

# Withdrawal/Redaction Sheet

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                                                                      | DATE       | RESTRICTION |
|--------------------------|------------------------------------------------------------------------------------|------------|-------------|
| 001. cable               | Re: JDA [Japan Defense Agency] Minister Remark [Incomplete Message] (4 pages)      | 11/26/1996 | P1/b(1)     |
| 002. cable               | Re: Revisions to Draft Umbrella Statement (2 pages)                                | 11/27/1996 | P1/b(1)     |
| 003. cable               | Re: Futenma Relocation Statement and Other Issues (3 pages)                        | 11/27/1996 | P1/b(1)     |
| 004. cable               | Re: Japan-U.S. / Okinawa Base Issues (4 pages)                                     | 11/27/1996 | P1/b(1)     |
| 005. cable               | Re: Futenma Relocation (7 pages)                                                   | 11/29/1996 | P1/b(1)     |
| 006. cable               | Re: Support Cable for East Asia Brief (2 pages)                                    | 12/02/1996 | P1/b(1)     |
| 007. cable               | Re: Digest Executive Edition 228-96 (8 pages)                                      | 12/03/1996 | P1/b(1)     |
| 008. cable               | Re: SACO [Special Action Committee on Okinawa] Meeting and Final Report (11 pages) | 12/03/1996 | P1/b(1)     |

### COLLECTION:

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

### FOLDER TITLE:

[11/26/1996 - 12/03/1996]

2016-0420-F  
sb1889

### 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]  
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# Cable

**PREC:** IMMEDIATE  
**CLASS:** UNCLASSIFIED  
**LINE1:** OAAUZYUW RUEHKO A0868 3310848-UUUU--RHEHAAA.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** O 260848Z NOV 96  
**LINE4:** FM AMEMBASSY TOKYO  
**OSRI:** RUEHKO  
**DTG:** 260848Z NOV 96  
**ORIG:** AMEMBASSY TOKYO  
**TO:** RUEHC/SECSTATE WASHDC IMMEDIATE 0101  
**INFO:** RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE  
RUEAIIA/CIA WASHDC IMMEDIATE  
RUEKJCS/SECDEF WASHDC IMMEDIATE  
RUEHIA/USIA WASHDC IMMEDIATE 2124  
RUCPDO/USDOC WASHDC IMMEDIATE  
RUEATRS/TREASURY DEPT WASHDC IMMEDIATE  
RUEKJCS/DIA WASHDC IMMEDIATE  
RUAGJHA/CGUSARJ CAMP ZAMA JA//IX CORPS G5//  
RHHMUNA/USCINCPAC HONOLULU HI  
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//  
RUEHKOS/AMCONSUL SAPPORO 9194  
RUEDJ/FBIS OKINAWA JA  
RUCWAAB/FBIS RESTON VA  
RUALSJ/COMUSJAPAN YOKOTA AB JA  
RUEHOK/AMCONSUL OSAKA OBE 9497  
RUHBBMA/AMCONSUL NAHA 6511  
RUAYJAA/COPATWING ONE KAMI SEYA JA  
RUEHKON/AMCONSUL NAGOYA 9490  
RUEHKOF/AMCONSUL FUKUOKA 2729  
RUYNJDK/COMAVFORJAPAN YOKOSUKA JA  
**SUBJ:** JAPANESE DAILY PRESS SUMMARY 11/26/96  
**TEXT:**  
UNCLAS SECTION 01 OF 1 TOKYO 010868  
DEPT FOR E, P, PM, EB, EAP/J ANDS/AL  
USIA FOR MR AND REA  
WHITE HOUSE FOR NSC RTH  
WHITE HOUSE FOR NEC CUTTER  
TREASURY FOR OASA/IMI/JAPAN  
DEPT PASS USTR FOR SHAPIRO/WOLD  
DEPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETER  
E.O. 12958: N/A  
TAGS: PGOV, PINR, JA  
SUBJECT: JAPANESE DAILY PRESS SUMMARY 11/26/96  
**INDEX:**  
(1) Japan-U.S. Security (Section 4)  
Drifting Base (Part 3)

Underground Channels: Industrial Motive Shaped into 'Plan'

(2) Joint Development of Northern Territories by Japan and Russia: Clearing away of Japan's Distrust in Russia Major Premise; Sovereignty Issue Obstacle; Russian Compromise Indispensable

(3) Japan-U.S. Security (Section 4)  
Drifting Base (Part 2)  
The Prime Minister's Initiative: Keeping Step with the U.S. to Derail Bureaucrats

(4) Japan-U.S. Cooperation for Asia Vision

(5) Finance Ministry and Fiscal System Advisory Council Most Likely to Advocate "Departure from Deficit-Covering Government Bond Issuance in Fiscal 2005" as Target of Fiscal Reconstruction

#### ARTICLES:

(1) Japan-U.S. Security (Section 4)  
Drifting Base (Part 3)  
Underground Channels: Industrial Motive Shaped into 'Plan'

ASAHI (Page 1) (Full) November 20, 1996

"We've been told to work out some idea for the Futenma airfield problem. So, we're now up a tree."

In mid-July, an executive from Ishikawajima-Harima Heavy Industries Co., Ltd. (IHI), a core member of the megafloat study group mainly consisting of major shipbuilding companies and steel manufacturing companies, heard such a story from a familiar senior official of the Japan Defense Agency.

The IHI executive then suggested, "How about an offshore structure?" The senior JDA official jumped at the idea.

Several days later, the senior JDA official gave a briefing of the idea with reference materials in his hand. There were present also officials from the Defense Facilities Administration Agency. However, the idea was excluded from the scope of JDA's formal consideration because "such probably cannot meet the U.S. military's requirements."

Around that time, another group of private firms pushing for a different construction method was also on the move. It was a group consisting of Nissho Iwai Corporation and other companies, which had originally suggested the idea of constructing

an offshore structure based on the floating pier method (or QIP) for the planned relocation of the Naha military port facility in Okinawa. The group is joined by major companies from the construction,

**SECT:** SECTION: 01 OF 01

**SSN:** 0868

**TOR:** 961126035119 M2511700

**DIST:**

SIT: NSC

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**ORIG:** AMEMBASSY TOKYO

**TO:** RUEHIA/USIA WASHDC IMMEDIATE 2140  
RUEHC/SECSTATE WASHDC IMMEDIATE 0120

**INFO:** RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA  
RUAYJAA/COMPATWING ONE KAMI SEYA JA  
RUEAIIA/CIA WASHDC  
RUALSFJ/COMUSJAPAN YOKOTA AB JA  
RUCPDOG/USDOC WASHDC  
RUEHRC/USDA FAS WASHDC 2796  
RUEBBEA/USDOT WASHDC  
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//  
RHHMUNA/USCINCPAC HONOLULU HI//USIA//  
RUEKJCS/JOINT STAFF WASHDC//J5//  
RHEHAAA/WHITE HOUSE WASHDC  
RUEKJCS/SECDEF WASHDC

**SUBJ:** JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 27

**TEXT:**

UNCLAS SECTION 01 OF 07 TOKYO 010884

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; USDA;  
USCINCPAC/PA; CINCPACFLT/PA; COMUSJ/PA;  
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 27

TOP HEADLINES:

ASAHI: OKAMITSU HAD INTRODUCED TO SUSPECT KOYAMA AN  
OFFICIAL IN CHARGE OF INDUSTRIAL WASTE IN THE HEALTH AND  
WELFARE MINISTRY; IN BIDDING FOR DISPOSAL OF INDUSTRIAL  
WASTE AT NATIONAL HOSPITAL IN 1992, UNAUTHORIZED FIRM  
UNUSUALLY MADE SUCCESSFUL BID

NIHON KEIZAI: HEALTH AND WELFARE MINISTRY'S REFORM DRAFT  
FOR LOWERING PENSIONS FROM WELFARE PENSION FUND; APPROVAL

FROM TWO-THIRDS OF THE MEMBERS NEEDED AS CONDITION;  
ESTIMATED INTEREST RATE WILL BE SET FREELY IF LOWER  
LIMITS ARE MET

TOKYO SHIMBUN: GOVERNMENT'S TAX RESEARCH SUB-PANEL'S  
REPORT: REDUCTION OF THE CORPORATE TAX TO AROUND 35  
PERCENT SUGGESTED; IN RETURN FOR SCRAPPING OR DOWNSIZING  
OF SIX KINDS OF RESERVE FUNDS; DRASTIC REFORM, FIRST SUCH  
IN 30 YEARS, PROPOSED

MAINICHI: HEALTH AND WELFARE MINISTRY OFFICIALLY  
RECOGNIZED "NEGLIGENCE" IN INSTRUCTING AND AUDITING  
WELFARE FACILITIES; WITH SIMPLIFICATION OF PROCEDURES  
INTO A WRITTEN FORM; ON-THE-SCENE INSPECTION CHANGED  
THREE YEARS AGO

YOMIURI: EXPECTING MITI'S MANEUVERING, MITSUBISHI OIL  
OFFERED FUNDS; FEAR OF DISCLOSURE OF OVER-PRODUCTION;  
EXECUTIVE TESTIFIES, "SUSPECT IZUI WAS 'INFLUENTIAL'"  
(TRANSLATION BELOW)

SANKEI: FORMER HEALTH AND WELFARE VICE MINISTER OKAMITSU  
ADMITS RECEIVING 60 MILLION YEN; "BORROWED" FROM SUSPECT  
KOYAMA, HE TOLD PEOPLE AROUND HIM; HIS TOTAL DENIAL  
CRUMBLES

HASHIMOTO CABINET APPROVAL RATING AT 53 PERCENT; STRONG  
POPULAR INTEREST IN REFORM AGENDA (ASAHI - PAGE 1)

THE ASAHI SHIMBUN CONDUCTED A NATIONWIDE PUBLIC OPINION  
SURVEY ON AN INTERVIEW BASIS OVER A PERIOD OF TWO DAYS,  
NOVEMBER 24 AND 25, TO PROBE INTO SUCH FACTORS AS THE  
TREND OF PUBLIC SUPPORT FOR THE SECOND RYUTARO HASHIMOTO  
CABINET. THE RATE OF SUPPORT FOR THE CABINET WAS 53  
PERCENT, WHILE THE RATE OF NON-SUPPORT WAS 29 PERCENT.  
THE RATE OF SUPPORT WAS ALMOST AT THE SAME LEVEL AS IN  
THE TELEPHONE SURVEY CONDUCTED RIGHT AFTER THE CABINET  
WAS FORMED, AND IT IS STILL SUSTAINED AT A HIGH LEVEL.  
AS A REASON FOR SUPPORTING THE CABINET, MANY POINTED OUT  
THAT THAT IS "BECAUSE IT IS A CABINET OF THE LIBERAL  
DEMOCRATIC PARTY." IN ADDITION, THERE WAS AN INCREASE IN  
THE RATE OF THOSE WHO GAVE 'ADMINISTRATIVE REFORM'. AS  
SEEN FROM THIS, IT SEEMS THAT PUBLIC EXPECTATIONS ON THE  
PRIME MINISTER, WHO HAS VOWED ADMINISTRATIVE REFORM, PROP  
UP THE HIGH RATE OF SUPPORT.

PRIME MINISTER'S APEC DIPLOMACY: AIMING AT BOTH U.S. AND  
CHINA (ASAHI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO RETURNED HOME LAST  
EVENING FROM HIS TOUR OF THE ASIA-PACIFIC ECONOMIC  
COOPERATION (APEC) FORUM HELD IN THE PHILIPPINES, THE  
FIRST INTERNATIONAL EVENT FOR THE SECOND HASHIMOTO  
CABINET. IN HIS SUMMIT DIPLOMACY THIS TIME, HE POURED  
HIS ENERGIES INTO ASCERTAINING WHETHER THE TWO ASIA-  
PACIFIC POWERS, THE UNITED STATES AND CHINA, WERE  
HARBORING A SENSE OF DISTANCE TOWARD JAPAN. WHILE THE  
WORLD'S ATTENTION WAS CONCENTRATED ON "U.S. AND CHINA

GROWING CLOSER," HASHIMOTO WAS ABLE TO REAFFIRM JAPAN-U.S. TIES AND HE ALSO SUCCEEDED IN QUIETING DOWN FOR NOW THE OFT-TROUBLED JAPAN-CHINA RELATIONSHIP. THESE CAN BE SAID TO BE HIS ACHIEVEMENTS, BUT IN THE MONTHS AHEAD, HE WILL LIKELY CONTINUE HIS DIPLOMACY BY WATCHING THE UNCLAS SECTION 02 OF 07 TOKYO 010884

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; USDA; USCINCPAC/PA; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 27

COUNTENANCES OF THE TWO COUNTRIES.

"THERE SEEMS TO BE DEBATE OVER THE U.S. AND CHINA POSSIBLY MOVING CLOSER TO EACH OTHER, BUT YOU DO NOT HAVE TO WORRY ABOUT IT." SAID PRESIDENT CLINTON IN HIS SUMMIT MEETING WITH THE PRIME MINISTER. HE EMPHASIZED THAT BILATERAL TIES ARE OF "ABSOLUTE" IMPORTANCE. ON THE OTHER HAND, USING THE SAME PHRASE AS WAS EXPRESSED TO CHINESE PRESIDENT JIANG Z EMIN, THE PRESIDENT TOLD THE PRIME MINISTER: "A STRONG AND STABLE CHINA IS ALSO IMPORTANT."

PRESIDENT JIANG GAVE HIS APPRECIATION TO THE PRIME MINISTER'S VIEW OF HISTORY AND HIS REFERENCES TO THE U.S.-JAPAN SECURITY TREATY, NOTING, "I LISTENED EXCEEDINGLY CAREFULLY. I AGREE WITH MOST OF WHAT WAS STATED." BUT HE DID NOT FAIL TO MAKE THE POINT (TO HASHIMOTO) REGARDING "EDUCATING THE YOUTH ABOUT HISTORY."

BILATERAL SUMMIT MEETINGS WERE IN GENERAL ENVELOPED IN A CALM ATMOSPHERE, BUT THE CALCULATIONS AND WILINESS OF THE U.S. AND CHINESE LEADERS WERE ALSO GLIMPSED.

WHAT LIES BEHIND THE U.S. AND CHINA DRAWING CLOSER IS "THE BROAD STRATEGIC ASPECT" (SECRETARY OF STATE CHRISTOPHER), AND THE UNDENIABLE FACT IS THAT JAPAN BY RESPONDING TO EACH COUNTRY ENDED UP JUST "FOLLOWING" THEM. THE INSTABILITY OF THE RELATIONSHIP "AMONG JAPAN, THE U.S. AND CHINA" STILL REMAIN TO BE SOLVED.

MEANWHILE, IN MANILA, HASHIMOTO THREW HIS ENERGIES NOT ONLY INTO MAJOR BILATERAL ACCOUNTS BUT ALSO INTO AN ATTEMPT TO DEVELOP HIS OWN DIPLOMACY AT A MULTILATERAL FORUM.

IN THE APEC SUMMIT ON THE 25TH, THE PRIME MINISTER MENTIONED THE "SOCIAL AND ECONOMIC PROBLEMS BEYOND NATIONAL BORDERS" CAUSED BY "ECONOMIC GLOBALIZATION," AND

PROPOSED THAT APEC ADDRESS SUCH PROBLEMS AS THE GLOBAL ENVIRONMENT, NARCOTICS AND GUNS. THE INITIAL OBJECTIVE OF APEC IS DIRECTED AT THE "ECONOMY," BUT THE PRIME MINISTER'S IDEA WOULD LEAD TO MAKING APEC A "POLITICAL FORUM."

IN THE JAPAN-REPUBLIC OF KOREA (ROK) SUMMIT MEETING, THE TWO LEADERS CONFIRMED A POLICY DIRECTION OF THEIR COUNTRIES' TAKING THE INITIATIVE IN WORKING TOGETHER AT THE UNITED NATIONS SECURITY COUNCIL, APEC, THE ASIA-EUROPE MEETING (ASEM) AND OTHER INTERNATIONAL FORA.

BEHIND ALL THOSE APPROACHES OF (HASHIMOTO) IS CERTAINLY HIS INTENTION TO MAKE JAPANESE DIPLOMACY MORE "MULTILATERAL." (SEIJI NEMOTO OF THE POLITICAL DEPARTMENT)

RIGHT-WINGERS AT LDP MEETING CRITICIZE OFFICIAL VIEW OF HISTORY, TEXTBOOKS (MAINICHI - PAGE 2)

IN A MEETING OF THE LIBERAL DEMOCRATIC PARTY (LDP) EXECUTIVE COUNCIL YESTERDAY, SCORES OF RIGHT-LEANING VIEWS CALLING FOR "A STRONGER LDP IMPRINT" APPEARED IN DISCUSSIONS ON THE PERCEPTIONS OF HISTORY BY JAPAN AND KOREA, (GOVERNMENT) OVERSIGHT OF SCHOOL TEXTBOOKS, AND THE NATIONALITY CLAUSE REGARDING PUBLIC SERVANTS. SUCH REMARKS MIRROR THE LDP'S TRUE COLOR, WHICH HAD BEEN CONSTRAINED UNDER THE TRIPARTITE ARRANGEMENT AMONG THE LDP, THE SOCIAL DEMOCRATIC PARTY OF JAPAN (SDPJ) AND THE SAKIGAKE PARTY BUT HAS NOW COME TO THE FOREFRONT, THE CAGE DOOR HAVING BEEN LOOSENED. MARCHING OFF IN THAT DIRECTION MAY ANNOY THE SDP EVEN MORE, WHICH HAS REMOVED ITSELF FROM POLITICAL POWER UNDER THE SECOND HASHIMOTO ADMINISTRATION.

UNCLAS SECTION 03 OF 07 TOKYO 010884

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; USDA; USCINCPAC/PA; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 27

IN THE MEETING, TADASHI ITAGAKI, A MEMBER BACKED BY THE JAPAN ASSOCIATION FOR THE BEREAVED FAMILIES OF THE WAR DEAD, REMARKED: "IT IS ABSURD THAT THE PARTY LEADERSHIP BASES ITS POLICY ON (FORMER PRIME MINISTER) MURAYAMA'S STATEMENT. WHAT THE PEOPLE WANT IS A STRONGER LDP IMPRINT." SECRETARY GENERAL KOICHI KATO REFUTED HIM, SAYING, "MURAYAMA'S STATEMENT WAS APPROVED BY THE CABINET. SO I DON'T THINK IT'S WRONG." SEISUKE OKUNO

CRITICIZED THE GOVERNMENT-LED JAPAN-KOREA JOINT HISTORICAL STUDY: "KOREA AND CHINA HAVE STRATEGICALLY MADE STATEMENTS ABOUT OUR VIEW OF HISTORY AND THE YASUKUNI SHRINE PROBLEM."

IN ADDITION, HIKARU MATSUNAGA, REFERRING TO HOME AFFAIRS MINISTER KATSUHIKO SHIRAKAWA'S POSITIVE REMARKS ABOUT ELIMINATING THE NATIONALITY CLAUSE (FOR PUBLIC SERVANTS), ARGUED: "SUCH IS DANGEROUS. (IF FOREIGNERS) WANT TO BECOME PUBLIC SERVANTS, THEY SHOULD BECOME NATURALIZED JAPANESE. HAVING PATRIOTISM IS ESSENTIAL FOR PUBLIC SERVANTS. IT IS IMPOSSIBLE FOR PEOPLE WHO DO NOT HAVE JAPANESE NATIONALITY TO LOVE JAPAN." OTHER MEMBERS ALSO EXPRESSED DISSATISFACTION TOWARD DESCRIPTIONS IN HISTORY TEXTBOOKS. AS A RESULT, EXECUTIVE COUNCIL CHAIRMAN YOSHIRO MORI CONCLUDED, "THE SCHOOL-TEXTBOOK EXAMINATION SYSTEM DOES NOT ALLOW THE EDUCATION MINISTER TO INSTRUCT WHAT TO CORRECT IN TEXTBOOKS." (ISAO KOGA)

MITI WAS TARGET OF OIL BROKER'S MONEY BRIBERY SCHEME (YOMIURI - TOP PLAY)

IT WAS REVEALED YESTERDAY BY A PERSON CONNECTED WITH THE CASE THAT MITSUBISHI OIL CO., HAD FUNNELED LARGE SUMS OF MONEY TO JUNICHI IZUI, 60, (UNDER ARREST ON TAX EVASION) TO MAKE HIM WORK ON THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) IN CONNECTION WITH OIL-REFINING REGULATIONS. UNTIL MARCH 1989, MITI HAD SET AN OIL PRODUCTION FRAMEWORK BY COMPANY. DURING THIS PERIOD, MITSUBISHI OIL KEPT ON REFINING GASOLINE EXCEEDING THIS LEVEL AND FILED FALSE REPORTS WITH MITI. THE COMPANY SUPPLIED IZUI WITH TENS OF MILLIONS OF YEN TO 300 MILLION YEN ANNUALLY FROM AROUND 1987, EXPECTING THAT IZUI WOULD WORK ON MITI IN CASE SUCH MANEUVERING CAME TO LIGHT, ACCORDING TO THE SOURCE. IT APPEARS THAT A MITSUBISHI OIL EXECUTIVE AND OTHERS HAVE REVEALED SIMILAR INFORMATION IN THE INVESTIGATION BY THE TOKYO DISTRICT PUBLIC PROSECUTORS OFFICE SPECIAL INVESTIGATION DEPARTMENT.

U.S. UNHAPPY THAT JAPAN TO USE IMPORTED RICE AS FOOD AID (NIHON KEIZAI - PAGE )

THE UNITED STATES EMBASSY IN JAPAN YESTERDAY ISSUED A STATEMENT EXPRESSING ITS DISPLEASURE WITH JAPAN'S RECENT DECISION TO OFFER IMPORTED RICE AS FOOD AID TO DEVELOPING COUNTRIES. THE STATEMENT READ: "SUCH ASSISTANCE IS A VIOLATION OF THE RULES BUT IT DOES INFRINGE ON THE PRINCIPLES OF THE URUGUAY ROUND AGREEMENT." IT THEN CRITICIZED, "JAPAN IS ABOUT TO IMPROPERLY EXPORT IMPORTED RICE." THE MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES (MAFF) IS WILLING TO CONTINUE RICE ASSISTANCE NEXT YEAR AND AFTER AS A MEASURE TO TRIM ITS SURPLUS RICE, BUT OBJECTIONS FROM THE U.S. AND OTHER EXPORTING COUNTRIES MIGHT AFFECT ITS POLICY DIRECTION.

ACCORDING TO A U.S. EMBASSY OFFICIAL, MAFF AND THE FOREIGN MINISTRY HAVE EXPLAINED TO THE U.S. THAT "OUT OF

100,000 TONS OF RICE JAPAN IS PLANNING TO PROVIDE AS FOOD AID, IMPORTED RICE WILL MAKE UP 60 PERCENT OR MORE." THIS OFFICIAL WENT ON, "OF THE STOCK-PILED RICE IN JAPAN, IMPORTED RICE ACCOUNTS FOR NO MORE THAN 10 PERCENT. THE SHARE OF IMPORTED RICE USED AS FOOD AID IS UNREASONABLY LARGE." HE ALSO RAPPELLED JAPAN'S AGRICULTURAL POLICY, SAYING, "THE CAUSE OF THE SURPLUS RICE LIES IN JAPAN'S UNCLAS SECTION 04 OF 07 TOKYO 010884

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; USDA; USCINCPAC/PA; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

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AGRICULTURAL POLICY, AND NOT IN THE IMPORTED RICE."

JAPAN DECIDED AT YESTERDAY'S CABINET MEETING TO PROVIDE 60,000 TONS OF GOVERNMENT-STORED RICE, INCLUDING IMPORTED RICE, THROUGH ITS OFFICIAL DEVELOPMENT ASSISTANCE (ODA) PROGRAM. IT PLANS TO SHIP A TOTAL OF 100,000 TONS OF RICE BY THE END OF THE YEAR.

SURPLUS RICE TO REACH 3 MILLION TONS BY NEXT OCTOBER (YOMIURI - PAGE 9)

THE MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES (MAFF) SUBMITTED YESTERDAY AN OUTLOOK OF RICE SUPPLY AND DEMAND FOR CROP YEAR 1997 (NOVEMBER 1996 THROUGH OCTOBER 1997) TO THE LIBERAL DEMOCRATIC PARTY (LDP) RICE PRICE COMMITTEE AND THE RICE PRICE DELIBERATION COUNCIL. ACCORDING TO THE TABLE, JAPAN'S SURPLUS RICE, INCLUDING RICE STAPLE-USE AND FOR PROCESSING, REACHED 2,940,000 TONS AS OF THE END OF OCTOBER 1996 -- 600,000 TO 700,000 TONS MORE THAN THE AMOUNT PREDICTED AT THE END OF LAST YEAR. THE REPORT ESTIMATES THE TOTAL BY THE END OF OCTOBER 1997 WILL REACH 3 MILLION TO 3.1 MILLION TONS.

THE CURRENT SURPLUS IN RICE IS LARGELY ATTRIBUTABLE TO THE SLUMP IN SALES OF RICE THAT JAPAN IMPORTED IN COMPLIANCE WITH THE SO-CALLED "MINIMUM ACCESS" ACCORD. THE ESTIMATED SURPLUS IN RICE AS OF THE END OF OCTOBER 1997 INCLUDES ONLY 100,000 TONS OF IMPORTED RICE IN STOCK FOR RESERVE, AND DOES NOT TAKE INTO ACCOUNT A SLUMP IN IMPORTED RICE SALES. WITH THOUGHT GIVEN TO THIS, THERE WILL LIKELY BE 3.5 MILLION TONS OF RICE IN GOVERNMENT STORAGE BY THE END OF OCTOBER NEXT YEAR.

THE REPORT CALCULATES DEMAND OF RICE TO BE USED FOR SOY BEAN PASTE OR MISO AND RICE CAKES AT 900,000 TO 950,000 TONS, WHICH ARE EQUIVALENT TO 1.5 TIMES LARGER THAN THAT

IN THE PREVIOUS YEAR, AS AN OFFICIAL OF THE FOOD AGENCY REMARKING "WE WILL DEVELOP NEW PRODUCTS." ON THE OTHER HAND, IT SETS SHIPMENTS OF GOVERNMENT RICE AT 1.1 TO 1.2 MILLION TONS, ABOUT A 30 PERCENT DECREASE FROM THE PREVIOUS YEAR.

IN ADDITION, THE MINISTRY SET THE AMOUNT OF RICE STOCKPILED BY THE PRIVATE SECTOR, SUCH AS AGRICULTURAL COOPERATIVES, AT 450,000 TO 550,000 TONS, ABOUT TWICE THAT OF THE PREVIOUS YEAR. THIS REFLECTS THE MINISTRY'S WILLINGNESS TO CUT EXPENSES FOR STOCKPILING GOVERNMENT RICE.

LAKE YAMANAKA VILLAGE TO ACCEPT LIVE-SHELL TRAINING BY U.S. FORCES (SANKEI - PAGE 1)

ON THE PROBLEM OF TRANSFERRING THE U.S. MILITARY'S LIVE-FIRE ARTILLERY TRAINING IN OKINAWA TO OTHER LOCALITIES ON THE MAINLAND (OF JAPAN), CHOJI (OR ASATSUGU?) KOMURA, HEADMAN OF YAMANAKAKO VILLAGE, YAMANASHI PREFECTURE, WHERE THE GROUND SELF-DEFENSE FORCE'S KITA FUJI RANGE -- ONE OF THE CANDIDATE PLACES FOR SUCH TRAINING -- IS PARTIALLY LOCATED, HELD A PRESS CONFERENCE ON NOVEMBER 26, AND INDICATED HIS INTENTION OF ACCEPTING THE PRACTICE, REMARKING: "SINCE WE CAN'T HAVE THE RANGE ABOLISHED, WE WILL SHARE THE PAIN OF OKINAWA." YAMANAKAKO VILLAGE IS THE FIRST AMONG ALL LOCAL PUBLIC ENTITIES OTHER THAN THOSE IN HOKKAIDO TO CLARIFY ACCEPTANCE.

KOMURA HAS COMPLAINED OF THE PAIN OF LOCAL PEOPLE LIVING IN A VILLAGE ADJACENT TO A GSDF RANGE, EXPLAINING THAT THE RANGE'S IMPACT POINT IS 500 METERS AWAY FROM ITS BOUNDARY WITH THE VILLAGE AND "THE IMPACT POINT IS CLOSE TO WHERE WE SLEEP AT NIGHT."

AT THE PRESS CONFERENCE, KOMURA STATED, "WE CAN'T SAY WE UNCLAS SECTION 05 OF 07 TOKYO 010884

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; USDA; USCINCPAC/PA; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 27

WON'T LET THEM USE ONLY KITA FUJI FOR OUR COUNTRY'S NATIONAL DEFENSE. RATHER THAN THAT, IT'S IMPORTANT TO STABILIZE PUBLIC WELFARE. FROM NOW ON, WE WILL HAVE TO TALK WITH THE GOVERNMENT ABOUT CONDITIONS."

FOR THE PLANNED TRANSFER OF LIVE-SHELL TRAINING, THERE

ARE NOW FIVE CANDIDATE SITES IN THE NATION. AMONG THOSE LOCAL ENTITIES, RIKIZO SANO, HEADMAN OF BEKKAI TOWN IN HOKKAIDO, WHERE THE GSDF'S YAUSUBETSU RANGE IS LOCATED, EXPRESSED HIS INTENTION IN LATE SEPTEMBER TO ACCEPT IT ON THE PREMISE OF SUCH CONDITIONS AS DISSOLVING THE NOISE PROBLEM.

KAJIYAMA SAYS JDA DIRECTORQS COMMENT ON OFFSHORE HELIPORT AT CAMP SCHWAB WAS QRASHQ (SANKI - PAGE 2)

REFERRING TO AN OFFSHORE HELIPORT CONSTRUCTION PLAN TO REPLACE THE HELIPORT AT FUTENMA AIR STATION IN OKINAWA, CHIEF CABINET SECRETARY GENERAL SEIROKU KAJIYAMA YESTERDAY AT THE UPPER HOUSE AUDIT COMMITTEE STATED: "THE JAPAN-UNITED STATES SPECIAL ACTION COMMITTEE ON OKINAWA (SACO) WILL BE UNABLE TO BRING ABOUT AGREEMENT ON WHERE A NEW HELIPORT SHOULD BE CONSTRUCTED AND WHAT SCALE IT SHOULD BE." WITH THIS, HE MADE IT CLEAR THAT THE FUTENMA ISSUE WOULD NOT BE SETTLED AT THE SACO ON DECEMBER 2 AND THAT IT WOULD CONTINUE TO BE DISCUSSED.

KAJIYAMA TOUCHED ON DEFENSE AGENCY (JDA) DIRECTOR GENERAL FUMIO KYUMA'S REMARK THAT A RELOCATION OF THE HELIPORT TO OFF CAMP SCHWAB IS MOST LIKELY. HE REVEALED THAT HE HAD ADMONISHED KYUMA, SAYING "I AM NOT SAYING ONE HUNDRED PERCENT BUT WITHOUT OUR OBTAINING THE UNDERSTANDING OF THE OKINAWANS, WE CANNOT CROSS OVER INTO THAT ISSUE. I CRITICIZED HIM FOR IT, TELLING HIM THAT HIS STATEMENT WAS RASH."

EXTRA DIET SESSION TO LAST 20 DAYS; REGULAR SESSION MAY START JANUARY 20 (NIHON KEIZAI - PAGE 2)

THE LIBERAL DEMOCRATIC PARTY (LDP) YESTERDAY HELD MEETINGS OF THE DIET POLICY COMMITTEE CHAIRMEN SEPARATELY WITH THE SHINSHINTO (NEW FRONTIER PARTY) AND THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN). IN THE SESSIONS, THE THREE PARTIES AGREED TO HOLD THE 139TH EXTRAORDINARY DIET SESSION FOR 20 DAYS FROM NOVEMBER 29 THROUGH DECEMBER 18. THE ORDINARY DIET SESSION IS EXPECTED TO BE CONVENED ON JANUARY 20.

IN THE MEETINGS, THE THREE PARTIES ALSO AGREED THAT 1) QUESTIONS BY PARTIES' REPRESENTATIVES TOWARD PRIME MINISTER RYUTARO HASHIMOTO'S OVERALL POLICY SPEECH WILL BE HELD FROM THE 2ND TO THE 4TH IN BOTH HOUSES OF THE DIET; AND 2) A LOWER HOUSE BUDGET COMMITTEE MEETING WILL BE HELD FOR TWO DAYS.

OPPOSITION PARTIES WILL PURSUE THE RESPONSIBILITY OF THE HASHIMOTO GOVERNMENT OVER A SERIES OF SCANDALS INVOLVING THE MINISTRY OF HEALTH AND WELFARE (MHW), AS WELL AS THE PROBLEM OF ILLEGAL POLITICAL DONATIONS FROM IZUI SEKIYU SHOKAI, AN OIL DEALER. AT THE SAME TIME, THE SHINSHINTO INTENDS TO PRESENT A BILL CALLING FOR LEAVING THE CONSUMPTION TAX RATE AS IS. THE GOVERNMENT IS EXPECTED TO SUBMIT BILLS, INCLUDING ONE TO REVISE THE WAGE LAW, FOLLOWING THE ADVICE OF THE NATIONAL PERSONNEL AUTHORITY.

THE OUTLOOK IS THAT THE BUDGET COMMITTEE MEETING IN THE LOWER HOUSE WILL START ON DECEMBER 6 AND LAST FOR TWO DAYS, AND THAT THE BUDGET COMMITTEE IN THE UPPER HOUSE ALSO WILL BE IN SESSION. FOLLOWING THE BUDGET COMMITTEE MEETING, THE LOWER HOUSE IS EXPECTED TO CONFER ON THE CONSUMPTION TAX ISSUE IN THE SPECIAL TAX COMMITTEE.

HASHIMOTOQS FINANCE MINISTRY REFORM PROPOSAL HARD FOR SDP  
UNCLAS SECTION 06 OF 07 TOKYO 010884

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; USDA;  
USCINCPAC/PA; CINCPACFLT/PA; COMUSJ/PA;  
COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 27

AND SAKIGAKE TO SWALLOW (YOMIURI - PAGE 2)

PRIME MINISTER HASHIMOTO YESTERDAY INDICATED HIS VIEW ON REFORM OF THE MINISTRY OF FINANCE (MOF). HE WOULD LIKE BOTH THE FINANCIAL INSPECTION AND SURVEILLANCE FUNCTIONS TO BE SPLIT FROM MOF AND DOES NOT THINK IT DESIRABLE TO MAKE THE NEW ORGAN INTO AN INDEPENDENT COMMISSION, LIKE THE FAIR TRADE COMMISSION. THE PRIME MINISTER'S ELUCIDATION OF HIS VIEW IS EXPECTED TO INFLUENCE COORDINATION BETWEEN THE LIBERAL DEMOCRATIC PARTY (LDP), AND THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE, NOW ENTERING THE HOME STRETCH. HOWEVER, WITH THE ISSUE OF HOW TO CHARACTERIZE THE "SURVEILLANCE FUNCTION" IN CONCRETE TERMS REMAINING VAGUE, FIERCE BARGAINING IS LIKELY TO CONTINUE BETWEEN THE SDP AND SAKIGAKE, "WHICH WANT TO STRENGTHEN THE INDEPENDENT NATURE OF THE TWO FUNCTIONS AS A SET," AND THE LDP, WHICH HAS DECIDED ON A PLAN TO BREAK AWAY THE INSPECTION FUNCTION FROM THE SURVEILLANCE FUNCTION, BY LEAVING THE FORMER WITH MOF.

THE SECRETARIES GENERAL AND THE CHAIRMEN OF THE POLICY AFFAIRS COUNCIL AND THE POLICY DELIBERATION COUNCIL OF THE LDP, SDP AND SAKIGAKE CONVENED A MEETING (SIX-PERSON NEGOTIATIONS) YESTERDAY EVENING. IN IT, LDP POLICY AFFAIRS COUNCIL CHAIRMAN YAMASAKI EXPLAINED THE TRUE INTENTION OF THE PRIME MINISTER'S VIEW.

"WE RECEIVED A COMMUNICATION FROM THE PRIME MINISTER. ACCORDING TO THAT, THE PRIME MINISTER HAS NO AWARENESS THAT HE MENTIONED 'THE INSPECTION AND SURVEILLANCE FUNCTIONS AS A PACKAGE.' THE FTC TYPE CAN PERFORM THE INSPECTION FUNCTION BUT NOT THE SURVEILLANCE FUNCTION. WE HAVE YET TO FINALIZE THE PLAN. HE SAID, 'WHAT IS IMPORTANT IS TO CARRY OUT A BOLD REFORM OF THE FINANCIAL

SYSTEM.'"

THE PRIME MINISTER'S STATEMENT SUPPORTING THE PLAN TO BREAK AWAY BOTH THE INSPECTION AND SURVEILLANCE SYSTEM FROM MOF AND MAKE THEM INDEPENDENT ENTITIES CAN BE TAKEN AS AN EFFORT TO FIND A SETTLEMENT LINE WITH THE SDP AND SAKIGAKE, WHICH ARE CLAIMING, "IF THE SURVEILLANCE FUNCTION IS LEFT WITH MOF, IT WILL NOT REALLY REFORM THE MINISTRY."

IT IS ALSO OBVIOUS THAT HE GAVE CONSIDERATION TO CRITICISM OF THE PLAN TO SPLIT AWAY THE INSPECTION PORTION FROM THE SURVEILLANCE PORTION, NOTING, "THE ADMINISTRATIVE REFORM LINE IS RETREATING."

IN THE MEANTIME, REGARDING THE SURVEILLANCE FUNCTION, WHICH IS THE VERY BASIS OF MOF'S INFLUENCE OVER THE FINANCIAL INDUSTRY, THE PRIME MINISTER GAVE CONSIDERATION TO MOF'S STANCE, BY CATEGORICALLY STATING, "QUICK RESPONSE TO SUCH INCIDENTS AS FINANCIAL FAILURES WOULD BE IMPOSSIBLE WITH AN FTC TYPE WITH A REPRESENTATIVE SYSTEM." HIS STATEMENT HAS IN EFFECT OVERTHROWN THE AGREEMENT REACHED AMONG THE THREE RULING PARTIES BEFORE THE GENERAL ELECTION, THAT IS, "ON THE BASIS OF ESTABLISHMENT OF A NATIONAL GOVERNMENT ORGANIZATION LAW ARTICLE 3 COMMITTEE AS IN THE CASE OF THE FTC."

THE VIEW OF THE SDP AND SAKIGAKE IS: "THE PRIME MINISTER'S PLAN KEEPS OUR OPINION IN MIND REGARDING THE BREAKING AWAY OF THE INSPECTION AND SURVEILLANCE FUNCTIONS FROM MOF. HOWEVER, THE INSPECTION AND SURVEILLANCE FUNCTIONS SHOULD BE HANDLED AS A PACKAGE, AND AN NEW BODY SHOULD BE AN FTC-TYPE" (SDP SECRETARY GENERAL ITO).

COORDINATION IS EXPECTED TO PROGRESS AT THE THREE-PARTY NEGOTIATIONS, WITH THE PRIME MINISTER'S PLAN AS AN AXIS, BUT THERE ARE MANY UNCLEAR POINTS ABOUT HIS PLAN. PROVIDED THAT THE INSPECTION FUNCTION IS ESTABLISHED AS UNCLAS SECTION 07 OF 07 TOKYO 010884

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; USDA; USCINCPAC/PA; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 27

AN EXTERNAL ORGAN OF THE PRIME MINISTER'S OFFICE, WHERE AND HOW TO ESTABLISH AN ORGAN IN CHARGE OF THE SURVEILLANCE FUNCTION IS NOWHERE IN SIGHT. FURTHERMORE, IF THE INSPECTION FUNCTION AND THE SURVEILLANCE FUNCTION

ARE NOT TO BE TREATED AS A SET, THE POSSIBILITY IS THAT THE TIMING FOR ESTABLISHING THOSE TWO BODIES WILL BE DIFFERENT.

AS IT STANDS, SUCH ISSUES ARE EXPECTED TO BE WORKED OUT IN CONCRETE TERMS AT THE THREE-PARTY TALKS, BUT COORDINATION BETWEEN THE LDP, AND THE SDP AND THE SAKIGAKE OVER THE INDEPENDENT NATURE OF THE SURVEILLANCE FUNCTION IS BOUND TO RUN INTO TROUBLE. CRANE

**SECT:** SECTION: 01 OF 07  
<^SECT>SECTION: 02 OF 07  
<^SECT>SECTION: 03 OF 07  
<^SECT>SECTION: 04 OF 07  
<^SECT>SECTION: 05 OF 07  
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# Withdrawal/Redaction Marker

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| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                                       | DATE       | RESTRICTION |
|--------------------------|-----------------------------------------------------|------------|-------------|
| 002. cable               | Re: Revisions to Draft Umbrella Statement (2 pages) | 11/27/1996 | P1/b(1)     |

### COLLECTION:

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

### FOLDER TITLE:

[11/26/1996 - 12/03/1996]

2016-0420-F

sb1889

### 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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| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                                               | DATE       | RESTRICTION |
|--------------------------|-------------------------------------------------------------|------------|-------------|
| 003. cable               | Re: Futenma Relocation Statement and Other Issues (3 pages) | 11/27/1996 | P1/b(1)     |

### COLLECTION:

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

### FOLDER TITLE:

[11/26/1996 - 12/03/1996]

2016-0420-F  
sb1889

### 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]
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| 004. cable               | Re: Japan-U.S. / Okinawa Base Issues (4 pages) | 11/27/1996 | P1/b(1)     |

### COLLECTION:

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Jan 1995-Dec 1996 ([Futenma])  
OA/Box Number: 510000

### FOLDER TITLE:

[11/26/1996 - 12/03/1996]

2016-0420-F  
sb1889

### RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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# Cable

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**PREC:** IMMEDIATE  
**CLASS:** UNCLASSIFIED  
**LINE1:** OAAUZYUW RUEHKO A0925 3340332-UUUU--RHEHAAA.  
**LINE2:** ZNR UUUUU ZZH  
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**LINE4:** FM AMEMBASSY TOKYO  
**OSRI:** RUEHKO  
**DTG:** 290332Z NOV 96  
**ORIG:** AMEMBASSY TOKYO  
**TO:** RUEHIA/USIA WASHDC IMMEDIATE 2169  
RUEHC/SECSTATE WASHDC IMMEDIATE 0178  
**INFO:** RHEHAAA/WHITE HOUSE WASHDC  
RUCPDOG/USDOC WASHDC  
RUEAIIA/CIA WASHDC  
RUEKJCS/SECDEF WASHDC  
RUEBBEA/USDOT WASHDC  
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA  
RUALSFJ/COMUSJAPAN YOKOTA AB JA  
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//  
RUAYJAA/COMPATWING ONE KAMI SEYA JA  
RHHMUNA/USCINCPAC HONOLULU HI//USIA//  
RUEKJCS/JOINT STAFF WASHDC//J5//  
**SUBJ:** JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 29  
**TEXT:**  
UNCLAS SECTION 01 OF 08 TOKYO 010925  
  
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 NOVEMBER 29  
  
TOP HEADLINES:  
  
ASAHI: EX-VICE MINISTER OKAMITSU TO BE QUESTIONED  
POSSIBLY TODAY ON SUSPICIONS OF BRIBERY IN CONNECTION  
WITH CONSTRUCTION OF A SPECIAL NURSING HOME; HEALTH AND  
WELFARE COUNCILLOR RESPONSIBLE FOR NURSING-CARE INSURANCE  
HAD RECEIVED 1 MILLION YEN FROM KOYAMA FOR CELEBRATION OF  
PROMOTION IN 1994; "SUCH MONEY WAS RETURNED THIS SUMMER"  
  
NIHON KEIZAI: NATIONAL BURDEN TO TOP 10 TRILLION YEN;  
INSURANCE PREMIUMS ALSO WILL BE HIKED IN ADDITION TO

LARGE TAX HIKE FOR NEXT FISCAL YEAR; NO PROGRESS IN BUDGET CUTS

TOKYO SHIMBUN: RWANDAN REFUGEES RESCUE PLAN: DISPATCH OF NGO'S MEDICAL TEAM AS INTERNATIONAL PEACE COOPERATION GROUP NOW UNDER STUDY IN GOVERNMENT; TO SEND SUCH A TEAM TO LET IT JOIN A MULTILATERAL FORCE (TRANSLATION BELOW)

MAINICHI: MEDICAL FEE CALCULATIONS: ON HOSPITAL BEDDING AND HOSPITAL FOOD, POINTS NECESSARY FOR SUCH CALCULATIONS RAISED BY "AYA" WELFARE-RELATED FIRM'S STOCKHOLDERS AT TIME OF ELECTIONS; POSSIBLY FOR PURPOSE OF LARGE AMOUNTS OF DONATIONS; A FIRM SAYS, "THE AIM IS TO RECEIVE CONSIDERATION"

YOMIURI: HEAVY METAL, CANCER-CAUSING MATERIALS DETECTED FROM 40 PERCENT OF INDUSTRIAL WASTE DISPOSED OF AT STABLE-TYPE INDUSTRIAL WASTE DISPOSAL CENTERS, ACCORDING TO ENVIRONMENT AGENCY'S SAMPLING SURVEY; TO REVIEW STRUCTURAL STANDARDS

SANKEI: ONE MILLION YEN GIVEN ALSO TO WELFARE MINISTRY CONCILLOR WADA FROM SUSPECT KOYAMA FOR CONGRATULATING WADA ON HIS PROMOTION; WADA ONCE DENIED RECEIPT OF SUCH MONEY BUT NOW SAYS, "I RETURNED IT THE FOLLOWING YEAR;" WADA RESPONSIBLE FOR FORMULATION OF NURSING-CARE BILL

DIET OPENS TODAY, FOCUS ON GOVERNMENT SCANDALS, ADMINISTRATIVE REFORM, CONSUMPTION TAX  
(NIHON KEIZAI - PAGE 2)

THE 139TH EXTRAORDINARY DIET SESSION, WHICH IS EXPECTED TO BECOME THE CENTER STAGE OF THE FIRST FULL-FLEDGED DEBATE SINCE THE GENERAL ELECTION, WILL CONVENE TODAY. THE DIET WILL STAY IN SESSION FOR 20 DAYS UNTIL DECEMBER 18. ON THE FIRST DAY, FOLLOWING THE OPENING CEREMONY, PRIME MINISTER RYUTARO HASHIMOTO WILL MAKE A POLICY SPEECH IN BOTH CHAMBERS DURING THE AFTERNOON. INTERPELLATIONS BY THE RULING AND OPPOSITION PARTIES IN RESPONSE THE PRIME MINISTER'S SPEECH ARE SCHEDULED FOR THREE DAYS, STARTING DECEMBER 2.

THE FOCUS OF THE SESSION WILL LIKELY BE ON THE PROBLEM OF THE LIBERAL DEMOCRATIC PARTY'S (LDP) "RETALIATORY BUDGET" (TN: FAVORING LDP REGIONAL STRONGHOLDS IN BUDGET ALLOCATION), ADMINISTRATIVE REFORM, THE CONSUMPTION TAX, BRIBERY CASES INVOLVING THE MINISTRY OF HEALTH AND WELFARE (MHW), FORMER MHW ADMINISTRATIVE VICE MINISTER NORIHARU OKAMITSU, THE PROBLEM OF IZUI PETROLEUM COMPANY'S FUNNELING CORPORATE CASH TO POLITICAL PARTIES, AND PROBING ALLEGATIONS INVOLVING UPPER HOUSE MEMBER TATSUO TOMOBE AND THE ORANGE MUTUAL AID ASSOCIATION.

(BUREAUCRATIC SCANDALS)

IN CONNECTION WITH THE BRIBERY SCANDAL INVOLVING FORMER VICE MINISTER OKAMITSU, THE GOVERNMENT AND RULING CAMP ARE PLAYING UP THEIR RESOLVE TO GRAPPLE WITH TIGHTENING

THE DISCIPLINE OF THE BUREAUCRATS. THE OPPOSITION CAMP IS GEARED UP TO ATTACK THIS ISSUE, WITH SHINSHINTO SECRETARY GENERAL NISHIOKA EXPRESSING HIS DETERMINATION, "WE WILL PURSUE THE CASE AS A PROBLEM OF THE HASHIMOTO CABINET'S RESPONSIBILITY" AND MINSHUTO (DEMOCRATIC PARTY UNCLAS SECTION 02 OF 08 TOKYO 010925

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 NOVEMBER 29

OF JAPAN) DIET POLICY COMMITTEE CHAIRMAN HIROTAKA AKAMATSU NOTING, "THE TIGHT WEB OF RELATIONSHIPS BETWEEN CONSERVATIVE POLITICIANS, BUREAUCRATS AND BUSINESS EXECUTIVES FORGED IN THE ERA OF THE LDP'S SINGLE-RULE ADMINISTRATION HAS YET TO BE ERADICATED."

HOWEVER, IN THE SHINSHINTO, MONEY CONTRIBUTED BY THE ORANGE MUTUAL AID ASSOCIATION TO FORMER PRIME MINISTER MORIHIRO HOSOKAWA HAS BEEN REVEALED. AT THE UPPER HOUSE LOCAL ADMINISTRATION COMMITTEE HELD ON THE 28TH, IT CAME TO LIGHT THAT THE 28TH GENERAL BRANCH OF SHINSHINTO UPPER HOUSE PROPORTIONAL REPRESENTATIVES HEADED BY TOMOBE RECEIVED 5 MILLION YEN IN DONATIONS FROM THE ORANGE MUTUAL AID ASSOCIATION. THE SHINSHINTO LEADERSHIP HAS INDICATED A STANCE OF CARRYING OUT A THOROUGH INVESTIGATION OF THE FACTS, BUT IT APPEARED IRRESOLUTE, PROBABLY AFFECTED BY THE REVELATION OF A SCANDAL INVOLVING ONE OF ITS OWN MEMBERS, IN PURSUING THE MHW SCANDAL DURING DELIBERATIONS HELD WHEN THE LOWER HOUSE MHW COMMITTEE WAS IN RECESS -- A PRELUDE TO THE UPCOMING EXTRAORDINARY DIET SESSION.

(ADMINISTRATIVE REFORM)

THE ARRANGEMENT IS THAT THE GOVERNMENT WOULD CONVENE THE FIRST MEETING OF THE CONFERENCE ON ADMINISTRATIVE REFORM ON THE 28TH AND PUT TOGETHER A SPECIFIC PLAN WITHIN A YEAR. THE SHINSHINTO IS CRITICIZING SUCH A SCHEDULE, "DISCUSSING THE MATTER ANEW FOR A YEAR MEANS DOING NOTHING IN REALITY" (PRESIDENT ICHIRO OZAWA). IN THE MEANTIME, THE MINSHUTO WILL TODAY SUBMIT A "BILL FOR ESTABLISHING AN "ADMINISTRATIVE MONITORING BOARD" THAT WILL MONITOR AND EVALUATE ADMINISTRATION AS AN ORGAN ATTACHED TO THE DIET. HOWEVER, FULL-FLEDGED DEBATE ON WHAT TO DO ABOUT REFORM OF THE FINANCE MINISTRY (MOF) IS LIKELY TO BE CARRIED OVER UNTIL THE ORDINARY DIET SESSION TO CONVENE NEXT JANUARY.

(CONSUMPTION TAX PROBLEM)

THE LDP, SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY WANT TO DEBATE MEASURES TO LIGHTEN THE BURDEN OF THOSE IN THE LOWER INCOME BRACKETS AND MEASURES TO DISSOLVE SO-CALLED PROFIT TAXES, WITH AN EYE ON THE PROPOSED HIKE IN THE CONSUMPTION TAX FROM NEXT APRIL. THE SHINSHINTO WILL PRESENT A BILL CALLING FOR FREEZING THE CONSUMPTION TAX HIKE ON THE 29TH, BUT THE MINSHUTO'S STANCE IS THAT SUCH A HIKE WILL BE UNAVOIDABLE.

ODA BUDGET NEXT YEAR MAY BE TRIMMED TO 2 PERCENT GROWTH (SANKEI - PAGE 11)

THE LIBERAL DEMOCRATIC PARTY (LDP) YESTERDAY STARTED COORDINATION TO SIGNIFICANTLY TRIM AN INCREASE IN ALLOCATIONS FOR OFFICIAL DEVELOPMENT ASSISTANCE (ODA), A MAIN TOPIC IN DISCUSSIONS IN COMPILING THE FY1997 BUDGET. THE DECISION WAS MADE IN LINE WITH A STRONG DESIRE OF PRIME MINISTER RYUTARO HASHIMOTO FOR A BELT-TIGHTENING BUDGET, AS WELL AS REFLECTING THE GROWING VOICE CALLING FOR PUTTING PRIORITY TO DOMESTIC MEASURES TO PROP UP THE NATION'S ECONOMY. GIVEN SUCH CIRCUMSTANCES, THE LDP HAS JUDGED IT IMPOSSIBLE TO TREAT THE ODA BUDGET EXCEPTIONALLY. IN THE BUDGETARY REQUEST IN AUGUST, ITS INCREASE WAS SET AT 2.6 PERCENT, BUT UNDER THE CURRENT SITUATION, WHETHER THE LOWER HALF OF THE 2 PERCENT LEVEL WILL BE KEPT IS STILL UNKNOWN.

THE PRIME MINISTER HAS REVEALED THE POLICY DIRECTION OF SHRINKING IN THE NEXT FISCAL YEAR THE AMOUNT OF DEFICIT-COVERING BONDS BY 3 TRILLION YEN FROM THE PREVIOUS FISCAL YEAR. TO THAT END, "IT IS NECESSARY TO CUT EXPENDITURES IN EVERY AREA" (LDP SENIOR OFFICIAL). THE LDP HAS ALREADY SET UP A STRUCTURAL REFORM WORKING TEAM (CHAIRMAN BY POLICY BOARD CHAIRMAN TAKU YAMASAKI) TO ENGAGE IN UNCLAS SECTION 03 OF 08 TOKYO 010925

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 NOVEMBER 29

MAPPING OUT MEASURES TO TRIM EXPENDITURES IN SIX AREAS, INCLUDING ODA, SOCIAL SECURITY AND EDUCATION.

DURING A MEETING OF THE WORKING GROUP YESTERDAY, NEGATIVE VIEWS WERE DOMINANT TOWARD TREATING ODA APPROPRIATIONS EXCEPTIONALLY; A MEMBER REMARKED, "IN THE MIDST OF ALLOCATIONS FOR SMALL TO MEDIUM-SIZE CORPORATIONS

DROPPING, IT IS STRANGE TO INCREASE THE ODA BUDGET," AND ANOTHER MEMBER STATED, "THE CONTENTS OF ECONOMIC ASSISTANT SHOULD BE SHIFTED INTO TECHNICAL COOPERATION AND NURTURING HUMAN RESOURCES."

THE MINISTRY OF FOREIGN AFFAIRS (MOFA), OUT OF A SENSE OF ALARM TOWARD THE GROWTH RATE OF THE ODA BUDGET SET BELOW THAT FOR DEFENSE SPENDING (2.88 PERCENT) IN THE CEILING GUIDELINES, UNDERScoreD DURING LDP EXTERNAL ECONOMIC COOPERATION SPECIAL COMMITTEE MEETINGS AND OTHER OCCASIONS ITS EAGERNESS TO STEP UP EFFORTS TO REFORM THE ODA BUDGET. IT ALSO CALLED FOR THE LDP'S COOPERATION FOR THE ODA BUDGET.

BUT WITH PRIORITY NOW LIKELY TO BE GIVEN TO DOMESTIC MEASURES TO STIMULATE THE ECONOMY, "LDP MEMBERS HAVE BEGUN TO TAKE AN INWARD-LOOKING TREND, REFLECTING THE LONG ECONOMIC SLUMP" (OFFICIAL IN CHARGE OF POLICY MEASURES). IN ADDITION, FEW OFFICIALS HAVE POSITIVELY EVALUATED THE EFFECT OF THE MOFA'S ODA REFORM.

IN THE NEGOTIATIONS OVER THE ODA BUDGET LAST YEAR, THE 7.0 PERCENT INCREASE OVER THE FY1996 INITIAL BUDGET SET IN THE CEILING GUIDELINES WAS LOWERED TO A RECORD LOW OF 3.5 PERCENT.

LDP WANTS TO REVIEW YEN LOAN PROGRAM TO CHINA  
(SANKEI - PAGE 1)

THE FOREIGN AFFAIRS RESEARCH COUNCIL (CHAIRRED BY FORMER FOREIGN MINISTER TARO NAKAYAMA) OF THE LIBERAL DEMOCRATIC PARTY (LDP) ON THE 28TH COMPILED "JAPAN'S STRATEGY TOWARD THE ASIA-PACIFIC -- A CHALLENGE TO BRING ABOUT CHANGES," A SET OF GUIDELINES CALLING FOR A REVIEW OF OVERALL CHINA POLICY, INCLUDING THE YEN-LOAN PACKAGE TO THAT COUNTRY. THE LDP PLANS TO DISCUSS THE GUIDELINES POSSIBLY NEXT WEEK TO ADOPT THEM AS ITS FORMAL POLICY AS EARLY AS THIS YEAR.

THE POSITION PAPER EVALUATES THE YEN-LOAN PACKAGES HIGHLY FOR WHAT THEY HAVE ACCOMPLISHED ALREADY. AT THE SAME TIME, THE PAPER POINTS OUT: "THE CHINESE ECONOMY HAS BEGUN TO PROCEED ON THE RIGHT TRACK. THE AGE OF YEN-LOAN PACKAGES MAY BE ON THE WAY OUT." THE PAPER ALSO NOTES: "JAPAN SHOULD REVIEW ITS ASSISTANCE TO CHINA AT AN EARLY TIME, INCLUDING THE PROPRIETY OF CONTINUING YEN-LOAN ASSISTANCE TO THAT COUNTRY."

SPECIFICALLY, THE GUIDELINES CALLS FOR THE STRICT OBSERVANCE OF THE PRINCIPLES OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA) WHICH ARE CONDITIONED ON SUCH FACTORS AS MILITARY SPENDING AND THE LEVEL OF DEMOCRATIZATION. THE PAPER ALSO CLEARLY STATES: "JAPAN SHOULD NOT HESITATE TO EXPRESS ITS FRANK OPINIONS ON INCREASING THE TRANSPARENCY OF DEFENSE POLICY TO BRING ABOUT DESIRABLE CHANGES TO CHINA."

AS FOR POLICY TOWARD NORTH KOREA, THE GUIDELINES SUGGESTS

THE ESTABLISHMENT OF A "NORTHEAST ASIA SECURITY DIALOGUES FORUM" AS A BODY TO SUPPLEMENT THE FOUR-WAY TALKS. THE PACKAGE ALSO SPELS OUT THE NEED TO LOOK INTO A "SCENARIO OF CONTINGENCIES ON THE KOREAN PENINSULA" IN PREPARATION FOR AN OUTFLOW OF REFUGEES TO EVADE NORTH KOREA'S MILITARY ACTION OR THE COLLAPSE OF NORTH KOREA.

THE PACKAGE SAYS THIS ABOUT THE TAKESHIMA ISLAND PROBLEM: "UNDOUBTEDLY, IT IS JAPAN'S TERRITORY. IT IS TRULY UNCLAS SECTION 04 OF 08 TOKYO 010925

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 NOVEMBER 29

REGRETTABLE THAT THE REPUBLIC OF KOREA (ROK) HAS BEEN OCCUPYING IT FOR A LONG PERIOD OF TIME." AS FOR THE ESTABLISHING OF AN EXCLUSIVE ECONOMIC ZONE (EEZ) IN RELATION TO THE RATIFICATION OF THE UNITED NATIONS CONVENTION ON THE LAW OF THE SEA (UNCLOS), THE GUIDELINE CALLS FOR GREATER CAUTION NOT TO INCLUDE TAKESHIMA ISLAND IN THE EEZ, SPELLING OUT: "THE ISSUE SHOULD BE HANDLED SEPARATELY FROM THE PROBLEM OF SOVEREIGNTY OVER TAKESHIMA ISLAND. THE ROK SHOULD BE CAREFUL NOT TO INCLUDE TAKESHIMA ISLAND IN ITS EEZ."

THE PACKAGE ALSO POINTS OUT ABOUT THE NORTHERN TERRITORIES PROBLEM, "IT IS NOT ENOUGH JUST TO REPEAT 'LAW AND JUSTICE' AND 'HISTORICAL LEGITIMACY.'"

LDPQS STANCE APPLIES BRAKES TO JAPANQS ASIA-PRIORITY POLICY (SANKEI - PAGE 2)

THE FOREIGN POLICY GUIDELINES RELEASED ON THE 28TH BY THE FOREIGN AFFAIRS RESEARCH COUNCIL OF THE LIBERAL DEMOCRATIC PARTY (LDP) IS CHARACTERIZED BY SEVERAL ELEMENTS, SUCH AS AN INCLUSION OF A REVIEW OF THE YEN-LOAN PACKAGE TO CHINA AND THE STRENGTHENING OF THE JAPAN-U.S. ALLIANCE, WHICH ARE DESIGNED TO APPLY THE BRAKES TO THE RECENT "ASIA PRIORITY" POLICY LINE THAT HAS ESPECIALLY EMPHASIZED CHINA RATHER THAN ON THE U.S. IT ALSO INDICATES THE LDP'S INTENTION TO GENERATE A STRONGER PARTY IMPRINT ON POLICY NOW THAT IT HAS LAUNCHED A NEW SINGLE-PARTY ADMINISTRATION.

POSITIONING THE ASIA-PACIFIC AS THE MOST VITAL REGION FOR JAPAN'S FUTURE, THE POSITION PAPER WAS COMPILED PREMISED ON REGIONAL DEVELOPMENT AND CHANGE SERVING TO ENHANCE JAPAN'S NATIONAL INTERESTS. THERE IS ALSO GREAT DESIRE

TO GIVE BREADTH TO JAPAN'S DIPLOMACY, CONSCIOUS OF THE "CHALLENGE OF DESIRABLE CHANGE," GOINT BEYOND THE CONCEPT OF PLACING EMPHASIS ON RELATIONS WITH ASIAN COUNTRIES.

WITHIN THAT UNDERSTANDING, THE PAPER RECONFIRMS THAT STRENGTHENING JAPAN-U.S. TIES IS THE "FINAL GUARANTEE IN CASE DESIRABLE CHANGES DO NOT OCCUR" AND THAT THE JAPAN-U.S. RELATIONSHIP IS THE MOST RELIABLE AND VITAL AXIS RELATIONSHIP IN THE ASIA-PACIFIC. IN ADDITION, THE PAPER CLEARLY STATES THAT THE RECENT MOVE TO LAUNCH A MULTILATERAL SECURITY ARRANGEMENT IN THE ASEAN REGIONAL FORUM (ARF) IS NO MORE THAN "A SUPPLEMENT TO THE JAPAN-U.S. SECURITY ARRANGEMENT."

WHEN THE SECOND HASHIMOTO ADMINISTRATION WAS LAUNCHED, IT INCLUDED IN ITS TRIPARTITE AGREEMENT WITH THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY, AN "ASIA-ORIENTED DIPLOMACY," PRIORIZATION REQUESTED BY THE SDP IN ORDER TO GIVE CONSIDERATION TO OTHER ASIAN COUNTRIES. THE LDP HAS ENDORSED THIS POLICY DIRECTION. PRIME MINISTER RYUTARO HASHIMOTO ALSO INTENDS TO IMPROVE RELATIONS WITH CHINA BEFORE THE 25TH JAPAN-CHINA NORMALIZATION ANNIVERSARY NEXT YEAR. HOW FAR THE POSITION PAPER WILL BE REFLECTED IN THE HASHIMOTO ADMINISTRATION'S FOREIGN POLICY REMAINS TO BE SEEN.

FOREIGN MINISTER TO INDIA NEXT JANUARY (SANKEI - PAGE 2)

FOREIGN MINISTER YUKIHIKO IKEDA WILL VISIT INDIA IN EARLY JANUARY. THE PURPOSE IS TO MEET WITH PRIME MINISTER GOWDA AND FOREIGN MINISTER GUJRAL TO EXCHANGE VIEWS MAINLY ON THE PROBLEM OF NUCLEAR WEAPONS DEVELOPMENT NOW GOING ON IN INDIA, WHICH HAS BEEN OPPOSED TO SIGNING THE COMPREHENSIVE TEST BAN TREATY (CTBT). (IKEDA) ALSO INTENDS TO CALL FOR COOPERATION TO REBUILD THE BILATERAL RELATIONSHIP, IN VIEW OF THE FIERCE COMPETITION THAT RECENTLY UNFOLDED BETWEEN JAPAN AND INDIA IN THE ELECTION FOR A NON-PERMANENT SEAT ON THE UNITED NATIONS SECURITY COUNCIL.

UNCLAS SECTION 05 OF 08 TOKYO 010925

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 NOVEMBER 29

IN ADDITION, EXPANSION OF ECONOMIC EXCHANGES, CENTERING AROUND PRIVATE-SECTOR ACTIVITIES, WILL COME UP AS SUBJECTS FOR DISCUSSION, SINCE INDIA IS DRAWING WORLD

ATTENTION AS A NEW HIGH-TECH PRODUCTION BASE, AND ALSO BECAUSE TRADE BETWEEN JAPAN AND INDIA HAS BEEN RAPID INCREASING, WITH A GROWTH RATE (1995 ACCOMPLISHMENTS) RUNNING THREE TIMES THAT OF THE PREVIOUS YEAR. FOREIGN MINISTER IKEDA WILL VISIT INDIA ON HIS WAY BACK TO JAPAN AFTER MAKING A ROUND OF TRIPS TO THE UNITED KINGDOM, ITALY AND OTHER COUNTRIES.

GOVERNMENT PLANNING TO SEND NGO MEDICAL TEAM OF HELP REFUGEES IN RWANDA (TOKYO SHIMBUN - TOP PLAY)

TO DEAL WITH THE PROBLEM OF RESCUING RWANDAN REFUGEES, AS OF NOVEMBER 28, THE GOVERNMENT BEGAN CONSIDERING A DISPATCH OF AN INTERNATIONAL PEACE COOPERATION UNIT UNDER THE UNITED NATIONS PEACEKEEPING OPERATIONS (PKO) LAW TO LET IT JOIN A MULTILATERAL FORCE THAT IS TO BE SENT TO (RWANDA) UPON A UN SECURITY COUNCIL'S RESOLUTION. WHAT THE GOVERNMENT IS PLANNING TO SEND AS AN INTERNATIONAL PEACE COOPERATION GROUP IS A MEDICAL TEAM THAT WILL CONSIST OF DOCTORS, NURSES AND COORDINATORS. FOR SUCH A DISPATCH, THE GOVERNMENT WILL PUT IN MOTION "COOPERATIVE DUTIES FOR HUMANITARIAN INTERNATIONAL RESCUE OPERATIONS" AS ARE STIPULATED IN ARTICLE 3-2 UNDER THE PKO COOPERATION LAW.

SPECIFICALLY, THE GOVERNMENT INTENDS TO HIRE AS INTERNATIONAL PEACE COOPERATION MEMBERS UNDER THE PKO COOPERATION LAW A MEDICAL TEAM THAT IS SENT BY THE ASIA MEDICAL DOCTORS' ASSOCIATION (AMDA), A NON-GOVERNMENTAL ORGANIZATION (NGO), THE REFUGEES ASSISTANCE SOCIETY AND OTHER NGO GROUPS, AND DISPATCH SUCH A TEAM AS PERSONNEL WHO ARE COVERED BY THE PKO COOPERATION LAW.

AS PART OF SUCH A PLAN, THE GOVERNMENT WILL SEND A SURVEY MISSION (LED BY FOREIGN MINISTRY'S FIRST AFRICA DIVISION DIRECTOR RYUICHI SHOJI) TO RWANDA AND ZAIRE FROM NOVEMBER 29TH THROUGH DECEMBER 10 TO SURVEY THE STATE OF REFUGEES THERE AND THEIR REQUESTS. BASED ON THE SURVEY RESULTS, THE GOVERNMENT WILL MAKE A FINAL DECISION AS TO WHETHER TO DISPATCH AN INTERNATIONAL PEACE COOPERATION UNIT AND IF DISPATCHED, HOW MANY PEOPLE WILL BE SENT THERE.

SINCE PERSONNEL WHO ARE TO BE DISPATCHED WILL VIRTUALLY CONSIST OF AN NGO'S MEDICAL TEAM, NGO OFFICIALS WILL ALSO JOIN THE SURVEY MISSION, MAKING THE FIRST JOINT MISSION OF THE GOVERNMENT AND NGO.

AS FOR A MULTILATERAL FORCE TO HELP RWANDAN REFUGEES, ON THE 15TH, THE UNSC ADOPTED A RESOLUTION TO DISPATCH IT. THE DISPATCH OF A MULTILATERAL FORCE UNDER THE UNSC RESOLUTION WILL BE THE FIRST SUCH SINCE THE ONE FOR BOSNIA-HERZEGOVINA.

AMDA AND OTHER GROUPS HAVE ALREADY INDEPENDENTLY DISPATCHED A MEDICAL TEAM BEFORE A GOVERNMENTAL DECISION IS HANDED DOWN, BUT THEY HAVE RECEIVED SUBSIDIES FROM THE GOVERNMENT FOR SUCH A DISPATCH. IN THE GOVERNMENT, HOWEVER, THE DOMINANT OPINION IS: "IF WE ARE TO ADD TO

OUR FINANCIAL COOPERATION, WE NEED TO MAKE CONTRIBUTIONS IN A WAY THAT WILL MAKE THE FACE OF JAPAN MORE VISIBLE" (HIGH-LEVEL FOREIGN MINISTRY OFFICIAL). TAKING INTO ACCOUNT THIS CIRCUMSTANCE, THE GOVERNMENT STARTED CONSIDERING A DISPATCH OF AN INTERNATIONAL PEACE COOPERATION UNIT THAT WILL BE SENT BY THE GOVERNMENT UNDER THE PKO COOPERATION LAW.

MITI MINISTER TO SKIP WTO CABINET-LEVEL MEETING  
(ASAHI - PAGE 2)

ADMINISTRATIVE VICE MINISTER OF THE INTERNATIONAL TRADE AND INDUSTRY (MITI) TSUTOMU MAKINO INDICATED AT A PRESS UNCLAS SECTION 06 OF 08 TOKYO 010925

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 NOVEMBER 29

BRIEFING ON THE 28TH THAT MITI MINISTER SHINJI SATO WOULD NOT ATTEND THE FIRST MINISTERIAL CONFERENCE OF THE WORLD TRADE ORGANIZATION (WTO) IN SINGAPORE STARTING ON DECEMBER 9. ONLY FOREIGN MINISTER IKEDA WILL ATTEND THE CONFERENCE. MITI SEEMS TO HAVE JUDGED THAT DURING BUDGETARY COMMITTEE MEETINGS IN THE EXTRAORDINARY DIET SESSION FROM THE 29TH, ACCUSATIONS WILL BE UNAVOIDABLY DIRECTED AT MITI REGARDING THE ISSUE OF LAVISH ENTERTAINING OF MITI OFFICIALS BY ACCUSED OSAKA OIL MERCHANT, JUNICHI IZUI.

FOREIGN MINISTER IKEDA AND MITI MINISTER SATO WERE SCHEDULED TO ATTEND, WITH NEGOTIATIONS ON TARIFF AND TRADE ACCORDS TO BE LEFT TO THE MITI MINISTER. BUT VIEWING IT CERTAIN THAT THE IZUI SCANDAL INVOLVING THE MINISTRY OF HEALTH AND WELFARE WILL BE FOCUSED ON IN THE EXTRAORDINARY DIET SESSION, LIBERAL DEMOCRATIC PARTY (LDP) MEMBERS ALSO BEGAN TO VOICE OPPOSITION TO MITI MINISTER SATO'S OVERSEAS TRIP.

BUDGETARY COMMITTEE MEETINGS ARE SCHEDULED TO BE HELD ON THE 6TH AND 9TH IN THE LOWER HOUSE AND THE 10TH AND 11TH IN THE UPPER HOUSE. MOST MEETINGS FALL ON THE 9TH TO 13TH WHEN THE WTO MINISTERIAL WILL BE CONVENED.

U.S. DEFENSE OFFICIAL CONFIRMS APPLICABILITY OF SECURITY TREATY TO SENKAKUS  
(YOMIURI - TOP PLAY, NOV. 28 EVENING EDITION)

(WASHINGTON, NOVEMBER 27, KOICHI AKAZA) DEPUTY ASSISTANT

SECRETARY OF DEFENSE KURT CAMPBELL, WHO IS THE OFFICIAL RESPONSIBLE FOR THE UNITED STATES' NATIONAL DEFENSE POLICY IN THE ASIA-PACIFIC REGION, RESPONDED TO A YOMIURI SHIMBUN REQUEST FOR AN INTERVIEW ON THE 27TH. COMMENTING ON THE APPLICABILITY OF THE U.S.-JAPAN SECURITY TREATY TO THE SENKAKU ISLANDS (DIAOYU ISLANDS IN CHINA), THE OWNERSHIP OF WHICH IS DISPUTED BY JAPAN AND CHINA, CAMPBELL SAID: "THE TREATY OF REVERSION OF OKINAWA IN 1972 STIPULATED THAT THE SENKAKU ISLANDS WERE TO BE PLACED UNDER THE ADMINISTRATION OF JAPAN, SO ON THAT POINT, IT IS CLEAR THAT WE WOULD BE REQUIRED TO RESPOND ON A NATIONAL SECURITY BASIS." IN HIS OPINION, THE U.S. HAD THE OBLIGATION TO DEFEND THEM DURING A TIME OF EMERGENCY. THIS WAS THE FIRST TIME FOR A HIGH U.S. OFFICIAL TO OFFICIALLY STATE THE APPLICABILITY OF THE U.S.-JAPAN SECURITY TREATY TO THE SENKAKU ISLANDS.

OKINAWA BASES TO REVERT 5,047 HECTARES (YOMIURI - PAGE 3)

THE GOVERNMENT AND OKINAWA PREFECTURE HELD A FOURTH MEETING OF THEIR WORKING COMMITTEE FOR THE REVERSION OF THE FUTENMA AIRFIELD AND OTHER FACILITIES AND AREAS (IN OKINAWA) (CHAIRMANED BY DEPUTY CHIEF CABINET SECRETARY TEIJIRO FURUKAWA) AT THE PRIME MINISTER'S OFFICIAL RESIDENCE ON NOVEMBER 28. DURING THE MEETING, THE GOVERNMENT SIDE PROVIDED THE OKINAWA PREFECTURE SIDE WITH EXPLANATIONS ABOUT THE RETURN OF U.S. MILITARY HOUSING AREAS AND OTHER ISSUES THAT HAVE ALREADY BEEN SETTLED BETWEEN JAPAN AND THE U.S. AS A RESULT OF BILATERAL COORDINATION.

ACCORDINGLY, A SETTLEMENT HAS NOW BEEN REACHED ON ALL ISSUES REGARDING THE REALIGNMENT AND REDUCTION OF U.S. MILITARY BASES ON OKINAWA, EXCLUDING THE PROBLEM OF CONSTRUCTING AN ALTERNATIVE HELIPORT FOR FUTENMA AIR STATION. THE TOTAL ACREAGE OF U.S. MILITARY BASES, THE REVERSION OF WHICH HAS BEEN DECIDED BY THE SPECIAL ACTION COMMITTEE ON FACILITIES AND AREAS IN OKINAWA (SACO), IS NOW 5,047 HECTARES, INCLUDING THE FUTENMA AIRFIELD.

IN THE CASE OF CAMP ZUKERAN (STRETCHING OVER CHATAN TOWN AND OTHER LOCALITIES) AMONG THOSE FACILITIES AND AREAS TO BE RETURNED, ITS U.S. MILITARY HOUSING COMPOUNDS, WHERE MANY ONE-STORY HOUSES STAND, ARE GOING TO BE INTEGRATED  
UNCLAS SECTION 07 OF 08 TOKYO 010925

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 29

BY CONSTRUCTING HIGH-RISE APARTMENT BUILDINGS, AND AN AREA OF 83 HECTARES WILL BE RETURNED.

ALSO, IN THE CASE OF THE NAHA SEAPORT FACILITY (IN NAHA CITY), ITS TOTAL REVERSION HAS BEEN SHELVED DUE TO OPPOSITION RAISED BY URASOE CITY, WHERE ITS FUNCTIONS ARE GOING TO BE RELOCATED. SO, JAPAN AND THE U.S. HAVE CONFIRMED THEIR INTENTION OF CONTINUING TO MAKE UTMOST EFFORTS FOR ACTUAL REVERSION AT AN EARLY DATE. MEANWHILE, NOISE FROM THE NAVY'S APRON ON KADENA AIR FORCE BASE HAS BEEN A PROBLEM, BUT THE TWO COUNTRIES HAVE NOW DECIDED TO RELOCATE IT DEEP INSIDE THE AIR BASE SO AS TO KEEP IT AWAY FROM THE RESIDENTIAL QUARTERS OF KADENA TOWN AND OTHER LOCALITIES ADJACENT TO THE AIR BASE.

JAPAN, U.S. TO SET UP NEW GROUP TO FOLLOW UP SACO REPORT;  
U.S. DEPUTY CLARIFIES COURSE OF ACTION

(WASHINGTON, NOVEMBER 27, KOICHI (OR HIROKAZU?) AKAZA) U.S. DEPUTY ASSISTANT SECRETARY OF DEFENSE KURT CAMPBELL TOLD THE YOMIURI SHIMBUN IN ITS INTERVIEW WITH HIM ON NOVEMBER 27 THAT THE JAPANESE AND U.S. GOVERNMENTS WOULD SET UP A SPECIAL GROUP IN ORDER TO FOLLOW UP A FINAL REPORT TO BE WORKED OUT BY THE JAPAN-U.S. SPECIAL ACTION COMMITTEE ON FACILITIES AND AREAS IN OKINAWA (SACO) ON THE 2ND OF NEXT MONTH REGARDING THE ISSUE OF REALIGNING AND REDUCING U.S. MILITARY BASES ON OKINAWA. DEPUTY ASSISTANT SECRETARY CAMPBELL ALSO INDICATED HIS VIEW THAT JAPAN AND THE U.S. WOULD AGREE AT A BILATERAL SECURITY CONSULTATIVE COMMITTEE (2-PLUS-2) MEETING ON THE 2ND OF NEXT MONTH TO SET UP A NEW FORUM FOR BILATERAL CONSULTATIONS ON THE MILITARY STRENGTH AND ENTIRE POSTURE OF U.S. FORCES IN JAPAN.

ABOUT THE FOLLOW-UP OF SACO'S FINAL REPORT, CAMPBELL REMARKED, "FOR THE JAPANESE AND U.S. GOVERNMENTS, IT WOULD BE VERY HIGH IN PRIORITY FOR THE NEXT SEVERAL YEARS." FURTHERMORE, CAMPBELL, TOUCHING ON THE PLAN TO SET UP ANOTHER PANEL FOR CONSULTATIONS, EXPRESSED HIS VIEW: "IT WILL HELP US HOLD EVEN CLOSER CONSULTATIONS ON ALL PROBLEMS REGARDING THE POSTURE OF U.S. FORCES."

OKINAWA PROBLEM: A PAUSE UNTIL NEXT FEBRUARYQS SECURITY COMMITTEE MEETING (ASAHI - PAGE 3)

THE JAPAN-U.S. SECURITY CONSULTATIVE COMMITTEE (2-PLUS-2), CONSISTING OF THE TWO COUNTRIES' DIPLOMATIC AND DEFENSE MINISTERS, WILL MEET AT THE MINISTRY OF FOREIGN AFFAIRS ON DECEMBER 2, AND WILL THEN MAKE PUBLIC A FINAL REPORT TO BE WORKED OUT BY THE JAPAN-U.S. SPECIAL ACTION COMMITTEE (ON FACILITIES AND AREAS IN OKINAWA) (SACO) AS A RESULT OF ITS DISCUSSIONS OVER THE PAST YEAR ON THE ISSUE OF REALIGNING AND REDUCING U.S. MILITARY BASES ON OKINAWA. THE TWO GOVERNMENTS WOULD LIKE TO SETTLE THE OKINAWA PROBLEM FOR THE PRESENT AND THEN WOULD LIKE TO PROCEED WITH A FULL-FLEDGED STUDY OF BILATERAL COOPERATIVE RELATIONS FOR EMERGENCIES AROUND JAPAN.

HOWEVER, SACO'S FINAL REPORT, REGARDING THE PROBLEM OF CONSTRUCTING AN ALTERNATIVE HELIPORT FOR FUTENMA AIR STATION, WOULD GO NO FURTHER THAN TO INCORPORATE THE ADOPTION OF A SEA-BASED HELIPORT CONCEPT. FROM NOW ON, THE PROBLEM WILL ALSO LEAVE A NUMBER OF PROBLEMS, INCLUDING SUCH QUESTIONS AS HOW AND WHERE TO CONSTRUCT AND HOW TO OBTAIN OKINAWA PREFECTURE'S UNDERSTANDING. IN FACT, THE OKINAWA PROBLEM CAN HARDLY BE EXPECTED TO REACH A SETTLEMENT AGAINST THE TWO GOVERNMENTS' EXPECTATIONS.

JAPAN AND THE U.S. AGREED IN THE APRIL SUMMIT MEETING ON THE REVERSION OF 11 FACILITIES AND AREAS AMONG THE U.S. MILITARY BASES ON OKINAWA, AND HAVE DISCUSSED A CONCRETE REVERSION PROGRAM IN SACO, REFERRING TO SUCH MATTERS AS BASE RELOCATION. CONSEQUENTLY, THE TWO GOVERNMENTS HAVE NOW REACHED A SETTLEMENT ON THE RELOCATION OF TEN FACILITIES AND AREAS, EXCLUDING THE FUTENMA AIRFIELD.  
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FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS/J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS; USCINCPAC/PA; CINCPACFLT/PA; COMUSJ/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 29

REGARDING THE REMAINING PROBLEM OF CONSTRUCTING AN ALTERNATIVE HELIPORT FOR THE FUTENMA AIRFIELD, THE JAPANESE SIDE'S TECHNICAL ADVISORY GROUP WILL SHORTLY COMPILE THE RESULTS OF ITS STUDIES ON CONSTRUCTION METHODS. THE GROUP HAS SO FAR LOOKED INTO THE TECHNICAL FEASIBILITIES OF THE FLOATING PIER (OR QIP), MEGAFLOAT PONTON, AND SEMI-SUBMERSIBLE METHODS, AND ITS STUDIES ARE EXPECTED TO REACH A CONCLUSION TO THE EFFECT THAT ALL OF THESE METHODS CAN BE EMPLOYED. THIS CONCLUSION WILL BE INCORPORATED ALSO IN SACO'S FINAL REPORT.

AS FOR THE VITAL QUESTION OF WHERE TO INSTALL SUCH A STRUCTURE, A SITE SITUATED OFF CAMP SCHWAB WITHIN THE AREAS OFFERED TO THE U.S. MILITARY IS NOW BEING REGARDED AS LIKELY, BUT LOCAL MUNICIPALITIES HAVE BEEN CRYING OUT AGAINST SUCH AN IDEA. THE ACTUAL SITUATION NOW IS THAT "IT WOULD BE DIFFICULT TO SEE ACTUAL PROGRESS UNLESS THE PEOPLE OF OKINAWA PREFECTURE UNDERSTAND" (ACCORDING TO PRIME MINISTER RYUTARO HASHIMOTO). THE TWO GOVERNMENTS, AT THE UPCOMING 2-PLUS-2 MEETING, ARE ALSO EXPECTED TO SET UP A SACO SUCCESSOR ORGAN FOR CONTINUED DISCUSSIONS ON SUCH PROBLEMS AND CONSTRUCTION METHODS.

ON THE OTHER HAND, JAPAN AND THE U.S. AGREED AT THE SUMMIT MEETING IN MANILA ON THE 24TH OF THIS MONTH TO

"HOLD STILL CLOSER CONSULTATIONS ON SECURITY AFFAIRS FROM A BROAD PERSPECTIVE" (PRIME MINISTER HASHIMOTO). THE 2-PLUS-2 PANEL IS EXPECTED TO HOLD DISCUSSIONS ENTERING INTO STEPS ON THE NEXT STAGE -- SUCH AS A REVIEW OF THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION, INCLUDING COOPERATIVE RELATIONS IN TIMES OF EMERGENCY, AND THE DEVELOPMENT OF THEATER MISSILE DEFENSE (TMD) -- IN THE FORM OF HAVING THE JAPANESE SIDE'S POSITIVE STANCE REFLECTED. HOWEVER, THE TWO COUNTRIES' PROCEEDING WITH SUCH FULL-FLEDGED DISCUSSIONS ON DEFENSE COOPERATION WHILE LEAVING THE FUTENMA PROBLEM AND THE ISSUE OF RETURNING THE REMAINING FACILITIES AND AREAS UNSETTLED MAY AGAIN INCUR OKINAWA'S NEGATIVE REACTION AGAINST THE JAPANESE GOVERNMENT. THE WORK OF SPECIFYING DEFENSE COOPERATION WILL LIKELY BE ACCOMPANIED BY DIFFICULTIES.

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(2) Government's Tax System Research Council Sub-Committee Submits Report on Reform of Corporate Tax

(3) Path to Boosting Okinawa Economy: Rocky Road Lies Before Freeing Itself from "Base Dependence"

ARTICLES:

(1) EDITORIAL: The Prime Minister's Resolve Being Questioned

ASAHI (Page 5) (Full)  
November 29, 1996

Tasked with the drastic restructuring of central government ministries and agencies, the Conference on Administrative Reform (Gyosei Kaikaku Iinkai) has set itself in motion. It is a panel directly under Prime Minister Ryutaro Hashimoto, who himself chairs it and leads the process of administrative reform.

In the first session of the panel, the Prime Minister declared he would set up a "people-oriented system capable of dealing with matters in an accurate and efficient manner," but undeniably, he left an impression that the panel has made its start with no bright prospects in sight.

The major enemy of administrative reform will be the maneuvering likely to develop jointly as politicians, bureaucrats and industrialists attempt to protect their vested interests. In fact, the policy cliques (zoku) in the Diet who mediate between certain firms and relevant ministries and the agencies are regaining strength in the Liberal Democratic Party (LDP).

In the recent general election, legislators sought support from various industries and in return, they promised to implement projects appealing to them. They are all under pressure to honor such promises right now with budget compilation for fiscal 1997 about to start.

To take an example, in a bid to gain prospects for the start of construction work as to the five planned Shinkansen lines projects, frantic efforts are now being made by two LDP panels, namely, the Transportation Department and the Construction Promotion Committee. The two panels have asked the three Japan Railways (JR) companies to set aside from their fixed assets funding sources totalling approximately 60 billion yen of the annual tax-cut portion. It is only natural that the three JRs to have rejected such a demand, arguing, "There is no rational reason; we cannot give a convincing

account to our stockholders."

The attitude of pursuing party interests by abandoning tax revenues is the same as the previous UNCLAS SECTION 02 OF 06 TOKYO 010950

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approach of putting the former state-run Japan National Railways (JNR) in the red. If the Prime Minister is serious about pushing for administrative reform, the first thing to do is to dispel resistance in his own party.

The aim of administrative reform is fundamentally to shift leadership from the hands of the government to the private sector by putting an end to unnecessary jobs, guidance and supervision that have been conducted until now by government offices. What is sought of the just-launched Conference on Administrative Reform is to show vividly the way this country's administration should be, transcending interests of various ministries and agencies, political parties and industries.

No bureaucrats have been chosen to staff such a panel. We hope that the panel members, while coming up with bold ideas, will point to the real nature of the problem, but there still remains the worry that they might be put under the influence of bureaucrats because most of the members are not experts on administrative affairs. That is why the Prime Minister must show a direction in a clear-cut way and made clear his standpoint of guaranteeing implementation toward such a direction.

The secretariat staff of the panel are composed of 12 government officials each coming from ministries and agencies. They are young officials mainly in their late thirties, but isn't there any worry about their speaking for the interests of their ministries or agencies? We then expect the Prime Minister to be resolute and firm no matter how strongly ministries and agencies work on him, though such maneuvers have already started.

The Conference on Administrative Reform is viewed

as forming one of a pair of axles with the LDP's Administrative Reform Promotion Headquarters. Key posts of the two organizations go to LDP lawmakers who are closely connected with former prime minister Yasuhiro Nakasone. There seems to be the desire of generating a fruitful result like that of the second Ad Hoc Council for Administrative Reform (2nd Gyokakushin), which pushed for reform of the JNR.

However, the Prime Minister stated he would not adopt "a gyokakushin approach," but instead he said that upon obtaining the conclusion on realignment of government ministries and agencies in the coming one year from the panel headed by himself, would carry it out. Whether it will be successful depends on the Prime Minister's own leadership capability.

What is important in this respect is reform of the Finance Ministry, a touchstone for administrative reform. Regarding the auditing and supervising sectors for banking institutions, the Prime Minister has indicated a direction of separating the two, but on the other hand, he has been disapproval of forming an independent committee

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like the Fair Trade Commission.

In the LDP, a plan is floating of splitting the auditing sector first but taking more time as to how to treat the supervising sector in order to consider it in the context of the entire restructuring scheme of reorganizing government ministries and agencies. If the Prime Minister were to give thought to such moves, the panel which will study restructuring may turn out to be a "cloak" for putting on hold drastic reform of MOF.

If attention is removed away from the starting point of why is administration reform urgent, the reform would end up just fiddling about with the governmental organizations. We strongly hope this point should be deeply engraved in Prime Minister Hashimoto's mind anew.

(2) Government's Tax System Research Council Subcommittee Submits Report on Reform of Corporate Tax; Calls for Neutral Tax Increase and Breaks; Around 37 Percent as Target of Cut in Corporate Rate

NIHON KEIZAI (Page 1) (Full)  
November 27, 1996

The Corporate Taxation Subcommittee (chaired by Hitotsubashi University Mitsukazu Ishihara) under the government's Tax System Research Council yesterday submitted a report calling for reforming corporate taxation to the Council plenary session. The report proposes that it is desirable to lower the corporate tax rate (37.5 percent) to the level similar to other industrialized countries (around 35 percent) in order to maintain Japanese companies' international competitiveness. Stemming from the judgment that it is necessary to take a neutral toward tax revenues, considering the austere fiscal conditions, the proposed reform calls for expanding the range of the taxable amount (on taxation base) of the corporate tax to squeeze out funding resources to enable to lower the basic tax rates through reforms of 38 items, such as abolition of reserves for bonuses. A drastic reform of the corporate tax is the first in about 30 years.

Thirty-Eight Items to Be Reviewed, Including Reserves

The business community is basically seeking a reduction of the burden through the simple lowering of the corporate tax rate, but the report points out that considering the nation's austere fiscal conditions, "The situation now is not such that a substantial tax break are possible." It characterizes a substantial tax cut as "a future agenda item." Starting from that basis, the report spells out that amending the present taxation basis, under which each industrial sector is not necessarily shouldering equal burden, will bring about funding resources, and if the corporate tax is reduced within that range, the tax burden of companies whose productivity is high would be

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lightened.

The report does not propose a specific cut rate but cites that it is desirable to bring the basic tax rate closer to that of other industrialized countries. The level of the United States (35 percent) will likely become the target. However, in order to bring down the tax rate by 2.5 percent from the present level, premised on a concept of neutral tax revenues, it is necessary to squeeze out fiscal funds of about 1 trillion yen on a taxation basis, which will necessitate an overall review of the reserve system.

For a review of reserves, the report points out, "It is necessary to constrain as much as possible the posting of estimates for uncertain costs and losses." Along with that policy direction, abolition of reserves for bonuses and products guarantee has been proposed. In addition, it seeks the scrapping of the cost or market method, which is a method for evaluating listed securities, underscoring that it is necessary to take a second look at a conservative accounting handling that gives priority to the posting of cost and losses.

The business community has strongly requested the introduction of a consolidated tax-payment system, under which a group of companies jointly calculates a taxable amounts, but the panel rejected the idea as "too early."

#### Basic Policy Line as Proposed by Government Tax System Research Council Subcommittee

1. It is desirable to lower the corporate tax rate on the premise of neutral tax revenues.
2. The environment now is not such that allows a substantial reduction of the cooperation tax burden.
3. It is necessary to review the taxation base in order to realize a tax system with fair, neutral and transparent tax system.
4. It can be hoped that a reduction in the corporate tax rate along with a review of the taxation base will allow corporations to regain vitality and create new businesses.

Most of Reform to Be Implemented in Fiscal 1998 and Later

The Ministry of Finance (MOF) wants to realize reforms of the proposed items that are implementable among those pertaining to a review of the taxation base incorporated in the report issued by the government panel in the year-end tax system revision for FY1997. However, with the business community strongly reacting to a review of reserves, the likelihood is that most of the proposed items will be postponed to FY1998 and later. Whether it is possible to implement a corporate tax cut in the amendment to the tax system for the next fiscal year is in a delicate

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situation.

(3) Path to Boosting Okinawa Economy: Rocky Road  
Lies Before Freeing Itself from "Base Dependence";  
Localities in Dilemma over Reversion of Bases

YOMIURI (Page 1) (Excerpts)  
November 21, 1996

A site formerly used as Kami-motobu airfield sits in Motobu-cho, northern part of mainland Okinawa. The site measuring about 254 hectares in all was returned to Japan in two steps, in 1969 and in 1971. 27 years later, this vast land still remains undeveloped.

During those 27 years, various plans, such as turning it into athletic grounds, have surfaced but none came to fruition.

In the case of Futenma Air Station, which has been decided to be returned to Japan in five to seven years' time, about 2,300 private landowners possess 95 percent of the total land space of 480 hectares. Just producing a unified opinion would be a challenging job.

In Okinawa, it takes about a dozen years on the average before a site formerly used as a base was redeveloped in any way.

The environment surrounding Okinawa is complex. 75

percent, or 24,000 hectares, of all U.S. military facilities in Japan is concentrated in Okinawa. More than 8,000 Okinawans work there. U.S. bases are an important financial resource in Okinawa, where the unemployment rate is as high as 6.3 percent, nearly double the national average.

Including 67 billion yen from leasing land and 52 billion yen from base-related jobs, Okinawa's base-related income amounts to 170 billion yen annually, or five percent of the prefecture's total production.

"The base-related economy that includes production, employment, and induced effects represents approximately 10 percent of Okinawa's total economy" (Moritake Tomitake, professor, Okinawa Kokusai University).

Under such circumstances, the base-reversion plan is still controversial and not free from apprehensions among localities.

Naoyoshi Sunagawa (?), chief of the secretariat of the Okinawa Military Sites Landowners Association is critical of Okinawa government's plan to have all U.S. military sites back by the year 2015, reasoning, "We still don't know how our lands will be used after they are returned to us or how our financial resources will be ensured." Furthermore, Kiyoshi Tamaki (?), president of the Okinawa Chapter of the All-Japan Garrison Forces Labor Union, an organization composed of Japanese employees working in U.S. bases, calls for clear  
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employment measures: "We will all lose our jobs when the bases are returned to Japan. But there is no clear prospect for a new industry to replace it."

The current law guarantees land-lease incomes up to three years after the reversion of the bases. But there is no guarantee that a redevelopment program will be compiled during that period. Mayor Seiken Tobaru of Ginowan City that houses Futenma Air

Station says sternly: "Many landowners have housing loans allowing for income from land lease. We need guarantee of land-lease income for ten years after they are returned to the landowners."

Says Yukio Okamoto, prime ministerial assistant for Okinawa affairs: "When Brookley (TN: phonetic) Air Base in Alabama was closed, 120,000 people lost their jobs. But it is said that owing to strong local commitment to inducing academic institutions and the like, it has succeeded ultimately to create more jobs."

In addition, after the Philippines' Subic Navy Base was shut down in 1992, "The Government has exerted its energy into inducing new businesses and developing tourism. As a result, it has now induced investment totaling 1.6 billion dollars (about 170 billion yen) and 220 companies from inside and outside the country" (Richard Gordon, Director General of the Subic Bay Urban Development Agency).

Other factors that have contributed to Subic's success included the abolition of tariffs, liberalization of foreign exchange, introduction of the five-percent across-the-board corporate tax, and tax exemption on real estate -- elements necessary to make the area into a free trade zone.

Okinawa also needs specific measures to boost the economy. But relying on public works projects would not help it break free from the economy dependent on the central government. The central and local governments need to drain on their wisdom as a team to come up with sound programs.

(Toru Kinimatsu, Economic Department)

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

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

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

RR. Document will be reviewed upon request.

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

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

# Cable

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**PREC:** IMMEDIATE  
**CLASS:** UNCLASSIFIED  
**LINE1:** OAAUZYUW RUEHKO0976 3370252-UUUU--RHEHAAA.  
**LINE2:** ZNR UUUUU ZZH  
**LINE3:** O 020252Z DEC 96  
**LINE4:** FM AMEMBASSY TOKYO  
**OSRI:** RUEHKO  
**DTG:** 020252Z DEC 96  
**ORIG:** AMEMBASSY TOKYO  
**TO:** RUEHC/SECSTATE WASHDC IMMEDIATE 0232  
RUEHIA/USIA WA[HDC IMMEDIATE 2189  
**INFO:** RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//  
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA  
RHEHAAA/WHITE HOUSE WASHDC  
RUALSFJ/COMUSJAPAN YOKOTA AB JA  
RUEAIIA/CIA WASHDC  
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RHHMUNA/USCINCPAC HONOLULU HI//USIA//  
RUAYJAA/COMPATWING ONE KAMI SEYA JA  
RUEKJCS/SECDEF WASHDC  
**SUBJ:** JAPANESE MORNING PRESS HIGHLIGHTS DECEMBER 2  
**TEXT:**  
UNCLAS SECTION 01 OF 06 TOKYO 010976  
  
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 DECEMBER 2

TOP HEADLINES:

ASAHI: KOYAMA PROVIDED MORE THAN A TOTAL OF 100 MILLION  
YEN TO FORMER VICE MINISTER OKAMITSU FOR HIS PURCHASE OF  
CONDOMINIUM; ALSO PAID 33.9 MILLION YEN FOR RENOVATION  
COSTS

NIHON KEIZAI: AGREEMENT REACHED IN OUTLINE ON SPLIT OF NTT; POSTS AND TELECO  
SPLIT BY FISCAL 1998 INTO ONE LONG-DISTANCE SERVICE  
COMPANY AND TGO REGIONAL FIRMS; PREMISED ON STOCK-HOLDING  
COMPANY; TO LIFT THE BAN ON ACCESS TO INTERNATIONAL

## TELECOMMUNICATIONS SERVICES

TOKYO SHIMBUN: FLOATING SYSTEM TO BE ADOPTED FOR LOANS BY HOUSING LOAN CORPORATIN; CONSTRUCTION MINISTRY INTENDS TO INTRODUCE IT IN NEXT FISCAL YEAR; A RANGE OF INTEREST RATE WILL BE WITHIN 2 PERCENT ABOVE OR LOW FROM INITIAL RATE; THE RATE WILL BE RE-SET EVERY 10 YEARS

MAINICHI: FORMER VICE MINISTER OKAMITSU TO BE INVESTIGATED TODAY ON SUSPICIONS OF RECEIPT OF 60 MILLION YEN FROM SUSPECT KOYAMA WHEN HE SERVED AS DIRECTOR GENERAL OF SECRETARIAT

YOMIURI: TO RAID FORMER VICE MINISTER OKAMITSU EVEN THIS WEEK; 60 MILLION YEN CONCLUDED AS BRIBERY; "IN RETURN FOR SUBSIDIES" FROM SUSPECT KOYAMA, WHO WAS INVOLVED IN CORRUPTION IN CONNECTION WITH CONSTRUCTION OF SPECIAL NURSING HOMES

SANKEI: REFORM OF FINANCE MINISTRY: TO ESTABLISH A "BANKING AUDITING AND SUPERVISING AGENCY" AS A FRINGE OFFICE OF THE PRIME MINISTER'S OFFICE; LDP ALLOWS INTEGRATION OF TWO SECTORS; SDP GIVES UP THE IDEA OF FORMING FTC TYPE

SECRETARY OF DEFENSE ARRIVES IN JAPAN (YOMIURI - PAGE 3)

UNITED STATES SECRETARY OF DEFENSE PERRY ARRIVED IN JAPAN YESTERDAY AFTERNOON VIA A SPECIAL PLANE THAT ARRIVED AT YOKOTA AIR BASE.

SACO REPORT ON HELIPORT SIGHT REFLECTS CONCERN OF LOCAL RESIDENTS (YOMIURI - PAGE 3)

THE SPECIAL ACTION COMMITTEE ON AREAS AND FACILITIES ON OKINAWA (SACO) WILL RELEASE A FINAL REPORT TODAY, BUT PRIOR TO THAT, JAPAN AND THE UNITED STATES DECIDED TO USE IN THE FINAL REPORT THE EXPRESSION, "WITHIN THE SEA AREA OFF THE EAST COAST OF THE OKINAWA MAIN ISLAND" REGARDING A RELOCATION PLACE FOR AN ALTERNATIVE HELIPORT IN RESPONSE TO THE RETURN OF FUTENMA AIR STATION.

AN AGREEMENT WAS INFORMALLY REACHED IN THE WORKING GROUP MEETING OF SACO HELD AT THE FOREIGN MINISTRY (MOFA) YESTERDAY.

REGARDING THE RELOCATION, BOTH COUNTRIES HAVE AGREED IN PRINCIPLE ON A SITE OFF CAMP SCHWAB, BUT NAGO CITY, WHICH IS LOCATED NEAR THAT AREA, HAS VOICED OPPOSITION TO THE CONCEPT, AND OKINAWA PREFECTURE ALSO HAS BEEN AGAINST IT.

BECAUSE OF THIS CIRCUMSTANCE, THE GOVERNMENT HAS SET A POLICY COURSE OF PUTTING OFF ANY CLEAR MENTION OF THE RELOCATION SITE IN THE FINAL REPORT, JUDGING THAT "NO PROGRESS IS EXPECTED UNLESS WE OBTAIN AN UNDERSTANDING FROM OKINAWA" (PRIME MINISTER HASHIMOTO). IT ALSO OBTAINED AGREEMENT IN THE END FROM THE U.S., WHICH UNTIL

THEN HAD SOUGHT A MORE SPECIFIC DESCRIPTION.

NAGO FISHERMEN'S COOPERATIVE ACCEPTS (CONSTRUCTION)

AS THE RELOCATION PLACE (FOR AN ALTERNATIVE HELIPORT) IN  
UNCLAS SECTION 02 OF 06 TOKYO 010976

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 DECEMBER 2

RESPONSE TO THE RETURN OF UNITED STATES FORCES' FUTENMA  
AIR STATION IN OKINAWA PREFECTURE, THE MOST LIKELY PLAN  
IS TO CONSTRUCT AN SEA-BASED HELIPORT OFF U.S. FORCE'S  
CAMP SCHWAB (COVERING NAGO CITY AND OTHER AREAS). IN AN  
INTERVIEW WITH THIS NEWSPAPER YESTERDAY, KEIZO MIYAGI,  
WHO IS A CITY ASSEMBLY MEMBER AND CONCURRENTLY THE UNION  
LEADER OF THE NAGO FISHERMEN'S COOPERATIVE (THE  
MEMBERSHIP OF 86), STATED: "WE WILL NOT EXPRESS  
OPPOSITION FOR THE SAKE OF OPPOSITION BECAUSE OF OUR  
POSITION OF TRYING TO DEVELOP THE NORTHERN AREA OF THE  
PREFECTURE CENTERING ON NAGO CITY AS WELL AS FISHERIES."  
HE THEN VIRTUALLY IMPLIED ACCEPTANCE OF THE CONSTRUCTION  
PLAN. THIS IS THE FIRST TIME FOR A LOCAL ORGANIZATION TO  
HAVE REVEALED ITS POSITION OF NOT "OPPOSING THE PLAN."

FINAL SACO REPORT TODAY TO SKIRT ISSUES OF HELIPORT  
LOCATION AND METHOD (ASAHI - PAGE 2)

THE JAPANESE AND UNITED STATES GOVERNMENTS WILL HOLD A  
MEETING THIS MORNING OF THE SPECIAL ACTION COMMITTEE ON  
OKINAWA (SACO), A PANEL THAT HAS BEEN STUDYING MEASURES  
FOR REALIGNMENT AND REDUCTION OF U.S. MILITARY BASES, AND  
WILL COMPILE A FINAL REPORT. ON THE SAME DAY, THE REPORT  
IS TO BE APPROVED IN MINISTERIAL CONSULTATIONS AND AT A  
MEETING OF THE JAPAN-U.S. SECURITY CONSULTATIVE COMMITTEE  
(2 PLUS 2). OF 11 FACILITIES AND DISTRICTS SUBJECT TO  
REALIGNMENT AND REDUCTION, BOTH GOVERNMENTS ARE EXPECTED  
TO ARRIVE AT A CONSENSUS ON THE RETURN OF APPROXIMATELY  
5,050 HECTARES, AN AREA COVERING MORE THAN 20 PERCENT OF  
THE SITES NOW USED AS U.S. MILITARY FACILITIES ON  
OKINAWA. HOWEVER, REGARDING THE POINT AT ISSUE OF AN  
ALTERNATIVE HELIPORT FOR FUTENMA AIR STATION, BOTH SIDES  
WILL GO NO FARTHER THAN TO AGREE TO PURSUE A PLAN FOR "AN  
OFFSHORE FACILITY" EQUIPED WITH A RUNWAY ON AN OFFSHORE  
STRUCTURE. WHERE TO RELOCATE IT SPECIFICALLY AND WHAT  
CONSTRUCTION METHOD TO ADOPT WILL BE LEFT AS FUTURE  
TASKS.

JAPANESE AND U.S. FOREIGN AND DEFENSE OFFICIALS YESTERDAY ENGAGED IN DRAWING UP A FINAL REPORT, BUT REGARDING FUTENMA AIR STATION, ONE OF THE SITES COVERING 5,000 HECTARES WHICH HAVE BEEN AGREED TO BE RETURNED, THEY WERE UNABLE TO THRASH OUT A SOLUTION FOR THE RELOCATION PLACE FOR AN ALTERNATIVE HELIPORT DUE TO STRONG OPPOSITION FROM LOCAL RESIDENTS.

SACO WAS ESTABLISHED IN NOVEMBER LAST YEAR AS A WORKING-LEVEL CONSULTATIVE ORGAN BETWEEN JAPAN AND THE U.S. IN THE WAKE OF RISING ANTI-BASE SENTIMENT SET OFF BY THE RAPE OF A SCHOOLGIRL BY U.S. SOLDIERS THAT OCCURRED IN OKINAWA IN SEPTEMBER. IT HAS CONSIDERED REALIGNMENT AND REDUCTION MEASURES IN CONCRETE TERMS AND IMPROVEMENT STEPS FOR OPERATIONS OF THE JAPAN-U.S. STATUS OF FORCES AGREEMENT (SOFA) AND THE LIKE. BUT REGARDING FUTENMA AIRFIELD, THE RETURN OF WHICH WAS AGREED IN APRIL, THE RELOCATION PROBLEM OF AN ALTERNATIVE HELIPORT HAS EXPERIENCED DIFFICULTIES. FOR NOW, THE LIKELY PLAN IS TO CONSTRUCT AN OFFSHORE FACILITY IN THE OCEAN WATER ZONE OFF CAMP SCHWAB, BUT AN AGREEMENT HAS YET TO BE OBTAINED FROM THE LOCAL AREA, SO SPECIFIC STUDIES WILL BE TAKEN OVER BY A SUCCESSOR ORGAN TO THE SACO.

IN ADDITION, AS FUTURE SUBJECTS FOR DISCUSSION BETWEEN JAPAN AND THE U.S. REGARDING SECURITY, IT HAS BEEN DECIDED TO INCLUDE (IN THE FINAL REPORT) A REVIEW OF THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION AND A STUDY OF BALLISTIC MISSILE DEFENSE INITIATIVE.

PRIME MINISTER TO VISIT OKINAWA DECEMBER 4  
(YOMIURI - PAGE 3)

PRIME MINISTER HASHIMOTO WILL VISIT OKINAWA ON DECEMBER 4 AND 5 AND MEET GOVERNOR MASAHIDE OTA. THEIR MEETING WILL BE THE SECOND SINCE THE ONE HELD IN OKINAWA ON SEPTEMBER  
UNCLAS SECTION 03 OF 06 TOKYO 010976

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 DECEMBER 2

17. IT WILL BE HELD JUST AFTER THE FINAL REPORT IS RELEASED BY THE SPECIAL ACTION COMMITTEE ON FACILITIES AND AREAS ON OKINAWA (SACO), SO THE TWO, REPRESENTING THE GOVERNMENT AND OKINAWA PREFECTURE, WILL EXCHANGE HONEST VIEWS ON THE PROBLEM OF RELOCATING TO AN OFFSHORE LOCATION THE HELIPORT AT FUTENMA AIR STATION.

JAPAN, CHINA TO RAISE SECURITY DIALOGUE TO CABINET LEVEL  
(SANKEI - PAGE 1)

THE GOVERNMENT ON NOVEMBER 31 BEGUN TO LOOK INTO THE OPTION OF UPGRADING THE CURRENT ADMINISTRATIVE-LEVEL TALKS BETWEEN JAPANESE AND CHINESE DIPLOMATIC AND DEFENSE OFFICIALS TO THE REGULAR CABINET LEVEL (TWO-PLUS-TWO). SUCH TALKS HAVE BEEN CARRIED OUT ON AN IRREGULAR BASIS IN ORDER TO BUILD MUTUAL CONFIDENCE REGARDING THE SECURITY OF ASIA. THE GOVERNMENT'S PLAN IS TO IMPLEMENT THE NEW PROGRAM FROM CHINESE DEFENSE MINISTER DING HENGGAO'S JAPAN TRIP NEXT YEAR. THE GOVERNMENT IS GOING TO WORK OUT SPECIFICS THROUGH INFORMAL WORKING-LEVEL TALKS WITH CHINA.

THE GOVERNMENT HAS REACHED THE POLICY DIRECTION OF UPGRADING SECURITY TALKS WITH CHINA TO A HIGHER LEVEL, LIKE THOSE WITH THE UNITED STATES, IN AN EFFORT TO BOOST THE CONFIDENCE-BUILDING EFFORTS OF THE TWO COUNTRIES ON THE OCCASION OF THE 25TH ANNIVERSARY NEXT YEAR OF THE NORMALIZATION OF DIPLOMATIC RELATIONS THAT STARTED IN 1972.

THROUGH CABINET-LEVEL DIALOGUES, JAPAN SPECIFICALLY INTENDS TO WORK DIRECTLY UPON THE CHINESE GOVERNMENT, WHICH HAS BEEN PURSUING MILITARY BUILDUP CENTERING ON ITS NAVAL STRENGTH, TO MAKE ITS ARMAMENTS MORE TRANSPARENT AS WELL AS TO DISPEL CHINA'S STRONG DISTRUST TOWARD THE JAPAN-U.S. JOINT DECLARATION, RELEASED THIS APRIL.

THIS YEAR, THE JAPAN-CHINA RELATIONS HAVE COOLED OFF "MOST SERIOUSLY SINCE THE DIPLOMATIC RELATIONS WERE RESTORED" (FOREIGN MINISTRY OFFICIAL). SUCH IS ASCRIBABLE TO THE JAPANESE GOVERNMENT'S FREEZE ON ITS GRANT AID TO CHINA AND THE TEMPORARY SUSPENSION OF A RESEARCH MISSION TO CHINA FOR THE FOURTH YEN-LOAN PACKAGE IN PROTEST AGAINST CHINA'S NUCLEAR TESTING AND ITS LARGE-SCALE MILITARY EXERCISES NEAR THE TAIWAN STRAITS. CHINA, ON THE OTHER HAND, HAS REACTED FIERCELY TO SUCH EVENTS AS A VISIT TO YASUKUNI SHRINE BY PRIME MINISTER RYUTARO HASHIMOTO, THE CONSTRUCTION OF A LIGHTHOUSE ON THE SENKAKU ISLANDS BY A JAPANESE POLITICAL ORGANIZATION, AND THE JAPAN-U.S. JOINT SECURITY DECLARATION IN APRIL. ALL THOSE ELEMENTS HAVE CONTRIBUTED TO DEEPEENING THE GULF BETWEEN THE TWO COUNTRIES.

UNDER SUCH CIRCUMSTANCES, AN AGREEMENT HAS BEEN REACHED IN MANILA AT THE JAPAN-CHINA FOREIGN MINISTERIAL TO PROMOTE MUTUAL VISITS AT A HIGH LEVEL. AS STARTERS, FOREIGN MINISTER YUKIHIKO IKEDA WILL TRAVEL TO CHINA EARLY NEXT YEAR. AT PRESENT, "THE ENVIRONMENT IS BEING CREATED TO MATERIALIZE "TWO-PLUS-TWO" FOR DIPLOMATIC AND DEFENSE LEADERS OF THE TWO COUNTRIES" (GOVERNMENT SOURCE).

FOREIGN MINISTER CONFIRMS THAT PRIME MINISTER WILL NOT VISIT YASUKUNI SHRINE WHILE IN OFFICE (MAINICHI - PAGE 1)

FOREIGN MINISTER YUKIHIKO IKEDA, IN DISCUSSION IN THE MAINICHI SHIMBUN'S "ISSUES FOR DEBATE," INDIRECTLY ACKNOWLEDGED THAT THE PRIME MINISTER'S NOT PAYING HOMAGE AT YASUKUNI SHRINE DURING HIS TENURE IN OFFICE WAS AN AGREEMENT BETWEEN JAPAN AND CHINA. REFERRING TO THE JAPAN-CHINA SUMMIT TALKS BETWEEN PRIME MINISTER RYUTARO HASHIMOTO AND PRESIDENT JIANG Z-EMIN HELD ON NOVEMBER 24 IN MANILA, HE INDICATED THAT THE PRIME MINISTER WOULD NOT VISIT YASUKUNI SHRINE WHILE HE IS IN OFFICE, REMARKING UNCLAS SECTION 04 OF 06 TOKYO 010976

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 DECEMBER 2

"GIVING CONSIDERATIONS TO THE WHOLE JAPAN-CHINA RELATIONS, THE PRIME MINISTER DEALT WITH THIS MATTER AND WILL DO HIS BEST, SO I WANT CHINA TO UNDERSTAND HIS DECISION."

PRIME MINISTER HASHIMOTO PAID FORMAL RESPECTS AT YASUKUNI SHRINE IN LATE JULY. AFTER THAT TIES BETWEEN JAPAN AND CHINA HAVE BEEN STRAINED, INTERTWINED ALSO WITH THE ISSUE OF THE DISPUTED SENKAKU ISLANDS. WHEN THE JAPAN-CHINA RELATIONSHIP DETERIORATED BECAUSE OF THEN PRIME MINISTER YASUHIRO NAKASON'S VISIT TO YASUKUNI SHRINE IN 1985, THERE REPORTEDLY WAS COMMON UNDERSTANDING REACHED BETWEEN THE TWO COUNTRIES THAT A PRIME MINISTER WOULD NOT VISIT THE SHRINE WHILE HOLDING OFFICE. FOREIGN MINISTER IKEDA DID NOT DENY THE EXISTENCE OF THE AGREEMENT.

DIET INTERPELLATIONS TODAY TO FOCUS ON SCANDALS  
(MAINICHI - PAGE 2)

FULL-LEDGED DEBATE WILL START TODAY IN THE EXTRAORDINARY DIET, WITH EACH PARTY'S REPRESENTATIVE CARRYING OUT INTERPELLATIONS IN THE PLENARY SESSION OF THE LOWER HOUSE. THE FOCUS IS LIKELY TO BE ON ALLEGED COLLUSIVE RELATIONS AMONG POLITICIANS, BUREAUCRATS AND BUSINESS EXECUTIVES, STARTING WITH THE SCANDAL INVOLVING THE MINISTRY OF HEALTH AND WELFARE (MHW). FOCUS WILL ALSO BE ON ADMINISTRATIVE REFORM AND THE CONSUMPTION TAX HIKE ISSUE.

PRIME MINISTER RYUTARO HASHIMOTO HAS IDENTIFIED ADMINISTRATIVE REFORM AS THE MOST IMPORTANT ITEM ON HIS POLICY AGENDA. BUT ONE SCANDAL AFTER ANOTHER HAS FLOATED UP, INCLUDING: (1) ON NOVEMBER 7, THE DAY THE SECOND HASHIMOTO CABINET WAS INAUGURATED, THE ARREST FOR TAX

EVASION OF AN OIL BROKER WHO ALLEGEDLY FUNNELED FUNDS TO THE POLITICAL WORLD AND ENTERTAINED MITI OFFICIALS; (2) THE RESIGNATION OF MHW ADMINISTRATIVE VICE MINISTER OKAMITSU ON THE 19TH, THE DAY THE CONFERENCE ON ADMINISTRATIVE REFORM (GYOKAKU KAIGI), A PANEL UNDER THE CONTROL OF THE PRIME MINISTER, WAS SET UP; AND (3) THE ANNOUNCEMENT OF RESIGNATION OF METROPOLITAN POLICE SUPERINTENDENT GENERAL YUKIHIKO INOUE ON THE DAY WHEN THE FIRST MEETING OF THE CONFERENCE WAS HELD ON THE 28TH. THESE HAPPENINGS CAUSED THE PRIME MINISTER TO COMPLAIN THAT HE HAD BEEN DONE IN. IT ALSO HAS BEEN DISCLOSED THAT PRIME MINISTER HASHIMOTO HIMSELF HAD ACCEPTED A 70 MILLION YEN POLITICAL DONATION FROM A POLITICAL ORGANIZATION THAT HAS SOME CONNECTION WITH THE SOCIAL WELFARE CORPORATION -- THE BRIBER IN THE MHW SANDAL.

IN THE OPPOSITION CAMP AS WELL, THE ORANGE MUTUAL AID ASSOCIATION, WHICH IS OPERATED BY A POLITICAL GROUP LED BY UPPER-HOUSE MEMBER TATSUO TOMOBE, WHO HAS NOW LEFT THE SHINSHINTO AFTER BEING INDICTED ON THE CHARGE OF VIOLATION OF THE POLITICAL FUNDS LAW. IN ADDITION, IT HAS BEEN REVEALED THAT THIS ASSOCIATION HAD HANDED A 30 MILLION YEN DONATION TO FORMER PRIME MINISTER MORIHIRO HOSOKAWA OF THE SHINSHINTO. A SENIOR OFFICIAL OF THE SHINSHINTO REMARKED, "OUR PARTY, FRAUGHT WITH THE ORANGE CASE AND OTHERS, IS NOT IN A HEALTHY CONDITION NOW," AND ANOTHER SAID, "THE EXTRAORDINARY DIET SESSION IS JUST A PRELIMINARY TRIAL," WHILE AN LDP OFFICIAL STATED, "ALL WHAT I CAN SAY NOW IS THAT THE SUSPICIONS ARE UNDER INSPECTION." THEY APPEAR TO BE IRRESOLUTE TOWARD CLEARING UP THESE SUSPICIONS.

RULING PARTIES AGREE TO SUBMIT BILL TO NEXT DIET  
SCRAPPING BAN ON HOLDING COMPANIES (SANKEI - PAGE 1)

THE LIBERAL DEMOCRATIC PARTY (LDP), THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY, WHICH MAKE UP THE RULING COALITION, REACHED AN AGREEMENT ON DECEMBER 1 TO SUBMIT TO THE REGULAR DIET SESSION NEXT JANUARY A BILL AMENDING THE ANTI-MONOPOLY LAW THAT INCLUDES A MEASURE TO UNCLAS SECTION 05 OF 06 TOKYO 010976

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 DECEMBER 2

LIFT THE BAN ON HOLDING COMPANIES. THEY WILL FINALIZE THE BILL BY THE END OF THE YEAR. ORGANIZED LABOR AND THE SDP HAVE BEEN CALLING FOR NEGOTIATING RIGHT TO BE GIVEN

TO LABOR UNIONS TO ENABLE THEM TO NEGOTIATE WITH SUBSIDIARIES OF STOCK-HOLDING COMPANIES. ON THIS, A SETTLEMENT IS LIKELY TO BE REACHED BY SETTING UP A FORUM FOR BOTH SIDES TO HOLD DISCUSSIONS.

THE ARGUMENT FOR LIFTING THE BAN ON PURE HOLDING COMPANIES, WHICH CONTROL SUBSIDIARIES BY HOLDING THEIR STOCKS, WAS INCLUDED IN THE POLICY AGREEMENT REACHED AMONG THE THREE RULING PARTIES WHEN THE FIRST HASHIMOTO CABINET WAS INAUGURATED IN JANUARY, WITH THE WORDING "THE BAN ON HOLDING COMPANIES WILL BE LIFTED WITHIN THE SCOPE OF ITS NOT BEING IN VIOLATION OF THE ANTI-MONOPOLY LAW, IN A BID TO HELP ACCELERATE CORPORATE RESTRUCTURING EFFORTS AND PROMOTE VENTURE COMPANIES." DISCUSSION ON THIS ISSUE WAS CONTINUED UNTIL JUNE UNDER THE LEAD OF FIRMER SAKIGAKE POLICY BOARD CHAIRMAN KISABURO TOKAI.

HOWEVER, THE SDP HAD CALLED FOR PARTIAL REMOVAL OF THE BAN, BASED ON THE JUDGMENT "THE MEASURE COULD BRING BACK THE OLD ZAIBATSU" (SENIOR OFFICIAL). RENGO (JAPAN TRADE UNION CONFEDERATION) ALSO REFUTED THE ARGUMENT FOR LIFTING THE BAN, ONE MEMBER REBUKING, "IN CASE THE BAN IS REMOVED, THE NEGOTIATING RIGHT SHOULD BE GIVEN TO SUBSIDIARIES' LABOR UNIONS IN ORDER TO PREVENT HOLDING COMPANIES FROM APPLYING IMPROPER INSTRUCTIONS TO THOSE SUBSIDIARIES." AS SUCH, THE DISCUSSION ON THIS ISSUE HAD BEEN SUSPENDED.

THE SDP, WHICH HAD EXPRESSED OPPOSITION BEFORE THE GENERAL ELECTION TO A REMOVAL OF THE BAN, LINING UP WITH LABOR, NOW HAS SWITCHED TO AN APPROACH SOMEWHAT DISTANCED FROM RENGO'S. THE VIEW IS NOW GAINING INFLUENCE IN THE SDP THAT "WE CAN NO LONGER DEFER JUDGMENT ON THIS ISSUE" (SENIOR OFFICIAL).

THREE RULING PARTIES NEAR END OF COORDINATION ON FINANCE MINISTRY REFORM (NIHON KEIZAI - PAGE 2)

THE THREE RULING PARTIES -- THE LIBERAL DEMOCRATIC PARTY (LDP), SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY -- WILL ENTER THE FINAL STAGE OF THEIR COORDINATION IN REVIEWING THE SYSTEM OF INSPECTION AND SURVEILLANCE OF FINANCIAL INSTITUTIONS, A POINT AT ISSUE IN THE REFORM OF THE FINANCE MINISTRY (MOF). POLICY AFFAIRS COUNCIL CHAIRMAN TAKU YAMASAKI YESTERDAY ON AN NHK TELEVISION PROGRAM INDICATED, "THE PREVALENT VIEW IN THE PARTY IS TO SEPARATE (FROM MOF) THE INSPECTION AND SURVEILLANCE FUNCTIONS AS A SET." CURRENTLY, HOWEVER, THERE IS A DIVERGENCE OF VIEWS IN THE LDP ON THE ARGUMENT FOR SEPARATING AWAY THOSE TWO FUNCTIONS AS A PACKAGE. EVEN IF THEY ARE SPLIT AWAY AS A SET, COORDINATION ON WHO WILL BE IN CHARGE HAS YET TO OCCUR. IT WILL LIKELY TAKE TIME UNTIL A CONSENSUS IS REACHED ON A SPECIFIC PLAN.

DIFFERENCE STRESSED BETWEEN PRIME MINISTERQS AND LDPQS PANELS ON ADMINISTRATION REFORM (NIHON KEIZAI - PAGE 2)

THE ADMINISTRATIVE REFORM PROMOTION HEADQUARTERS (CHAIRERD

BY KOKO SATO) OF THE LIBERAL DEMOCRATIC PARTY WILL START FULL-SCALE DISCUSSIONS UNDER A NEW SYSTEM. ITS POLICY LINE FOR THE TIME BEING IS TO GO AHEAD WITH A "ONE-POINT-BREAKTHROUGH FORMULA" (SENIOR MEMBER), THAT IS TO SAY, TURNING INTO A CONCRETE PLAN THE SCRAP-AND-BUILD REORGANIZATION OF SPECIAL CORPORATIONS (TOKUSHU HOJIN), PUBLIC CORPORATIONS (KOSHA AND KODAN). FOR A START, IT WILL CONDUCT A FACT-FINDING SURVEY OF TOKUSHU HOJIN.

THE ADMINISTRATIVE REFORM HEADQUARTERS ESTABLISHED THE FOLLOWING FIVE COMMITTEES AFTER THE GENERAL ELECTION: "DEREGULATION," "DECENTRALIZATION AND LOCAL ADMINISTRATIVE REFORM," "FISCAL REFORM," "STUDIES ON UNCLAS SECTION 06 OF 06 TOKYO 010976

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 DECEMBER 2

PUBLIC UTILITIES RATES, ETC." AND ADMINISTRATIVE ORGANIZATIONS AND PUBLIC SERVANTS SYSTEM." A POWERFUL CAMP ARRANGEMENT HAS BEEN SET UP, APPOINTING THREE FORMER PRIME MINISTERS -- YASUHIRO NAKASONE, NOBORU TAKESHITA AND KIICHI MIYAZAWA -- TO THE NEWLY ESTABLISHED POSTS OF SUPREME ADVISORS AND INSTALLING TOP-LEVEL PERSONNEL OF THE FORMER FACTIONS AS DEPUTY HEADQUARTERS CHIEFS SO THAT THE NEW SYSTEM WILL BE ABLE TO "HAVE AUTHORITY" OVER THE PARTY.

AT AN OFFICERS' MEETING HELD ON NOVEMBER 28, WHICH WAS IN EFFECT THE FIRST MEETING OF THE REVAMPED HEADQUARTERS, SATO STATED, "WE WOULD LIKE TO GRASP THE REAL STATE OF PUBLIC CORPORATIONS. IN ORDER FOR THAT, WE WILL ASK 22 CENTRAL GOVERNMENT AGENCIES TO CONDUCT A SURVEY OF THE NUMBER OF TOKUSHU HOJIN, KOSHA AND KODAN UNDER THEIR WINGS, AND THE OBJECTIVES OF, THE REAL STATE OF AND THE OUTLOOK FOR SUCH CORPORATIONS." THE LDP-SPONSORED ADMINISTRATIVE REFORM HEADQUARTERS WANTS TO PLAY UP ITS PRESENCE, BY STRESSING DIFFERENCES FROM THE "CONFERENCE ON ADMINISTRATIVE REFORM" -- AN ORGAN THAT LOOKS INTO THE POSSIBILITY OF REORGANIZING CENTRAL GOVERNMENT AGENCIES UNDER THE DIRECT CONTROL OF THE PRIME MINISTER THROUGH EXPEDITION OF THE CONSOLIDATION AND REALIGNMENT OF TOKUSHU HOJIN, WHICH ARE "PROVIDING A COVER FOR THE BUREAUCRATIC SYSTEM" REGARDING PERSONNEL EXCHANGES, SUCH AS AMAKUDARI PRACTICES (OFFICIALS RETIRING TO INFLUENTIAL QUASI-GOVERNMENTAL INSTITUTIONS) AND BUDGETARY MATTERS. HOWEVER, A NUMBER OF PARTICIPANTS POINTED OUT AT THE OFFICERS' MEETING ON THE 28TH, "WE SHOULD CLARIFY WHAT WE

ARE GOING TO DO, BY DRAWING A CLEAR DEMARCATION LINE WITH THE CONFERENCE ON ADMINISTRATIVE REFORM."

AT THE SAME MEETING, SATO, REFERRING TO THE ISSUE OF DEREGULATION, UNDERScoreD, "I AM FOR EXPEDITING DEREGULATION, BUT IF SUCH AN EFFORT DIRECTED AT PROVISIONAL DISTRICTS STRAIGHTWAY, CHANCES ARE THAT SOME MEDIUM AND SMALL-SIZED STORES MIGHT BE TAKEN OVER, FOR INSTANCE, BY SUPERMARKETS; THEY WILL FIND IT DIFFICULT TO RUN BUSINESS." THE STATEMENT IS IN CONSIDERATION OF MEDIUM AND SMALL-SIZED COMPANIES THAT SUPPORT THE LDP. AS IT STANDS, SOME HAVE ALREADY POINTED OUT, "WE MIGHT NOT BE ABLE TO CARRY OUT DEREGULATION, FETTERED BY THE RELATIONSHIP OF INTERESTS WITH INDUSTRIAL CIRCLES."

CRANE

**SECT:** SECTION: 01 OF 06

<^SECT>SECTION: 02 OF 06

<^SECT>SECTION: 03 OF 06

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**SSN:** 0976

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**DIST:**

SIT: NSC

# Withdrawal/Redaction Marker

## Clinton Library

| DOCUMENT NO.<br>AND TYPE | SUBJECT/TITLE                                 | DATE       | RESTRICTION |
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| 007. cable               | Re: Digest Executive Edition 228-96 (8 pages) | 12/03/1996 | P1/b(1)     |

### COLLECTION:

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Jan 1995-Dec 1996 ([Futenma])  
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### FOLDER TITLE:

[11/26/1996 - 12/03/1996]

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### RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

# Cable

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**PREC:** IMMEDIATE

**CLASS:** UNCLASSIFIED

**LINE1:** OAAUZYUW RUEHCAA7068 3380016-UUUU--RHEHNSC.

**LINE2:** ZNR UUUUU ZZH ZEX

**LINE3:** O P 030014Z DEC 96

**LINE4:** FM SECSTATE WASHDC

**OSRI:** RUEHC

**DTG:** 030014Z DEC 96

**ORIG:** SECSTATE WASHDC

**TO:** ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS IMMEDIATE

RUEHKOF/AMCONSUL FUKUOKA IMMEDIATE 7023

RUEHGZ/AMCONSUL GUANGZHOU IMMEDIATE 0514

RUEHKON/AMCONSUL NAGOYA IMMEDIATE 0617

RUHBBMA/AMCONSUL NAHA IMMEDIATE 0573

RUEHOK/AMCONSUL OSAKA KOBE IMMEDIATE 3251

RUATNPP/AMCONSUL PUSAN IMMEDIATE 4506

RUEHKOS/AMCONSUL SAPPORO IMMEDIATE 6043

RUESLE/AMCONSUL SHANGHAI IMMEDIATE 7381

RUEHSH/AMCONSUL SHENYAG IMMEDIATE 6735

RHEHNSC/NSC WASHDC PRIORITY 5270

RUEHIA/USIA WASHDC PRIORITY 3172

RUCNDT/USMISSION USUN NEW YORK PRIORITY 7083

**INFO:** RUEHOL/AMEMBASSY BONN PRIORITY 3528

RUEHGV/USMISSION GENEVA PRIORITY 8028

RUEHLO/AMEMBASSY LONDON PRIORITY 0586

RUEHLE/AMEMBASSY LUXEMBOURG PRIORITY 8241

RUEHMO/AMEMBASSY MOSCOW PRIORITY 8549

RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3373

RUEHFR/AMEMBASSY PARIS PRIORITY 1464

RHHMBRA/CINCPACFLT PEARL HARBOR HI PRIORITY

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

RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY

RUWTNOK/HQ USSPACECOM PETERSON AFB CO//POLAD// PRIORITY

RUEHVEN/USMISSION USVIENNA PRIORITY 8130

**SUBJ:** DECEMBER 2 PRESS GUIDANCE FOR THE EAP REGION

ALL POSTS -- ALSO FOR USIS

SECDEF -- ALSO FOR OASD/PA

USCINCPAC FOR FPA TEARE

**TEXT:**

UNCLAS SECTION 01 OF 05 STATE 247068

USIA FOR EA; TOKYO FOR USIS/YAMAUCH MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: PREL OPRC XE US

SUBJECT: DECEMBER 2 PRESS GUIDANCE FOR THE EAP REGION

ALL POSTS -- ALSO FOR USIS  
 SECDEF -- ALSO FOR OASD/PA  
 USCINCPAC FOR FPA TEARE  
 USVIENNA FOR UNVIE  
 PARIS FOR ZEYA  
 BEIJING -- PASS CHENGDU

1. INDEX

-- CHINA: NUCLEAR COOPERATION WITH PAKISTAN (PARAS 2-3)  
 -- SOUTH KOREA: NONPROLIFERATION TALKS (PARAS 2 AND 4)  
 -- PHILIPPINES: MURDER OF U.S. CITIZEN (PARAS 5-6)  
 -- CAMBODIA: THREAT TO EMBASSY (PARAS 5 AND 7)  
 -- JAPAN: OKINAWA AGREEMENT (PARAS 5 AND 8)  
 -- CONTINGENCY GUIDANCE: INSCRIPTION OF HIROSHIMA PEACE  
 MEMORIAL TO WORLD HERITAGE LIST (PARAS 5 AND 9)

2. THE FOLLOWING PRESS GUIDANCES WERE PREPARED ON  
 12/2/96. AT THE BRIEFING THAT DAY, SPOKESMAN NICHOLAS  
 BURNS USED THE ANSWER IN PARA 3, EXCEPT THE FIRST TICK.  
 HE ALSO USED THE FIRST AND LAST ANSWER IN PARA 4. THE  
 REMAINDER MAY BE USED ON AN IF ASKED BASIS.

3. CHINA: NUCLEAR COOPERATION WITH PAKISTAN

Q. WHAT DO YOU THINK ABOUT CHINA'S STATEMENT THAT IT  
 WOULD CONTINUE TO COOPERATE WITH PAKISTAN ON NUCLEAR  
 ENERGY FOR PEACEFUL PURPOSES?

A. ON MAY 11, CHINA PUBLICLY STATED ITS POLICY THAT  
 IT WOULD NOT PROVIDE ASSISTANCE TO UNSAFEGUARDED  
 NUCLEAR FACILITIES.

-- OUR CURRENT INFORMATION DOES NOT PROVIDE A BASIS  
 FOR CONCLUDING THAT CHINA HAS ACTED INCONSISTENTLY  
 WITH ITS MAY 11TH STATEMENT. WE EXPECT THAT IT  
 WILL CONTINUE TO ADHERE TO ITS POLICY.

-- NONETHELESS, CHINA HAS ANNOUNCED THAT IT WILL  
 CONTINUE ITS SUPPORT FOR NUCLEAR POWER REACTORS  
 UNDER IAEA SAFEGUARDS, INCLUDING THOSE IN PAKISTAN.

-- AS A MATTER OF LONG-STANDING POLICY, THE U.S. DOES  
 NOT PARTICIPATE IN OR ENCOURAGE NUCLEAR  
 COOPERATION WITH PAKISTAN, INCLUDING WITH  
 SAFEGUARDED FACILITIES.

4. SOUTH KOREA: STATUS OF NONPROLIFERATION TALKS WITH  
 U.S.

Q. ARE WE HOLDING MISSILE NONPROLIFERATION TALKS WITH  
 SOUTH KOREA?

A. THE THIRD ROUND OF THE U.S.-ROK TASK FORCE ON  
 NONPROLIFERATION IS BEING HELD IN WASHINGTON  
 DECEMBER 2-3.

-- THE ROK DELEGATION IS LED BY MOFA NORTH AMERICA  
BUREAU DIRECTOR GENERAL YU MYUNG HWAN, AND DEPUTY  
UNCLAS SECTION 02 OF 05 STATE 247068

USIA FOR EA; TOKYO FOR USIS/YAMAUCH MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: PREL OPRC XE US

SUBJECT: DECEMBER 2 PRESS GUIDANCE FOR THE EAP REGION

ASSISTANT SECRETARY OF STATE FOR NONPROLIFERATION  
ROBERT EINHORN IS LEADING THE TALKS FOR THE UNITED  
STATES.

-- THE ROK AND THE U.S. ARE CONTINUING DISCUSSIONS ON  
ISSUES OF COMMON CONCERN, INCLUDING BILATERAL AND  
MULTILATERAL COOPERATION ON THE NONPROLIFERATION  
OF MISSILES AND WEAPONS OF MASS DESTRUCTION, OUR  
SHARED OBJECTIVE OF ROK MEMBERSHIP IN THE MISSILE  
TECHNOLOGY CONTROL REGIME, AND IMPLEMENTATION OF  
THE CHEMICAL WEAPONS CONVENTION.

Q. WILL SOUTH KOREA BE JOINING THE MTCR SOON?

A. THE U.S. BELIEVES ROK MEMBERSHIP IN THE MISSILE  
TECHNOLOGY CONTROL REGIME (MTCR) WILL STRENGTHEN  
THE REGIME AND OUR SHARED NONPROLIFERATION  
EFFORTS. WE CONTINUE TO WORK WITH THE ROK IN  
SUPPORT OF ROK MEMBERSHIP.

Q. WILL THE U.S. BE REDUCING RESTRICTIONS ON ROK MISSILE  
PROGRAMS, AS CLAIMED BY THE WASHINGTON TIMES?

A. THE U.S. BELIEVES SOUTH KOREAN MEMBERSHIP IN THE  
MTCR UNDER THE MTCR AND U.S. NATIONAL CRITERIA FOR  
MEMBERSHIP WOULD BE BENEFICIAL TO OUR  
NONPROLIFERATION EFFORTS.

Q. THE WASHINGTON TIMES CLAIMED THAT SPY-SATELLITE  
PHOTOGRAPHS TAKEN IN MID-AUGUST REVEALED PREPARATIONS FOR  
A TEST OF A LONG-RANGE CRUISE MISSILE. IS THIS TRUE?

A. WE DO NOT COMMENT ON ALLEGED INTELLIGENCE  
INFORMATION.

5. THE FOLLOWING PRESS GUIDANCES, ALSO PREPARED ON  
12/2/96, WERE NOT USED AT THE BRIEFING. POSTS MAY DRAW  
FROM THEM ON AN IF ASKED BASIS.

6. PHILIPPINES: MURDER OF U.S. CITIZEN JEROME GOODMAN

Q. WHAT CAN YOU TELL US ABOUT JEROME GOODMAN, AN  
AMERICAN CITIZEN WHO WAS MURDERED LAST MONTH IN THE  
PHILIPPINES?

A. U.S. CITIZEN JEROME F. GOODMAN DIED ON NOVEMBER 8,  
AFTER BEING SHOT AT MOALBOAL, CEBU, PHILIPPINES.

POLICE HAVE MADE SEVERAL ARRESTS AND IDENTIFIED FIVE SUSPECTS IN THE CASE INCLUDING MAYOR MARCELO ABRENICA OF MOALBOAL.

-- THE U.S. GOVERNMENT APPRECIATES THE VIGOROUS EFFORTS OF THE PHILIPPINE AUTHORITIES TO ADDRESS THIS SITUATION. THE PHILIPPINE NATIONAL POLICE INFORMED THE AMBASSADOR IN WRITING IMMEDIATELY UPON LEARNING OF THE DEATH OF MR. GOODMAN.

-- THE UNITED STATES GOVERNMENT TRUSTS THAT JUSTICE WILL BE SERVED.

-- THE EMBASSY IS IN CLOSE CONTACT WITH THE FAMILY AND RELEVANT GOVERNMENT OFFICIALS REGARDING THIS CASE.

UNCLAS SECTION 03 OF 05 STATE 247068

USIA FOR EA; TOKYO FOR USIS/YAMAUCH MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: PREL OPRC XE US

SUBJECT: DECEMBER 2 PRESS GUIDANCE FOR THE EAP REGION

-- THE EMBASSY WILL MONITOR THE INVESTIGATION OF THIS INCIDENT. A U.S. CONSUL TRAVELED TO THE CEBU AREA NOVEMBER 13-14 TO VISIT THE MURDER SITE AND TO MEET WITH FAMILY AND GOVERNMENT OFFICIALS ABOUT THIS CASE.

-- PRELIMINARY REPORTS SUGGEST THAT THIS KILLING WAS THE RESULT OF A PERSONAL DISPUTE AND THAT IT DOES NOT REFLECT AN INCREASED GENERAL SECURITY THREAT FOR U.S. CITIZENS IN THE PHILIPPINES.

7. CAMBODIA: THREAT TO EMBASSY

Q. THERE HAVE BEEN REPORTS OF A THREAT TO EMBASSIES IN CAMBODIA, INCLUDING THE U.S. EMBASSY. WHAT IS BEING DONE ABOUT THIS?

A. THE ROYAL GOVERNMENT OF CAMBODIA WARNED THE U.S. EMBASSY ON DECEMBER 1 OF THE POSSIBILITY OF VIOLENCE DIRECTED AT OUR EMBASSY OR ONE OF THREE OTHER EMBASSIES OVER THE WEEKEND. THE THREAT WAS APPARENTLY AIMED AT EMBASSY BUILDINGS, NOT AT AMERICANS OR OTHER FOREIGNERS. THE U.S. EMBASSY IMMEDIATELY TOOK APPROPRIATE PRECAUTIONS. THE CAMBODIAN GOVERNMENT HAS STEPPED UP SECURITY AT THE U.S. EMBASSY.

-- THE U.S. EMBASSY IN PHNOM PENH HAS REPORTED NO UNUSUAL INCIDENTS AS OF DECEMBER 2. WE DO NOT HAVE ANY ADDITIONAL INFORMATION AT THIS TIME ABOUT THE NATURE OF THE THREAT.

8. FINAL REPORT OF THE SPECIAL ACTION COMMITTEE ON OKINAWA

SACO FINAL REPORT ON FUTENMA  
DECEMBER 2, 1996

HIGHLIGHTS

A. IN THE FINAL REPORT, THE U.S. AND JAPAN AGREED ON TERMS TO RETURN APPROXIMATELY 21 PERCENT -- OVER 12,000 ACRES -- OF ALL LAND USED BY U.S. BASES ON OKINAWA.

B. THIS REPRESENTS THE LARGEST AMOUNT OF LAND RETURNED TO JAPAN SINCE REVERSION OF OKINAWA IN 1972.

C. THE FINAL REPORT SPELLS OUT THE TIME TABLE FOR THE RETURN OF LAND: 6 AREAS WILL BE RETURNED WITHIN FIVE YEARS; 2 WITHIN SEVEN YEARS, AND 2 BY THE YEAR 2008.

D. THE SECURITY SUBCOMMITTEE WILL OVERSEE IMPLEMENTATION OF THE FINAL REPORT, AND ENSURE THAT THE RETURN OF LAND STAYS ON TRACK.

E. FUTENMA MARINE CORPS AIR STATION OCCUPIES OVER 481 HECTARES OF LAND IN THE DENSELY POPULATED CITY OF GINOWAN. IT IS AN IMPORTANT CENTER OF U.S. MARINE FORWARD DEPLOYMENT IN THE REGION, ENABLING TROOPS TO REACT QUICKLY TO CRISES IN TIMES OF PEACE AND CONFLICT.

THE U.S. AND JAPAN:

UNCLAS SECTION 04 OF 05 STATE 247068

USIA FOR EA; TOKYO FOR USIS/YAMAUCH MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: PREL OPRC XE US

SUBJECT: DECEMBER 2 PRESS GUIDANCE FOR THE EAP REGION

- AGREED TO MAKE A DETAILED IMPLEMENTATION PLAN WITHIN ONE YEAR, AND TO RETURN FUTENMA, AFTER ADEQUATE REPLACEMENT FACILITIES ARE COMPLETED, WITHIN 5 TO 7 YEARS.
- WILL SEEK TO BUILD A SEA BASED FACILITY -- A CREATIVE SOLUTION USING ADVANCED BASING CONCEPTS -- TO ABSORB MOST OF THE HELICOPTER OPERATIONAL FUNCTIONS OF FUTENMA AIR STATION.
- WILL TAKE INTO ACCOUNT THE IMPACT OF THE NEW FACILITY ON THE ENVIRONMENT AND LOCAL COMMUNITY.
- WILL ALSO ENSURE THAT THE U.S. MARINE'S CRITICAL MILITARY AND OPERATIONAL CAPABILITIES WE NOW HAVE AT FUTENMA WILL BE MAINTAINED.
- WILL LOCATE THE NEW FACILITY BASED ON PRINCIPLES OUTLINED IN THE FINAL REPORT, AND WILL KEEP LOCAL COMMUNITIES INFORMED.

F. IMPROVEMENT TO STATUS OF FORCES AGREEMENT (SOFA)

PROCEDURES ANNOUNCE IN THE FINAL REPORT -- ACCESS TO U.S. FACILITIES, QUARANTINE PROCEDURES, ACCIDENT REPORTS, ETC. -- WILL ENHANCE OPENNESS AND BUILD TRUST BETWEEN THE U.S. MILITARY AND THEIR NEIGHBORS, NOT ONLY IN OKINAWA BUT JAPAN-WIDE.

G. THE FINAL REPORT ANNOUNCES TWO NEW INITIATIVES THAT EXCEED OUR GOALS SET OUT LAST APRIL: THE U.S. ELECTED TO HAVE ALL PERSONNEL UNDER THE SOFA OBTAIN SUPPLEMENTAL AUTO INSURANCE BEGINNING JANUARY 1997; THE GOVERNMENT OF JAPAN DEVELOPED A SYSTEM FOR ADVANCE PAYMENT OF LEGAL CLAIMS, WHEN WARRANTED.

9. CONTINGENCY GUIDANCE

INSCRIPTION OF THE HIROSHIMA PEACE MEMORIAL, GENBAKU DOME  
TO THE WORLD HERITAGE LIST

WORLD HERITAGE COMMITTEE  
(MERIDA, MEXICO, DECEMBER 2-7)

Q. IS THE WORLD HERITAGE COMMITTEE PLANNING TO INSCRIBE HIROSHIMA ON THE WORLD HERITAGE LIST OF SITES OF UNIVERSAL CULTURAL OR NATURAL SIGNIFICANCE.

A. THE JAPANESE GOVERNMENT'S NOMINATION OF THE HIROSHIMA GENBAKU DOME SITE MET THE TECHNICAL REQUIREMENTS TO BE ACCEPTABLE TO THE WORLD HERITAGE COMMITTEE'S PROFESSIONAL CONSULTING BODY, THE INTERNATIONAL COUNCIL ON MONUMENTS AND SITES (ICOMOS). THE 21-MEMBER WORLD HERITAGE COMMITTEE IS EXPECTED TO DECIDE AT ITS MEETING IN MERIDA, MEXICO, DECEMBER 2-7, THAT THE GENBAKU DOME, LOCATED IN HIROSHIMA, JAPAN, SHOULD BE INSCRIBED ON THE WORLD HERITAGE LIST.

Q. DID THE UNITED STATES SUPPORT THE INSCRIPTION OF THE HIROSHIMA SITE?

A. NO. WE CONSIDER WAR-RELATED SITES TO BE OUTSIDE THE SCOPE OF THE CONVENTION. THEY ARE INHERENTLY UNCLAS SECTION 05 OF 05 STATE 247068

USIA FOR EA; TOKYO FOR USIS/YAMAUCH MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: PREL OPRC XE US

SUBJECT: DECEMBER 2 PRESS GUIDANCE FOR THE EAP REGION

CONTROVERSIAL. WE RECOMMENDED TO THE COMMITTEE THAT A POLICY BE DEVELOPED THAT WILL CLOSE THE DOOR TO FUTURE WAR SITE INSCRIPTIONS, AND WE EXPECT THAT THE COMMITTEE WILL TAKE APPROPRIATE ACTION.

-- THE UNITED STATES DECIDED THAT IT COULD NOT SUPPORT THE NOMINATION. WE STATED OUR VIEWS TO THE JAPANESE AND TO OTHERS ON SEVERAL OCCASIONS.

AT THE COMMITTEE MEETING IN MERIDA, WE DO NOT  
INTEND TO JOIN IN THE DECISION TO LIST THE SITE.

Q. HOW HAS OUR POSITION AFFECTED OUR RELATIONS WITH  
JAPAN?

A. NOT AT ALL. OUR BILATERAL RELATIONS REMAIN  
STRONG. THE UNITED STATES AND JAPAN ARE CLOSE  
FRIENDS AND ALLIES. WE COOPERATE ON A BROAD RANGE  
OF SECURITY, DIPLOMATIC, INTERNATIONAL, AND  
ECONOMIC ISSUES. OUR STRONG BILATERAL TIES ARE  
FURTHER ENRICHED BY DEEP PERSONAL FRIENDSHIPS  
BETWEEN MANY AMERICANS AND JAPANESE.

Q. DOES THE U.S. SUPPORT THE WORLD HERITAGE CONVENTION?

A. YES. THE UNITED STATES GOVERNMENT REGARDS THE  
WORLD HERITAGE CONVENTION AS AN IMPORTANT  
CONSERVATION TOOL. NATURAL AND CULTURAL SITES OF  
OUTSTANDING AND UNIVERSAL IMPORTANCE ARE NOMINATED  
TO THE WORLD HERITAGE LIST -- AT THE REQUEST OF  
THE COUNTRY OF JURISDICTION -- TO CALL ATTENTION  
TO THE NEED TO PROTECT HUMANKIND'S COMMON  
HERITAGE. THE WORLD HERITAGE LIST INCLUDES ANGKOR  
WAT IN CAMBODIA, THE PYRAMIDS, THE TAJ MAHAL, AND,  
WITH USG SUPPORT, INDEPENDENCE HALL IN  
PHILADELPHIA.

BACKGROUND: THE CONVENTION CONCERNING THE PROTECTION OF  
THE WORLD CULTURAL AND NATURAL HERITAGE (WORLD HERITAGE  
CONVENTION) WAS ADOPTED IN 1972. THE UNITED STATES  
INITIATED AND LED THE DEVELOPMENT OF THE TREATY AND WAS  
THE FIRST NATION TO RATIFY IT (1973). THE CONVENTION NOW  
HAS 146 MEMBER NATIONS AND OPERATES THROUGH THE 21-MEMBER  
WORLD HERITAGE COMMITTEE. ITS PURPOSE IS TO IDENTIFY AND  
LIST NATURAL AND CULTURAL SITES AND MONUMENTS CONSIDERED  
TO BE OF SUCH EXCEPTIONAL INTERNATIONAL INTEREST AND SUCH  
UNIVERSAL VALUE THAT THEIR PROTECTION IS THE  
RESPONSIBILITY OF ALL MANKIND. EACH COUNTRY SIGNING THE  
CONVENTION PLEDGES TO PROTECT LISTED SITES AND MONUMENTS  
WITHIN ITS BORDERS AND REFRAIN FROM ACTIVITIES WHICH HARM  
WORLD HERITAGE SITES IN OTHER COUNTRIES. IN RETURN, THE  
INTERNATIONAL COMMUNITY AGREES TO HELP PROTECT THEM  
THROUGH THE WORLD HERITAGE COMMITTEE AND FUND. (NOTE:  
AUSCHWITZ AND THE WARSAW HISTORIC CENTER ARE THE ONLY  
OTHER WAR-RELATED SITES ON THE WORLD HERITAGE LIST.)

CHRISTOPHER

SECT: SECTION: 01 OF 05

<^SECT>SECTION: 02 OF 05

<^SECT>SECTION: 03 OF 05

<^SECT>SECTION: 04 OF 05

<^SECT>SECTION: 05 OF 05

SSN: 7068

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**DIST:**  
SIT: KRISTOFF PRITCHARD SUETTINGER URIU  
SIT: NSC

# Cable

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PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHKO1025 3380253-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 030253Z DEC 96

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 030253Z DEC 96

ORIG: AMEMBASSY TOKYO

TO: RUEHIA/USIA WASHDC IMMEDIATE 2206  
RUEHC/SECSTATE WASHDC IMMEDIATE 0278

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

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS DECEMBER 3

TEXT:

UNCLAS SECTION 01 OF 06 TOKYO 011025

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 DECEMBER 3

TOP HEADLINES:

ASAHI: WORLD-WIDE-USE NEXT-GENERATION PORTABLE PHONES:  
POSTS AND TELECOMMUNICATIONS MINISTRY WORKING IN CLOSER  
COOPERATION WITH CHINA, ROK FOR DEVELOPMENT, COMPETING  
WITH EUROPE, U.S. FOR LEAD

NIHON KEIZAI: SETTLEMENT OF ACCOUNTS AMONG BANKS: BANK  
OF JAPAN TO ADOPT A SPOT SETTLEMENT SYSTEM BY THE YEAR  
2000; IN EFFORT TO BLOCK CHAIN-REACTION BANKRUPTCIES; IN  
PREPARATION FOR JAPANESE-VERSION "BIG BANG"

TOKYO SHIMBUN: "SENKAKUS" COVERED BY U.S.-JAPAN SECURITY TREATY; U.S. SECRETARY OF DEFENSE HINTS; MAY ALSO INDICATE THAT TO CHINESE SIDE (TRANSLATION BELOW)

MAINICHI: FORMER VICE MINISTER OKAMITSU'S BACKING STRESSED IN CONNECTION WITH CONSTRUCTION OF A FACILITY BY AYA WELFARE GROUP; SUSPECT CHATANI "HAD GUARANTEED 3 BILLION YEN IN SUBSIDIES" TO AGEO CITY

YOMIURI: MANAGEMENT AND COORDINATION AGENCY WILL START FULL-FLEDGED ADMINISTRATIVE INSPECTION OF SPECIAL CORPORATIONS (TOKUSHU HOJIN) THIS MONTH; MAY ADVISE DISCONTINUATION OF BUSINESSES; INSUFFICIENT CORPORATIONS WILL BE ADVISED TO TRANSFER THEIR BUSINESSES INTO THE PRIVATE SECTOR

SANKEI: DELETION OF "MILITARY COMFORT WOMEN" DEMANDED BY THE JUST-LAUNCHED "FORUM FOR CREATING NEW HISTORY TEXTBOOK"; 78 MEMBERS COMING FROM JOURNALISM AND ECONOMIC CIRCLES PARTICIPATE IN IT (TRANSLATION BELOW)

DEFENSE SECRETARY TO PRIME MINISTER: CHINA ALSO BENEFITS FROM U.S.-JAPAN SECURITY ALLIANCE (MAINICHI - PAGE 2)

UNITED STATES DEFENSE SECRETARY WILLIAM PERRY MET YESTERDAY WITH PRIME MINISTER RYUTARO HASHIMOTO IN THE PRIME MINISTER'S OFFICE. TOUCHING ON CHINA'S CONCERN ABOUT THE JAPAN-U.S. SECURITY ARRANGEMENT, THE SECRETARY REMARKED: "THE U.S.-JAPAN ALLIANCE IS THE FOUNDATION THAT BROUGHT ABOUT STABILITY AND PROSPERITY IN ASIA. NOT ONLY JAPAN AND THE U.S. BUT ALSO CHINA HAS BEEN ENJOYING BENEFITS FROM THE JAPAN-U.S. SECURITY ARRANGEMENT." THE SECRETARY ALSO INDICATED THAT HE WOULD TRANSMIT SUCH A VIEW TO CHINESE DEFENSE MINISTER DING HENGGAO, WHO IS SLATED TO TRAVEL TO THE U.S. IN RESPONSE, PRIME MINISTER HASHIMOTO INDICATED THAT THERE IS NOTHING CHINA SHOULD WORRY ABOUT, REMARKING, "WE ARE NOT CARRYING OUT THE WORK TO REVISE THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION BECAUSE WE SEE CHINA AS OUR ADVERSARY." (SHIGERU SAKURAI)

U.S. EXPECTS ALLIANCE RELATIONSHIP TO BE FURTHER STRENGTHENED WITH FUTENMA ISSUE OVER (YOMIURI - PAGE 3)

(WASHINGTON, DECEMBER 2, KOICHI AKAZA) FOLLOWING THE ISSUING OF THE FINAL REPORT BY THE SPECIAL ACTION COMMITTEE ON OKINAWA (SACO), THE UNITED STATES GOVERNMENT NOW TAKES THE VIEW: "FROM NOW ON THE JAPANESE GOVERNMENT WILL TAKE THE INITIATIVE IN IMPLEMENTING THE REPORT AND WE WILL EXTEND SUPPORT" (ACTING ASSISTANT UNDERSECRETARY OF DEFENSE CURT CAMPBELL). THE U.S. GOVERNMENT OFFICIAL'S REMARK STEMS FROM THE RECOGNITION THAT THE FOCUS OF THE OKINAWA PROBLEM HAS SHIFTED JAPAN-U.S. CONSULTATIONS TO DOMESTIC COORDINATION BETWEEN THE JAPANESE GOVERNMENT AND OKINAWA PREFECTURE.

IN THE CLINTON ADMINISTRATION, WHICH WILL ENTER THE

SECOND TERM IN NEXT JANUARY, SECRETARY OF DEFENSE PERRY, SECRETARY OF STATE CHRISTOPHER AND AMBASSADOR MONDALE -- ALL WHO HAVE TAKEN PART IN THE DRAFTING OF THE SACO'S REPORT -- HAVE ANNOUNCED THEIR RESIGNATIONS. SO THE LIKELIHOOD IS THAT ALL THE U.S. OFFICIALS IN CHARGE OF UNCLAS SECTION 02 OF 06 TOKYO 011025

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 DECEMBER 3

THE OKINAWA ISSUE WILL COMPLETELY BE REPLACED, INCLUDING WORKING-LEVEL OFFICIALS. WITH THE SACO'S FINAL REPORT, THE U.S. GOVERNMENT DESPERATELY WANTED TO WRAP UP THE ISSUE OF REALIGNING AND REDUCING U.S. BASES IN OKINAWA WHICH WAS STARTED OFF BY THE RAPE OF A LOCAL SCHOOLGIRL BY U.S. MARINE CORPS' SERVICEMEN IN SEPTEMBER 1995.

THEREFORE, ALTHOUGH THERE WAS A CAUTIOUS VIEW IN THE U.S. FORCES TOWARD AN OFFSHORE HELIPORT PLAN TO RELOCATE THE HELIPORT AT FUTENMA AIR STATION, THE U.S. GOVERNMENT HAS BOLDLY OPTED FOR THE SEA-BASED HELIPORT PLAN. THE U.S. SIDE HAS ALSO ACCEPTED THE JAPANESE SIDE'S ASSERTION THAT MOST FUNCTIONS OF FUTENMA AIR STATION SHOULD BE TRANSFERRED TO THE PLANNED OFFSHORE SITE ALTHOUGH IT HAD INSISTED ON A SMALL-SCALE RELOCATION OF THE FACILITIES TO A LAND SITE IN CONSIDERATION OF LIVING CONDITIONS FOR MARINE CORPS' PERSONNEL. THE U.S. GOVERNMENT HAS SHOWN THE UTMOST FLEXIBLE POSTURE.

IN THE U.S. GOVERNMENT, HOWEVER, DISSATISFACTION HAS GROWN TOWARD THE FACT THAT JAPAN-U.S. SECURITY CONSULTATIONS HAVE NOT PROGRESSED SINCE APRIL WHEN THE JOINT SECURITY DECLARATION WAS ISSUED. THE U.S. SIDE HAS PLACED IMPORTANCE TO STRENGTHENING COOPERATION BETWEEN U.S. FORCES AND THE JAPAN'S SELF-DEFENSE FORCES (SDF) BY REVIEWING THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION.

STRENGTHENING COOPERATION WITH ITS ALLIES IN ASIA, INCLUDING JAPAN, IS THE MAIN POLICY PILLAR OF THE SECOND CLINTON ADMINISTRATION, RANKING WITH IMPROVEMENT OF ITS TIES WITH CHINA. WITH THE KOREAN PENINSULA SITUATION IN MIND, THE U.S. GOVERNMENT NOW EXPECTS THAT A JAPAN-U.S. SECURITY DIALOGUE WILL NOW MOVE INTO FULL SWING.

REVISION OF DEFENSE COOPERATION GUIDELINES NOW MOVES TO FOREFRONT (NIHON KEIZAI - PAGE 2)

NOW THAT THE PROBLEM OF REALIGNING, CONSOLIDATING, AND REDUCING U.S. MILITARY BASES ON OKINAWA HAS BEEN PUT TO AN "END" (ACCORDING TO PRIME MINISTER RYUTARO HASHIMOTO) AT A JAPAN-U.S. SECURITY CONSULTATIVE COMMITTEE (2-PLUS-2) MEETING HELD ON DECEMBER 2, THE JAPANESE AND U.S. GOVERNMENTS ARE GOING TO CARRY OUT A FULL-FLEDGED REVIEW OF THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION. AS FOR THE PROBLEM OF CONSTRUCTING AN ALTERNATIVE HELIPORT FOR FUTENMA AIR STATION, HOWEVER, THE TWO GOVERNMENTS HAVE FAILED TO SPECIFY A CONSTRUCTION SITE AND METHOD IN SPITE OF THE TWO COUNTRIES' HAVING REACHED AN AGREEMENT ON AN OFFSHORE HELIPORT OPTION. THE QUESTION OF WHETHER OR NOT THE AIRFIELD CAN BE ACTUALLY RETURNED AS PLANNED IS LARGELY LEFT TO THE OUTCOME OF LOCAL COORDINATION, AND ITS FUTURE COURSE IS STILL UNFORESEEABLE.

"WE CAN'T DECIDE ON ANYTHING ABOUT A CONSTRUCTION SITE UNLESS WE TALK ABOUT IT WITH THE LOCAL SIDE AND THOSE CONCERNED." THE PRIME MINISTER SO ANSWERED A PRESS REPORTER'S QUESTION ON DECEMBER 2, AND THUS INDICATED THAT IN HIS VIEW IT WAS UNAVOIDABLE FOR THE JAPAN-U.S. SPECIAL ACTION COMMITTEE (ON FACILITIES AND AREAS IN OKINAWA) (SACO) TO GO NO FURTHER THAN TO SAY IN ITS FINAL REPORT THAT THE CONSTRUCTION SITE OF AN OFFSHORE HELIPORT WOULD BE "OFF THE EAST COAST OF THE MAIN ISLAND OF OKINAWA."

REGARDING THE QUESTION OF WHERE TO CONSTRUCT THE PLANNED OFFSHORE HELIPORT, THE JAPANESE AND U.S. GOVERNMENTS HAVE NOW ALREADY AGREED TO VIEW THAT "A SITE WITHIN THE OFFING OF CAMP SCHWAB IS LIKELY" (ACCORDING TO JAPAN DEFENSE AGENCY DIRECTOR GENERAL FUMIO KYUMA). ALL THE MORE BECAUSE A DECISION ON WHERE TO CONSTRUCT IT COULD AFFECT SUCH FUTURE SCHEDULES AS CONDUCTING FEASIBILITY STUDIES AND SELECTING A CONSTRUCTION METHOD, THE GOVERNMENT WOULD LIKE TO OBTAIN A GENERAL CONCURRENCE WITHIN THE YEAR, AND UNCLAS SECTION 03 OF 06 TOKYO 011025

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 DECEMBER 3

INTENDS TO DEVOTE ALL ITS ENERGIES TO CONVINCE OKINAWA PREFECTURE AND NAGO CITY ON THE LOCAL SIDE.

ON DECEMBER 3, THE GOVERNMENT WILL MAKE A CABINET DECISION ON A COURSE OF ACTION TO IMPLEMENT SUFFICIENT MEASURES FROM THE ASPECTS OF LEGISLATION AND EXPENDITURE IN ORDER TO EXPEDITE THE MEASURES INCORPORATED IN THE

## FINAL REPORT.

CONCERNING THE ISSUE OF REVIEWING THE GUIDELINES, U.S. SECRETARY OF DEFENSE PERRY UNDERScoreD AT THE 2-PLUS-2 MEETING ON DECEMBER 2 THAT IT IS "ONE OF THE MOST IMPORTANT ISSUES." AS SEEN FROM THIS, THE U.S. SIDE INDICATED THAT ITS INTEREST WAS GRADUALLY SHIFTING FROM THE OKINAWA BASE ISSUE TO THIS ISSUE.

JAPAN AND THE U.S. HAVE ALREADY AGREED TO INITIATE A REVIEW OF THE GUIDELINES IN THREE SEPARATE AREAS -- "COOPERATION IN PEACETIME," "ACTION TO COUNTER AN ARMED ATTACK ON JAPAN," AND "SITUATIONS THAT MAY EMERGE IN THE AREAS SURROUNDING JAPAN." MEANWHILE, FOCUS HAS BEEN ON THE QUESTION OF HOW TO DEAL WITH EMERGENCIES AROUND JAPAN, AND THE TWO COUNTRIES HAVE AGREED TO STUDY FIVE MATTERS: (1) HUMANITARIAN ASSISTANCE; (2) NON-COMBAT PERSONNEL EVACUATION; (3) U.S. FORCES' USE OF FACILITIES; (4) REAR SUPPORT FOR U.S. MILITARY OPERATIONS; AND (5) INTER-OPERABILITY BETWEEN THE SELF-DEFENSE FORCES AND U.S. FORCES.

IN APRIL OR MAY NEXT YEAR THE GOVERNMENT IS EXPECTED TO FINISH UP ITS WORK OF FERRETING OUT EVEN MORE DETAILED POINTS TO BE STUDIED, SO AS TO BE IN TIME FOR A NEW SET OF GUIDELINES IN THE FALL OF NEXT YEAR.

THE U.S. HAS BEEN HIGHLY INTERESTED IN RECEIVING REAR SUPPORT THROUGH SUCH ACTIVITIES AS TRANSPORTATION AND SUPPLIES, AND IS ALSO INTERESTED IN MAKING USE OF AIRPORTS AND OTHER COMMERCIAL FACILITIES. HOWEVER, JAPAN'S EXTENDING COOPERATION IN THESE AREAS WOULD HAVE SOMETHING CLOSKLY INTERTWINED WITH THE USE OF THE RIGHT OF COLLECTIVE SELF-DEFENSE (SHUDANTEKI JIEIKEN), WHICH HAS BEEN INTERPRETED AS A VIOLATION OF THE CONSTITUTION. THEREFORE, IT IS CERTAIN THAT THESE ISSUES WILL BECOME CONTROVERSIAL AT THE DIET DURING THE LATTER HALF OF ITS NEXT ORDINARY SESSION TO BE CALLED IN JANUARY OF THE COMING YEAR.

SOME IN THE SOCIAL DEMOCRATIC PARTY, AS WELL AS OKINAWA PREFECTURE, ARE NOW VOICING NEGATIVE REACTIONS AGAINST GOING INTO A FULL-FLEDGED DEBATE ON DEFENSE COOPERATION WHILE LEAVING THE OKINAWA BASE PROBLEM UNSETTLED. PARTLY FOR THIS REASON, THE BASE ISSUE, DEPENDING ON HOW IT WILL PROGRESS, MAY DELICATELY AFFECT SUCH A DEBATE.

GOVERNOR OTA SAYS OKINAWA FLEXIBLE ABOUT HELIPORT TRANSFER ISSUE (NIHON KEIZAI - PAGE 2)

MEETING THE PRESS AT THE PREFECTURAL OFFICE YESTERDAY, GOVERNOR OF OKINAWA MASAhide OTA IN REFERENCE TO THE PROBLEM OF A SITE PROPOSED FOR CONSTRUCTION OF A HELIPORT TO TAKE OVER ONE AT FUTENMA AIR STATIO OF U.S. FORCES -- THE ISSUE NOT INCLUDED IN THE FINAL REPORT OF THE JAPAN-U.S. SPECIAL ACTION COMMITTEE (SACO), NOTED, "PROVIDED THAT A DEPOPULATED AREA WISHES TO ACCEPT SUCH CONSTRUCTION FOR ECONOMIC DEVELOPMENT, IT IS QUESTIONABLE

WHETHER THE PREFECTURE IS ENTITLED TO REJECT THE WISH OF SUCH AN AREA." THIS IS THE STATEMENT MADE WITH A SITE OFF CAMP SCHWAB IN MIND, INDICATING THAT IF THE UNDERSTANDING OF THE MUNICIPALITIES CONCERNED IS OBTAINED, THE PREFECTURE WILL HANDLE THE ISSUE IN A FLEXIBLE WAY.

REGARDING THE FINAL SACO REPORT, THE GOVERNOR CITED, "I HIGHLY EVALUATE THE REPORT ON THE POINT THAT IT NOTES UNCLAS SECTION 04 OF 06 TOKYO 011025

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 DECEMBER 3

THAT MOST OF FACILITIES INCLUDED IN THE FIRST-STAGE (BY 2001) REVERSION LIST COMPILED BY THE PREFECTURE'S BASE REVERSION ACTION PROGRAM." AT THE SAME TIME, HE ADDED: (1) THERE IS STRONG RESISTANCE TO THE IDEA OF TRANSFERRING BASE FUNCTIONS WITHIN THE PREFECTURE, AND THE PREFECTURE WILL ACT IN ACCORDANCE WITH THE WILL OF THE PREFECTURAL CITIZENS; AND (2) THERE IS ALSO CONCERN AMONG PREFECTURAL CITIZENS ABOUT THE REVIEW OF THE GUIDELINES FOR JAPAN-U.S. DEFENSE THAT IT MIGHT LEAD TO THE STRENGTHENED FUNCTIONS OF U.S. FORCES MILITARY BASES.

REGARDING A REVIEW OF THE JAPAN-U.S. STATUS OF FORCES AGREEMENT (SOFA), HE EXPRESSED HIS DISSATISFACTION, "THE PREFECTURE'S REQUESTS ARE NOT BEING MET REGARDING AIRCRAFT NOISE, THE APPLICATION OF DOMESTIC LAWS FOR PROTECTION OF THE ENVIRONMENT, AND PENALTIES FOR CAUSING ACCIDENTS.

GOVERNMENT ESTIMATES COST OF NEW HELIPORT AT 200 BILLION YEN (TOKYOS HIMBUN - PAGE 1)

IN DEALING WITH THE RELOCATION PROBLEM OF THE UNTIED STATES FORCES' FUTENMA AIR STATION, THE GOVERNMENT DECIDED YESTERDAY ON ITS POLICY DIRECTION OF ADOPTING THE "PILE SUPPORTED PIER (MEGAFLOATING)-TYP} METHOD" TO CONSTRUCT AN OFFSHORE HELIPORT. UNDER THIS METHOD, THE DECK WILL BE SUPPORTED BY PILLARS. THE FINAL REPORT, RELEASED YESTERDAY BY THE JAPAN-U.S. SPECIAL ACTION COMMITTEE ON OKINAWA (SACO), DOES NOT SPECIFY NEITHER THE CONSTRUCTION PLACE NOR THE CONSTRUCTION METHOD, BUT (THE GOVERNMENT) INTENDS TO GO ON WITH COORDINATING VIEWS WITH OKINAWA PREFECTURE AND NAGO CITY, FOCUSING ON CONSTRUCTING IT OFF CAMP SCHWAB.

AS FOR THE CONSTRUCTION METHODS FOR AN OFFSHORE HELIPORT, THE REPORT CITES AS "TECHNICALLY FEASIBLE" THREE CONSTRUCTION METHODS, NAMELY, THE PILE SUPPORTED PIER TYPE, THE PONTOON TYPE AND THE SEMI-SUBMERSIBLE TYPE.

(THE GOVERNMENT) HAS FIRMED UP TO ADOPT THE PILE SUPPORTED PIER METHOD OF THE THREE. THE MAJOR REASONS ARE:

1. THE WATER NEAR THE CANDIDATE CONSTRUCTION SITE OFF CAMP SCHWAB IS SO SHALLOW THAT IT MAY BE RECLAIMED;
2. THE CONSTRUCTION COST COULD BE KEPT AT THE 200-BILLION-YEN LEVEL.

THE PONTOON METHOD TO INSTALL STEEL PONTOON TYPE UNITS WITHIN THE SEA WATER PROTECTED BY A BREAKWATER IS ALSO FIT FOR THE SHALLOW WATER OF 5 TO 25 METERS IN DEPTH, BUT (THE GOVERNMENT'S JUDGMENT) IS THAT "COMPARED WITH THE PILE SUPPORTED PIER METHOD, THE PONTOON METHOD IS MORE SUITABLE FOR THE DEEP WATER" (OFFICIAL OF THE JAPAN DEFENSE AGENCY).

PRIME MINISTER RYUTARO HASHIMOTO, WHO ANNOUNCED AN OFFSHORE HELIPORT PLAN IN SEPTEMBER, ALSO HAS MENTIONED THE PILE SUPPORTED PIER METHOD.

U.S. OFFICIAL: OFFSHORE HELIPORT SITE TO BE DECIDED IN TWO OR THREE MONTHS (MAINCHI - PAGM 3)

A HIGH-RANKING U.S. GOVERNMENT OFFICIAL MET THE JAPANESE PRESS YESTERDAY. IN IT, REFERRING TO THE JAPAN-U.S. SPECIAL ACTION COMMITTEE ON OKINAWA'S (SACO) FINAL REPORT CALLING FOR CONSTRUCTING AN OFFSHORE HELIPORT TO REPLACE FUTENMA AIR STATION, THE OFFICIAL INDICATED THAT THE FINAL DECISION ON THE HELIPORT SITE WOULD BE REACHED "WITHIN TWO OR THREE MONTHS. AT THE SAME TIME, HE REVEALED THAT THE JAPANESE GOVERNMENT WOULD DISCUSS SPECIFICS CLOSELY WITH RELEVANT OKINAWA OFFICIALS AND LOCAL RESIDENTS.

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USIA

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E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS DECEMBER 3

THE GOVERNMENTS OF JAPAN AND THE U.S. ARE IN ACCORD IN PRINCIPLE TO CONSTRUCT A HELIPORT OFF CAMP SCHWAB. BUT

IN ANTICIPATION OF LOCAL RESISTANCE, SACO'S FINAL REPORT ONLY WENT SO FAR AS TO MENTION "OFF THE EAST COAST OF MAINLAND OKINAWA" INSTEAD OF SPECIFYING ANY PARTICULAR SITE. THE U.S. OFFICIAL'S REMARKS HINTED AT U.S. EXPECTATIONS TOWARD THE JAPANESE GOVERNMENT OBTAINING UNDERSTANDING FROM LOCAL RESIDENTS TO SETTLE THE ISSUE FORMALLY AROUND THE INAUGURATION OF THE SECOND CLINTON ADMINISTRATION (JANUARY 20 NEXT YEAR).

ADDITIONALLY, REFERRING TO THE PROBLEM OF SOVEREIGNTY OVER SENKAKU ISLANDS, OVER WHICH JAPAN AND CHINA ARE LOCKING HORNS, THE OFFICIAL NOTED CATEGORICALLY: "WE HOPE THAT THE TWO COUNTRIES WILL CARRY OUT DIALOGUES PEACEFULLY AND PRODUCTIVELY." THE OFFICIAL CONTINUED REGARDING WHETHER SENKAKU ISLANDS WOULD BE COVERED BY THE U.S.-JAPAN SECURITY TREATY: "OUR INTERNATIONAL PLEDGE IS CLEAR. YOU CAN TRUST US FULLY IN THE PROSPECT OF LIVING UP TO WHAT WE SIGNED 100 PERCENT." (HIROSHI KOMATSU)

PERRY: SENKAKUS FALL UNDER THE TREATY  
(TOKYO SHIMBUN - TOP PLAY)

UNITED STATES SECRETARY OF DEFENSE WILLIAM PERRY, NOW VISITING JAPAN, GAVE AN INTERVIEW TO THE JAPANESE PRESS CORPS YESTERDAY AT THE U.S. EMBASSY. REGARDING THE SENKAKU ISLANDS ISSUE, WHICH HAS CREATED DISCORD BETWEEN JAPAN AND SEVERAL COUNTRIES, INCLUDING CHINA AND THE REPUBLIC OF KOREA, HE WAS ASKED IF THOSE ISLES ARE COVERED BY THE U.S.-JAPAN SECURITY TREATY. HE ANSWERED: "I KNOW THAT THE JAPANESE PEOPLE HAVE NO DOUBTS ABOUT THE U.S.' OBSERVING THE TREATY, SO THAT IS WHAT IT IS." HE INDICATED, ALBEIT INDIRECTLY, THAT IN HIS VIEW, THOSE ISLANDS FALL UNDER THE TREATY.

IN ADDITION, HE HINTED HE MIGHT INDICATE THAT VIEWPOINT, AS THE NEED ARISES, TO CHINESE DEFENSE MINISTER CHI HAOTIAN, WHO LEFT YESTERDAY FOR THE U.S.

UNTIL NOW THE SECRETARY HAS EXPLAINED TO THE CHINESE OFFICIALS CONCERNED THE POINT THAT THERE IS NO FACTOR OF VIEWING CHINA AS AN ENEMY IN THE U.S.-JAPAN SECURITY ARRANGEMENT, BUT HE INDIRECTLY ACKNOWLEDGED THAT THE CHINESE SIDE STILL REMAINS DISTRUSTFUL OF IT, NOTING: "CHINA UNDERSTANDS THAT POINT IN THEIR MINDS BUT IT IS UNABLE TO DO SO IN THEIR HEARTS. IT IS DIFFICULT INDEED."

GROUP DEMANDS EDUCATION MINISTRY REMOVE COMFORT WOMEN PASSAGES FROM SCHOOL TEXTBOOKS (SANKEI - TOP PLAY)

SOCIAL STUDIES TEXTBOOKS (PUBLISHED BY SEVEN COMPANIES) THAT WILL BE USED BY JUNIOR HIGH SCHOOLS FROM NEXT SPRING WILL ALL CARRY SOME DESCRIPTIONS ABOUT "COMFORT WOMEN." BUT DISTORTED IDEAS IN MODERN HISTORY IN SCHOOL TEXTBOOKS ARE STILL OFTEN MENTIONED. UNDER SUCH CIRCUMSTANCES, A NEW GROUP CALLED "FORUM TO CREATE NEW HISTORY TEXTBOOKS" WAS LAUNCHED YESTERDAY BY NINE MEMBERS, INCLUDING TOKYO UNIVERSITY PROFESSOR NOBUKATSU FUJIOKA, CRITIC KANJI

NISHIO, AND ESSAYIST SAWAKO AGAWA. THE FORUM CRITICIZES THE PRESENT SCHOOL TEXTBOOKS, REASONING, "THEY WERE WRITTEN FROM A CONDEMNATORY PERSPECTIVE TOWARD JAPAN'S MODERN HISTORY AS A WHOLE." REPORTEDLY, THE FORUM'S GOAL IS TO HAVE HISTORY TEXTBOOKS WRITTEN SO THAT CAN BE HANDED DOWN TO THE NEXT GENERATION WITH PRIDE, AND TO WORK UPON THE EDUCATION MINISTER TO REMOVE PASSAGES ABOUT "COMFORT WOMEN."

LDP/GOVERNMENT PLAN FOR FINANCE MINISTRY REFORM WOULD CREATE SEPARATE AGENCY FOR INSPECTION AND SURVEILLANCE (MAINICHI - PAGE 1)

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USIA

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E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS DECEMBER 3

IN YESTERDAY'S DISCUSSIONS OF THE CENTRAL ISSUE OF REFORMING THE FINANCE MINISTRY (MOF), THE GOVERNMENT AND LIBERAL DEMOCRATIC PARTY (LDP) DECIDED TO SEPARATE OFF INSPECTION AND SURVEILLANCE FUNCTIONS FROM MOF AS A SET AND TRANSFER THEM TO A "FINANCIAL INSPECTION AND SURVEILLANCE AGENCY" TO BE NEWLY ESTABLISHED. THE DECISION IS IN RESPONSE TO PRIME MINISTER RYUTARO HASHIMOTO'S INDICATING TO THE LDP HIS SUPPORT FOR PACKAGE SEPARATION OF THOSE TWO FUNCTIONS. UNDER THE PLAN, THE PROPOSED AGENCY WILL BE ESTABLISHED AS AN EXTERNAL ORGAN OF THE PRIME MINISTER'S OFFICE. ALL SECTORS IN CHARGE OF INSPECTING AND SURVEYING VARIOUS FINANCIAL INSTITUTIONS (UNDER THE JURISDICTION OF OTHER GOVERNMENT AGENCIES), SUCH AS AGRICULTURAL COOPERATIVES, NON-BANK INSTITUTIONS, WILL BE CONSOLIDATED INTO ONE ENTITY, WHICH WILL BE INSTALLED WITH A WHOLE-TIME MINISTER. THE SUBSTANTIVE IDEA HAS ALSO BEEN SUGGESTED THAT AT THE LEGISLATION STAGE, A "FINANCIAL AGENCY" BE CREATED, BY COMBINING PLANNING AND DRAFTING SECTORS. THE PROPOSAL WILL BE FORMALLY DECIDED IN THE MIDDLE OF THIS MONTH BEFORE THE COMPILATION OF THE BUDGET. DEPENDING ON THE CIRCUMSTANCES, A COUNCIL OF EXPERTS WILL BE ESTABLISHED TO WORK OUT DETAILS, AIMING AT THE IMPLEMENTATION OF THE PLAN FROM FISCAL 1998, BY SUBMITTING RELATED LAW BILLS, SUCH AS AN AMENDMENT TO THE MOF ESTABLISHMENT LAW, TO THE NEXT REGULAR DIET SESSION.

OUTLINE OF MOF REFORM AS PROPOSED BY GOVERNMENT AND LDP

1. ESTABLISH A BODY THAT WILL HANDLE FINANCIAL INSPECTION AND SURVEILLANCE FUNCTIONS SPLIT AWAY FROM MOF AS A SET.

2. FINANCIAL INSTITUTIONS THAT WILL BECOME SUBJECT TO INSPECTION BY SUCH A BODY WILL INCLUDE NOT ONLY THOSE UNDER THE JURISDICTION OF MO\_UT ALSO THOSE UNDER THE JURISDICTION OF THE MINISTRY OF AGRICULTURE, FISHERIES AND FORESTRY AND THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY.

3. ESTABLISH THE PROPOSED BODY AS AN EXTERNAL AGENCY OF THE PRIME MINISTER'S OFFICE

4. INSTALL A STATE MINISTER AS A DIRECTOR GENERAL OF THE NEW BODY

5. ENDEAVOR TO CRAFT SPECIFICS FOR IMPLEMENTATION OF THE PROPOSAL IN FISCAL 1998.

CRANE

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#### 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]