER AND THE FOOD-POISONING SCARE CAUSED BY THE OUT BREAK OF THE E. COLI O-157 BACTERIA, HIS BLUEPRINT CALLS FOR UPGRADED BUDGETARY COMPILATION, PERSONNEL APPOINTMENTS, AN EMPOWERED KANTEI (PRIME MINISTER'S RESIDENTIAL OFFICE) EQUIPPED WITH STRONGER ADMINISTRATIVE CONTROL, AN ADMINISTRATIVE AND INFORMATION DISCLOSURE LAW, GREATER PUBLIC ACCESS TO CONTENTS OF GOVERNMENT DELIBERATION COUNCILS. IT ALSO SUGGESTS THE LAUNCHING OF A KANTEI-REPORTING INTER-MINISTERIAL TEAM AND AN INDEPENDENT CABINET MINISTER NOT BELONGING TO ANY SPECIFIC MINISTRY TO IMPROVE THE EFFICIENCY OF GOVERNMENT ADMINISTRATION.

THE PRIME MINISTER STATED THAT IN ORDER TO REALIZE THE "KASUMIGASEKI REFORM INITIATIVE" AND HANDLE FOREIGN

AFFAIRS EFFECTIVELY, "A STABLE ADMINISTRATIVE FOUNDATION BACKED BY THE PEOPLE'S TRUST IS NECESSARY." AT THE SAME TIME, HE REVEALED HIS PERSPECTIVE ABOUT THE IMMEDIATE POLITICAL CLIMATE: "WE ARE NOW TRYING TO SUSTAIN THE PRESENT COALITION ARRANGEMENT. BUT I THINK WE NEED TO LAUNCH A STABLE POLITICAL SYSTEM IN ABOUT FIVE YEARS' TIME. (WE ARE STILL) IN THAT PROCESS."

AS FOR THE POSSIBLE TIME FRAME FOR A LOWER-HOUSE DISSOLUTION AND A GENERAL ELECTION, HE STRESSED THAT THE RIGHT ENVIRONMENT IS NEAR, POINTING TO CERTAIN ACHIEVEMENT IN THE OKINAWA PROBLEM AND OTHER ISSUES. HE CONTINUED: "WE ALSO NEED TO KEEP A CERTAIN LEVEL OF UNCLAS SECTION 06 OF 07 TOKYO 008524

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 SEPTEMBER 12

COURTESY TO RECEIVE FOREIGN GUESTS." HE THUS SUGGESTED HIS WISH TO CARRY OUT A GENERAL ELECTION ON OCTOBER 20, WITH SUCH PLANNED STATE GUESTS AS GERMAN CHANCELLOR KOHL (END OF OCTOBER) AND FRENCH PRESIDENT CHIRAC (MID-NOVEMBER) IN MIND.

MAIN ELEMENTS OF THE PRIME MINISTER'S "KASUMIGASEKI REFORM INITIATIVE"

1. REALIGN CENTRAL GOVERNMENT AGENCIES INTO A NEW SYSTEM COMPOSED OF FOUR AREAS: 1) FUNCTIONS NECESSARY FOR THE SUSTENANCE (OF JAPAN) AS A STATE; 2) THE ROLE TO EXPAND AND SECURE STATE WEALTH; 3) AFFAIRS RELATED TO THE PEOPLE'S LIVELIHOOD; AND 4) EDUCATION AND PRESERVATION/CREATION OF NATIONAL CULTURE.
2. HALVE THE GOVERNMENT AGENCIES, WHICH NOW TOTAL 22, AND ESTABLISH AN INDEPENDENT CABINET MINISTER'S POST FOR SPECIALIZED ADMINISTRATIVE WORK, APART FROM REGULAR CABINET MINISTERS.
3. STRENGTHEN THE KANTEI'S LEADERSHIP AND GIVE ADMINISTRATIVE CONTROL FUNCTIONS TO THE KANTEI TO ALLOW GREATER AUTHORITY FOR BUDGETARY COMPILATION AND PERSONNEL AFFAIRS. LAUNCH A POWERFUL INTER-AGENCY PROFESSIONAL TEAM WITHIN THE KANTEI.
4. ESTABLISH AN ADMINISTRATIVE AND INFORMATION DISCLOSURE LAW AND GIVE GREATER ACCESS TO THE PUBLIC REGARDING GOVERNMENT DELIBERATION COUNCILS. MAKE THE

ADMINISTRATION TRANSPARENT AS MUCH AS POSSIBLE BY MEANS OF AN INSPECTION SYSTEM INVOLVING A THIRD PARTY.
(TOSHIAKI HASHIMOTO)

NEW DEMOCRATIC PARTY ALREADY IN-FIGHTING, EVEN ON POLICY LINE (SANKEI - PAGE 3)

A LAUNCHING COMMITTEE WILL SOON START TO PREPARE THE GROUNDWORK FOR THE FORMATION OF THE "DEMOCRATIC PARTY," AS PROPOSED BY YUKIO HATOYAMA AND HEALTH AND WELFARE MINISTER NAOTO KAN. BUT ALREADY A LEADERSHIP STRUGGLE OVER THE CHOICE OF OFFICERS HAS FIERCELY ERUPTED. MOREOVER, THE POLICY PLATFORM ANNOUNCED YESTERDAY, WHEN COMPARED TO THE BOLD PRINCIPLES WHICH HATOYAMA ANNOUNCED WHEN HE LEFT THE SAKIGAKE PARTY, HAVE BEEN WATERED DOWN. POLICIES ALREADY HAVE STARTED TO SHOW THE HARMFUL EFFECT OF FALLING SUBJECT TO THE "GREATEST COMMON MEASURE."

ON THE LIST OF CANDIDATES FOR THE MEMBERS OF THE SECRETARIAT (KANJIKAI), WHICH WILL MAKE UP THE CORE OF THE LAUNCHING COMMITTEE IN ADDITION TO YUKIO HATOYAMA ARE: KAN, KUNIO HATOYAMA, THE YOUNGER BROTHER OF YUKIO HATOYAMA, AND TOMIKO HATOYAMA -- THE ORGANIZERS OF THE NEW PARTY -- BANRI KAIEDA, PRESIDENT OF THE CITIZENS' LEAGUE, HIROTAKA AKAMATSU, FORMER JAPAN SOCIALIST PARTY SECRETARY GENERAL AND A MEMBER OF THE "SOSHIKAI" -- A SOCIAL DEMOCRATIC PARTY-AFFILIATED GROUP THAT IS BEHIND THE NEW PARTY FORMATION -- SAKIGAKE POLICY BOARD CHAIRMAN KISABURO TOKAI, LOWER HOUSE MEMBER SUSUMU YANASE AND FORMER HOKKAIDO GOVERNOR TAKAHIRO YOKOMICHI. OVER THE NOMINATION OF TOKAI, SOME JUNIOR SDP MEMBERS HAVE, HOWEVER, VOICED DOUBT, "IT IS NOT PROPER FOR HIM TO BECOME A MEMBER OF THE LAUNCHING COMMITTEE, WHILE RETAINING HIS POSITION AS THE CHAIRMAN OF THE POLICY BOARD OF THE RULING COALITION." OTHERS ARE CLAIMING THAT YOKOMICHI SHOULD BE SWAPPED WITH EITHER ANOTHER SAKIGAKE MEMBER OR A SDP MEMBER. IN THE BACKGROUND OF SUCH VIEWS THERE APPEARS TO BE A STRUGGLE OVER LEADERSHIP, FOCUSING ON THE FORMATION OF THE DEMOCRATIC PARTY.

IN THE MEANTIME, THERE WAS ALSO BARGAINING OVER THE BASIC POLICY PLATFORM, WHICH WAS RELEASED YESTERDAY BY THE ORGANIZERS. JUNIOR DIET MEMBERS CLOSE TO HATOYAMA WANTED TO STRENGTHEN THEIR LEADERSHIP POSITION BY INCORPORATING UNCLAS SECTION 07 OF 07 TOKYO 008524

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 SEPTEMBER 12

THE WORDING "UNDER THE LEADERSHIP OF POST-WAR GENERATIONS." BUT SDP MEMBERS, WHO WANT OVERALL PARTICIPATION BY THE SDP AND THE SAKIGAKE, HAVE REACTED NEGATIVELY TO SUCH A PROPOSAL, NOTING THAT THE INCLUSION OF SUCH WORDING MIGHT KEEP OUT VETERAN MEMBERS. IN THE END, A COMPROMISE WAS REACHED, AND THE WORDING "CONSIDERATION SHOULD BE GIVEN TO KEEP A BALANCE AMONG SENIOR TO JUNIOR MEMBERS, CENTERING ON GENERATIONS WHO WERE BORN AND BROUGHT UP IN THE POST-WAR PERIOD."

THE ARGUMENT TO PUT A TIME LIMIT ON THE PARTY -- UNTIL THE YEAR 2010 -- AS ADVOCATED BY HATOYAMA HAS ENDED UP IN AMBIGUOUS WORDING. IN ADDITION, ALTHOUGH HATOYAMA HAD ORIGINALLY INDICATED A PLAN FOR SWEEPINGLY SLASHING THE FIXED NUMBER OF DIET MEMBERS -- 300 FOR THE LOWER HOUSE AND 94 FOR THE UPPER HOUSE, THE RELEASED BASIC POLICY MEASURES ONLY VAGUELY CALL FOR A REDUCTION OF THOSE FIXED NUMBERS, WITHOUT INCORPORATING ANY SPECIFIC FIGURES.

REGARDING THE SO-CALLED "ARGUMENT FOR EXCLUSION," THAT IS, WHETHER TO APPROVE PARTICIPATION BY TOMIICHI MURAYAMA AND MASAYOSHI TAKEMURA, KUNIO HATOYAMA IN A PRESS CONFERENCE THE FOUR ORGANIZERS HELD YESTERDAY INDICATED RELUCTANCE TO ACCEPT THEIR PARTICIPATION. MANY SDP AND SAKIGAKE MEMBERS ARE RESENTING A SERIES OF STATEMENTS MADE BY KUNIO HATOYAMA. MURAYAMA SHOT FOR MITIGATING THE STANDOFF OVER THE FORMATION OF THE NEW PARTY, NOTING AT THE SDP PERMANENT STAFF MEMBERS MEETING HELD ON THE SAME DAY, "I HAVE NOT SAID THAT I WOULD NOT JOIN THE NEW PARTY." THE SAKIGAKE STAFF MEETING CHECKED THE ARGUMENT CALLING FOR EXCLUDING (MURAYAMA AND TAKEMURA), CLAIMING, "IF EVERYBODY CAN JOIN, TAKEMURA SHOULD ALSO BE ENTITLED TO JOIN."

IN THE MEANTIME, SHIGERU ITO, THE CHAIRMAN OF THE SDP POLICY DELIBERATION BOARD, YESTERDAY MADE A SPEECH IN TOKYO. IN IT HE INDICATED HIS VIEW THAT (THE SDP) WOULD ADOPT A "SPIN-OFF PARTY FORMULA" FOR ITS MEMBERS WHO SHIFT FROM THE SDP TO THE NEW PARTY, UNDER WHICH LOWER HOUSE MEMBERS AND CANDIDATES (FOR THE NEXT GENERAL ELECTION) WILL SHIFT TO THE NEW PARTY AND UPPER HOUSE MEMBERS, LOCAL ASSEMBLY MEMBERS AND MEMBERS OF ITS LOCAL ORGANIZATIONS WILL REMAIN IN THE SDP FOR THE TIME BEING.
CRANE

SECT: SECTION: 01 OF 07

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RUAYJAA/COMPATWING ONE KAMI SEYA JA
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RHHMUNA/USCINCPAC HONOLULU HI//USIA//
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RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHEHAAA/WHITE HOUSE WASHDC
RUEKJCS/SECDEF WASHDC

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 13

TEXT:

UNCLAS SECTION 01 OF 08 TOKYO 008564

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 SEPTEMBER 13

TOP HEADLINES:

ASAHI: SDP TO PARTIALLY MERGE WITH NEW PARTY; LOWER-HOUSE
MEMBERS, PLANNED CANDIDATES ALLOWED TO JOIN DEMOCRATIC
PARTY; POLICY SET BY STANDING SECRETARIES MEETING; FIRST
MOVE TOWARD DISMANTLEMENT IN EFFECT (TRANSLATION BELOW)

NIHON KEIZAI: TAX CUTS CALLED FOR RATHER THAN
IMPLEMENTATION OF PUBLIC WORKS PROJECTS, ACCORDING TO
SURVEY BY NIHON KEIZAI SHIMBUN; ECONOMIC CONDITIONS
CONTINUING ON RECOVERY TRACK; 56 PERCENT FAVOR

CONSOLIDATION OR SCRAPPING OF GOVERNMENT AGENCIES

TOKYO SHIMBUN: HIV SCANDAL: FULL-FLEDGED INVESTIGATION INTO FORMER HEALTH AND WELFARE MINISTRY BUREAU DIRECTOR GENERAL MATSUMURA; CRIMINAL RESPONSIBILITY OF HEALTH AND WELFARE MINISTRY TO BE PURSUED

MAINICHI: 1995 POLITICAL FUNDS: A 38 PERCENT DROP IN DONATIONS FROM COMPANIES AND GROUPS; AFFECTED BY REVISED POLITICAL FUNDS CONTROL LAW; PUBLIC SUBSIDIES ACCOUNT FOR MORE THAN 50 PERCENT OF THE LDP'S, AND SHINSHINTO'S INCOME

YOMIURI: 1995 POLITICAL FUNDS FOR THE POLITICAL CENTER: CORPORATE DONATIONS FALL TO 16.5 BILLION YEN, DOWN 39 PERCENT; TRANSPARENTLY IMPROVES TO 82 PERCENT DUE TO REVISED POLITICAL FUNDS CONTROL LAW; PUBLIC SUBSIDIES ACCOUNT FOR 50 PERCENT OF INCOME IN SEVEN PARTIES; INCOME FROM FUND-RAISING PARTIES INCREASE BY 55 PERCENT (TRANSLATION BELOW)

SANKEI: SDP'S LOWER-HOUSE MEMBERS TO JOIN THE DEMOCRATIC PARTY, BUT UPPER-HOUSE MEMBERS AND LOCAL ASSEMBLY MEMBERS TO REMAIN IN SDP; STANDING SECRETARIES MEETING APPROVES THE POLICY OF "DIVIDING THE PARTY"

GOVERNOR OTA TO DECLARE TODAY HE WILL PUBLICLY DISPLAY LAND-LEASE DOCUMENTS (ASAHI - PAGE 1)

OKINAWA GOVERNOR MASAHIDE OTA IN A MEETING TODAY WITH THE THREE TOP OFFICIALS OF THE PREFECTURAL GOVERNMENT WILL DECIDE TO ACCEPT HIS ROLE AS A PROXY AND DISPLAY PAPERS NECESSARY FOR FORCED USE OF LAND BY UNITED STATES MILITARY BASES ON OKINAWA. HE WILL THEN CONVEY HIS DECISION TO THE CENTRAL GOVERNMENT. HE WILL ALSO BRIEF THE PRESS ABOUT HIS INTENTION.

THE OKINAWA GOVERNMENT LATE YESTERDAY EXPLAINED THE GOVERNOR'S INTENTION TO VARIOUS PARTIES' LEADERS. AFTER HEARING THE EXPLANATION, THE SOCIAL DEMOCRATIC PARTY (SDP) OKINAWA PREFECTURAL CHAPTER DECIDED TO RESPECT THE GOVERNOR'S JUDGMENT IN ITS GENERAL MEETING HELD YESTERDAY EVENING. IT THEN TRANSMITTED ITS DECISION. THE LIBERAL DEMOCRATIC PARTY (LDP) OKINAWA PREFECTURAL CHAPTER ALSO HAS ANNOUNCED ITS INTENTION THAT OTA SHOULD ACCEPT THE CENTRAL GOVERNMENT REQUEST. BUT NEGATIVE VIEWS HAVE BEEN RAISED FROM OTHER PARTIES, FOR EXAMPLE: "IT IS TOO EARLY TO MAKE A DECISION. (THE GOVERNOR) SHOULD WAIT WITH HIS DECISION AT LEAST UNTIL THE COURT HANDS DOWN RULING ON THE LAWSUIT" (OKINAWA SOCIAL MASSES PARTY (OKINAWA SHAKAI TAISHUTO)); AND "THE PRIME MINISTER'S STATEMENT WILL NOT LEAD TO REDUCTION OF U.S. FORCES. THE GOVERNOR SHOULD REJECT THE REQUEST" (JAPAN COMMUNIST PARTY OKINAWA PREFECTURAL COMMITTEE).

OTAQS DECISION ON LAND PROXY ISSUE PERPLEXES OKINAWANS: QWHY THE RUSH?Q (NIHON KEIZAI - PAGE 38)

"WHY IS HE IN SUCH A HURRY? WE WANT HIM TO LISTEN TO MORE PREFECTURAL PEOPLE." "WE WOULD LIKE TO RESPECT THE GOVERNOR'S DECISION." NOW THAT OKINAWA GOVERNOR MASAHIDE OTA WILL MOST LIKELY ACCEPT HIS ROLE OF ACTING AS PROXY TO PUT ON PUBLIC DISPLAY LEGAL DOCUMENTS REQUIRED TO UNCLAS SECTION 02 OF 08 TOKYO 008564

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 SEPTEMBER 13

CONTINUE THE FORCED USE OF LAND LOTS BY UNITED STATES MINISTRY FACILITIES, FINAL COORDINATION CONTINUED YESTERDAY IN OKINAWA PREFECTURE, WITH EFFORTS MADE TO PERSUADE VARIOUS POLITICAL GROUPS OF THE PREFECTURAL ASSEMBLY AND SUPPORTERS' ORGANIZATIONS. LEADERS OF SUCH GROUPS AND ORGANIZATIONS, PARTLY PUZZLED AT THE "GOVERNOR'S DECISION" THAT IS ABOUT TO BE MADE SOON, APPEAR RESIGNED TO THE SITUATION WHERE THE OKINAWA PROBLEM IS NOW AFFECTING A TIMING FOR A DISSOLUTION OF THE LOWER HOUSE THAT WILL BE FOLLOWED BY A GENERAL ELECTION.

SEPARATE DISCUSSION HELD IN NAHA CITY BETWEEN SENIOR PREFECTURAL GOVERNMENT OFFICIALS, INCLUDING VICE GOVERNOR MASANORI YOSHIMOTO, AND VARIOUS GROUPS AND ORGANIZATIONS LASTED UNTIL THE EARLY HOURS TODAY FROM YESTERDAY'S AFTERNOON.

THE FIRST DISCUSSION WAS HELD WITH YOSHIHARU NIIGAKI, CHAIRMAN OF THE SOCIAL DEMOCRATIC PARTY (SDP) PREFECTURAL CHAPTER, WHICH IS THE FIRST RULING PARTY IN THE PREFECTURAL ASSEMBLY. AFTER THE SESSION, HE EXPLAINED THE FEELING HE OBTAINED: "THE GOVERNOR APPEARS TO BE AGREEABLE TO (ACT AS A PROXY FOR PUBLICIZING NECESSARY PAPERS)." HE BRIEFLY ADDED, "THE SDP WILL HAVE THE HIGHEST REGARD FOR THE GOVERNOR'S DECISION." RENGO OKINAWA (JAPANESE TRADE UNION CONFEDERATION'S OKINAWA CHAPTER) CHAIRMAN MASHIRO TOKUCHI, WHO SERVED AS A MASTERMIND FOR THE PREFECTURAL REFERENDUM, SAID AS IF TO PERSUADE HIMSELF: "WE ARE UNHAPPY TO SEE THAT NO DIRECTION HAS YET BEEN SHOWN AS TO THE RELOCATION OF FUTENMA AIR STATION, BUT THE MINISTER'S STATEMENT THIS TIME IS SOMETHING WE CAN ADMIRE BECAUSE IT EMPLOYS MORE SPECIFIC WORDING THAN IN THE PAST."

DISCUSSION WITH THE JAPAN COMMUNIST PARTY'S (JCP) PREFECTURAL ASSEMBLY MEMBERS LASTED FOR NEARLY ONE AND A HALF HOURS. THE PARTY REPORTEDLY PRESSED PREFECTURAL

OFFICIALS HARD, INSISTING, "IT IS NOT NECESSARY TO ACT AS PROXY BECAUSE PROSPECTS FOR REDUCTION OF BASES HAVE YET TO BE SHOWN IN A CLEAR-CUT MANNER. THE GOVERNOR SHOULD STICK TO HIS PRINCIPLES."

GOVERNMENT TO PROPOSE TODAY TO TRANSFER FUTENMA HELIPORT TO KADENA HOUSING AREA (TOKYO SHIMBUN - PAGE 3)

THE LOCATION FOR THE RELOCATION OF THE HELIPORT OF FUTENMA AIR STATION HAS NOW BECOME THE SPOTLIGHT ISSUE IN THE COURSE OF REALIGNING AND REDUCING UNITED STATES MILITARY FACILITIES ON OKINAWA. ACCORDINGLY, FINAL COORDINATION WILL BEGIN WITH DISCUSSION AT A WORKING GROUP OF THE JAPAN-U.S. SPECIAL ACTION COMMITTEE ON OKINAWA (SACO) AT THE FOREIGN MINISTRY TODAY.

THE COORDINATION WORK WILL BE PROMOTED, FOCUSING ON A "RELOCATION PLAN TO KADENA AIR BASE," AS WAS PROPOSED IN SACO'S WORKING GROUP MEETING HELD IN EARLY AUGUST, BECAUSE: "IT IS A PROPOSAL OKINAWA PREFECTURE WOULD FIND THE EASIEST TO ACCEPT" (JAPANESE GOVERNMENT SOURCE). THE JAPANESE SIDE WILL OFFER A PLAN TO DEMOLISH, AT THE EXPENSE OF THE JAPANESE GOVERNMENT, U.S. MILITARY HOUSING ON KADENA AIR BASE, AND ERECTING HIGH-RISE BUILDINGS ,AND THEN TO CONSTRUCT A HELIPORT WITH A RUNWAY ON THE SITE WHERE THE HOUSING HAD EXISTED.

THE U.S. HAS SO FAR OPPOSED ANY PLAN FOR RELOCATION TO KADENA AIR BASE FOR SAFETY AND NOISE-POLLUTION REASONS. BUT A SPECIFIC PLAN THAT THE JAPANESE SIDE WILL SHOW IS DESIGNED TO SOLVE SAFETY PROBLEMS BY BUILDING A HELIPORT RUNWAY IN AN AREA REMOTE FROM THE RUNAWAY NOW USED BY FIGHTERS AT KADENA AIR BASE.

HOWEVER, IT WOULD TAKE MUCH TIME TO STUDY SUCH A SPECIFIC PLAN IN TECHNICAL ASPECTS, SO IT IS VERY LIKELY A UNCLAS SECTION 03 OF 08 TOKYO 008564

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 SEPTEMBER 13

CONCLUSION WILL BE CARRIED OVER INTO THE SACO MEETING TO OCCUR IN WASHINGTON ON THE 17TH.

DEFENSE GUIDELINES TO STATE: QREAR SUPPORT FOR U.S. FORCESQ DURING NEARBY CONTINGENCY
(NIIHON KEIZAI - TOP PLAY, SEPT. 12 EVENING EDITION)

THE GOVERNMENT HAS DECIDED TO SPECIFY THE SELF-DEFENSE FORCES' GIVING "REAR SUPPORT" TO U.S. FORCES IN THE EVENT OF ARMED CONFLICTS TAKING PLACE ON THE KOREAN PENINSULA AND IN OTHER AREAS SURROUNDING JAPAN IN A NEW SET OF 'GUIDELINES FOR DEFENSE COOPERATION' WHICH IS TO BECOME A BASIC FRAMEWORK FOR CONDUCTING JOINT OPERATIONAL STUDIES BETWEEN THE SDF AND U.S. FORCES. JAPAN WILL SHOW THIS INTENTION TO THE U.S. GOVERNMENT AT A MEETING OF THE JAPAN-U.S. SECURITY SUBCOMMITTEE (SSC) TO BE HELD IN WASHINGTON ON THE 17TH OF THIS MONTH. THE U.S. SIDE ALSO IS EXPECTED TO AGREE BASICALLY, AND THE GOVERNMENT IS GOING TO FORMULATE THE NEW SET OF 'GUIDELINES' IN THE FALL OF NEXT YEAR.

AS FOR THE COURSE OF ACTION TOWARD REVIEWING THE CURRENT 'GUIDELINES FOR DEFENSE COOPERATION', JAPAN AND THE U.S. ALREADY AGREED TO IT IN APRIL THIS YEAR WHEN THE TWO GOVERNMENTS ISSUED A BILATERAL JOINT DECLARATION ON SECURITY. IN RESPONSE TO THIS, THE TWO COUNTRIES HAVE NOW SET ABOUT THE WORK OF FORMULATING IT AFTER REORGANIZING THEIR BILATERAL SUBCOMMITTEE ON DEFENSE COOPERATION (SDC; CONSISTING OF JAPANESE AND U.S. GOVERNMENT BUREAU DIRECTOR GENERAL LEVEL OFFICIALS FOR FOREIGN AND DEFENSE AFFAIRS) WHICH WAS OUT OF SESSION. AT A SUB-CABINET LEVEL MEETING OF THE MINISTRY OF FOREIGN AFFAIRS AND THE JAPAN DEFENSE AGENCY HELD IN JUNE THIS YEAR, THE GOVERNMENT CONFIRMED ITS INTENTION OF REVIEWING THE GUIDELINES IN THREE AREAS: (1) COOPERATION IN PEACETIME; (2) COUNTERACTIONS AGAINST ARMED ATTACKS ON JAPAN; AND (3) COOPERATION IN TIMES OF EMERGENCY IN THE AREAS SURROUNDING JAPAN.

JDA AND MOFA STUDIED WHAT TO SPECIFY IN THE NEW GUIDELINES REGARDING (BILATERAL COOPERATION IN) THESE THREE AREAS. AS A RESULT, JDA AND MOFA GENERALLY AGREED TO SET FORTH THE SDF'S EXTENSION OF "REAR SUPPORT" TO U.S. FORCES "IN TIMES OF EMERGENCY IN THE AREAS SURROUNDING JAPAN," AND LAUNCH COOPERATION ON SUCH ACTIVITIES AS CONDUCTING RESCUE OPERATIONS FOR JAPANESE AND U.S. CITIZENS LEFT IN AREAS RIDDEN WITH REGIONAL CONFLICTS AND COPING WITH A POSSIBLE MASSIVE OUTBREAK OF REFUGEES. ALSO, JDA AND MOFA AGREED TO WORK OUT THE NEW SET OF GUIDELINES WITHIN THE NEXT YEAR.

REGARDING "ARMED ATTACKS ON JAPAN," THE GOVERNMENT, IN ADDITION TO COUNTERACTIONS AGAINST FULL-SCALE ARMED AGGRESSION, WILL ALSO SPECIFY JAPAN-U.S. JOINT ACTIONS AGAINST LIMITED INVASIONS, SUCH AS FOREIGN TROOPS' OCCUPATION OF SOLITARY ISLANDS. FURTHERMORE, AS FOR "COOPERATION IN PEACETIME," THE GOVERNMENT WILL INCORPORATE COOPERATION ON ADDRESSING CONFIDENCE-BUILDING MEASURES (CBM), ARMS CONTROL, AND UNITED NATIONS PEACEKEEPING OPERATIONS (PKO), IN ADDITION TO SUCH CONVENTIONAL PEACETIME EFFORTS AS JAPAN-U.S. JOINT OPERATIONAL STUDIES AND MILITARY INFORMATIONAL EXCHANGES.

THE JAPANESE SIDE IS GOING TO WORK OUT SUCH MATTERS IN THE COURSE OF SDC CONSULTATIONS, AND WANTS TO SUBMIT AN

INTERIM REPORT TO THE SECURITY CONSULTATIVE COMMITTEE (TWO-PLUS-TWO PANEL) THAT IS MADE UP OF THE JAPANESE AND U.S. CABINET MEMBERS FOR FOREIGN AND DEFENSE AFFAIRS). THE U.S. SIDE ALSO IS EXPECTED TO AGREE. THE TWO-PLUS-TWO COMMITTEE WILL SET UP A WORKING GROUP UNDER THE SDC TO HAVE IT ACTUALLY ENGAGED IN THE WORK OF DRAFTING THE NEW GUIDELINES, AND IS SLATED TO CONFIRM THE COURSE OF ACTION TO COMPLETE THE WORK OF FORMULATING THE NEW GUIDELINES IN THE FALL OF NEXT YEAR.

UNCLAS SECTION 04 OF 08 TOKYO 008564

USIA

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

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 13

SDP LOWER-HOUSE MEMBERS TO MERGE INTO DEMOCRATIC PARTY;
FIRST STEP TOWARD PARTY DISSOLUTION (ASAHI - TOP PLAY)

THE SOCIAL DEMOCRATIC PARTY (SDP) AT ITS STANDING SECRETARIES COUNCIL (JOUNIN KANJI-KAI) MEETING LATE YESTERDAY REACHED A POLICY DECISION TO LET ITS LOWER-HOUSE MEMBERS AND ITS PROSPECTIVE CANDIDATES FOR THE NEXT LOWER-HOUSE ELECTION JOIN THE SOON-TO-BE-FORMED DEMOCRATIC PARTY. IN OTHER WORDS, IT WILL TAKE A "SPLIT-PARTY FORMULA," LETTING ITS LOCAL ORGANIZATIONS AND UPPER-HOUSE MEMBERS REMAIN IN THE SDP FOR THE TIME BEING. THE DECISION WILL BE ANNOUNCED AT ITS NATIONAL SECRETARIES GENERAL MEETING TODAY AND THEN WILL BE FORMALLY ADOPTED IN THE NATIONAL REPRESENTATIVES SESSION ON THE 23RD. THIS METHOD WILL LET 40 - 50 SDP LOWER-HOUSE MEMBERS -- OUT OF 63 -- JOIN THE DEMOCRATIC PARTY EXCEPT FOR THOSE WHO HAVE ANNOUNCED THEIR INTENTION TO RESIGN FROM THE DIET AND THOSE WHO ARE DETERMINED TO RUN IN THE ELECTION AS SDP MEMBERS. THE SDP, WHICH WAS LAUNCHED IN 1945 AS THE JAPAN SOCIALIST PARTY, ADOPTED THE PRESENT PARTY NAME ONLY THIS JANUARY. IT SEEMS THAT IT IS NOW DESTINED TO TAKE A FIRST STEP TOWARD DISSOLVING ITSELF ONCE A FORMAL DECISION IS REACHED..

COORDINATION IS STILL NEEDED BEFORE DETERMINING IF THE DEMOCRATIC PARTY WILL ACTUALLY ACCEPT MOST OF SDP MEMBERS UNDER SUCH A METHOD. SDP SECRETARY GENERAL KANJU SATO YESTERDAY IN TOKYO MET WITH HEALTH AND WELFARE MINISTER NAOITO KAN, ONE OF THE DEMOCRATIC PARTY ORGANIZERS, AND REAFFIRMED THAT THEY WOULD NOT ADOPT "THE LOGIC OF EXCLUSION IN MERGING WITH THE DEMOCRATIC PARTY."

HOURS LATER, IN THE SDP STANDING SECRETARIES COUNCIL

MEETING, CHAIRMAN TOMIICHI MURAYAMA CONCLUDED: "LET US NOW WORK HARDER POSITIVELY TOWARD REALIZING A SHIFT TO A NEW PARTY." HE THUS ACQUIESCED TO LET PROSPECTIVE LOWER-HOUSE CANDIDATES JOIN THE DEMOCRATIC PARTY ON THEIR OWN INITIATIVE.

AT THE SAME TIME, THE PARTY REACHED A POLICY DECISION TO KEEP ITS UPPER-HOUSE MEMBERS, LOCAL ASSEMBLY MEMBERS AND LOCAL ORGANIZATIONS AND WORK AS A FRONT-LINE UNIT BY SUPPORTING DEMOCRATIC PARTY CANDIDATES. THE PARTY LEADERSHIP ALSO STATED, "WE ARE PLANNING TO KEEP OUR UPPER-HOUSE MEMBERS AND VARIOUS ORGANIZATIONS FOR ABOUT A YEAR AND THEN TO LOOK INTO THEIR POSSIBLE MERGER WITH THE NEW PARTY." SUCH A METHOD, NAMELY KEEPING LOCAL ORGANIZATIONS, WAS TAKEN WHEN THE FORMER KOMEITO MERGED WITH THE SHINSHINTO (NEW FRONTIER PARTY).

MEANWHILE, AS FOR THE DEMOCRATIC PARTY, KUNIO HATOYAMA LATE YESTERDAY REACTED STRONGLY TO THE PLAN OF JOINING HANDS WITH THE SDP, REMARKING, "IF THE SDP ACTUALLY DECIDES TO MERGE WITH THE DEMOCRATIC PARTY AND IF THE NEW PARTY ACCEPTS THAT, I WILL NOT PARTICIPATE IN THE DEMOCRATIC PARTY." IN ADDITION, IT IS EXPECTED THAT STRONG RESENTMENT WILL COME OUT IN TODAY'S NATIONAL SECRETARIES GENERAL MEETING. THE PARTY MIGHT HAVE TO TAKE DIFFERENT STEPS DEPENDING ON THE LOCAL AREA.

EIGHT HOKKAIDO MEMBERS PLANNING TO RUN IN LOWER HOUSE ELECTION DECIDE TO JOIN THE DEMOCRATIC PARTY
(ASAHI - PAGE 1)

THE SOCIAL DEMOCRATIC PARTY (SDP) HOKKAIDO FEDERATION YESTERDAY HELD ITS SHINSHINTO (NEW FRONTIER PARTY) PROMOTION COUNCIL MEETING AMONG HOKKAIDO-ELECTED DIETMEMBERS AND SUPPORT LABOR UNION LEADERS. AS A RESULT, THE FEDERATION REACHED A POLICY DECISION TO LET ALL ITS EIGHT MEMBERS PLANNING TO RUN IN THE NEXT LOWER-HOUSE ELECTION FROM SINGLE-SEAT CONSTITUENCIES JOIN THE "DEMOCRATIC PARTY" TO BE LAUNCHED BY YUKIO HATOYAMA AND OTHER ORGANIZERS. REGARDING THE 13 HOKKAIDO SINGLE-SEAT UNCLAS SECTION 05 OF 08 TOKYO 008564

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 SEPTEMBER 13

CONSTITUENCIES, THREE SAKIGAKE INCUMBENTS AND HATOYAMA HIMSELF ARE PLANNING TO SEEK DIET SEATS. THE FEDERATION ALSO REAFFIRMED THE POLICY DIRECTION TO PRODUCE UNIFIED

CANDIDATES IN ALL THOSE FOUR DISTRICTS BEFORE THE PLANNED LOWER-HOUSE DISSOLUTION.

A TOTAL OF EIGHT MEMBERS -- FIVE HOKKAIDO-ELECTED INCUMBENTS, ONE FORMER DIETMEMBER, AND TWO NEW FACES -- ARE EXPECTED TO JOIN THE DEMOCRATIC PARTY. IN ADDITION, FORMER HOKKAIDO GOVERNOR TAKAHIRO YOKOMICHI IS PLANNING TO SEEK A SEAT FROM THE HOKKAIDO 1ST DISTRICT.

CORPORATE CONTRIBUTIONS TO POLITICIANS DOWN 39 PERCENT; BUT MORE FUND RAISING PARTIES (YOKIURI - TOP PLAY)

IN THE OFFICIAL GAZETTE FOR SEPTEMBER 13, THE MINISTRY OF HOME AFFAIRS (MHA) ISSUED ITS REPORT ON POLITICAL FUNDS PAYMENTS FOR FISCAL 1995 (CENTRAL PORTIONS OF POLITICAL PARTIES AND ORGANIZATIONS THAT ARE UNDER THE JURISDICTION OF THE MHA) AND A REPORT ON THE USE OF "POLITICAL PARTY SUBSIDIES" SUPPLIED UNDER THE POLITICAL PARTY SUBSIDY LAW, WHICH WAS INTRODUCED IN THE SAME YEAR. THIS IS THE FIRST OPENING OF SUCH A REPORT TO THE PUBLIC ON THE USE OF POLITICAL PARTY SUBSIDIES. THE AMOUNTS OF POLITICAL FUNDS WHICH POLITICAL PARTIES AND ORGANIZATIONS COLLECTED IN 1995, WHEN THE POLITICAL PARTY SUBSIDY SYSTEM STARTED, TOTALLED 170.7 BILLION YEN (UP 15.1 PERCENT OVER THE PRECEDING YEAR), INCLUDING 30.19 BILLION YEN PROVIDED AS POLITICAL PARTY SUBSIDIES, MOVING INTO THE GROWTH COLUMN FOR THE FIRST TIME IN FOUR YEARS. HOWEVER, THE TOTAL AMOUNT EXCLUDING POLITICAL PARTY SUBSIDIES FELL A YEAR-ON-YEAR 5.3 PERCENT TO 140.56 BILLION YEN. THE RESULTS STEM FROM THE IMPACT OF THE AMENDED POLITICAL FUNDS CONTROL LAW, LOWERS THE PUBLIC DISCLOSURE STANDARDS FOR DONATIONS AND INCORPORATES RESTRICTIONS ON MONEY DONATIONS BY CORPORATIONS AND ORGANIZATIONS. IN PARTICULAR, CONTRIBUTION OF POLITICAL FUNDS FUNNELED BY CORPORATIONS AND ORGANIZATIONS SLID TO THE LOWEST 16.51 BILLION YEN (DOWN 38.7 PERCENT OVER THE PREVIOUS YEAR) SINCE THE INTRODUCTION OF THE PRESENT OPEN SYSTEM IN 1976. THE RATIO OF FUNDS WHICH CORPORATIONS AND ORGANIZATIONS DONATED TO POLITICIANS AND POLITICAL ORGANIZATIONS FORMED BY FORMER POLITICAL FACTIONS AND WHOSE SOURCES ARE KNOWN (TRANSPARENCY) REACHED 82.2 PERCENT, A HEFUY INCREASE FROM THE PREVIOUS YEAR'S 3.8 PERCENT.

18 PERCENT OF PRIME MINISTER HASHIMOTO'S DONATIONS COME FROM MEDICAL CIRCLES (MAINICHI - PAGE 28)

A REPORT ON PAYMENTS BALANCE OF POLITICAL FUNDS HAS REVEALED THAT THE PARENT COMPANY OF "NISSHIN MEDICAL-CARE FOOD" (HEAD OFFICE IN IDE TOWN, TSUZUKI COUNTY, KYOTO, PRESIDENT SHIRO MURATA), WHICH RECEIVED A WARNING THIS APRIL TO CEASE ITS UNFAIR BUSINESS PRACTICES, IN VIOLATION OF THE ANTI-MONOPOLY LAW (AML), MADE FINANCIAL DONATIONS LAST YEAR OF 500,000 YEN TO THE NEW POLITICAL PROBLEMS RESEARCH COUNCIL (SHIN-SEIJI MONDAI KENKYUUKAI), THE FUND-MANAGING ORGANIZATION OF PRIME MINISTER RYUTARO HASHIMOTO, WHO ONCE SERVED AS HEALTH AND WELFARE MINISTER, AND 120,000 YEN TO THE SOCIAL WELFARE RESEARCH COUNCIL (SHAKAI-FUKUSHI KENKYUUKAI) OF LOWER HOUSE MEMBER

KAZUMI MOCHINAGA (LIBERAL DEMOCRATIC PARTY MEMBER),
FORMER HEAD OF THE SECRETARIAT OF THE HEALTH AND WELFARE
MINISTRY (MHW).

THE NAME OF THIS COMPANY IS WATAKYU SEI MOA (HEAD OFFICE
LOCATED IN THE SAME PLACE AS NISSHIN MEDICAL-CARE FOOD,
PRESIDENT SHUTARO MURATA), A LEADING HOSPITAL-USE
BEDCLOTHES LEASING COMPANY, WHICH WHOLLY OWNS NISSHIN
MEDICAL-CARE FOOD.

THE JAPAN MEDICAL-CARE FOOD ASSOCIATION, A JURIDICAL
FOUNDATION UNDER THE JURISDICTION OF THE MHW, BLOCKED NEW
ENTRY INTO THE MARKET, BY LIMITING COMPANIES ALLOWED TO
UNCLAS SECTION 06 OF 08 TOKYO 008564

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 SEPTEMBER 13

SELL SUCH GOODS TO NISSHIN MEDICAL-CARE FOOD AND
COMPANIES AFFILIATED TO IT, FOR THE PURPOSE OF OBTAINING
HUGE PROFITS FROM INSPECTION CHARGES, AND TO MAINTAIN THE
PRICES OF MEDICAL-CARE FOOD PRODUCTS.

SACHIO ONUMA, BUSINESS PLANNING OFFICE CHIEF OF WATAKYU
SEI MOA, COMMENTED, "WE DONATED MONEY TO PRIME MINISTER
HASHIMOTO, BECAUSE HE WAS ONCE AN ADVISOR TO THE
FOUNDATION JAPAN HOSPITAL BEDCLOTHES ASSOCIATION, AND TO
DIETMEMBER TOKUNAGA, BECAUSE WE HAVE OUR BUSINESS OFFICE
IN MIYAZAKI PREFECTURE, WHICH IS HIS HOME CONSTITUENCY."
MOCHINAGA'S OFFICE NOTED, "WE WILL TURN DOWN SUCH AN
OFFER FROM THE COMPANY IN THE FUTURE IF WE RECEIVE ONE."
THERE WAS NO REPLY FROM THE OFFICE OF PRIME MINISTER
HASHIMOTO, WHICH WAS TOO BUSY TO RETURN THE CALL.

FINANCIAL DONATIONS TO PRIME MINISTER HASHIMOTO'S NEW
POLITICAL PROBLEMS RESEARCH COUNCIL FROM IDENTIFIED
MEDICAL-CARE SOURCES ALONE, SUCH AS MEDICAL-CARE AND
PHARMACEUTICAL-RELATED COMPANIES, POLITICAL
ORGANIZATIONS, HOSPITALS AND DOCTORS, AMOUNTED TO
APPROXIMATELY 39 MILLION YEN, ACCOUNTING FOR ABOUT 18
PERCENT OF THE TOTAL OF 214 MILLION YEN THE ORGANIZATION
RECEIVED LAST YEAR.

SHINSHINTOQS KUMAGAI SCOLDED FOR WRITING ARTICLE THAT
CRITICIZED PARTY HEAD OZAWA (MAINICHI - PAGE 2)

SHINSHINTO (NEW FRONTIER PARTY) SECRETARY GENERAL TAKEO
NISHIOKA YESTERDAY CALLED INTO FORMER CHIEF CABINET

SECRETARY HIROSHI KUMAGAI, WHO HAD CRITICIZED PRESIDENT ICHIRO OZAWA'S PARTY MANAGEMENT IN A MONTHLY MAGAZINE, TO ASK HIM HIS WHAT HIS TRUE INTENTION WAS FOR WRITING SUCH AN ARTICLE FOR A MAGAZINE. HE REBUKED HIM SHARPLY: "WITH THE GENERAL ELECTION COMING SOON, IT IS REGRETTABLE." KUMAGAI THEN EXPLAINED: "I AM TRULY SORRY THAT I HAVE CAUSING A COMMOTION. BUT I HAD NO SPECIAL PURPOSE IN MIND, BUT I FELT THAT I HAD TO MAKE PROPOSALS TO REVITALIZE THE PARTY." HE LATER TOLD THE PRESS: "I HAVE NO INTENTION OF LEAVING THE PARTY AT THIS JUNCTURE."

REGARDING THE ARTICLE, SECRETARY GENERAL NISHIOKA IN HIS PRESS BRIEFING ON THE EVENING OF THE 11TH REMARKED: "I CANNOT OVERLOOK IT." HE HAD BEEN CONSIDERING HOW TO DEAL WITH KUMAGAI, INCLUDING EVEN ADVISING HIM TO LEAVE THE PARTY. BUT AS A RESULT OF DISCUSSION HELD ON THE NIGHT OF THE 11TH AMONG NISHIOKA, OZAWA, AND OTHER OFFICERS, THEY DECIDED TO CALL FOR HIS COOPERATION FOR HARMONY IN THE PARTY BECAUSE THEY JUDGED THAT THERE WOULD BE NO PROBLEM WITH AN ARTICLE IN WHICH KUMAGAI CALLED FOR THE NEED OF REFORMING THE PARTY, AND BECAUSE OZAWA HIGHLY RATED KUMAGAI'S "POLICY-MAKING ABILITY."

MEANWHILE, THE PARTY HELD AN EXTRAORDINARY FIVE OFFICERS MEETING TO DISCUSS THE PROBLEM OF THREE WHO DID LEAVE THE PARTY, INCLUDING NORIO SUGIYAMA. IN THE SESSION, SOMEONE SAID: "THEIR ACTIONS ARE AGAINST THE PARTY. THEY SHOULD BE THROWN OUT OF THE PARTY." THEREFORE, THE PARTY LEADERSHIP IS NOW CONSIDERING TAKING CERTAIN ACTION, WITHOUT ACCEPTING THEIR NOTIFICATIONS FOR LEAVING THE PARTY. (KATSUYOSHI KIYOMIYA)

ADMINISTRATIVE REFORM CHAIRMAN: REFORM PROPOSALS POPPING UP LIKE BAMBOO SHOOTS BUT WILL ALL DISAPPEAR AFTER ELECTION (MAINICHI - PAGE 2)

"OPINIONS (REGARDING ADMINISTRATIVE REFORM) ARE SPRINGING UP LIKE BAMBOO SHOOTS BUT WILL DIE OUT AFTER THE ELECTION."

WITH THE DISSOLUTION OF THE LOWER HOUSE FOR A GENERAL ELECTION LIKELY TO TAKE PLACE SOON, EACH PARTY HAS BEGUN TO COME UP WITH ITS OWN ADMINISTRATIVE REFORM PLAN THAT FOCUSES ON REORGANIZATION OF CENTRAL GOVERNMENT AGENCIES, UNCLAS SECTION 07 OF 08 TOKYO 008564

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 SEPTEMBER 13

AS REPRESENTED BY PRIME MINISTER RYUTARO HASHIMOTO'S PLAN TO REFORM THE KASUMIGASEKI BUREAUCRACY, OR AS SEEN IN THE DEMOCRATIC PARTY'S BASIC POLICIES. KEEPING SUCH MOVES IN MIND, ADMINISTRATIVE REFORM COMMITTEE (ARC) CHAIRMAN YOTARO IIDA MADE THE ABOVE STATEMENT DURING A MEETING OF THAT GOVERNMENT ADVISORY COMMITTEE. ADMINISTRATIVE REFORM, LINKED WITH FISCAL RECONSTRUCTION, WILL INEVITABLY BECOME ONE OF THE MAJOR CONTENTIOUS POINTS IN ELECTION CAMPAIGNING FOR THE NEXT GENERAL ELECTION. IIDA CRITICIZED THE TREND OF ONLY LIP SERVICE BEING PAID WITHOUT ACTION.

IN THE ARC MEETING, MEMBERS CONFIRMED THEIR DETERMINATION "TO STEADILY CONDUCT STUDIES IN LINE WITH OUR MANDATE AS A PROFESSIONAL GROUP FOR ADMINISTRATIVE REFORM, AND WITHOUT BEING AFFECTED BY VARIOUS OPINIONS." UNDER THE SITUATION WHERE IT IS STILL UNKNOWN WHAT CONCEPTS ON ADMINISTRATIVE REFORM WILL CROP UP AFTER THE ELECTION, THEY AGREED THAT "THE COMMITTEE WILL GIVE ITS ADVICE WHEN THE SITUATION IS SERIOUS ENOUGH TO WARRANT IT."

DEPUTY CHAIRMAN ISAO MIYAZAKI AT A PRESS CONFERENCE AFTER THE MEETING ALSO REFERRED TO THE REORGANIZATION OF CENTRAL GOVERNMENT AGENCIES, WHICH EACH PARTY HAS PUT FORTH AS A SHOWCASE IN THEIR PLANS, "UNLESS THE GOVERNMENT SHOWS WHAT IT INTENDS TO DO, FUTURE OPTIONS FOR (EACH GOVERNMENT AGENCY) CANNOT BE DISCUSSED." MIYAZAKI INDICATED THAT IT IS IMPOSSIBLE TO DISCUSS AGENCY REORGANIZATION BEFORE THE GOVERNMENT- PRIVATE SECTOR ACTIVITY-SHARING GROUP UNDER THE ADMINISTRATIVE REFORM COMMITTEE FINALIZES A REPORT AT THE END OF NOVEMBER. HE ALSO SHARPLY SAID, "ETHICS ARE INDISPENSABLE."

AFTER THE MEETING, CHAIRMAN IIDA CALLED ON PRIME MINISTER HASHIMOTO AT HIS OFFICE. ASKED ABOUT EACH PARTY'S ADMINISTRATIVE-REFORM VISION, HE STATED, "SINCE PRESENTABLE PERSONS HAVE STATED THEIR VISIONS, I CANNOT PLAYFULLY TWIST THEIR WORDS."

U.S. AUTHORITIES WORRIED ABOUT STATE OF JAPANESE ECONOMY
(NIHON KEIZAI - PAGE 7)

(WASHINGTON, SEPTEMBER 12, RYOSUKE HARADA) AMONG U.S. (FINANCIAL) AUTHORITIES, APPREHENSION HAS BEEN GROWING OVER THE FUTURE OF THE JAPANESE ECONOMY. SUCH CONCERN CAME IN RESPONSE TO THE JAPANESE GOVERNMENT'S DECISION TO POSTPONE COMPILATION OF A SUPPLEMENTARY BUDGET. ITS ANXIETY ALSO REFLECTS THE POLICY OF CONTINUING THE SPECIAL TAX-CUT SCHEME STILL LEFT UNDECIDED AND THE EXPECTED STRENGTHENING OF ITS STRINGENT FINANCIAL POLICY DUE TO THE PLANNED CONSUMPTION TAX HIKE NEXT SPRING. IN A MEETING OF CENTRAL BANK GOVERNORS AND FINANCE MINISTERS FROM THE GROUP OF SEVEN (G-7) INDUSTRIALIZED COUNTRIES IN WASHINGTON ON THE 28TH, THE U.S. IS EXPECTED TO REQUEST JAPAN TO CONTINUE ITS EFFORTS TO WORK OUT MEASURES TO PROP UP ITS ECONOMY.

IN THEIR MEETING WITH FINANCE MINISTRY INTERNATIONAL FINANCE BUREAU DIRECTOR GENERAL SAKAKIBARA IN THE U.S. IN EARLY THIS MONTH, DEPUTY SECRETARY OF THE TREASURY SUMMERS AND UNDER SECRETARY SCHAEFER EXPRESSED THEIR CONCERN ABOUT THE STALLED RECOVERY OF THE JAPANESE ECONOMY, KEEPING IN MIND WORSENING BUSINESS CONFIDENCE AS INDICATED IN THE BANK OF JAPAN'S AUGUST SHORT-TERM ECONOMIC OUTLOOK REPORT (TANKAN).

DIRECTOR GENERAL SAKAKIBARA PREDICTED A DROP IN THE GROWTH RATE DURING THE APRIL TO JUNE PERIOD, AND EXPLAINED, "LOOKING AT THE WHOLE PERIOD FROM JANUARY THROUGH JUNE, ABOUT 3 PERCENT GROWTH IN THE PERIOD COULD BE MAINTAINED." REGARDING SUCH SPECIFIC ITEMS AS THE CONTINUATION OF SPECIAL TAX CUTS AND THE COMPILATION OF A SUPPLEMENTARY BUDGET, HE REPORTEDLY REFRAINED FROM UNCLAS SECTION 08 OF 08 TOKYO 008564

USIA

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

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 13

ANSWERING, ONLY SAYING "THESE ARE NOT ISSUES THE U.S. GOVERNMENT SHOULD BE CONCERNED WITH."

AS FOR ANXIETY BEING HARBORED BY THE U.S. GOVERNMENT OVER JAPAN'S MACRO-ECONOMIC POLICIES, A SOURCE CLOSE TO THE TREASURY DEPARTMENT REMARKED, "THERE IS A BEARISH VIEW ABOUT THE ECONOMIC RECOVERY. IN ORDER TO RECTIFY THE TRADE IMBALANCE, WE THINK BOTH EXPANDED FISCAL POLICY AND LOW-INTEREST POLICY MEASURES ARE NECESSARY. EVEN IF JAPAN FACES A SITUATION IN WHICH THE GOVERNMENT IS URGED TO RAISE INTEREST RATES, THERE WILL BE OPPOSITION LIKELY TO A DRASTIC TIGHTENING OF FISCAL POLICY."

IN THIS CONNECTION, A HIGH-RANKING OFFICIAL OF THE U.S. FEDERAL RESERVE BOARD (FRB) ALSO STATED, "I AM CONCERNED ABOUT THE IMPACT OF THE CONSUMPTION TAX HIKE NEXT SPRING. EVEN IF THE ECONOMY APPEARS TO IMPROVE DUE TO RUSH-IN DEMAND, SUCH MIGHT NOT LAST LONG." IN HIS OWN VIEW, HE REMARKED, "PUBLIC INVESTMENTS ARE SOMEWHAT INEFFECTIVE IN VIEW OF PURCHASES OF LAND AND OTHER FACTORS. IN THIS SENSE, TAX CUTS WOULD BE DESIRABLE." CRANE

SECT: SECTION: 01 OF 08

<^SECT>SECTION: 02 OF 08

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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. cable	Re: Japan-U.S./Okinawa Base Issue (3 pages)	09/13/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/11/1996 - 09/19/1996]

2016-0420-F
sb1881

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)]

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- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. cable	Re: Support Cable for East Asia Brief (6 pages)	09/16/1996	P1/b(1)

COLLECTION:

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

[09/11/1996 - 09/19/1996]

2016-0420-F
sb1881

RESTRICTION CODES

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

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. cable	Re:Digest Executive Edition 177-96 (9 pages)	09/17/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

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RESTRICTION CODES

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

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Cable

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RUCPDOG/USDOC WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 17

TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 008622

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 SEPTEMBER 17

TOP HEADLINES:

ASAHI: EMERGENCY STUDIES UNDER U.S.-JAPAN SECURITY
TREATY: STUDY UNDERWAY FOR RESCUING JAPANESE NATIONALS
IN COOPERATION WITH U.S. IN TIME OF CONTINGENCY ON THE
KOREAN PENINSULA; THE 1994 PLAN NOW RECONSIDERED; JAPAN
WILL PAY OVERSEAS TRANSPORTATION EXPENSES; DISPATCH OF
SELF DEFENSE FORCES VESSELS ENVISIONED

NIHON KEIZAI: U.S. HOUSEHOLD'S MONEY NOW FLOWING MAINLY
INTO STOCKS AND TRUST INVESTMENT; NEARLY DOUBLE AS MUCH

AS MONEY DEPOSITED; GIVES SUPPORT TO CORPORATE ACTIVITIES; BUT IT MAY CAUSE TROUBLE AT TIME OF STOCK CRASH

TOKYO SHIMBUN: HIV SCANDAL; SUSPECT ABE TO BE INDICTED TOMORROW; FULL-FLEDGED INVESTIGATION INTO HEALTH AND WELFARE MINISTRY TO START

MAINICHI: SURVEY OF TOP LEADERS OF MAJOR 100 TOP COMPANIES: 70 PERCENT SAY, "NO PROGRESS"; LARGE RETREAT IN PROSPECTS FOR ECONOMIC CONDITIONS

YOMIURI: SURVEY OF POLITICAL PARTIES: 51 LOWER HOUSE MEMBERS "WILL JOIN DEMOCRATIC PARTY"; 33 FROM SDP, 7 FROM SAKIGAKE; MANY NOT DECIDED YET; THE MEMBERSHIP MAY EXPAND TO AS MANY AS 70 PERSONS; NEW PARTY PREPARATORY COMMITTEE TO BE ESTABLISHED TODAY; COORDINATION OVER OFFICIALLY-RECOMMENDED CANDIDATES AS A KEY (ARTICLE IN ENGLISH EDITION)

SANKEI: TEIKYO UNIVERSITY CONCEALED THE AIDS POSITIVE RATE AS A RESULT OF AIDS EXAMINATION CONDUCTED IN SPRING OF 1986; MORE THAN 700 HEMOPHILIACS TESTED; SUSPECT ABE RECEIVED 10 MILLION YEN AS EXPENSES FOR SUCH A TEST FROM GREEN CROSS VIA "FALSE ORGANIZATION"

PRIME MINISTER VISITS OKINAWA TODAY; ANNOUNCES DIET DISSOLUTION ON 19TH (NIHON KEIZAI - PAGE 1)

PRIME MINISTER RYUTARO HASHIMOTO WILL A START FULL-FLEDGED EFFORT TODAY LEADING TOWARD A FORMAL DECISION ON DISSOLVING THE LOWER HOUSE LATER THIS MONTH AND HOLDING A GENERAL ELECTION IN OCTOBER. HE WILL VISIT OKINAWA TODAY TO CONFIRM THE SETTLEMENT OF THE CONFRONTATION BETWEEN THE GOVERNMENT AND THE PREFECTURE, AND DIRECTLY APPEAL TO THE PREFECTURE REGARDING HIS INTENTION TO TACKLE THE PROBLEM OF UNITED STATES MILITARY BASES IN OKINAWA AND MEASURES TO DEVELOP THE PREFECTURE. ON THE 19TH, HE WILL HOLD A MEETING OF THE PRESIDENTS OF THE RULING COALITION PARTIES-- SOCIAL DEMOCRATIC PARTY (SDP) PRESIDENT TOMIICHI MURAYAMA AND SAKIGAKE PARTY HEAD SHOICHI IDE -- AND CONVEY THEM HIS DECISION TO CALL A GENERAL ELECTION IN OCTOBER.

ON OBTAINING UNDERSTANDING FROM THE HEADS OF THE SDP AND THE SAKIGAKE, HE WILL HOLD A CABINET MEETING PROBABLY ON THE 20TH AND THEN DECIDE TO CONVENE THE EXTRAORDINARY DIET SESSION ON THE 27TH CITING THE MAKING OF REPORTS ON THE OKINAWA PROBLEM AND OTHER ISSUES. HE WILL THEN VISIT THE U.S. FROM THE 23RD TO MAKE A SPEECH AT THE UN GENERAL ASSEMBLY. TAKING ADVANTAGE OF THAT OCCASION, HE WILL HOLD TALKS WITH U.S. PRESIDENT CLINTON AND RETURN HOME ON THE 25TH. THE SCHEDULE AFTER THAT IS TO CONVENE THE DIET SESSION ON THE 27TH TO IMMEDIATELY DISSOLVE THE LOWER HOUSE AND PROMULGATE THE GENERAL ELECTION ON OCTOBER 8, SETTING THE ELECTION DAY FOR OCTOBER 20. THE LOWER-HOUSE ELECTION THIS TIME IS THE FIRST TO BE HELD UNDER THE SMALL CONSISTENCY-PROPORTIONAL REPRESENTATION SYSTEM,

INSTEAD OF THE MULTIPLE-SEAT MEDIUM DISTRICT SYSTEM. KEY POINTS IN THE UPCOMING ELECTION WILL BE THE NEED FOR DRASTIC ADMINISTRATIVE, FISCAL AND POLITICAL REFORMS, INCLUDING THE RESTRUCTURING OF VARIOUS GOVERNMENT AGENCIES, THE PROPRIETY OF THE PLANNED CONSUMPTION TAX UNCLAS SECTION 02 OF 06 TOKYO 008622

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 SEPTEMBER 17

HIKE FROM THE PRESENT 3 PERCENT TO 5 PERCENT FROM NEXT APRIL AND THE ISSUE OF THE RIGHT OF COLLECTIVE SELF-DEFENSE, INTERTWINED WITH THE PROMOTION OF JAPAN-U.S. DEFENSE COOPERATION.

THREE OKINAWAN MAYORS ORGANIZE AGAINST HELIPORT TRANSFER; TO PETITION HASHIMOTO (TOKYO SHIMBUN - PAGE 1)

A LIAISON CONSULTATIVE COUNCIL (REPRESENTATIVE ORGANIZER: MAYOR OF OKINAWA CITY SHUSEI SHINKAWA) WAS ESTABLISHED YESTERDAY BY THE HEADS AND ASSEMBLY CHAIRMEN OF OKINAWA CITY, KADENA AND CHATAN TOWNS, ALL OF WHICH HAVE OPPOSED THE MERGER PLAN TO INTEGRATE INTO KADENA AIR BASE THE HELIPORT OF FUTENMA AIR STATION AS A RESULT OF THE DECISION TO RETURN FUTENMA TO OKINAWA. THE THREE HEADS OF MUNICIPALITIES REPORTEDLY SAY THEY WOULD LIKE TO DIRECTLY CONVEY THEIR OPPOSITION TO PRIME MINISTER RYUTARO HASHIMOTO, WHO IS TO VISIT OKINAWA TODAY.

ANTI-HELIPORT RESISTANCE: QNO ROOM FOR COMPROMISEQ (TOKYO SHIMBUN - PAGE 22)

OPPOSING THE MERGER PLAN TO INTEGRATE INTO KADENA AIR BASE THE HELIPORT OF FUTENMA AIR STATION WHICH HAS BEEN DECIDED TO BE RETURNED TO OKINAWA, THREE MUNICIPALITIES IN OKINAWA LAUNCHED A JOINT-STRUGGLE ORGANIZATION YESTERDAY. BEHIND THEIR MOVE IS THEIR SENSE OF CRISIS AGAINST THE CURRENT SITUATION WHERE THE CONSOLIDATION PLAN TO INTEGRATE (THE HELIPORT) INTO KADENA AIR BASE IS BECOMING MORE LIKELY, AND IN ADDITION, THERE IS A GLIMPSE OF DISTRUST OF THE CENTRAL GOVERNMENT AND THE PREFECTURAL GOVERNMENT. THE THREE LOCALITIES, WHICH HAVE BEEN PREVENTED BY EXTENSIVE KADENA AIR BASE FROM DEVELOPING THEIR AREAS AND ALSO HAVE SUFFERED HARM FROM THE BASE, SUCH AS AIRPLANE NOISE, HAVE TAKEN THE STANCE OF PUTTING UP ALL-OUT RESISTANCE, ARGUING, "THERE IS NO ROOM FOR COMPROMISE." KADENA TOWN HEAD ATSUMI MIYAGI IN A PRESS BRIEFING INDICATED HIS IRRITATION AT THE CURRENT

SITUATION WHERE THE LOCAL AREAS ARE "LEFT OUT IN THE DARK," NOTING: "NO OTHER INFORMATION COMES OUT EXCEPT FOR PRESS REPORTING. OUR RESIDENTS ALSO ARE ANNOYED." UNTIL A LOCAL NEWSPAPER'S REPORTING IN EARLY JULY, HE HAD NOT LEARNED OF THE KADENA MERGER PLAN. EVEN AFTER THAT, NO OFFICIAL EXPLANATION HAS EVER BEEN GIVEN BY THE PREFECTURAL GOVERNMENT OR THE CENTRAL GOVERNMENT.

MAYOR SHUSEI SHINKAWA OF OKINAWA CITY HAD PLACED HIS HOPES ON THE PREFECTURAL GOVERNMENT'S RESPONSE, NOTING: "WE THOUGHT IT NECESSARY FOR THE PREFECTURAL GOVERNMENT ALSO TO WORK TOGETHER WITH US FROM THE POSITION OF OPPOSING SUCH RELOCATION." BUT NOW THAT GOVERNOR MASAHIDE OTA AGREED TO ACT AS PROXY TO PUT ON PUBLIC DISPLAY THE LEASE DOCUMENTS NECESSARY FOR THE FORCED USE OF LAND LOTS BY UNITED STATES FORCES, THE DOMINANT VIEW IS: "MERGING (FUTENMA'S HELIPORT) INTO KADENA AIR BASE MIGHT HAVE BEEN A SETTLEMENT WHICH THE GOVERNOR HAS ALREADY AGREED TO" (SOURCES CONNECTED TO THE THREE MUNICIPALITIES).

COMMENT BY CHATAN TOWN CHIEF ASAKAZU HEDONA (?):

"IT IS UNACCEPTABLE TO ENTERTAIN EVEN THE IDEA OF BEING ABLE TO PERSUADE US AT THE LOCAL LEVEL."

TOWN HEAD MIYAGI ALSO OPENLY WAS ANGRY, NOTING: "IT IS UTTERLY IRRESPONSIBLE. LOCAL RESIDENTS HAVE BEEN TRIFLED WITH."

GOVERNMENT SEEKS TO IMPROVE SOFA BY FOCUSING ON UNFIRED-SHELL DISPOSAL AND BASE ENTRY (YOMIURI - PAGE 3)

FOLLOWING UP THE PRIME MINISTER'S STATEMENT REGARDING THE PROBLEM OF U.S. MILITARY BASES ON OKINAWA, THE GOVERNMENT IN CONNECTION WITH A REVIEW (MINAOSHI) OF THE JAPAN-U.S. UNCLAS SECTION 03 OF 06 TOKYO 008622

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 SEPTEMBER 17

STATUS OF FORCES AGREEMENT (SOFA) IS GOING TO INCORPORATE SUCH REGULATIONS AS DUD DISPOSAL AND ENTRY INTO U.S. MILITARY BASES IN A FINAL REPORT TO BE ISSUED THIS NOVEMBER BY THE SPECIAL ACTION COMMITTEE ON FACILITIES AND AREAS IN OKINAWA (SACO). OKINAWA PREFECTURE HAS BEEN CALLING FOR A REVISION (KAITEI) OF THE SOFA PACT ITSELF, BUT THE GOVERNMENT INTENDS TO AVOID SUCH AND WILL TRY TO

OBTAIN THE PREFECTURE'S UNDERSTANDING BY IMPLEMENTING SUCH OPERATIONAL IMPROVEMENTS AS CREATING GUIDELINES FOR EACH ISSUE.

SACO'S APRIL INTERIM REPORT INCORPORATED PROBLEMS IN CONNECTION WITH THE SOFA PACT, BUT FOUR OF THEM STILL REMAIN PENDING, NAMELY: (1) THE U.S. FORCES' DISCLOSURE OF INFORMATION ABOUT ACCIDENTS CAUSED BY U.S. MILITARY AIRCRAFT; (2) ENTRY INTO U.S. MILITARY FACILITIES AND AREAS; (3) QUARANTINE OF U.S. MILITARY PERSONNEL, AS WELL AS ANIMALS AND PLANTS; AND (4) REMOVAL OF SPENT AMMUNITION AT CAMP HANSEN. FURTHERMORE, REGARDING COMPENSATION FOR INCIDENTS AND ACCIDENTS BROUGHT ABOUT BY OFF-DUTY U.S. MILITARY PERSONNEL, THE GOVERNMENT IS ALSO MULLING OVER SUCH PLANS AS ESTABLISHING A SYSTEM UNDER WHICH THE JAPANESE SIDE PAYS FOR THE U.S. SIDE.

ON THE ISSUE OF REMOVING DUDS, BILATERAL CONSULTATIONS BETWEEN JAPAN AND THE U.S. MAY POSSIBLY BOG DOWN.

THE RESIDENTS OF OKINAWA PREFECTURE STRONGLY DESIRE FROM THE VIEWPOINT OF SAFETY AND ENVIRONMENTAL PROTECTION THAT THE DUDS THAT REMAIN IN THE AREA NEAR CAMP HANSEN AS A RESULT OF THE U.S. MILITARY'S LIVE-FIRE ARTILLERY TRAINING ACROSS PREFECTURAL HIGHWAY ROUTE 104 BE REMOVED. OKINAWA PREFECTURE'S GOVERNOR OTA ALSO EXPRESSED CONCERN AGAIN AT A SEPTEMBER 11 MEETING OF THE OKINAWA U.S. MILITARY BASE ISSUES CONSULTATIVE COUNCIL. SINCE THE U.S. FORCES ARE VESTED WITH THE RIGHT TO CONTROL THEIR FACILITIES AND AREAS, ONLY THE U.S. FORCES CAN REMOVE DUDS ON BASES, BUT THE U.S. SIDE IS RELUCTANT TO DISPOSE OF THE REMAINING DUDS FOR SUCH WORK IS DANGEROUS AND WILL REQUIRE A HUGE AMOUNT OF LABOR. SO, IT IS NOW NECESSARY TO CREATE NEW RULES FOR THE U.S. FORCES TO CARRY OUT SUCH DUD DISPOSAL.

PRIME MINISTER Q'S U.S. SPEECH TO FOCUS ON ADMINISTRATIVE REFORM (YOMIURI - PAGE 1)

DURING HIS VISIT TO THE UNITED STATES TO ATTEND THE UNITED NATIONS GENERAL ASSEMBLY, PRIME MINISTER HASHIMOTO IN THE FOREIGN AFFAIRS COUNCIL IN NEW YORK ON THE 24TH WILL DELIVER A SPEECH WITH JAPAN-U.S. RELATIONS AS THE THEME. THE PRIME MINISTER, EYEING ON GROWING U.S. INTEREST IN THE JAPANESE ECONOMY, WILL REITERATE THE IMPORTANCE OF JAPAN'S CONTRIBUTION TO THE INTERNATIONAL ECONOMY, AS WELL AS THE NEED TO PROMOTE ADMINISTRATIVE REFORM, INCLUDING DEREGULATION.

IN SECURITY TERMS, THE PRIME MINISTER WILL REVEAL THAT JAPAN, WHILE GIVING CONSIDERATION TO OKINAWA PREFECTURE, IS DETERMINED TO UPHOLD THE CURRENT JAPAN-U.S. SECURITY ARRANGEMENT IN ORDER TO MAINTAIN THE PEACE AND STABILITY OF THE ASIA-PACIFIC REGION AND PEACE IN THE INTERNATIONAL COMMUNITY.

BEARING IN MIND THE DISSOLUTION OF THE LOWER HOUSE AND A GENERAL ELECTION LIKELY TO TAKE PLACE AFTER HE RETURNS

HOME, THE PRIME MINISTER WILL AIM TO DEMONSTRATE HIS OWN POLICY LINE TO JAPANESE AND U.S. AUDIENCES.

THE PRIME MINISTER WILL POINT OUT THAT THE RECOVERY OF THE JAPANESE ECONOMY IS ESSENTIAL TO PREVENT THE GLOBAL ECONOMY FROM FALLING INTO STAGNATION AND THAT STRUCTURAL REFORM OF THE JAPANESE CONOMY IS NECESSARY FOR CONTINUOUS GROWTH. HE WILL REITERATE THE NEED TO: (1) RECTIFY JAPAN'S CURRENT HIGH-COST STRUCTURE BY CARRYING OUT UNCLAS SECTION 04 OF 06 TOKYO 008622

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 SEPTEMBER 17

DEREGULATION ON A PRIORITY BASIS; (2) TAKE COUNTERMEASURES AGAINST REGIONAL INDUSTRIAL HOLLOWING-OUT IN JAPAN; (3) GRANT ASSISTANCE FOR CREATING NEW BUSINESSES; AND (4) EXPAND ECONOMIC FRONTIERS, CONSTRUCTING A HIGH-SPEED DATA COMMUNICATION SOCIETY AND THE LIKE.

THE PRIME MINISTER THEN WILL STRESS THAT THE INVIGORATION OF THE JAPANESE ECONOMY WILL SERVE TO INCREASE CHANCES FOR U.S. COMPANIES TO ENTER THE JAPANESE MARKET. HE WILL INDICATE THAT THE JAPANESE MARKET, WHICH HAS BEEN CRITICIZED AS CLOSED, WILL BE LIBERALIZED AS DEREGULATION MAKES HEADWAY.

STRONG CHINESE CRITICISM OF JAPAN CONTINUES ON SENKAKU ISLANDS AND SECURITY ALLIANCE (ASAHI - PAGE 2)

JAPANESE-CHINESE RELATIONS ARE FACING A SERIOUS SITUATION. THAT IS BECAUSE WITH CHINESE GOVERNMENT'S STRENGTHENING OF ITS CRITICISM OF JAPAN TO AN UNPRECEDENTED DEGREE, FOCUSING ON PRIME MINISTER RYUTARO HASHIMOTO'S VISIT TO YASUKUNI SHRINE AND THE ISSUE OF OWNERSHIP OF THE SENKAKU ISLANDS (CHINESE NAME: DIAOYU ISLANDS), THE JAPANESE GOVERNMENT HAS REMAINED UNABLE TO FIND A WAY TO DEFLECT IT. JAPAN AND THE UNITED STATES "REDEFINED" THE BILATERAL SECURITY ARRANGEMENT AT THEIR SUMMIT MEETING IN APRIL, BUT CHINA REMAINS WORRIED THAT THE REDEFINITION IS A "STRATEGY TO CONTAIN CHINA." UNDER SUCH CIRCUMSTANCES, IF JAPAN TAKES A HARD-LINE STANCE TOWARD CHINA'S CRITICISM, BILATERAL RELATIONS MIGHT SUDDENLY TURN COLD. JAPAN AND CHINA WILL MARK THE 20TH ANNIVERSARY OF THE NORMALIZATION OF DIPLOMATIC RELATIONS NEXT YEAR, BUT IF THIS SITUATION PERSISTS, IT MIGHT AFFECT PLANNED PROJECTS COMMEMORATING THE OCCASION AND

FUTURE HIGH-LEVEL EXCHANGES.

CHINA HAS HARDENED ITS ATTITUDE FURTHER SINCE A JAPANESE POLITICAL ORGANIZATION RE-ERECTED A BEACON ON ONE OF THE SENKAKU ISLANDS IN SEPTEMBER, FOLLOWING THE ONE ERECTED IN JULY. CHEN GUOFANG, SPOKESMAN FOR THE MINISTRY OF FOREIGN AFFAIRS EXPRESSED "INDIGNATION," AND AMBASSADOR TO JAPAN XU DUNXIN FILED A PROTEST. CHINA HAS BEEN TAKING AN UNUSUAL STANCE TOWARD JAPAN, SUCH AS MAKING AN ISSUE OF (THE PRIME MINISTER'S PAYING HOMAGE AT THE) YASUKUNI SHRINE, IT HAS MADE AN INFORMAL REQUEST TO PRIME MINISTER HASHIMOTO RYUTARO NOT TO VISIT IT AGAIN ON SUCH OCCASIONS AS THE REGULAR GREAT AUTUMN FESTIVAL.

THE JAPANESE GOVERNMENT, WHICH HAD CONSIDERED CHINA'S ENDING NUCLEAR TESTING IN JULY AS AN OPPORTUNITY TO REPAIR BILATERAL RELATIONS, IS AT A LOSS OVER DEVELOPMENTS SINCE THEN. OVER THE SENKAKU ISLANDS ISSUE, THE MINISTRY OF FOREIGN AFFAIRS (MOFA) ASKED THE MARITIME SAFETY AGENCY TO BE CAUTIOUS ABOUT THE HANDLING OF AN APPLICATION MADE BY THE POLITICAL ORGANIZATION FOR APPROVAL FOR THE "LIGHTHOUSE" AS A CHANNEL MARKER, BUT SINCE THE ISLAND IS PRIVATELY OWNED, IT IS DIFFICULT TO TAKE A MEASURE THAT RESTRICTS THE ACTION OF A POLITICAL ORGANIZATION. REGARDING THE PROBLEM OF THE PRIME MINISTER'S PAYING HOMAGE AT THE YASUKUNI SHRINE, TOO, THE REAL STATE IS: "THE ONLY SOLUTION WOULD BE EITHER TO STOP ENSHRINING CLASS-A WAR CRIMINALS TOGETHER OR TO ASK THE PRIME MINISTER TO REFRAIN FROM PAYING HOMAGE" (SENIOR MOFA OFFICIAL). HOWEVER, PRIME MINISTER HASHIMOTO HAS SO FAR INDICATED NO SIGN OF TAKING ANY ACTION TO IMPROVE THE JAPANESE-CHINESE RELATIONS. AMID THE SITUATION WHERE BILATERAL CHANNELS FOR POLITICIANS ARE TAPERING OFF DUE TO THE CHANGE IN GENERATIONS IN THE POLITICAL WORLD, THE SITUATION IS THAT NEITHER COUNTRY IS ABLE TO EVEN START MAKING ARRANGEMENTS FOR BILATERAL VICE-MINISTER-LEVEL NEGOTIATIONS SLATED FOR THE FALL.

LDP DEBATES POST-ELECTION COALITION POSSIBILITIES
(NIHON KEIZAI - PAGE 2)
UNCLAS SECTION 05 OF 06 TOKYO 008622

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 SEPTEMBER 17

ARGUMENTS HAVE BECOME ACTIVE IN THE LIBERAL DEMOCRATIC PARTY (LDP) TOWARD A NEW POLITICAL FRAMEWORK AFTER THE

OCTOBER GENERAL ELECTION. THE REASON IS SIMPLE: A MAJORITY THINK THAT OBTAINING A MAJORITY OF SEATS INDEPENDENTLY IN THE ELECTION WOULD BE DIFFICULT AND IN ORDER TO STAY IN POWER, THE PARTY NEEDS TO FIND NEW PARTNERS. SECRETARY GENERAL KOICHI KATO AND OTHER EXECUTIVE MEMBERS ARE AIMING TO JOIN HANDS WITH THE THIRD POLITICAL FORCE LED BY THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY AS WELL AS WITH THE "ANTI-OZAWA GROUP" IN THE SHINSHINTO (NEW FRONTIER PARTY). SOME OTHERS ARE CALLING FOR FORMING A "CONSERVATIVE-CONSERVATIVE ALLIANCE." LINKED WITH THE MOVES OF SHINSHINTO AND THE (SOON-TO-BE-FORMED) "DEMOCRATIC PARTY," THE CLIMATE AFTER THE LOWER-HOUSE ELECTION IS EXPECTED TO EVOLVE AROUND POLITICAL REALIGNMENT.

THE ONE WHO FIRST REFERRED TO A SPECIFIC APPROACH TO THE ADMINISTRATION AFTER THE ELECTION WAS CHIEF CABINET SECRETARY SEIROKU KAJIYAMA. KAJIYAMA IN HIS SPEECH ON THE 4TH PLAYED UP THE NEED TO LAUNCH A STRONG CABINET BY LIKE-MINDED POLITICAL PARTIES, STATING, "LAUNCHING A SAVE-THE-NATION-TYPE CABINET IN TERMS OF SECURITY AND FISCAL RECONSTRUCTION WOULD BE ONE OPTION." PRIME MINISTER RYUTARO HASHIMOTO HAS ALSO INDICATED: "WE NEED A MORE STABLE ADMINISTRATIVE BEDROCK BACKED BY THE PEOPLE'S TRUST."

ACHIEVING THE "SECOND HASHIMOTO ADMINISTRATION" AFTER THE ELECTION IS THE ULTIMATE GOAL FOR THE HASHIMOTO-KAJIYAMA DUO. TO THAT END, THEY ARE DETERMINED TO CONTINUE TO PLACE IMPORTANCE ON THE PRESENT COALITION ARRANGEMENT. AT THE SAME TIME, THEY ARE ALREADY HYPOTHESIZING SUCH WORST-CASE SCENARIOS AS THAT THE LDP NOT BEING ABLE TO GRAB A STABLE MAJORITY EVEN WITH ITS COLLABORATION WITH THE THIRD PARTY FORCE. OPINIONS (OF HASHIMOTO AND KAJIYAMA) SIMPLY SUGGESTED THAT IN ORDER TO ACHIEVE THEIR GOAL, THE PARTY NEEDS TO KEEP ITS OPTIONS OPEN, INCLUDING JOINING HANDS WITH THE SHINSHINTO.

BUT SUCH A "STRONG AND STABLE ADMINISTRATIVE GOAL" HAS EVOKED A STRONG REACTION IN THE LDP, SUSPECTING THAT "SUCH WOULD END UP WITH FORMING A CONSERVATIVE-CONSERVATIVE ALLIANCE WITH THE SHINSHINTO." IN FACT, ORGANIZATIONAL PUBLIC INFORMATION HEADQUARTERS CHIEF SHIZUKA KAMEI HAS CRITICIZED KAJIYAMA'S REMARKS IN A STRONG TONE, CALLING IT "AN ACT TO SERVE THE INTEREST OF THE ENEMY."

"I HOPE TO CARRY OUT POLITICS WITH A BIG GROUP COMPOSED OF MEMBERS WHO SHARE THE SAME VALUES" (SECRETARY GENERAL KOICHI KATO). "WE NEED TO TIE UP WITH THE THIRD POLITICAL FORCE FOR THE SAKE OF STABLE POLITICS" (POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI). AS SEEN FROM THIS, SOME EXECUTIVE MEMBERS HAVE BEEN PLAYING UP THE IMPORTANCE OF MAINTAINING THE PRESENT COALITION ARRANGEMENT, PLUS THE "DEMOCRATIC PARTY" AS THE THIRD POLITICAL FORCE. THEIR ANOTHER AIM IS TO PREVENT A MOOD GOING FOR A "CONSERVATIVE-CONSERVATIVE ALLIANCE" FROM ARISING AFTER THE OCTOBER ELECTION AMONG MEMBERS WHO ARE

DISCONTENT WITH THE PRESENT LEADERSHIP.

THE LDP LEADERSHIP HAS BEEN LAYING THE GROUNDWORK TO WIN SOME SHINSHINTO MEMBERS TO THEIR SIDE, GOING ONE STEP FURTHER TO "KEEPING THE PRESENT COALITION ARRANGEMENT. SECRETARY GENERAL KATO AND SOME OTHER EXECUTIVE MEMBERS HAVE APPROACHED THREE FORMER SHINSHINTO MEMBERS, INCLUDING NORIO SUGIYAMA, TO RETURN TO THE PARTY. THE REAL PURPOSE IS TO LET SUGIYAMA SERVE AS A "BRIDGE" FOR THE "ANTI-OZAWA" GROUP IN THE SHINSHINTO TO BOLT THE PARTY AFTER THE ELECTION.

THE LDP HAS BEEN CONDUCTING OTHER BEHIND-THE-SCENES
UNCLAS SECTION 06 OF 06 TOKYO 008622

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 SEPTEMBER 17

EFFORTS TO WIN SOME NON-LDP MEMBERS IN AN EFFORT TO REMAIN IN POWER EVEN AFTER THE ELECTION. DEPENDING ON THE NUMBER OF SEATS THE LDP IS GOING TO GRAB IN THE ELECTION, POLITICAL REALIGNMENT MAY ACCELERATE.

ABOUT 40 DIETMEMBERS READY TO ENTER NEW DEMOCRATIC PARTY
(TOKYO SHIMBUN - PAGE 1)

YUKIO HATOYAMA, HEALTH AND WELFARE MINISTER NAOTO KAN (DEPUTY REPRESENTATIVE OF THE SAKIGAKE PARTY) AND SOME OTHERS ARE NOW PROMOTING THE FOUNDING OF THE DEMOCRATIC PARTY. A PREPARATORY COMMITTEE FOR ESTABLISHING IT WILL BE ORGANIZED THIS AFTERNOON TO MAKE THIS FIRST MOVE. THE PREPARATORY COMMITTEE, WHICH WILL SERVE AS THE ORGANIZATION TO PREPARE THE WAY A ESTABLISHING THE NEW PARTY. THE FIRST PREPARATORY COMMITTEE MEETING WILL LIKELY BE JOINED BY 40 OR SO INCUMBENT LEGISLATORS, INCLUDING THOSE HAILING FROM THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE.

THE PREPARATORY COMMITTEE'S GENERAL MEETING WILL RELEASE ON THE 22ND THE SPECIFIC POLICIES OF THE DEMOCRATIC PARTY," AND WILL AIM AT FOUNDING A NEW PARTY WITHIN A WEEK AFTER THE LOWER HOUSE IS DISSOLVED. THE FINAL NUMBER OF INCUMBENT LAWMAKERS WHO WILL PARTICIPATE IN THE NEW PARTY IS UNCLEAR BECAUSE IT IS NOT CERTAIN HOW MANY SDP MEMBERS WILL JOIN.

MEANWHILE, THE SAKIGAKE WILL DISCUSS THE PROBLEM OF PARTICIPATING IN THE DEMOCRATIC PARTY AT A MEETING OF THE

GENERAL COUNCIL DUE TO TAKE PLACE THIS MORNING. MOST OF JUNIOR MEMBERS ARE POSITIVE ABOUT PARTICIPATION, WHILE SENIOR MEMBERS, SUCH AS ECONOMIC PLANNING AGENCY DIRECTOR GENERAL SHUSEI TANAKA (DEPUTY REPRESENTATIVE), HAVE STATED THEY ARE CAUTIOUS ABOUT PARTICIPATING IN IT IN SUCCESSION. THE PARTY IS CERTAIN TO SPLIT.

IN THE FIRST MEETING OF THE (DEMOCRATIC PARTY) PREPARATORY COMMITTEE, DISCUSSION WILL START WITH BASIC RULES FOR MANAGING THE PARTY, SUCH AS CRITERIA FOR THE PARTY TO CHOOSE ITS AUTHORIZED CANDIDATES FOR THE NEXT GENERAL ELECTION. THE FIRST GROUP OF CANDIDATES OFFICIALLY-RECOMMENDED BY THE DEMOCRATIC PARTY WILL BE ANNOUNCED IN THE PREPARATORY COMMITTEE'S GENERAL MEETING SET FOR THE 22ND. EFFORTS WILL BE MADE TO THE LAST MOMENT TO PUT UP 200 CANDIDATES FOR THE 300-SINGLE-SEAT CONSTITUENCIES.

YUKIO HATOYAMA, NAOTO KAN, AND HATOYAMA'S YOUNGER BROTHER, KUNIO HATOYAMA WHO LEFT THE SHINSHINTO (NEW FRONTIER PARTY) AND TOMIKO OKAZAKI (SDP) -- ALL OF WHOM HAVE PROMOTED THE ORGANIZATION OF A NEW PARTY -- WILL MOST LIKELY ASSUME THE POSITIONS OF SECRETARIES OF THE (PREPARATORY COMMITTEE). IN ADDITION, BANRI KAIEDA (CITIZENS LEAGUE), TAKAHIRO YOKOMICHI AND OTHERS, WHO WILL BE CORE MEMEBRS OF THE NEW PARTY, ARE EXPECTED TO BE TAPPED (AS SECRETARIES). CRANE

SECT: SECTION: 01 OF 06
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DIST:
SIT: NSC

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006. cable	Re: Tokyo Visit (3 pages)	09/17/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/11/1996 - 09/19/1996]

2016-0420-F
sb1881

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

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
007. cable	Re: Travel to Okinawa (2 pages)	09/17/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/11/1996 - 09/19/1996]

2016-0420-F
sb1881

RESTRICTION CODES

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

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Cable

PREC: PRIORITY
CLASS: UNCLASSIFIED
LINE1: PAAUZYUW RUCWAAA2488 2612053-UUAA--RHEHWSR.
LINE2: ZNR UUUA ZYN
LINE3: P 172053Z SEP 96
LINE4: FM FBIS RESTON VA
OSRI: RUCWAAA
DTG: 172053Z SEP 96
ORIG: FBIS RESTON VA
TO: RHEHWSR/WHITE HOUSE SITUATION ROOM WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC//OASD/ISA/EAPR FOR LEW STERN//
RUEHC/SECSTATE WASHINGTON DC//EAP/JAPAN//
RUEHC/SECSTATE WASHINGTON DC//INR/EAP/NA/FOR/BROOKS//
RUEHC/SECSTATE WASHINGTON DC//EAP/JAPAN/FOR SCOTT/LUDAN//
RUEHKOF/AMCONSUL FUKUOKA
RUEHOK/AMCONSUL OSAKA KOBE
RUEHKOS/AMCONSUL SAPPORO
RUEHBK/AMEMBASSY BANGKOK//POL//
RUEHBJ/AMEMBASSY BEIJING
RUEHJA/AMEMBASSY JAKARTA
RUEHGP/AMEMBASSY SINGAPORE
RUEHGP/AMEMBASSY SINGAPORE//FOR REGIONAL AFFAIRS//
RUHPHQ/CDR JTF-FA HONOLULU HI//J2//
RUAGTBU/CDR1STBN1STSFGA TORII STA JA//SSO//
RUAGYIN/CDRCSCTTHREE YONGIN KOR//EACT-T-I//
RUAGAMS/CINC UNC CFC SEOUL KOR//UNCMAC//
RUHDBKT/DATT-TLO BANGKOK TH
RUEALGX/DEFINTAGENCY WASH DC
RUCPDC/DEPT OF COMMERCE WASHINGTON DC//O/IL//
RUCPDC/DEPT OF COMMERCE WASHINGTON DC//ITA/IEP/JAPAN//
RAYWBBK/DIO CANBERRA AS
RUYLBAH/DODSPECREP OKINAWA JA
RUESFG/FBIS BANGKOK TH
RUESDG/PTS HONG KONG
RUDKMKE/FBIS LONDON UK
RUDKMBK/FBIS LONDON UK//BBC//
RUESDJ/FBIS OKINAWA JA
RUESDP/FBIS SEOUL KOR
RUALJDT/JDET YOKOTA AB JA
RUDGAFT/HQ AFTAC PATRICK AFB FL//DOB//
RUEBNBA/HQ AFTAC-IN PATRICK AFB FL
RHHJDHA/HQ PACAF IDHS HICKAM AFB HI
RHHJJAA/JICPAC HONOLULU HI
RUDMQAN/MARCORINTACT DET QUANTICO VA
RUEAIJU/NPIC WASHINGTON DC//IEG EXEC OFF//
RAYWBFA/ONA CANBERRA AS
RHHMUNA/USCINCPAC HONOLULU HI
RUWTNOK/HQ USSPACECOM PETERSON AFB CO//POLAD//
RUEHVEN/USMISSION USVIENNA
RUESTO/AMEMBASSY TOKYO
RUEHLO/AMEMBASSY LONDON UK
RUEAIIS/STORAGE CENTER FBIS RESTON VA

ACCT FBWA-EWDK

INFO: ////

SUBJ: FBIS FOREIGN MEDIA NOTE-17SEP96--TOKYO ON OFFSHORE HELIPORT

TEXT:

UNCLAS 4Z/LD

WARNING: (THE FOLLOWING ITEM IS INTENDED FOR USE ONLY BY
U.S. GOVERNMENT CONSUMERS. IT IS EASED ON
FOREIGN MEDIA CONTENT AND BEHAVIOR AND IS ISSUED
WITHOUT COORDINATION WITH OTHER GOVERNMENT
COMPONENTS.)

SERIAL: WA1709205396

PASS: ATTN BLOUGH/MILLER
ATTN BBC RDSUP

COUNTRY: JAPAN

SUBJ: FBIS FOREIGN MEDIA NOTE-17SEP96--TOKYO ON OFFSHORE HELIPORT

SOURCE: FOREIGN BROADCAST INFORMATION SERVICE

TEXT:

Japan-U.S.: Japanese Media Report Mixed Reaction to
Offshore Heliport Proposal

[FBIS Media Analysis] Initial public Japanese reaction to a
proposal to move the Futenma Air Station heliport to a floating
offshore structure has been mixed. Although Prime Minister
Ryutaro Hashimoto expressed his interest in the proposal during a
17 September speech in Okinawa, local Okinawan officials have
indicated they have some reservations about it.

The positive tone of Hashimoto's comments on the offshore
heliport during his Okinawa speech suggest that he sees the
proposal as a possible solution to the controversy over the
transfer of the Futenma heliport.

-- Although noting that the proposal was made by Washington, he
stated that it is "based on one of my ideas." He said that one of
the options he considered for relocation of the Futenma heliport
earlier this year was an "environmentally friendly, removable"
offshore heliport (NHK Television, 17 September).

Japanese media reporting suggests some Japanese government
offices have been interested in such a proposal for at least
several months.

-- The 18 July Tokyo Shimbun, for example, reported that the
Defense Facilities Administration was considering building a
"floating heliport" to accommodate the Futenma helipads and that
it had asked two major Japanese steel and shipbuilding firms to
submit joint proposals for such a facility.

Okinawan Reaction

Okinawan reaction, however, has so far been guarded, suggesting
that there may be some local opposition to the idea.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
008. cable	Re: FBIS Foreign Media Note - Tokyo on Offshore Heliport [partial] (1 page)	09/17/1996	P3/b(3)

COLLECTION:

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

FOLDER TITLE:

[09/11/1996 - 09/19/1996]

2016-0420-F
sb1881

RESTRICTION CODES

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

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

RR. Document will be reviewed upon request.

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

-- According to a 17 September Kyodo report, Okinawa Governor Masahide Ota refused to comment on the proposal, saying the "details are not clear at the present stage."

-- In a sign that he may have some reservations, however, he added that relocating the Futenma facilities within Okinawa will be "very difficult."

-- The mayors of three towns near Kadena Air Base, who on 16 September formed a council to resist transfer of the heliport to Kadena, also reacted cautiously to the proposal, describing it as "merely another option" (Okinawa Times, 17 September).

-- The mayors of Okinawa City and Chatan Township hinted that they are skeptical about the plan, noting that they "do not yet know the details" of the proposal and that the proposal does not necessarily mean that plans to move the heliport to Kadena have been ruled out.

-- The mayor of Kadena expressed reservations about the proposal, warning that it presents some "hazards," including the flight paths of the helicopters and their need to "interact" with Kadena Air Base.

Business Support

The floating heliport has won enthusiastic support from Japanese business groups that would stand to benefit from the project.

-- According to a 17 September Kyodo report, the Technological Research Association of Megafloat, a consortium of major steelmakers and shipbuilders which has been studying the possibility of developing floating steel structures to accommodate airports and distribution facilities said that it was confident that its technology should "be able to meet the requirements" for an offshore heliport.

(b)(3)

008

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(endall) EAG/HH/SDJ 17/2051Z Sep

SECT: SECTION: 01 OF 01

SSN: 2488

TOR: 960917170644 M2404444

DIST:

SIT: PRITCHARD SESTAK

SIT: NSC

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHCAA3866 2620051-UUUU--RHEHNSC.

LINE2: ZNR UUUUU ZZH ZEX

LINE3: O P 180046Z SEP 96

LINE4: FM SECSTATE WASHDC

OSRI: RUEHC

DTG: 180046Z SEP 96

ORIG: SECSTATE WASHDC

TO: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS IMMEDIATE

RUEHOK/AMCONSUL OSAKA KOBE IMMEDIATE

RHEHNSC/NSC WASHDC PRIORITY 2901

RUEHIA/USIA WASHDC PRIORITY 1787

RUCNDT/USMISSION USUN NEW YORK PRIORITY 3797

INFO: RUEHOL/AMEMBASSY BONN PRIORITY 0074

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RUEHLE/AMEMBASSY LUXEMBOURG PRIORITY 7814

RUEHMO/AMEMBASSY MOSCOW PRIORITY 4509

RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1405

RUEHFR/AMEMBASSY PARIS PRIORITY 8301

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RHHMUNA/USCINCPAC HONOLULU HI PRIORITY

RUAGAAA/CHJUSMAG SEOUL KS PRIORITY

RUAGAAA/COMUSKOREA SEOUL KS//CC/BJ/CJ/EJ/PAJ/SJS// PRIORITY

RUAGAAA/SACINCUNC KS PRIORITY

RUAGAAA/USCINCUNC SEOUL KS PRIORITY

RUEKCCG/SECDEF WASHDC//USDP PRIORITY

RUEKCS/JOINT STAFF WASHINGTON DC PRIORITY

RUEHVEN/USMISSION USVIENNA PRIORITY 5687

SUBJ: SEPTEMBER 17 PRESS GUIDANCES FOR THE EAP REGION

ALL POSTS -- ALSO FOR USIS

SECDEF -- ALSO FOR OASD/PA

USCINCPAC FOR FPA TEARE

USVIENNA FOR VIENNA

TEXT:

UNCLAS SECTION 01 OF 04 STATE 193866

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR FERGIN

E.O. 12958: N/A

TAGS: OPRC XE US

SUBJECT: SEPTEMBER 17 PRESS GUIDANCES FOR THE EAP REGION

ALL POSTS -- ALSO FOR USIS

SECDEF -- ALSO FOR OASD/PA

USCINCPAC FOR FPA TEARE

USVIENNA FOR VIENNA

PARIS FOR ZEYA

1. INDEX

-- PRESIDENT CLINTON'S PARTICIPATION IN 51ST ANNUAL
SESSION OF THE UN GENERAL ASSEMBLY
-- JAPAN -- PRIME MINISTER HASHIMOTO'S SPEECH ON OKINAWA
-- NORTH KOREA -- NEW YORK TIMES ON POWS
-- INDONESIA -- MEGAWATI BARRED FROM PARLIMENTARY
ELECTIONS
-- CHINA: CONTROL OF INTERNET
-- TAIWAN -- SUMMERS' VISIT
-- EMBASSY BEIJING GIFT SOLICITATION

2. THE FOLLOWING STATEMENT WAS PREPARED AND RELEASED BY
THE OFFICE OF THE WHITE HOUSE PRESS SECRETARY ON 9/16/96.

PRESIDENT CLINTON'S PARTICIPATION
IN THE 51ST ANNUAL SESSION
OF THE UN GENERAL ASSEMBLY

PRESIDENT CLINTON WILL TRAVEL TO NEW YORK CITY ON
SEPTEMBER 24 TO ADDRESS THE 51ST ANNUAL SESSION OF THE
UNITED NATIONS GENERAL ASSEMBLY.

BEFORE HIS SPEECH TO THE GENERAL ASSEMBLY, THE
PRESIDENT WILL ATTEND THE SIGNING CEREMONY FOR THE
COMPREHENSIVE NUCLEAR TEST BAN TREATY. THE PRESIDENT
WILL BE THE FIRST WORLD LEADER TO SIGN THE TREATY. THE
UN GENERAL ASSEMBLY ADOPTED THE TREATY EARLIER THIS
MONTH, FULFILLING A VISION OF AMERICAN LEADERS GOING BACK
TO PRESIDENTS DWIGHT D. EISENHOWER AND JOHN F. KENNEDY.

THE CTBT MARKS AN HISTORIC MILESTONE IN OUR
EFFORTS TO ELIMINATE THE VESTIGES OF THE COLD WAR, REDUCE
THE THREAT OF NUCLEAR WAR, AND BUILD A SAFER WORLD. BY
BANNING ALL NUCLEAR EXPLOSIONS, THE TREATY WILL CONSTRAIN
THE DEVELOPMENT AND QUALITATIVE IMPROVEMENT OF NUCLEAR
WEAPONS, AS WELL AS END THE DEVELOPMENT OF ADVANCED NEW
TYPES OF NUCLEAR WEAPONS. THE CTBT WILL THUS CONTRIBUTE
TO THE PREVENTION OF NUCLEAR PROLIFERATION AND THE
PROCESS OF NUCLEAR DISARMAMENT, AND ENHANCE INTERNATIONAL
PEACE AND SECURITY.

FOLLOWING HIS SPEECH TO THE GENERAL ASSEMBLY, THE
PRESIDENT PLANS TO MEET WITH PRIME MINISTER RYUTARO
HASHIMOTO OF JAPAN. DISCUSSIONS WITH THE JAPANESE LEADER
WILL ADDRESS BILATERAL ECONOMIC AND SECURITY ISSUES, AS
WELL AS GLOBAL ISSUES OF MUTUAL CONCERN.

3. THE FOLLOWING PRESS GUIDANCES, PREPARED ON 9/17/96,
WERE NOT USED AT THAT DAY'S REGULAR PRESS BRIEFING.
POSTS MAY DRAW FROM THEM ON AN IF ASKED BASIS.

4. JAPAN -- PRIME MINISTER HASHIMOTO'S SPEECH ON OKINAWA

Q: DO YOU HAVE ANY COMMENT ON JAPANESE PRIME MINISTER
HASHIMOTO'S SEPTEMBER 17 SPEECH ON OKINAWA, ESPECIALLY
HIS COMMENTS ON ALTERNATIVE SITES FOR THE FUNCTIONS NOW
AT FUTENMA MARINE CORPS AIR STATION IN OKINAWA?

A: WE WERE VERY PLEASED THAT IN HIS SPEECH, PRIME

MINISTER HASHIMOTO STRESSED THE IMPORTANCE OF THE U.S.-JAPAN RELATIONSHIP. WE, OF COURSE, STRONGLY AGREE WITH HIS STATEMENT THAT "THE JAPAN-U.S. SECURITY UNCLAS SECTION 02 OF 04 STATE 193866

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR FERGIN

E.O. 12958: N/A

TAGS: OPRC XE US

SUBJECT: SEPTEMBER 17 PRESS GUIDANCES FOR THE EAP REGION ALL POSTS -- ALSO FOR USIS

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ARRANGEMENTS ARE NOT ONLY ESSENTIAL FOR THE SECURITY OF JAPAN BUT ALSO PLAY AN EXTREMELY IMPORTANT ROLE IN MAINTAINING THE STABLE PEACE AND PROSPERITY OF THE ASIA-PACIFIC REGION."

SINCE LAST NOVEMBER, WE HAVE BEEN WORKING CLOSELY WITH JAPAN IN THE SPECIAL ACTION COMMITTEE ON OKINAWA TO REDUCE THE BURDEN OF U.S. BASES ON OKINAWA AND THEREBY TO STRENGTHEN THE U.S.-JAPAN ALLIANCE. IN APRIL THIS YEAR THE UNITED STATES AND JAPAN PUBLISHED A SACO INTERIM REPORT. IN THAT REPORT THE TWO GOVERNMENTS AGREED ON THE RETURN OF FUTENMA MARINE CORPS AIR STATION TO JAPAN WITHIN THE NEXT FIVE TO SEVEN YEARS AFTER ADEQUATE REPLACEMENT FACILITIES ARE COMPLETED.

SINCE APRIL U.S. AND JAPANESE OFFICIALS HAVE BEEN DISCUSSING POSSIBLE ALTERNATIVE SITES FOR THE FUNCTIONS AT FUTENMA. WE EXPECT TO ANNOUNCE AT THE TWO-PLUS-TWO MEETING BETWEEN SECRETARIES CHRISTOPHER AND PERRY AND THEIR JAPANESE COUNTERPARTS ON SEPTEMBER 19 A JOINT STUDY OF POSSIBILITIES. TWO OF THOSE ARE THE PLACEMENT OF FUTENMA'S FUNCTIONS AT KADENA AIR FORCE BASE AND SITING THEM AT THE MARINE CORPS' CAMP SCHWAB. WE ARE ALSO EXAMINING THE FEASIBILITY OF THE CONSTRUCTION OF A FLOATING OFFSHORE FACILITY AT OKINAWA.

5. NORTH KOREA -- NEW YORK TIMES ON POWS

Q: DO YOU HAVE ANY REACTION TO THE REPORT IN THE NEW YORK TIMES THAT THE U.S. KNEW THAT 900 POWS WERE ALIVE BUT NOT RELEASED AT THE END OF THE KOREAN WAR?

A: THE DEPARTMENT OF DEFENSE IS FAMILIAR WITH THE DOCUMENTS REFERRED TO IN THE ARTICLE. THEY WERE PART OF THE BASIS FOR DOD'S ORIGINAL LIST, ESTABLISHED AT THE CESSATION OF HOSTILITIES IN THE KOREAN WAR, OF MIAS ABOUT WHOM WE BELIEVED THE NORTH KOREANS SHOULD HAVE SOME INFORMATION.

AS DOD DEVELOPED MORE INFORMATION FROM GRAVES REGISTRATION AND BY DEBRIEFING RETURNED POWS, THIS LIST WAS REDUCED BY 1964 TO APPROXIMATELY 390 NAMES. DOD CONTINUES TO WORK ON THE REMAINING CASES TO PROVIDE A BASIS FOR BETTER ACCOUNTING OF KOREAN WAR MIAS.

FOR FURTHER INFORMATION I WOULD REFER YOU TO THE DOD

POW/MIA OFFICE.

Q: HAVE YOU CONCLUDED THAT THERE ARE POWS BEING HELD AGAINST THEIR WILL IN NORTH KOREA?

A: TO DATE, WE HAVE NO EVIDENCE TO SUBSTANTIATE REPORTS THAT AMERICANS ARE BEING HELD AGAINST THEIR WILL. HOWEVER, DOD CONTINUES TO DEVOTE THE HIGHEST PRIORITY AND RESOURCES TO INVESTIGATING REPORTS OF LIVE SIGHTINGS.

AT THIS POINT, DOD IS AWARE OF FOUR AMERICANS FROM THE 1960'S WHO ARE LIVING IN NORTH KOREA, AND SUSPECTS THESE INDIVIDUALS ARE THE BASIS FOR AT LEAST SOME OF THESE REPORTS.

FOR FURTHER INFORMATION I WOULD REFER YOU TO THE DOD POW/MIA OFFICE.

6. INDONESIA -- MEGAWATI BARRED FROM PARLIAMENTARY ELECTIONS

Q: CAN YOU COMMENT ON PRESS REPORTS THAT MEGAWATI SUKARNOPUTRI HAS BEEN BARRED FROM THE MARCH 1997 PARLIAMENTARY ELECTIONS IN INDONESIA?

A. WE UNDERSTAND THAT SEPTEMBER 16 WAS THE LAST DAY THAT UNCLAS SECTION 03 OF 04 STATE 193866

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR FERGIN

E.O. 12958: N/A

TAGS: OPRC@S

SUBJECT: SEPTEMBER 17 PRESS GUIDANCES FOR THE EAP REGION ALL POSTS -- ALSO FOR USIS

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INDONESIA'S POLITICAL PARTIES COULD SUBMIT THE NAMES OF CANDIDATES FOR THE MARCH 1997 PARLIAMENTARY ELECTIONS.

WE ALSO UNDERSTAND THAT MEGAWATI'S PARTY, THE PDI (DEMOCRATIC PARTY OF INDONESIA), DID NOT SUBMIT HER NAME AS A CANDIDATE BECAUSE OF THE ON-GOING DISPUTE OVER PARTY LEADERSHIP.

MEGAWATI IS SEEKING TO OVERTURN THE DECISION TO REPLACE HER AS CHAIRMAN OF THE PDI THROUGH THE INDONESIAN COURTS, BUT THIS LEGAL PROCESS COULD TAKE TWO YEARS OR LONGER. MEANWHILE, MEGAWATI HAS OPENED HER OWN POLITICAL OFFICE IN JAKARTA.

AS A GENERAL PRINCIPLE, THE U.S. GOVERNMENT ENCOURAGES FREE AND FAIR ELECTIONS AND BELIEVES IT IS IMPORTANT THAT ALL GROUPS BE REPRESENTED IN THE ELECTORAL PROCESS.

7. CHINA: CONTROL OF INTERNET

Q: IS IT TRUE THAT CHINA IS BLOCKING ACCESS TO MANY INTERNET WEB SITES? WHAT IS OUR REACTION?

A: WE UNDERSTAND THAT ACCESS TO MANY WORLD WIDE WEB

SITES IN CHINA HAS BEEN BLOCKED.

THE INTERNET IS A DYNAMIC AND USEFUL MECHANISM FOR DISSEMINATION OF INFORMATION TO SCHOLARS, OFFICIALS, AND PEOPLE IN ALL WALKS OF LIFE. IT IS OUR VIEW THAT, AS WITH OTHER FORMS OF COMMUNICATION, THE FREEST POSSIBLE FLOW OF INFORMATION VIA THE INTERNET IS CONSISTENT WITH THE INTERNATIONALLY RECOGNIZED HUMAN RIGHTS OF FREE SPEECH AND FREE EXPRESSION.

WE BELIEVE THAT GOVERNMENTAL ATTEMPTS TO PREVENT REASONABLE ACCESS TO THE INTERNET, OR TO BLOCK ACCESS TO WEB SITES FOR POLITICAL REASONS, LIKE ATTEMPTS TO CENSOR OR BLOCK ACCESS TO OTHER MEDIA, ARE CONTRARY TO SUCH RIGHTS AND TO THE INTERESTS OF PEOPLE NEEDING ACCESS TO INFORMATION.

8. TAIWAN -- SUMMERS' VISIT

Q: DOES U.S. DEPUTY TREASURY SECRETARY LAWRENCE SUMMERS' VISIT TO TAIWAN INDICATE A CHANGE IN U.S. POLICY TOWARD TAIWAN?

A: NO. OUR POLICY TOWARD TAIWAN CONTINUES TO BE GOVERNED BY OUR THREE JOINT COMMUNIQUE WITH THE PEOPLE'S REPUBLIC OF CHINA AND BY THE TAIWAN RELATIONS ACT. THE UNITED STATES RECOGNIZED THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AS THE SOLE LEGAL GOVERNMENT OF CHINA IN 1979, AND SINCE THAT TIME, WE HAVE HAD UNOFFICIAL RELATIONS WITH TAIWAN.

Q: HAS THE PRC PROTESTED THE VISIT OF DEPUTY SECRETARY SUMMERS TO TAIWAN?

A: THE PRC HAS MADE KNOWN ITS POSITION ON THIS MATTER. WE HAVE MADE CLEAR THAT OUR ONE-CHINA POLICY IS UNCHANGED. DEPUTY SECRETARY SUMMER'S VISIT TO TAIWAN IS UNOFFICIAL AND CONSISTENT WITH THE ECONOMIC, COMMERCIAL, AND CULTURAL RELATIONS WE MAINTAIN WITH THE PEOPLE OF TAIWAN.

Q: WHY WAS TREASURY DEPUTY SECRETARY SUMMERS IN TAIWAN?

A: DEPUTY SECRETARY SUMMERS WAS PARTICIPATING IN THE SECOND "SUB-CABINET LEVEL ECONOMIC DIALOGUE" HELD UNDER THE AUSPICES OF THE AMERICAN INSTITUTE IN TAIWAN (AIT) AND THE TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE (TECRO), THE TWO UNOFFICIAL BODIES REPRESENTING UNCLAS SECTION 04 OF 04 STATE 193866

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR FERGIN

E.O. 12958: N/A

TAGS: OPRC XE US

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OUR TWO SIDES. THE FIRST DIALOGUE WAS HELD IN WASHINGTON IN JUNE, 1995.

THESE DIALOGUES PROVIDE AN OPEN AND PRODUCTIVE DISCUSSION OF A BROAD RANGE OF ECONOMIC ISSUES, HELPING TO STRENGTHEN OUR COMMERCIAL TIES WITH TAIWAN, THE U.S.' SEVENTH LARGEST TRADING PARTNER. THE DIALOGUES ARE UNOFFICIAL AND A NORMAL PART OF THE ECONOMIC, COMMERCIAL, AND CULTURAL RELATIONS WE MAINTAIN WITH THE PEOPLE OF TAIWAN.

I REFER YOU TO TREASURY FOR MORE DETAILS ABOUT MR. SUMMERS' ACTIVITIES.

(IF ASKED)

Q: WHO ELSE FROM THE U.S. SIDE PARTICIPATED IN THIS MEETING?

A: DEPUTY TREASURY SECRETARY LARRY SUMMERS WAS THE SENIOR USG ADVISOR TO THE AIT DELEGATION. HE WAS JOINED BY ECONOMIC OFFICIALS FROM THE DEPARTMENTS OF STATE AND COMMERCE, USTR, AND THE FEDERAL RESERVE BOARD, AS WELL AS REPRESENTATIVES FROM AIT'S TAIPEI OFFICE.

9. EMBASSY BEIJING GIFT SOLICITATION

Q: DOES THE STATE DEPARTMENT SOLICIT FUNDS TO RENOVATE ITS FACILITIES OVERSEAS?

A: THE DEPARTMENT HAS LEGAL AUTHORITY TO ACCEPT GIFTS FOR THE CARRYING OUT OF ITS FUNCTIONS AND HAS ACCEPTED GIFTS IN THE PAST TO ASSIST IN THE REFURBISHMENT OF EMBASSY BUILDINGS OVERSEAS -- AN ACTIVITY FOR WHICH THE DEPARTMENT HAS LIMITED APPROPRIATED FUNDS. THE DEPARTMENT'S UNDER SECRETARY FOR MANAGEMENT EXERCISES CONTROL OVER ALL ASPECTS OF GIFT SOLICITATION, ACCEPTANCE AND USAGE. ANY ENTITY WHICH UNDERTAKES TO RAISE FUNDS FOR THE PURPOSE OF ASSISTING THE DEPARTMENT MUST COMPLY WITH DEPARTMENT REGULATIONS AND SEEK APPROVAL IN ADVANCE FROM THE DEPARTMENT.

Q: IS AMBASSADOR SASSER SOLICITING GIFTS FROM MAJOR U.S. CORPORATIONS TO ASSIST IN THE RENOVATIONS TO THE AMERICAN EMBASSY CHANCERY OFFICE BUILDING?

A: NO, TO OUR KNOWLEDGE, AMBASSADOR SASSER IS NOT SOLICITING GIFTS FOR EMBASSY BEIJING. THE ARTICLE IN THE WALL STREET JOURNAL ALLEGING THAT AMBASSADOR SASSER IS REQUESTING CONTRIBUTIONS FOR THE RENOVATION IS NOT ACCURATE.

Q: WHAT IS THE ROLE OF THE U.S. CHINA BUSINESS COUNCIL (USCBC) IN A FUNDRAISING EFFORT?

A: THE DEPARTMENT HAS RECEIVED REQUESTS OVER THE YEARS FROM SEVERAL AMERICAN COMPANIES TO HELP REFURBISH OUR FACILITIES IN BEIJING. THESE BUSINESSMEN WERE CONCERNED

THAT THE AGING APPEARANCE OF THE EMBASSY DID NOT REFLECT WELL ON THE UNITED STATES. IN JUNE 1996, THE USCBC EXPRESSED INTEREST IN CONDUCTING A FUNDRAISING EFFORT AMONG ITS COUNCIL MEMBERS TO HELP PAY FOR SOME OF THE RENOVATION COSTS OF THE EMBASSY GROUND FLOOR PUBLIC AREAS.

IN ACCORDANCE WITH DEPARTMENT GUIDELINES, THE USCBC DEVELOPED A PROPOSAL AND SUBMITTED A FORMAL REQUEST FOR THE UNDER SECRETARY'S CONSIDERATION. THIS PROPOSAL IS CURRENTLY BEING REVIEWED AND HAS NOT YET BEEN APPROVED. TO DATE, THE DEPARTMENT HAS RECEIVED NO GIFTS FROM THE USCBC. THE DEPARTMENT IS UNAWARE OF ATTEMPTS TO EXERT PRESSURE AMONG USCBC MEMBERS TO CONTRIBUTE TO THE CAMPAIGN NOR WOULD IT ACCEPT ANY FUNDS CONTRIBUTED IN THIS MANNER.

CHRISTOPHER

SECT: SECTION: 01 OF 04

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DIST:

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PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHKO8678 2620228-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 180228Z SEP 96

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 180228Z SEP 96

ORIG: AMEMBASSY TOKYO

TO: RUEHIA/USIA WASHDC IMMEDIATE 1095
RUEHC/SECSTATE WASHDC IMMEDIATE 7307

INFO: RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUEAIIA/CIA WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC//J5//
RUCPDO/USDOC WASHDC
RUEBBEA/USDOT WASHDC
RHEHAAA/WHITE HOUSE WASHDC
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHHMUNA/USCINCPAC HONOLULU HI//USIA//

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 18

TEXT:

UNCLAS SECTION 01 OF 08 TOKYO 008678

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 SEPTEMBER 18

TOP HEADLINES:

ASAHI: DEMOCRATIC PARTY PREPARATORY COMMITTEE LAUNCHED
WITH 39 MEMBERS; KAN, HATOYAMA AS REPRESENTATIVES
(TRANSLATION BELOW)

NIHON KEIZAI: PUBLIC OPINION POLL: "THIRD FORCE GROUP"
EXCEEDS SHINSHINTO AS POLITICAL PARTY PEOPLE WANT TO VOTE
FOR; MORE THAN 20 PERCENT DESIRE TO VOTE FOR LDP --
HIGHEST; BUT HALF THE PEOPLE SURVEYED "NOT YET DECIDED"
WHICH PARTY TO VOTE FOR; APPROVAL RATE FOR HASHIMOTO

CABINET STAYS AT SAME LEVEL -- 41 PERCENT (TRANSLATION BELOW)

TOKYO SHIMBUN: 37 INCUMBENT LAWMAKERS JOIN "DEMOCRATIC PARTY" PREPARATORY COMMITTEE AT TIME OF ITS START; YUKIO HATOYAMA, KAN AS REPRESENTATIVES; SAKIGAKE CERTAIN TO SPLIT

MAINICHI: DEMOCRATIC PARTY PREPARATORY COMMITTEE ESTABLISHED WITH KAN, YUKIO HATOYAMA AS REPRESENTATIVE SECRETARIES; 37 DIETMEMBERS PARTICIPATE

YOMIURI: DEMOCRATIC PARTY PREPARATORY COMMITTEE FOUNDED WITH PARTICIPATION OF 37 LEGISLATORS; KAN, HATOYAMA SERVE AS REPRESENTATIVES; HATOYAMA ALSO ACTS AS ELECTION CAMPAIGN HEADQUARTERS CHIEF

SANKEI: SDP, SAKIGAKE "SPLIT"; DEMOCRATIC PARTY VIRTUALLY LAUNCHED; FIRST PREPARATORY MEETING HELD; 37 LOWER AND UPPER HOUSE MEMBERS PARTICIPATE; SDP NOW DIVIDED AS TO WHETHER TO GO BACK TO WHERE IT WAS AT THE START

FLOATING HELIPORT PROPOSAL: FOCUS NOW ON COST AND TECHNOLOGY (ASAHI - PAGE 2)

AS A MEASURE TO SETTLE THE PROBLEM OF RELOCATING A HELIPORT AT FUTENMA AIR STATION, A PLAN FOR CONSTRUCTING A "MARINE HELIPORT" SURFACED ON THE 17TH. THE PLAN WAS PROPOSED BY THE UNITED STATES, WHICH HAS REJECTED THE IDEA OF ABSORBING/CONSOLIDATING IT INTO KADENA AIR BASE AS PROPOSED BY THE JAPANESE SIDE, AS A MEASURE TO BREAK A DEADLOCK IN THE ONGOING NEGOTIATIONS ON THE OKINAWA ISSUE. SINCE THE PROPOSAL WAS MADE WITH THE CONSENT OF THE TWO COUNTRIES' TOP-LEVEL OFFICIALS, THE INFLUENTIAL VIEW IN THE JAPANESE GOVERNMENT IS THAT THIS PLAN IS MOST LIKELY TO BE ADOPTED. HOWEVER, SUCH A METHOD HAS NEVER BEEN ADOPTED IN THE WORLD FOR A MILITARY BASE. THERE ARE MANY PROBLEMS TO BE CHECKED IN THE FUTURE, SUCH AS TO WHAT EXTENT SUCH A METHOD IS PLAUSIBLE IN TERMS OF TECHNOLOGY AND HOW MUCH IT WOULD COST.

-- KEPT IN ABSOLUTE SECRECY

ON THE MORNING OF THE 6TH, DEFENSE SECRETARY PERRY, DEPUTY ASSISTANT SECRETARY CAMPBELL, RELEVANT MILITARY SOURCES AND AMBASSADOR TO JAPAN MONDALE, WHO WAS BACK AT HOME AT THAT TIME, MET AT THE PENTAGON (DEFENSE DEPARTMENT). IT WAS DECIDED IN THIS MEETING THAT THE U.S. WOULD PROPOSE A "MARINE HELIPORT FORMULA" AS A BREAKTHROUGH MEASURE. IT WAS A PLAN WHICH FORMER ACTING DEPUTY ASSISTANT SECRETARY ARMITAGE, WHO HAS BEEN INVOLVED FROM THE BEGINNING IN THE ISSUE OF THE REVERSION OF FUTENMA AIR STATION, HAS PRESENTED TO CAMPBELL, WHO VISITED HIM ABOUT TWO WEEKS AGO. REFERRING TO THE PLAN AFTER THE MEETING, RELATED SOURCES EXPLAINED THAT IT WAS A "CREATIVE OPTION," BUT DETAILS HAVE BEEN KEPT STRICTLY CONFIDENTIAL.

NORTH AMERICAN AFFAIRS BUREAU DIRECTOR GENERAL MASAKI ORITA OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA) AND DEFENSE BUREAU DIRECTOR GENERAL MASAHIRO AKIYAMA OF THE DEFENSE AGENCY VISITED THE U.S. IN LATE AUGUST AND CONVEYED THE JAPANESE STANCE OF LAYING TOP PRIORITY ON UNCLAS SECTION 02 OF 08 TOKYO 008678

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 SEPTEMBER 18

ITS KADENA PLAN, BUT AFTER THAT THIS "MARINE FORMULA" HAS ALL OF A SUDDEN TAKEN ON A REALISTIC TOUCH. A SIMILAR PLAN WAS ONCE STUDIED BY JAPAN, TOO, BUT IT HAS BEEN SUSPENDED, ON THE GROUND: "THE U.S. FORCES WOULD NOT LIKE THE IDEA OF USING AN UNSTABLE STRUCTURE AS A MILITARY BASE." HOWEVER, PRIME MINISTER RYUTARO HASHIMOTO HAS GIVEN INSTRUCTION TO "CONTINUE FURTHER STUDIES ON THE MATTER."

AFTER THE MEETING OF THE JAPAN-U.S. SPECIAL ACTION COMMITTEE (SACO) HELD AT JAPAN'S MOFA ON THE 13, JAPANESE AND U.S. GOVERNMENT OFFICIALS MET IN AN OFFICE AT MOFA. THERE CAMPBELL GAVE EXPLANATIONS ON THE PROPOSED "MARINE FORMULA." SENIOR MOFA OFFICIALS IMMEDIATELY REPORTED THIS PROPOSAL TO PRIME MINISTER HASHIMOTO, BUT THE PRIME MINISTER HAD ALREADY BEEN INFORMED OF THE DETAILS OF THE PROPOSAL. DEPUTY CHIEF CABINET SECRETARY TEIJIRO FURUKAWA ON THE 16TH CONVEYED THE PLAN TO VICE OKINAWA GOVERNOR MASANORI YOSHIMOTO.

-- NEGATIVE VIEWS ALSO HEARD

IN A PRESS CONFERENCE HELD ON THE EVENING OF THE 17TH, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA EXPLAINED, "MOST PEOPLE ARE AWARE OF THE FACT THAT SUCH RESEARCH HAS BEEN CONDUCTED AT THE INITIATIVE OF THE MINISTRY OF TRANSPORTATION (MOT) AS A COUNTERMEASURE TO NOISE AT CIVILIAN AIRPORTS AND THE ENVIRONMENT. IT IS NOT AN ABSURD PLAN." HE ALSO REVEALED THAT IT WAS ONE OF THE OPTIONS THE JAPANESE SIDE HAS ENVISAGED AS AN ALTERNATIVE HELIPORT PLAN. ON THE U.S. SIDE, ARMITAGE HAS CITED THE FOLLOWING ADVANTAGES OF THIS PLAN: (1) SAFE FOR OKINAWAN RESIDENTS; (2) NO LAND IS NEEDED; (3) MOBILE; (3) DOES NOT CAUSE ENVIRONMENTAL PROBLEMS.

JAPAN AND THE U.S. WILL START "RESEARCH, PUTTING THEIR TECHNOLOGIES TOGETHER" (PRIME MINISTER HASHIMOTO), BUT A NEGATIVE VIEW REMAINS, TOO, SUCH AS THAT "IT IS AN

UNPRECEDENTED PLAN FOR A MILITARY BASE. THERE ARE MANY POINTS THAT HAVE YET TO BE WORKED OUT" (SENIOR DEFENSE AGENCY OFFICIAL).

THE U.S. CITES, "A RUNWAY SHOULD BE WIDE ENOUGH TO ALLOW A HELICOPTER TO LAND AND TAKE OFF" (GOVERNMENT SOURCE), BUT IT IS NOT KNOWN WHAT WIDTH THE U.S. WILL REQUEST IN THE END. AS TO CONSTRUCTION COSTS, A SOURCE RELATED TO THE U.S. GOVERNMENT HAS NOTED, "THE MAIN PART OF THE HELIPORT WOULD COST BELOW 100 BILLION YEN. IT WOULD COST APPROXIMATELY 200 BILLION YEN, INCLUDING UPPER FACILITIES. IT IS BY FAR CHEAPER THAN CONSTRUCTING ONE ON LAND." HOWEVER, FULL-FLEDGED STUDY HAS YET TO BE CONDUCTED.

WORKING-LEVEL U.S.-JAPAN DEFENSE COOPERATION TALKS TODAY TO DISCUSS HELIPORT PROPOSAL (SANKEI - PAGE 2)

(WASHINGTON, SEPT. 17, RYUJI SATO) THE JAPANESE AND U.S. GOVERNMENTS WILL HOLD A WORKING-LEVEL CONSULTATIVE MEETING OF OFFICIALS FOR FOREIGN AND DEFENSE AFFAIRS AT THE NATIONAL DEFENSE UNIVERSITY ON THE AFTERNOON OF SEPTEMBER 17 TO DISCUSS THE ISSUE OF REVIEWING THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION AND PROBLEMS REGARDING THE U.S. MILITARY BASES ON OKINAWA, SUCH AS THE ISSUE OF CONSTRUCTING AN ALTERNATIVE HELIPORT INCIDENT TO THE FUTURE REVERSION OF FUTENMA AIR STATION. PRIOR TO A SCHEDULED CABINET-LEVEL MEETING OF THE JAPAN-U.S. SECURITY CONSULTATIVE COMMITTEE (2-PLUS-2) SET FOR SEPTEMBER 19, THE TWO COUNTRIES ARE GOING TO CONFIRM THEIR COURSE OF ACTION TO MAKE SPECIFIC STUDY ON THE FLOATING HELIPORT CONSTRUCTION INITIATIVE NEWLY BROUGHT UP BY THE U.S. SIDE.

CONSULTATIONS WILL BE HELD SEPARATELY IN THE SUBCOMMITTEE ON DEFENSE COOPERATION (SDC) FOR THE PURPOSE OF REVIEWING UNCLAS SECTION 03 OF 08 TOKYO 008678

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 SEPTEMBER 18

THE GUIDELINES AND IN THE SPECIAL ACTION COMMITTEE (ON FACILITIES AND AREAS IN OKINAWA) (SACO) REGARDING OKINAWA. BOTH PANELS WILL MEET WITH THE PARTICIPATION OF BUREAU DIRECTOR GENERAL LEVEL OFFICIALS.

IN THE WORK OF REVIEWING THE GUIDELINES, THOSE PARTICIPATING OFFICIALS WILL PUT THE FINISHING TOUCHES IN

ORDER TO SUBMIT AN INTERIM REPORT TO THE 2-PLUS-2 COMMITTEE, CLEARING UP MATTERS TO BE STUDIED AND DISCUSSED AS REQUIRED FOR THE FUTURE WORK OF REVIEWING THE GUIDELINES ON A FULL SCALE.

FOR THE INTERIM REPORT THE TWO GOVERNMENTS HAVE SO FAR LISTED SUCH MATTERS AS THE SELF-DEFENSE FORCES' REAR SUPPORT FOR U.S. ARMED FORCES, HEEDING A CRISIS AND A CONFLICT ON THE KOREAN PENINSULA, IN THE FOLLOWING THREE SPHERES: (1) COOPERATION IN PEACETIME; (2) EMERGENCY SITUATIONS IN JAPAN; AND (3) VITAL EVENTS AROUND JAPAN.

THE INTERIM REPORT IS ALSO EXPECTED TO INCORPORATE A COURSE OF ACTION TOWARD SHAPING DEFENSE COOPERATION AT THE RESPECTIVE STAGES OF PREVENTING AND DETERRING CONFLICTS AND PREVENTING SUCH FROM SPREADING OUT.

CONCERNING THE U.S. MILITARY BASE ISSUES, THE JAPANESE AND U.S. SIDES WILL CONFIRM THE PROGRESS OF BILATERAL COORDINATION ON THE CONDITIONS FOR RETURNING THE SITES OF 11 FACILITIES, INCLUDING THE FUTENMA AIRFIELD, WHICH WERE CONSIDERED BY SAGO IN ITS APRIL INTERIM REPORT FOR REVERSION. ON THE SPOTLIGHTED ISSUE OF CONSTRUCTING AN ALTERNATIVE HELIPORT, THE TWO GOVERNMENTS ARE EXPECTED TO LOOK ALSO INTO THE FEASIBILITY OF THE IDEA OF CONSTRUCTING A FLOATING HELIPORT, IN ADDITION TO TWO OTHER IDEAS, NAMELY, THE JAPANESE SIDE'S PROPOSAL OF INTEGRATION INTO KADENA AIR FORCE BASE AND THE U.S. SIDE'S PROPOSAL OF HAVING IT CONSTRUCTED ON CAMP SCHWAB.

PRIME MINISTER DEVOTED MAXIMUM ATTENTION TO SUCCESS OF OKINAWA VISIT (NIHON KEIZAI - PAGE 2)

ALTHOUGH PRIME MINISTER RYUTARO HASHIMOTO ONLY STAYED IN OKINAWA PREFECTURE TWO HOURS IN HIS VISIT, HE DISPLAYED MAXIMUM ATTENTION TO THE OKINAWA SIDE. "COMPLETELY PUTTING THE FINISHING TOUCHES" ON THE OKINAWA PROBLEM WAS THE KEY FOR HIS BEING ABLE TO AVOID TURMOIL IN MANAGING HIS ADMINISTRATION BY DECIDING ON THE TIMING, AS AIMED AT, FOR DIET DISSOLUTION AND THE GENERAL ELECTION. HE THEN COULD PAY DETAILED CONSIDERATION EVERYWHERE TO THAT PROBLEM. THE CLIMATE HAVING BEEN PREPARED, THE PRIME MINISTER WILL NOW MEET WITH COALITION HEADS ON THE 19TH AND MOVE SWIFTLY TOWARD DISSOLUTION.

THE PRIME MINISTER DURING HIS SPEECH IN GINOWAN CITY INTRODUCED ONE BY ONE DEPUTY PRIME MINISTER AND FINANCE MINISTER KUBO, ECONOMIC PLANNING AGENCY (EPA) DIRECTOR GENERAL TANAKA, AND OKINAWA DEVELOPMENT AGENCY DIRECTOR GENERAL OKABE, WHO HAD ALL ACCOMPANIED HIM. HE SAID, "BACKING UP THE BUDGET IS THE FINANCE MINISTER, AND ECONOMIC CONSULTATIONS WILL BE DONE BY THE EPA MINISTER." IN SPITE OF IT BEING A VISIT CARRIED OUT AT A SUPER-GALLOP, HIS HAVING BROUGHT ALONG MAIN MEMBERS OF HIS CABINET WHO REPRESENTED THE OTHER TWO COALITION PARTIES, THE SOCIAL DEMOCRATIC PARTY AND THE SAKIGAKE PARTY, WAS TO DEMONSTRATE TO THE PREFECTURAL RESIDENTS HIS RESOLVE TO GRAPPLE WITH THE ECONOMIC DEVELOPMENT PACKAGE WITH HIS

ENTIRE ADMINISTRATION (BEHIND HIM).

ON THE PROBLEM OF ALTERNATIVE FACILITIES TO ACCOMPANY THE TRANSFER OF FUTENMA AIR STATION, THE REMAINING PENDING OKINAWA BASE ISSUE, THE PRIME MINISTER FOR THE FIRST TIME REVEALED THAT THE UNITED STATES HAS FLOATED THE PROPOSAL TO CONSTRUCT A REMOVABLE FLOATING HELIPORT OFFSHORE. "IT HAS THE BENEFICIAL POINT OF REDUCING THE PREFECTURAL RESIDENT'S BURDEN IN TERMS OF DANGER AND NOISE LEVELS" UNCLAS SECTION 04 OF 08 TOKYO 008678

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 SEPTEMBER 18

(GOVERNMENT SOURCE). THIS PROPOSAL WILL BECOME PROMINENT IN THE BILATERAL NEGOTIATIONS BETWEEN JAPAN AND THE U.S., AND AT THE SAME TIME SINCE IT FIRST CAME FROM THE PRIME MINISTER'S OWN MOUTH TO THE PREFECTURAL RESIDENTS, IT HAS BECOME HIS "HIDDEN JEWEL" TO CAUSE THEM TO ACQUIESCE.

POLL: CABINET SUPPORT RATE AT 41 PERCENT, BUT NEW PARTY SUPPORT RATE OUTSHINES SHINSHINTOQS
(NIHON KEIZAI - TOP PLAY)

THE NIHON KEIZAI SHIMBUN CONDUCTED A NATIONWIDE TELEPHONE PUBLIC OPINION SURVEY OVER THE PERIOD OF THREE DAYS FROM SEPTEMBER 14 TO 16. AS A RESULT, IT WAS FOUND THAT THE RATE OF PUBLIC SUPPORT FOR THE HASHIMOTO CABINET WAS 41 PERCENT, LEVELING OFF OVER THE LAST SURVEY CONDUCTED IN JUNE. AS FOR THE RATES OF SUPPORT FOR POLITICAL PARTIES, THE NEW FRONTIER PARTY (OR SHINSHINTO) WAS AT 8.7 PERCENT, AND FELL FROM THE PREVIOUS LEVEL OF 10.0 PERCENT TO A ONE-DIGIT FIGURE. IN THE BREAKDOWN OF FAVORITE POLITICAL PARTIES TO VOTE FOR IN THE GENERAL ELECTION EXPECTED TO BE HELD ON OCTOBER 20, THE 'DEMOCRATIC PARTY' (MINSHUTO), A NEW PARTY TO BE LAUNCHED BY YUKIO HATOYAMA AND OTHERS, WAS IN SECOND PLACE, RANKING NEXT TO THE LIBERAL DEMOCRATIC PARTY, BOTH IN THE MINOR (SINGLE-SEAT) CONSTITUENCIES AND UNDER THE PROPORTIONAL REPRESENTATION SYSTEM. THIS RESULT MADE IT CLEAR THAT THE NATION'S ELIGIBLE VOTERS WERE INTERESTED IN THE 'THIRD-POLE' POLITICAL GROUP DIFFERING FROM THE LDP AND THE NFP.

THE SURVEY WAS CONDUCTED ON A TOTAL OF 3,000 PERSONS CHOSEN FROM AMONG ALL MALES AND FEMALES, AGED 20 AND OVER, THROUGHOUT THE COUNTRY. THE EFFECTIVE RETRIEVAL RATE WAS 58.5 PERCENT.

IN THE QUESTION ASKING ABOUT WHICH POLITICAL PARTY TO SUPPORT, THE NFP SUSTAINED A DROP OF 1.3 PERCENTAGE POINTS OVER THE LAST SURVEY, FAILING TO BRAKE ITS DOWNWARD TREND OF PUBLIC SUPPORT FOR IT. THE LDP WAS AT 37.1 PERCENT, SHOWING A DECREASE OF 2.5 PERCENTAGE POINTS OVER ITS FIGURE IN THE LAST SURVEY. THE SOCIAL DEMOCRATIC PARTY LEVELS OFF, AND THE SAKIGAKE PARTY AND THE JAPAN COMMUNIST PARTY RESPECTIVELY WENT DOWN 0.4 AND 1.6 PERCENTAGE POINTS.

THE NIHON KEIZAI SHIMBUN, IN ITS OPINION POLL THIS TIME, ASKED THE RESPONDENTS ALSO ABOUT THE NEXT GENERAL ELECTION. IN REPLY TO THE QUESTION ASKING ABOUT WHICH POLITICAL PARTY CANDIDATE TO VOTE FOR IN THEIR CONSTITUENCIES, THE HIGHEST RATE WAS MARKED BY THE LDP AT 22.4 PERCENT. THOSE FOLLOWING THE LDP WERE IN THE ORDER OF THE 'DEMOCRATIC PARTY' (7.8 PERCENT), NOW BEING PLANNED TO BE ESTABLISHED BY HATOYAMA AND OTHERS, AND THE NFP (6.5 PERCENT). IN PROPORTIONAL REPRESENTATION AS WELL, THE RANKING WAS IN THE ORDER OF THE LDP, THE DEMOCRATIC PARTY, AND THE NFP. MEANWHILE, HOWEVER, THOSE WHO HAVE "NOT YET DECIDED" ACCOUNTED FOR 49.4 PERCENT IN THE MINOR CONSTITUENCIES AND 49.0 PERCENT IN THE PROPORTIONAL REPRESENTATION CONSTITUENCY. AS SEEN FROM SUCH RESULTS, HALF HAVE YET TO DETERMINE THEIR ATTITUDES.

DEMOCRATIC PARTY LINES UP 39 MEMBERS, BUT SDP ROCKED BY FIERCE DEBATE OVER PARTICIPATION (ASAHI - TOP PLAY)

UNDER THE LEADERSHIP OF HEALTH AND WELFARE MINISTER NAOTO KAN AND YUKIO HATOYAMA, A DEMOCRATIC PARTY PREPARATION COUNCIL WAS LAUNCHED YESTERDAY BY A TOTAL OF 39 INCUMBENT DIET MEMBERS -- 35 LOWER-HOUSE MEMBERS AND FOUR UPPER-HOUSE MEMBERS. THE FIRST COUNCIL MEETING THAT TOOK PLACE IN THE DIET NAMED KAN AND HATOYAMA HEADS OF THE COUNCIL AND ALSO LAUNCHED A SECRETARIES COUNCIL (KANJI-KAI) COMPOSED OF 11 MEMBERS THAT INCLUDE KAN AND HATOYAMA. THE GROUP, LED BY THE SECRETARIES COUNCIL, WILL EXPEDITE THE WORK NECESSARY TO LAUNCH THE PARTY TOWARD THE NEXT LOWER-HOUSE ELECTION. FOR STARTERS, THE GROUP WILL
UNCLAS SECTION 05 OF 08 TOKYO 008678

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 SEPTEMBER 18

ANNOUNCE THE FIRST BATCH OF ITS CANDIDATES IN ITS RALLY SCHEDULED FOR THE 22ND AND LAUNCH THE PARTY SOON AFTER THE DISSOLUTION OF THE LOWER HOUSE. MEANWHILE, THE

SOCIAL DEMOCRATIC PARTY (SDP) HELD A STANDING SECRETARIES COUNCIL MEETING LATE YESTERDAY TO DISCUSS MEASURES FOR THE DEMOCRATIC PARTY. OPINION IS GAINING GROUND IN THE PARTY THAT THE PARTY LEADERSHIP'S POLICY DIRECTION TO ALLOW "PARTICIPATION (IN THE DEMOCRATIC PARTY)" SHOULD BE RETRACTED.

MEMBERS WHO ATTENDED YESTERDAY'S MEETING

THOSE WHO ATTENDED IT IN PERSON

(SDP)

(LOWER-HOUSE MEMBERS) MASAO NAKAMURA (4); DAIKICHI ISHIBASHI (3); HIROTAKA AKAMATSU (2); JUNSUKE IWATA (2); AKIHIRO OOHATA (2); TOMIKO OKAZAKI (2); MAMORU KOBAYASHI (2); AZUMA KOSHIISHI (2); TAISUKE SATO (2); YOSHIO HACHIRO (2); RITSUO HOSOKAWA (2); HARUMICHI HOSOYA (2); TETSUO NAGAI (1) (UPPER-HOUSE MEMBERS) TOSHIHIRO ASAHI (1); NAOKI MINEZAKI (1)

(SAKIGAKE)

NAOTO KAN (5); YUKIO HATOYAMA (3); TADAMASA KODAIRA (2); SUSUMU YANASE (2); SATOSHI ARAI (1); FUMIHIKO IGARASHI (1); KOKI ISHII (1); YUKIO EDANO (1); SAKIHITO OZAWA (1); SEIICHI KANETA (1); KO TANAKA (1); AKIO NAKAJIMA (1)

(SHIMIN LEAGUE, OR CITIZENS ACTION LEAGUE)

SADAO YAMAHANA (7); SHIGERU GOTO (6); BANRI KAIEDA (1); SEISHU MAKINO (1)

(SHINSHINTO, OR NEW FRONTIER PARTY)

KUNIO HATOYAMA (6)

(INDEPENDENTS)

KEN'ICHIRO SATO (2)

THOSE WHO SENT PROXIES

(SDP)

SHOICHI TANAKA (2); RYUICHI IKEDA (1); IZUMI YAMAZAKI (1)

(SHIMIN LEAGUE)

YUZURU SHIMAZAKI (8)

THOSE WHO DID NOT ATTENDED THE MEETING BUT WERE ELECTED AS OFFICERS

(SDP)

(UPPER-HOUSE MEMBERS) YUKIKO KAWAHASHI (1); MOTOTAKA ITO (1)

SDP ROCKED BY FIERCE DEBATE OVER PARTICIPATION
(ASAHI - PAGE 1)

THE SOCIAL DEMOCRATIC PARTY (SDP) HELD ITS STANDING SECRETARIES COUNCIL MEETING FROM LATE HOURS OF THE 17TH THROUGH EARLY HOURS OF THE 18TH TO DISCUSS MEASURES FOR THE PARTY LEADERSHIP'S POLICY DIRECTION TO ALLOW ITS

MEMBERS PARTICIPATION IN THE DEMOCRATIC PARTY TO RUN IN THE NEXT LOWER-HOUSE ELECTION. IN THE SDP, DISCONTENT HAS BEEN GROWING STRONGER TOWARD YUKIO HATOYAMA-LED DEMOCRATIC PARTY PREP COUNCIL'S POLICY DIRECTION NOT TO GIVE PRIORITY NECESSARILY TO INCUMBENT DIETMEMBERS IN DETERMINING CANDIDATES. THE SDP LEADERSHIP MAY RETRACT ITS POLICY DECISION. NEVERTHELESS, SOME NEW-PARTY PROPONENTS IN THE PARTY HAVE ALREADY REVEALED THEIR INTENTION TO JOIN THE DEMOCRATIC PARTY. IF THE PARTY LEADERSHIP WITHDRAWS ITS DECISION, A SPLIT OF THE PARTY WOULD BE INEVITABLE. AS A RESULT, THE DEMOCRATIC PARTY AND THE SDP TRIED TO WORK OUT THE SITUATION UNTIL EARLY HOURS OF THE 18TH, BUT NO GOOD SOLUTION HAS BEEN FOUND. UNCLAS SECTION 06 OF 08 TOKYO 008678

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 SEPTEMBER 18

IN YESTERDAY'S SDP SECRETARIES MEETING, AN OPINION APPEARED IN SUCCESSION: "IF THE DEMOCRATIC PARTY SIFTS OUT CANDIDATES, WE SHOULD FACE THE ELECTION AS SDP IN PRINCIPLE." CHAIRMAN TOMIICHI MURAYAMA ALSO INDICATED, "IF THE PRECONDITION CRUMBLES, WE SHOULD FACE THE ELECTION WITH OUR WEIGHT ON THE SDP."

BUT SOME JUNIOR SDP MEMBERS AND PRO-SDP LABOR UNIONS HAVE CALLED FOR THE PARTY'S APPROVAL OF MEMBERS' PARTICIPATION IN THE DEMOCRATIC PARTY, AS PLANNED. AS A RESULT, VICE CHAIRMAN KOKEN NOSAKA AND SECRETARY GENERAL KANJU SATO LATE YESTERDAY IN TOKYO MET WITH SUCH MEMBERS AS NAOTO KAN, YUKIO HATOYAMA, AND FORMER HOKKAIDO GOVERNOR TAKAHIRO YOKOMICHI TO REAFFIRM THE DEMOCRATIC PARTY'S POLICY DIRECTION. HATOYAMA EXPLAINED THE OVERALL SITUATION REGARDING CONSTITUENCIES AND INDICATED: "IF THERE ARE NEW PROMINENT CANDIDATES, SOME SDP MEMBERS MAY NOT BE ABLE TO WIN THE DEMOCRATIC PARTY'S ENDORSEMENT." AFTER THIS SESSION, THE SDP SECRETARIES MEETING RESUMED SHORTLY BEFORE MIDNIGHT TO WORK OUT FINAL MEASURES.

THE DEMOCRATIC PARTY, PARTICULARLY HATOYAMA, IS RELUCTANT ABOUT THE IDEA OF THE SDP JOINING THE NEW PARTY IN ITS ENTIRETY.

LDP AND SDP REACH AGREEMENT ON FINANCE MINISTRY REFORM (YOMIURI - PAGE 1)

THE RULING COALITION PROJECT TEAM DESIGNED TO DISCUSS

REFORM OF THE FINANCE MINISTRY (CHAired BY SHIGERU ITO) HELD A MEETING YESTERDAY AND DECIDED TO COME UP WITH THE COALITION'S UNIFIED PROPOSAL BY THE NEXT MEETING SCHEDULED FOR THE 19TH. DURING THE PAST TALKS, THE LIBERAL DEMOCRATIC PARTY (LDP) AND THE SOCIAL DEMOCRATIC PARTY (SDP) HAVE AGREED IN GENERAL ON A REFORM PLAN THAT FEATURES THAT (1) THE MINISTRY'S THREE KEY BUREAUS -- BANKING, SECURITIES AND INTERNATIONAL FINANCE BUREAUS -- BE INTEGRATED INTO TWO -- A "FINANCE BUREAU" AND "INTERNATIONAL AFFAIRS BUREAU" (TENTATIVE NAMES); AND (2) THE FINANCIAL INSPECTION FUNCTION BE SEPARATED FROM THE MINISTRY AND BE TAKEN OVER BY A NEW AGENCY ATTACHED TO THE MINISTRY (SUBJECT TO THE PROVISION OF CLAUSE 8 OF THE NATIONAL GOVERNMENT ORGANIZATION LAW).

HOWEVER, SAKIGAKE IN YESTERDAY'S MEETING DEMANDED THAT "SEPARATION OF FISCAL AND FINANCIAL FUNCTIONS" BE INCORPORATED IN THE COALITION'S PROPOSAL. IT THUS IS STILL UNKNOWN WHETHER THE THREE PARTIES WILL BE ABLE TO IRON OUT THEIR DIFFERENCES BY THE 19TH.

UNDER THE REFORM PLAN, THE LDP AND SDP, OUT OF THE MOF'S THREE FUNCTIONS REGARDING FINANCIAL ADMINISTRATION -- DRAFTING POLICIES, INSPECTION AND SUPERVISION, HAVE CALLED FOR SEPARATING THE INSPECTION FUNCTION FROM THE MINISTRY. THEY ALSO HAVE STRESSED THE NEED TO HAVE THE NEW INSPECTION ORGANIZATION SUPERVISE AGRICULTURAL COOPERATIVES-AFFILIATED FINANCIAL INSTITUTIONS AND NON-BANK FINANCIAL CORPORATIONS IN AN EFFORT TO CONSOLIDATE THE SYSTEM TO INSPECT ALL FINANCIAL INSTITUTIONS UNIFORMLY.

THE NEW FINANCIAL INSPECTION ORGANIZATION WOULD BE AN AGENCY ATTACHED TO THE MINISTRY IN ACCORDANCE WITH CLAUSE 8 OF THE NATIONAL GOVERNMENT ORGANIZATION LAW. PROVIDED THE ORGANIZATION IS BASED ON CLAUSE 3, WHICH TAKES MORE ON THE NATURE OF INDEPENDENCE, A DRASTIC ORGANIZATIONAL REFORM WILL BECOME NECESSARY, INVOLVING THE INSPECTION FUNCTION OF LOCAL ORGANIZATIONS, SUCH AS THE FINANCIAL BUREAU. BOTH SIDES HAVE AGREED ON THE VIEW THAT "THIS IDEA WOULD BE DIFFICULT." YET, EVEN IN CASE CLAUSE 8 IS APPLIED, THE RIGHT TO APPOINT EXECUTIVES WOULD BE GIVEN TO THE PRIME MINISTER, INSTEAD OF THE FINANCE MINISTER, WITH AN AIM TO MAKE THE ORGANIZATION MORE INDEPENDENT
UNCLAS SECTION 07 OF 08 TOKYO 008678

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 SEPTEMBER 18

FROM THE MINISTRY.

THE IDEA OF THE SUPERVISING FUNCTION BECOMING INDEPENDENT OF THE MINISTRY ONCE GREW INFLUENCE, BUT IN THIS CASE, OTHER MINISTRIES AND AGENCIES WILL BE INVOLVED IN THE REFORM STEPS, INCLUDING THE MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES, WHICH HAS JURISDICTION OVER AGRICULTURAL COOPERATIVES. BEARING SUCH IN MIND, THE LDP AND SDP GAVE UP THIS IDEA.

PRIME MINISTER HASHIMOTO TO CALL FOR BALANCED UN REFORM IN UNGA SPEECH (TOKYO SHIMBUN - PAGE 1)

PRIME MINISTER RYUTARO HASHIMOTO IS TO DELIVER A SPEECH AT THE UNITED NATIONS GENERAL ASSEMBLY ON THE AFTERNOON OF THE 24TH (EARLY HOURS OF THE 25TH, JAPAN TIME). HIS SPEECH HAS BEEN SET IN OUTLINE AS OF THE 17TH. IN HIS SPEECH, THE PRIME MINISTER WILL POINT OUT THE NEED TO STRENGTHEN THE FUNCTIONS OF THE UN SO THAT IT CAN MEET THE TASKS LIKELY TO EMERGE IN THE 21ST CENTURY. AND MENTIONING REFORM OF THE UN, HE WILL SUGGEST "(REFORM) BE CARRIED OUT IN A BALANCED WAY INVOLVING THE ENTIRE ORGANIZATION, INCLUDING THE POLITICAL, SECURITY, FINANCIAL AND DEVELOPMENT AREAS." BEHIND THIS IS HIS INTENTION TO CHECK THOSE WHO ARE DEBATING ONLY THE PROBLEM OF REVISING THE SHARES OF CONTRIBUTIONS TO THE UN BUDGET AHEAD OF OTHER MATTERS IN ORDER TO AVOID JAPAN BEING FORCED TO BEAR A MUCH HIGHER BURDEN.

HASHIMOTO WILL BE THE THIRD JAPANESE PRIME MINISTER TO GIVE A SPEECH AT THE UN GENERAL ASSEMBLY, FOLLOWING PRIME MINISTER YASUHIRO NAKASONE IN 1978 AND PRIME MINISTER MORIHIRO HOSOKAWA IN 1993.

AS FOR THE PROBLEM OF JAPAN'S ENTRY INTO THE UN SECURITY COUNCIL AS A PERMANENT MEMBER, THE FOCUS OF HIS SPEECH, THE FOLLOWING WORDING HAS BEEN ADOPTED:: "UNDER THE BASIC THINKING THAT WE WILL NOT USE ARMED FORCE AS SUCH IS PROHIBITED BY OUR CONSTITUTION, WE HAVE RECEIVED THE SUPPORT OF A NUMBER OF COUNTRIES AND ARE PREPARED TO FULFILL THE DUTIES OF A UN SECURITY COUNCIL PERMANENT MEMBER."

THAT EXPRESSION IS ALMOST THE SAME AS THAT IN THE UN SPEECH GIVEN LAST YEAR BY THEN FOREIGN MINISTER YOHEI KONO. IT SEEMS CONSIDERATION HAS BEEN GIVEN TO THE CURRENT SITUATION AS TO THE RULING PARTIES WHOSE STANCES ARE SLIGHTLY DIFFERENT FROM ONE ANOTHER ON THIS ISSUE.

REGARDING JAPAN'S DESIRE TO BECOME A NON-PERMANENT MEMBER OF THE UN SECURITY COUNCIL, THE ELECTION OF WHICH IS TO OCCUR SOON, HASHIMOTO WILL SHOW ENTHUSIASM TO OBTAIN A SEAT ON THE NON-PERMANENT MEMBERS OF THE UN SECURITY COUNCIL, STRESSING: "IF OUR COUNTRY IS ELECTED TO BE A NON-PERMANENT MEMBER, WE WILL VIGOROUSLY GRAPPLE WITH THE TASK OF MAINTAINING PEACE AND SECURITY IN THE WORLD."

ON THE ISSUE OF THE COMPREHENSIVE TEST BAN TREATY (CTBT), A SIGNING CEREMONY OF WHICH WILL BE HELD IN THE UN HEADQUARTERS, THE PRIME MINISTER WILL EXPRESS HIS HOPE THAT COUNTRIES THAT HAVE MADE CLEAR THEIR OPPOSITION TO THE CTBT WILL RECONSIDER THEIR POSITIONS FROM THE PERSPECTIVE OF PROMOTING NUCLEAR DISARMAMENT, AND CONCLUDE THE TREATY AT AN EARLY TIME SO THAT THE TREATY WILL COME INTO EFFECT AS SOON AS POSSIBLE. HOWEVER, HE WILL AVOID MENTIONING OPPONENT COUNTRIES BY NAME, SUCH AS INDIA, SO AS TO AVOID IRRITATING THEM.

ON THE PROBLEM OF ANTI-PERSONNEL LAND MINES, HE WILL CONFIRM THAT AN INTERNATIONAL CONFERENCE OF HIGH WORKING-LEVEL OFFICIALS WILL BE HELD IN TOKYO EARLY NEXT YEAR. IN ADDITION, TAKING INTO ACCOUNT THAT THE UN WILL HOLD A SPECIAL ASSEMBLY FOR THE ENVIRONMENT TO TAKE PLACE NEXT YEAR, HE WILL TAKE A STANCE OF ACTIVELY TACKLING
UNCLAS SECTION 08 OF 08 TOKYO 008678

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 SEPTEMBER 18

ENVIRONMENTAL PROBLEMS. CRANE

SECT: SECTION: 01 OF 08

<^SECT>SECTION: 02 OF 08

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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 19

TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 008724

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;
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COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 19

TOP HEADLINES:

ASAHI: NORTH KOREAN SUBMARINE RUNS AGROUND; 11 CREW
MEMBERS WHO HAD LANDED FOUND DEAD; AFTER SHOOTOUT, EIGHT
CREW MEMBERS RUN AWAY; ONE ARRESTED; SOUTH-NORTH
RELATIONS MAY WORSEN

NIHON KEIZAI: FOUR MAJOR LIFE INSURANCE HOUSES'
SUBSIDIARY NON-LIFE INSURANCE FIRMS WILL SELL AUTO AND
FIRE INSURANCE TO LARGE FIRMS; VOLUNTARY RESTRICTION TO
BE REMOVED (TRANSLATION BELOW)

TOKYO SHIMBUN: SHOOTOUT BETWEEN RUNAWAY SOLDIERS AND SOUTH KOREAN TROOPS; SUBMARINE INVADES; 11 NORTH KOREAN SOLDIERS KILL THEMSELVES?; ONE ARRESTED BUT 8 STILL AT LARGE

MAINICHI: AIDS SCANDAL AND GREEN CROSS: TO ARREST FORMER PRESIDENT MATSUSHITA; NEW AND OLD CORPORATE EXECUTIVES WILL BE QUESTIONED BY OSAKA DISTRICT PUBLIC PROSECUTORS' OFFICE ON CHARGE OF NEGLIGENCE RESULTING IN DEATH

YOMIURI: HIV SCANDAL: TOKYO DISTRICT PUBLIC PROSECUTORS' OFFICE TO INDICT ABE ON CHARGE OF NEGLIGENCE RESULTING IN DEATH; "INFECTION WAS POSSIBLE TO PREDICT"; TO PURSUE ALSO HEALTH AND WELFARE MINISTRY FOR ITS RESPONSIBILITY

SANKEI: ARMED NORTH KOREAN SPIES; 11 FOUND DEAD; ONE ARRESTED BUT EIGHT AT LARGE; SHOOTOUT AGAIN WITH SOUTH KOREAN TROOPS

AMBASSADOR MONDALE WELCOMES RESOLUTION OF LAND-LEASE PROXY ISSUE (MAINICHI - PAGE 3)

CHIEF CABINET SECRETARY SEIROKU KAJIYAMA YESTERDAY CALLED ON U.S. AMBASSADOR TO JAPAN MONDALE AT THE AMERICAN EMBASSY AND EXCHANGED VIEWS ON THE OKINAWA PROBLEM AND JAPAN-U.S. ECONOMIC RELATIONS. IN THE SESSION, THE AMBASSADOR REMARKED, "I AM GLAD THAT OKINAWA'S PUBLIC NOTICE AND INSPECTION PROBLEM SAW SETTLEMENT FINALLY. I AM DETERMINED TO DO MY BEST FROM NOW ON AS WELL TO CREATE A GOOD ENVIRONMENT FOR U.S.-JAPAN RELATIONS." HE THUS EXPRESSED A SENSE OF APPRECIATION TOWARD THE SETTLEMENT OF THE LEGAL BATTLE FOUGHT BETWEEN THE CENTRAL GOVERNMENT AND OKINAWA.

CHIEF CABINET SECRETARY KAJIYAMA TO AMBASSADOR: EXPECTS OKINAWA PROBLEM TO IMPROVE (SANKEI - PAGE 2)

CHIEF CABINET SECRETARY SEIROKU KAJIYAMA YESTERDAY AFTERNOON CALLED ON U.S. AMBASSADOR TO JAPAN MONDALE AT THE AMERICAN EMBASSY IN TOKYO'S AKASAKA DISTRICT AND EXCHANGED VIEWS ON VARIOUS SUBJECTS CENTERING ON THE OKINAWA ISSUE.

IN THE SESSION, AMBASSADOR MONDALE EXPRESSED HIS APPRECIATION TOWARD OKINAWA GOVERNOR MASAHIDE OTA'S DECISION ON PUBLIC NOTICE AND INSPECTION REQUIRED FOR THE FORCIBLE USE OF LAND LOTS BY THE U.S. ARMED FORCES THERE, REMARKING: "I WAS WORRIED ABOUT IT GREATLY, BUT NOW I AM GLAD THAT IT WAS SETTLED AT LAST. I AM DETERMINED TO DO MY VERY BEST TO CREATE A GOOD, COOPERATIVE U.S.-JAPAN RELATIONSHIP, WHILE GIVING CONSIDERATION TO THE SENTIMENT OF THE PEOPLE OF OKINAWA."

IN ADDITION, AMBASSADOR MONDALE ASKED OKINAWA'S REACTION TO THE "REMOVABLE OFFSHORE HELIPORT CONSTRUCTION PLAN" THAT HAS SURFACED IN RESPONSE TO THE FUTENMA AIR STATION RELOCATION PROGRAM. IN RESPONSE, KAJIYAMA NOTED, "WE ARE

NOT YET AT THE STAGE TO ACCESS THE PLAN CONCRETELY FOR THERE ARE SOME UNCLEAR ASPECTS." KAJIYAMA ALSO EXPRESSED HIS WISH THAT THE OFFSHORE HELIPORT PLAN WILL HELP CREATE A FAVORABLE TONE FOR THE OKINAWA ISSUE, REMARKING: "I THINK THE RIGHT ENVIRONMENT IS BEING CREATED FOR THE UNCLAS SECTION 02 OF 06 TOKYO 008724

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 SEPTEMBER 19

CONCERNED LOCALITIES TO MAKE A DECISION IN A COOL-HEADED MANNER."

U.S. STUDYING GREATLY REDUCING MARINESQ PRESENCE FROM OKINAWA (NIHON KEIZAI - PAGE 1)

(WASHINGTON, SEPTEMBER 18, TETSURO KOSAKA) AS AN ALTERNATIVE FACILITY IN CONNECTION WITH THE RETURN OF FUTENMA AIR STATION ON OKINAWA, CONSTRUCTING A FLOATING HELIPORT OFFSHORE IS NOW REGARDED AS THE MOST LIKELY PLAN BY JAPAN AND THE UNITED STATES. IN THIS CONNECTION, THE U.S. GOVERNMENT IS CONSIDERING A LARGE-SCALE REDUCTION OF MARINES NOW STATIONED ON OKINAWA IN THE FUTURE, ACCORDING TO WHAT WAS REVEALED BY A JAPAN-U.S. RELATED SOURCE. REPORTEDLY, THE IDEA OF BUILDING A FLOATING HELIPORT OFFSHORE ALSO TAKES INTO ACCOUNT REMOVAL AND RELOCATION OF THAT HELIPORT AFTER MARINES ARE TRIMMED. SINCE MARINES STATIONED ON OKINAWA ACCOUNT FOR APPROXIMATELY 60 PERCENT OF U.S. TROOPS THERE, A WIDE REDUCTION WOULD LEAD TO A CHANGE IN THE POSITION OF U.S. BASES ON OKINAWA.

ACCORDING TO A JAPAN-U.S. RELATED SOURCE, THE U.S. IS STUDYING THE POSSIBILITY OF PULLING OUT MARINES STATIONED ON OKINAWA OR SCALING THEM DOWN WIDELY, ON THE PREMISE THAT "THE KOREAN PENINSULA AND THE MIDDLE EAST SITUATION ARE BOTH STABLE." DISCUSSION IS NOW GOING ON WITH THE JAPANESE SIDE OVER THE PLAN TO CONSTRUCT A FLOATING HELIPORT THAT CAN BE REMOVED, ENVISAGING THE POSSIBILITY OF WITHDRAWING OR TRIMMING OKINAWA MARINES IN LINE WITH THE POLICY APPROACH SET BY U.S. SECRETARY OF DEFENSE PERRY: "WE WILL MAKE UP A REDUCTION IN NUMBERS BY ENHANCING MILITARY TECHNOLOGY."

A JAPANESE GOVERNMENT OFFICIAL SAYS IN THE U.S. GOVERNMENT, THERE IS A PLAN TO LAY OUT, AS EARLY AS NEXT SPRING, A NEW MILITARY RATIONALIZATION SCHEME THAT WILL FOLLOW THE 1993 "BOTTOM-UP REVIEW," WHICH SET FORTH A GRAND MILITARY RESTRUCTURING. RECENTLY A U.S. GOVERNMENT

SOURCE INFORMALLY CONVEYED TO AN OFFICIAL CONCERNED IN THE JAPANESE GOVERNMENT THAT THAT SCHEME MAY INCLUDE REDUCTION OF THE U.S. FORCES IN JAPAN (USFJ) INCLUDING OKINAWA MARINES.

THE THIRD MARINE DIVISION STATIONED ON OKINAWA IS THE ONLY MARINE DIVISION THAT IS DEPLOYED OUTSIDE THE MAINLAND U.S. THE TOTAL STRENGTH IS ABOUT 18,000 TROOPS. THEY ARE INSTALLED, KEEPING AN EYE ON NOT ONLY ASIA AND THE FAR EAST REGION BUT ALSO THE MIDDLE EAST SITUATION.

A JAPAN-U.S. RELATED SOURCE SAYS UNDER THE NEW U.S. PLAN FOR REALIGNMENT AND REDUCTION OF U.S. FORCES, IT IS BEING STUDIED TO CUT APPROXIMATELY 25,000 TROOPS -- ABOUT 15 PERCENT OF THE TOTAL STRENGTH OF THE MARINES (ABOUT 170,000 TROOPS). IF THAT WERE REALIZED, THE NUMBER OF TROOPS TO BE REDUCED WOULD BE WELL OVER THE TOTAL STRENGTH OF THE THIRD MARINE DIVISION.

DEFENSE GUIDELINES: U.S.-JAPAN AGREE TO CRISIS MANAGEMENT BEFORE DISPUTE BREAKS OUT (ASAHI - PAGE 3)

(WASHINGTON, SEPT. 18, TETSUYA OKAZAKI) THE JAPANESE AND U.S. GOVERNMENTS, NOW PROCEEDING WITH THE WORK OF REVIEWING THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION, HELD WORKING-LEVEL NEGOTIATIONS IN WASHINGTON REGARDING DEFENSE COOPERATION TO BE CARRIED OUT "IN CASE JAPAN'S PEACE AND SECURITY COULD BE SERIOUSLY AFFECTED BY SITUATIONS IN THE AREAS SURROUNDING JAPAN" (EMERGENCIES IN THE PERIMETER OF JAPAN), AND THE TWO GOVERNMENTS AGREED TO CONDUCT STUDIES ALSO ON "CRISIS MANAGEMENT BEFORE CONFLICTS BREAK OUT" THROUGH SUCH ACTIONS AS ECONOMIC BLOCKADE. THIS WILL BE INCORPORATED IN A PROGRESS REPORT TO THE JAPAN-U.S. SECURITY CONSULTATIVE COMMITTEE (2-PLUS-2) AT ITS MEETING TO BE HELD ON SEPTEMBER 19.

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USIA

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 19

IN THE WORK OF REVIEWING THE GUIDELINES FORMULATED IN 1978, THE JAPANESE AND U.S. GOVERNMENTS HAVE ALREADY AGREED TO CONDUCT STUDIES ON JAPAN'S EXTENDING COOPERATION TO THE U.S. IN THE EVENT OF "EMERGENCIES IN THE AREAS SURROUNDING JAPAN" THAT ARE WIDER THAN THE CONVENTIONAL SCOPE OF "EMERGENCIES IN THE FAR EAST," ON

THE FOLLOWING FOUR POINTS: (1) ACTIVITIES TO EVACUATE NON-COMBAT PERSONNEL; (2) U.S. ARMED FORCES' USE OF FACILITIES AND AREAS; (3) REAR SUPPORT FOR U.S. MILITARY OPERATIONS; AND (4) INTEROPERABILITY BETWEEN THE SELF-DEFENSE FORCES AND THE U.S. FORCES.

THIS TIME, IN ADDITION TO THOSE POINTS, JAPAN AND THE U.S. AGREED TO PUSH AHEAD WITH BILATERAL COOPERATION ALSO IN ORDER TO DETER CONFLICTS AND CARRY OUT OTHER ACTIVITIES AS "CRISIS MANAGEMENT BEFORE OCCURRENCE," GOING FURTHER THAN TO COOPERATE IN THE EVENT OF EMERGENCIES. ACCORDING TO THE JAPAN DEFENSE AGENCY, THE TWO GOVERNMENTS ARE SPECIFICALLY HYPOTHESIZING CASES LIKE AN ECONOMIC BLOCKADE THAT WAS CONSIDERED AT THE TIME OF A CRISIS OVER THE KOREAN PENINSULA IN 1994 AND THE DISPATCH OF A U.S. AIRCRAFT CARRIER AT THE TIME OF A CHINA-TAIWAN CRISIS IN THE SPRING OF THIS YEAR.

ON THE OTHER HAND, THE TWO GOVERNMENTS HAVE ALSO AGREED TO "STUDY THE MODALITIES OF COOPERATION ON TAKING NECESSARY MEASURES AFTER CONFLICTS ARE OVER." MOREOVER, THE TWO COUNTRIES ARE ALSO GOING TO PROBE BILATERAL COOPERATION FOR SUCH PROGRAMS AS UNITED NATIONS PEACEKEEPING OPERATIONS (PKO) AND POSTWAR REHABILITATION ACTIVITIES. A REVIEW OF THE GUIDELINES WAS AGREED UPON IN THE JAPAN-U.S. JOINT DECLARATION ON SECURITY ISSUED IN APRIL THIS YEAR, AND ITS MAJOR FOCUS IS ON DEFENSE COOPERATION IN THE EVENT OF "EMERGENCIES AROUND JAPAN."

HASHIMOTO-CLINTON SUMMIT MEETING ON 24TH TO LAST 20 MINUTES (SANKEI - PAGE 2)

THE SCHEDULE FOR PRIME MINISTER RYUTARO HASHIMOTO'S U.S. TRIP, WHICH HE WILL MAKE TO ATTEND THE 51ST UN GENERAL ASSEMBLY, WAS DECIDED YESTERDAY.

PRIME MINISTER HASHIMOTO WILL LEAVE HANEDA AIRPORT VIA A GOVERNMENT PLANE FOR THE U.S. ON THE AFTERNOON OF THE 23RD. AFTER ARRIVING IN NEW YORK LATER THAT DAY (ON THE MORNING OF THE 24TH, JAPAN TIME), HE WILL MEET WITH UN SECRETARY GENERAL BOUTROS-GHALI. ON THE FOLLOWING DAY, ON THE AFTERNOON OF THE 24TH (MORNING OF THE 25TH) IN THE UN GENERAL ASSEMBLY, HE WILL DELIVER A SPEECH FOCUSING ON THE IMPORTANCE OF UN REFORM AND ATTEND THE SIGNING SESSION OF THE COMPREHENSIVE TEST BAN TREATY (CTBT). HE WILL ALSO ATTEND A LUNCHEON MEETING TO BE HELD BY THE NEW YORK JAPAN SOCIETY AND THE LIKE AND DELIVER A SPEECH ON JAPAN-U.S. RELATIONS TOWARD THE 21ST CENTURY.

IN ADDITION, HIS TALKS WITH PRESIDENT CLINTON -- HIGHLIGHT OF HIS U.S. TRIP -- IS EXPECTED TO TAKE PLACE FOR ABOUT 20 MINUTES AROUND NOON OF THE 24TH (EARLY HOURS OF THE 25TH) BY BREAKING AWAY FROM THE UN GENERAL ASSEMBLY. IN THE SESSION, THE PRIME MINISTER IS EXPECTED TO PROPOSE A JAPAN-U.S. JOINT STUDY OF THE "REMOVABLE HELIPORT CONSTRUCTION PLAN," WHICH HAS SURFACED IN CONNECTION WITH THE U.S. FUTENMA AIR STATION RELOCATION PROGRAM. AGREEMENT IS EXPECTED TO REACH WITH PRESIDENT

CLINTON.

GOVERNMENT TO DISPATCH MISSION TO CHINA TO SURVEY
PROPOSED ODA PROJECTS (SANKEI - PAGE 2)

FOREIGN MINISTER YUKIHIKO IKEDA WILL HOLD JAPAN-CHINA
FOREIGN MINISTERIAL TALKS ON THE 24TH DURING HIS STAY IN
NEW YORK TO ATTEND THE UNITED NATIONS GENERAL ASSEMBLY.
IT WAS LEARNED YESTERDAY THAT DURING THE TALKS, IKEDA
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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA
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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 19

WOULD CONVEY JAPAN'S PLAN OF DISPATCHING THIS FALL A
DELEGATION TO SURVEY THE SITUATION IN IMPLEMENTING YEN
LOANS TO CHINA. MANY POLICYMAKERS ARE OPPOSED TO SUCH
MOVES TO "PUT INTO OPERATION" YEN LOANS, WHICH JAPAN HAS
SUSPENDED IN PROTEST AGAINST CHINA'S REPEATED NUCLEAR
TESTS. DIFFICULTY IS FORESEEN.

THE GOVERNMENT HAS DECIDED TO SEND A SURVEY MISSION,
REFLECTING CHINA'S ANNOUNCEMENT AFTER THE JULY-END
NUCLEAR TEST OF A MORATORIUM ON NUCLEAR TESTING, AS WAS
NOTIFIED ON JUNE 8 NUCLEAR TEST, AS WELL AS ITS MOVES TO
HELP THE RATIFICATION OF A COMPREHENSIVE TEST BAN TREATY
(CTBT) BY WITHDRAWING ITS OWN ASSERTION AND SHOWING
WILLINGNESS TO SIGN IT.

THERE WAS ALSO A REASON IN VIEW OF THE TIMETABLE, THAT
IS, UNLESS A DELEGATION IS DISPATCHED BY THIS FALL AT THE
LATEST, THE WORK OF SIGNING EXCHANGE NOTES FOR 40
PROJECTS (ABOUT 580 BILLION YEN) COVERING THREE YEARS
STARTING THIS YEAR WOULD NOT BE COMPLETED BY NEXT APRIL
AS THE DEADLINE SET BY BOTH COUNTRIES.

GIVEN SUCH, THE FOREIGN MINISTRY REPEATED DISCUSSION THIS
SUMMER FOCUSING ON DISPATCH OF A DELEGATION DURING
SEPTEMBER AND DECIDED THAT A SPECIFIC TIMING WOULD BE
DISCUSSED DURING THE PLANNED TALKS BETWEEN IKEDA AND
FOREIGN MINISTER QIAN QICHEN IN NEW YORK ON THE 24TH.

AFTER THE MEETING OF THE LIBERAL DEMOCRATIC PARTY (LDP)
FOREIGN POLICY SUB-COMMITTEE YESTERDAY AFTERNOON,
HOWEVER, SOME MEMBERS PROTESTED THE GOVERNMENT SIDE,
ARGUING "THE PROPRIETY OF DISPATCH OF A SURVEY MISSION ON
YEN LOANS SHOULD BE DISCUSSED WITHIN THE LDP BEFORE THE
JAPAN-U.S. FOREIGN MINISTERIAL. WHAT WILL YOU DO IF BOTH

SIDES ARGUE ON DIFFERENT PLANS?" THEY WILL MEET AGAIN THIS MORNING. A LEGISLATOR CITED AS A REASON FOR HIS OPPOSITION TO THE DISPATCH OF A SURVEY MISSION, "WE MUST GIVE CONSIDERATION TO THE CURRENT DETERIORATED RELATIONS BETWEEN JAPAN AND CHINA DUE TO THE SENKAKU ISLANDS AND OTHER ISSUES."

GOVERNMENT WITHDRAWS COMPROMISE PROPOSAL IN INSURANCE TALKS (NIHON KEIZAI - PAGE 7)

THE MINISTRY OF FINANCE (MOF) IN YESTERDAY'S JAPAN-UNITED STATES INSURANCE TALKS, WHICH HAVE BEEN RESUMED IN TOKYO, WITHDREW SOME PORTIONS OF A COMPROMISE PLAN IT PRESENTED DURING THE PREVIOUS TALKS. THE DECISION STEMS FROM THE JUDGMENT THAT IT WOULD NOT BE WISE TO MAKE A UNILATERAL COMPROMISE WHEN THE U.S. SIDE HAS NOT MADE ANY CONCESSIONS ON THE TIMING FOR LIBERALIZING THE THIRD SECTOR, SUCH AS PERSONAL ACCIDENT INSURANCE, IN WHICH FOREIGN INSURERS ARE DOING SUCCESSFUL BUSINESS HERE, TO DOMESTIC INSURANCE COMPANIES. THE NEGOTIATIONS WENT NO FURTHER THAN THE REAFFIRMATION OF THE TWO COUNTRIES' ASSERTIONS. IT IS NOW DIFFICULT TO WRAP UP THE TALKS BY OCTOBER, WHEN LIFE INSURERS AND NON-LIFE INSURERS ARE EXPECTED TO LAUNCH INTO BUSINESS IN EACH OTHER'S TURF THROUGH SUBSIDIARIES.

IN THE TALKS IN EARLY AUGUST MOF PRESENTED A COMPROMISE PLAN FOR IMPLEMENTING LIBERALIZATION OF FIXED INSURANCE PREMIUMS UNDER THE PROPOSED MAIL-ORDER AUTO INSURANCE SYSTEM, MAKING IT A PREMISE THAT THE U.S. APPROVES EARLY LIBERALIZATION OF THE NON-LIFE INSURANCE MARKET. HOWEVER, THE TALKS FELL THROUGH WITH THE U.S. NOT GIVING THE NOD TO EARLY LIBERALIZATION OF THE PERSONAL ACCIDENT INSURANCE SECTOR. JAPAN'S WITHDRAWAL OF ITS PROPOSAL OVER AUTO INSURANCE HAS RETURNED THE TALKS TO A CLEAN-SLATE CONDITION WITH BOTH PARTIES NOT MAKING ANY COMPROMISE.

AFTER THE TALKS, ONE U.S. NEGOTIATOR COMMENTED, "THE VIEWS OF THE TWO COUNTRIES STILL REMAIN WIDE APART." THE UNCLAS SECTION 05 OF 06 TOKYO 008724

USIA

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

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 19

TWO COUNTRIES ARE EXPECTED TO ARRANGE A SCHEDULE TO REALIZE TALKS BETWEEN FINANCE MINISTER KUBO AND ACTING UNITED STATES TRADE REPRESENTATIVE (USTR) BARSHEFSKY WHEN

KUBO VISITS THE U.S. TO ATTEND THE SEVEN-NATION FINANCE MINISTERS AND CENTRAL BANK GOVERNORS CONFERENCE (G-7).

MOF INTENDS TO ATTACH A CONDITION WITHIN THIS MONTH TO THE LICENSES IT HAS GRANTED TO SUBSIDIARIES OF LIFE AND NON-LIFE INSURANCE FIRMS IN ORDER TO RESTRICT THEIR BUSINESS ACTIVITIES IN THE THIRD SECTOR. AS PART OF ITS EFFORTS TO STAVE OFF A BREAKUP OF THE TALKS, MOF IS LIKELY TO IMPOSE RESTRICTIONS ON THEIR ENTRY INTO NOT ONLY MEDICAL-CARE AND CANCER INSURANCE POLICIES BUT ALSO NON-LIFE INSURANCE POLICIES IN CASE THE NEGOTIATIONS DO NOT WIND UP BEFORE THE END OF THE MONTH.

INSURANCE FIRMS TO QUIT VOLUNTARY RESTRAINTS
(NIHON KEIZAI - TOP PLAY AND PAGE - 7)

FOUR LEADING LIFE INSURANCE COMPANIES, INCLUDING NIPPON LIFE INSURANCE AND THE DAI-ICHI MUTUAL LIFE INSURANCE, WILL START IN OCTOBER SALES OF AUTOMOBILE AND FIRE INSURANCE POLICIES TO MAJOR COMPANIES THROUGH THEIR SUBSIDIARIES HANDLING NON-LIFE INSURANCE. THE FOUR HAD NO PLAN TO SELL SUCH INSURANCE TO LEADING CORPORATIONS IN ACCORDANCE WITH THE FINANCE MINISTRY'S INSTRUCTION AIMED AT MODERATE RECIPROCAL MARKET ACCESS BETWEEN LIFE AND NON-LIFE INSURERS. BUT SET OFF BY THE FAIR TRADE COMMISSION'S HEARING OF CIRCUMSTANCES FROM THEM ON THE SUSPICION OF SUCH BUSINESS PRACTICES UNDERMINING COMPETITION, THEY DECIDED TO SCRAP THEIR VOLUNTARY RESTRICTIONS. THIS UNDERLINED THE FINANCE MINISTRY'S COORDINATION OF INTERESTS IN THE INDUSTRY HAS REACHED ITS LIMIT. THEIR SWITCH IN POLICY LINE IS EXPECTED TO HAVE AN IMPACT ON THE ONGOING JAPAN-UNITED STATES INSURANCE TALKS.

(COMMENTARY)

WITH THE SCRAPPING OF RESTRAINTS, WHICH FOUR LEADING LIFE INSURERS HAVE IMPOSED ON THEMSELVES VOLUNTARILY, THE MAIN FEATURE OF MOF'S EFFORT TO COORDINATE THE INTERESTS OF LIFE AND NON-LIFE INSURERS WILL COLLAPSE. IN ADDITION, THE FAIR TRADE COMMISSION (FTC) IS KEEPING AN EVEN MORE WATCHFUL EYE. UNDER SUCH CIRCUMSTANCES, BOTH THE BUREAUCRACY AND THE PRIVATE SECTOR WILL LIKELY BE CORNERED INTO REFORMING THEIR "OLD REGIME."

MOF HAS MADE EFFORTS TO COORDINATE TERRITORIAL BORDERS IN THE FINANCIAL SECTOR, SUCH AS BANKING AND SECURITIES, IN CONNECTION WITH THEIR FREE OPERATIONS ON EACH OTHER'S TURF AS PROPOSED. EXTERNALLY IT HAS PUBLICIZED THE DETAILS OF SUCH COORDINATION, INVOLVING BANKS, SECURITIES HOUSES AND TRUST BANKS AND SPECIFICALLY STATED SUCH IN THE FORM OF NOTIFICATIONS OR ADMINISTRATIVE REPORTS. HOWEVER, THE CONTENTS OF SUCH ADMINISTRATIVE GUIDANCE ON CROSS-SERVICING BETWEEN LIFE AND NON-LIFE INSURERS HAVE REMAINED UNCLEAR.

CHANCES ARE THAT THE ABOLITION OF SELF-IMPOSED RESTRAINTS BUSINESS PRACTICES -- QUINTESSENTIAL OF ADMINISTRATIVE

GUIDANCE ON CROSS-SERVICING -- WILL GIVE RISE TO A MOOD FOR URGING A REVIEW OF OTHER SIMILAR REGULATIONS, SUCH AS THE PROBLEM OF SALES CHANNELS. A TOP-LEVEL EXECUTIVE OF A CERTAIN LEADING LIFE INSURER HAS UNDERScored, "WE CAN FOLLOW ONLY SPECIFICALLY STATED GUIDANCE" AND POINTED OUT, "IT IS PRIVATE CORPORATIONS THAT ARE PUNISHED BY THE FTC EVEN IF THEIR ACTIVITIES ARE IN ACCORDANCE WITH ADMINISTRATIVE GUIDANCE."

THE DECISION THIS TIME MIGHT HAVE AN IMPACT ON THE ONGOING BILATERAL INSURANCE TALKS, TOO. THE U.S. REMAINS AT LOGGERHEADS WITH JAPAN OVER ITS REQUEST -- WHICH IT HAS MADE TO SHELTER U.S. INSURERS -- THAT THE TIMING FOR UNCLAS SECTION 06 OF 06 TOKYO 008724

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 19

ALLOWING NON-LIFE INSURANCE SUBSIDIES OF LIFE INSURERS TO ENTER THE PERSONAL ACCIDENT INSURANCE SECTOR BE POSTPONED UNTIL FIVE YEARS LATER. JAPAN WILL MOST LIKELY PUSH TO THE FORE ITS DEREGULATORY EFFORT, BY DOING AWAY WITH THE SELF-IMPOSED RESTRAINTS, WHICH ARE STRONGLY SUSPECTED OF BEING COMPETITION-RESTRICTIVE.

CRANE

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