

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Futenma Relocation Plans (3 pages)	12/03/1996	P1/b(1)
002. cable	Re: Anti-Heliport Rally (3 pages)	12/03/1996	P1/b(1)
003. cable	Re: December 1-2 Visit to Tokyo (10 pages)	12/04/1996	P1/b(1)
004. cable	Re: December 2 Meeting (3 pages)	12/04/1996	P1/b(1)
005. cable	Re: Support Cable for East Asia Brief (5 pages)	12/05/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[12/03/1996 - 12/10/1996]

2016-0420-F
sb1890

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

Withdrawal/Redaction Marker

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Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO1049 3380907-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 030907Z DEC 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 030907Z DEC 96
ORIG: AMEMBASSY TOKYO
TO: RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 2217
RUEATRS/TREASURY DEPT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC//USDA;ISA// PRIORITY
RUEHC/SECSTATE WASHDC PRIORITY 0310
RUALSFJ/COMUSJAPAN YOKOTA AB JA PRIORITY
RUHBANB/OAFO CAMP BUTLER JA PRIORITY
RUHVPAC/HQ PACAY HICKAM AFB HI//CC/PA// PRIORITY
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N541// PRIORITY
RHHMUNA/USCINCPAC HONOLULU HI//USIA// PRIORITY
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA PRIORITY
INFO: RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 9576
RUEHKOF/AMCONSUL FUKUOKA PRIORITY 2810
SUBJ: MEDIA REACTION, SECDEF PERRY'S VISIT AND FINAL
SACO REPORT; TOKYO

TEXT:
UNCLAS SECTION 01 OF 02 TOKYO 011049

USIA

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

E.O. 12958; N/A
SUBJECT: MEDIA REACTION, SECDEF PERRY'S VISIT AND FINAL
SACO REPORT; TOKYO

LEAD STORIES: THE TUESDAY MORNING TOKYO SHIMBUN GAVE TOP
COVERAGE TO DEFENSE SECRETARY PERRY'S ROUNDTABLE WITH
JAPANESE REPORTERS AT THE U.S. EMBASSY. THE ASAHI
FRONT-PAGED SECRETARY PERRY'S MEETING WITH PRIME
MINISTER HASHIMOTO.

1. "THE REAL WORK ON OKINAWA LIES AHEAD" THE TOP-
CIRCULATION, MODERATE YOMIURI EDITORIALIZED (DECEMBER
3), "FOREIGN AND DEFENSE MINISTERS FROM THE U.S. AND
JAPAN APPROVED THE FINAL SACO (SPECIAL ACTION COMMITTEE
ON OKINAWA) REPORT AT THE '2+2' MEETING ON MONDAY... THE

REPORT STATED THAT 11 U.S. MILITARY INSTALLATIONS AND TRAINING AREAS COVERING ABOUT 5000 HECTARES -- ABOUT 21 PERCENT OF THE LAND OCCUPIED BY THE US MILITARY ON OKINAWA -- ARE TO BE RETURNED. LOCAL RESIDENTS, HOWEVER, MAY NOT BE CONVINCED THAT THE REPORT WILL HAVE MUCH OF AN IMPACT, IN PART BECAUSE THEIR PREFECTURE HOUSES 75 PERCENT OF ALL U.S. MILITARY INSTALLATIONS IN JAPAN.

"THE 21 PERCENT FIGURE CAN BE REGARDED AS A CONSIDERABLE ACHIEVEMENT WHEN ONE REALIZES IT WAS ACCOMPLISHED WHILE MAINTAINING THE FULL CAPABILITY AND READINESS OF U.S. FORCES IN JAPAN.

"IN THE REPORT, THE U.S. AND JAPANESE GOVERNMENTS AGREED TO CONSTRUCT AN OFFSHORE HELIPORT TO REPLACE FUTENMA AIR STATION. A LAND-BASED SITE WOULD HAVE BEEN MORE APPROPRIATE, BUT THE PROPOSED OFFSHORE HELIPORT WAS AN UNAVOIDABLE COMPROMISE. THE OKINAWAN PEOPLE ARE OPPOSED TO MOVING THE AIR STATION TO ANOTHER PART OF THE PREFECTURE, WHILE THE U.S. NEEDS TO KEEP THE SITE IN OKINAWA FOR STRATEGIC REASONS. THE GOVERNMENT MUST WORK HARD TO WIN THE SUPPORT OF LOCAL RESIDENTS AT AN EARLY DATE. DISCUSSION OF OKINAWA-RELATED ISSUES, HOWEVER, SHOULD NOT END WITH THE ISSUANCE OF THE FINAL SACO REPORT. ON THE CONTRARY, MUCH OF THE HARD WORK HAS NOT YET BEGUN."

2. "IT'S TIME FOR PRIME MINISTER HASHIMOTO TO ACT" THE LIBERAL ASAHI OBSERVED (DECEMBER 3), "... IF THE FINAL SACO REPORT ON THE REDUCTION AND CONSOLIDATION OF U.S. MILITARY INSTALLATIONS ON OKINAWA IS FULLY IMPLEMENTED WITHOUT DELAY, THE BURDEN OF THE BASES ON LOCAL RESIDENTS WILL BE REDUCED SOMEWHAT. THE OKINAWAN PEOPLE MAY BE ABLE TO TAKE HOPE FROM THE RESULTING POSITIVE EFFECT ON THEIR ECONOMY (FROM INCREASED GOJ FINANCIAL ASSISTANCE).

"SACO'S PRIMARY TASK WAS TO REDUCE THE BASE BURDEN ON LOCAL RESIDENTS, NOT TO SCALE BACK U.S. MILITARY STRENGTH. SACO OFFICIALS HAD TACKLED THE OKINAWA BASE DISPUTE ON THE ASSUMPTION THAT THE FUNCTIONS OF THE U.S. MILITARY ON OKINAWA HAD TO BE MAINTAINED INTACT. "DEFENSE SECRETARY PERRY REPEATEDLY NOTED THE IMPORTANCE OF THE FINAL SACO REPORT IN STRENGTHENING THE U.S.-JAPAN SECURITY PACT, SAYING THE REPORT WILL BENEFIT CHINA AND THE ROK, AS WELL. THE RETURN OF FUTENMA AIRPORTATION HAS ACCELERATED EFFORTS IN REACHING AN ACCORD ON EMERGENCY DEFENSE COOPERATION (DEFENSE GUIDELINES). THE OKINAWA BASE ISSUE IS NO LONGER A PROBLEM FOR OKINAWA ALONE. PRIME MINISTER HASHIMOTO HAS SAID HIS CABINET WILL GIVE PRIORITY TO SETTLING THE OKINAWA DISPUTE. NOW IS THE TIME FOR HIM TO DEAL POSITIVELY WITH THE DISPUTE."

3. "SACO REPORT SHOULD BE IMPLEMENTED WITHOUT FAIL"

THE BUSINESS-ORIENTED NIHON KEIZAI EDITORIALIZED (DECEMBER 3), "THE SACO FINAL REPORT INCLUDED CONCRETE

MEASURES TO REDUCE THE BASE BURDEN IMPOSED ON THE OKINAWAN PEOPLE, AND WE ASK THAT THE REPORT BE IMPLEMENTED WITHOUT FAIL. IT IS NOT EASY TO SIMULTANEOUSLY MEET THE TWO GOALS OF MAINTAINING THE STRATEGIC CAPABILITIES OF U.S. BASES AND OF REDUCING THE BURDEN ON LOCAL RESIDENTS.
UNCLAS SECTION 02 OF 02 TOKYO 011049

USIA

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

E.O. 12958; N/A

SUBJECT: MEDIA REACTION, SECDEF PERRY'S VISIT AND FINAL SACO REPORT; TOKYO

"SACO OFFICIALS HAD WRESTLED WITH THESE TWO GOALS FOR THE PAST YEAR. SOME OKINAWANS REMAIN DISSATISFIED, BUT THE SACO REPORT IS NOT INSIGNIFICANT. IT IS THE FRUIT OF THE INTENSE DEBATE LAUNCHED OVER THE U.S. MILITARY PRESENCE IN OKINAWA AFTER THE SEPTEMBER 1995 RAPE. THAT PROMPTED THE U.S. AND JAPAN TO FORM SACO. AND THIS REPORT PROMISES THE RETURN OF ABOUT 21 PERCENT OF THE LAND OCCUPIED BY US BASES ON OKINAWA."

4. "FINAL REPORT RELEASED FOR REDUCING U.S. BASES ON OKINAWA" THE QUASI-GOVERNMENTAL NHK-TV'S COMMENTATOR HORI OPINED MONDAY NIGHT (DECEMBER 2), "THE U.S. AND JAPAN ISSUED THE FINAL SACO REPORT AT AN UNPRECEDENTEDLY QUICK PACE AMID DIFFERENCES BETWEEN LOCAL RESIDENTS AND U.S. MILITARY OFFICIALS, WHO REPORTEDLY RESISTED THE QUICK RETURN OF A DOZEN BASES TO JAPAN."

"BEHIND THIS (DECISION) WAS A CHANGE IN THE INTERNATIONAL SITUATION. SINCE THE END OF THE COLD WAR, MORE AND MORE AMERICANS HAVE CALLED INTO QUESTION THE NECESSITY OF THE U.S.-JAPAN SECURITY ARRANGEMENT -- MAINTAINED AT GREAT EXPENSE FOR AMERICA. WITH SUCH TRENDS LOOMING, WASHINGTON WAS EAGER TO SETTLE THE OKINAWA BASE DISPUTE -- WHEREVER POSSIBLE AND AS SOON AS POSSIBLE. THE STREAMLINING OF BASES ON OKINAWA FURTHER STRENGTHENS THE OVERALL BILATERAL SECURITY ARRANGEMENT, ALREADY ENHANCED BY THE LAST APRIL'S JOINT SECURITY DECLARATION DESCRIBING THE RELATIONSHIP AS A 'VEHICLE' CONTRIBUTING TO PEACE AND SECURITY IN EAST ASIA."

"MEETING THE PRESS ON MONDAY, DEFENSE SECRETARY PERRY SUGGESTED THERE WOULD BE NO OR VERY LITTLE CHANGE IN U.S. TROOP STRENGTH IN EAST ASIA IN THE NEAR FUTURE... MR. PERRY'S REMARKS INDICATED A CONTINUING, STRONG U.S. MILITARY COMMITMENT TO EAST ASIA..."

THE JAPANESE GOVERNMENT NOW FACES THE VERY DIFFICULT

TASK OF SECURING SUPPORT FROM THE OKINAWAN PEOPLE --
THROUGH DIFFICULT NEGOTIATIONS -- FOR CONSTRUCTION OF
AN OFFSHORE HELIPORT... THERE APPEAR TO BE FEW SIGNS OF
A QUICK AND FAVORABLE RESPONSE FROM LOCAL RESIDENTS NEAR
THE AREAS DESIGNATED AS A POTENTIAL HELIPORT SITES. IN
FACT, LOCAL RESIDENTS PLAN TO STAGE A MASSIVE ANTI-
OFFSHORE HELIPORT RALLY SOON." CRANE

SECT: SECTION: 01 OF 02
<^SECT>SECTION: 02 OF 02
SSN: 1049
<^SSN>1049
TOR: 961203041319 M2521128
<^TOR>961203041334 M2521129
DIST:
SIT: NSC

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PREC: PRIORITY
CLASS: UNCLASSIFIED
LINE1: PTTUZYUW RUEKJCS7660 3390025-UUUU--RHEHAAA RHEHWSR.
LINE2: ZNR UUUUU
LINE3: P 032315Z DEC 96 FORWARD TO PAO
LINE4: FM SECDEF WASHINGTON DC //OASD:PA/DDI//
OSRI: RUEKJCS
DTG: 032315Z DEC 96
ORIG: SECDEF WASHINGTON DC //OASD:PA/DDI//
TO: AIG 8775
INFO: ////
SUBJ: DOD NEWS BRIEFING - CONDUCTED ON TUESDAY, DECEMBER 3, 1996 AT
TEXT:

UNCLAS SECTION 01 OF 04
SUBJ: DOD NEWS BRIEFING - CONDUCTED ON TUESDAY, DECEMBER 3, 1996 AT
2:35 P.M. BY MR. KENNETH H. BACON, ASD (PA) AT THE PENTAGON
MR. BACON: GOOD AFTERNOON. YOU'VE HAD THE SCIENCE, NOW YOU
GET THE ART.
I HAVE THREE ANNOUNCEMENTS TO START WITH. THE FIRST IS THAT
LAST NIGHT THE 1ST ARMORED DIVISION REPORTED THAT ITS LAST
SOLDIERS HAD MOVED OUT OF BOSNIA, AND THEY'RE MOVING TOWARD
HUNGARY, AND FROM THERE ON THEIR WAY HOME TO GERMANY. THEY'VE
BEEN THERE SINCE DECEMBER OF LAST YEAR, AND WE HAVE MANAGED TO
GET, AS WE SAID, ALL SOLDIERS OUT IN LESS THAN 365 DAYS. THAT IS
NO SOLDIER IN THE 1ST ARMORED DIVISION HAS SPENT MORE THAN 365
DAYS IN BOSNIA.
THE SECOND IS THAT, AS YOU KNOW, THE RUSSIAN DEFENSE
MINISTER IGOR RODIONOV, GENERAL RODIONOV, WAS SCHEDULED TO VISIT
SECRETARY PERRY ON THURSDAY HERE, AND THEN GO UP TO CARLISLE

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BARRACKS, THE ARMY WAR COLLEGE, ON FRIDAY, AND THEN DOWN TO FORT
KNOX, KENTUCKY, AND COME BACK ON SATURDAY FOR MORE MEETINGS. HE,
TODAY, HAD TO CANCEL THAT VISIT. HE DID NOT CANCEL IT, HE
POSTPONED IT, UNTIL PROBABLY SOME TIME NEXT YEAR. HE CITED
PRESSING BUSINESS IN MOSCOW, SENT A VERY GRACIOUS LETTER
EXPRESSING REGRET, SAID THAT HE HAD BEEN LOOKING FORWARD TO THE
VISIT AND WOULD RESCHEDULE IT AS SOON AS HE COULD.
FINALLY, MANY OF YOU HAVE ALREADY PICKED UP, I THINK, A COPY
OF THE REPORT ON EXECUTIVE AIRCRAFT USED BY THE WHITE HOUSE AND
OTHER DISTINGUISHED GOVERNMENT TRAVELERS. THIS REPORT WAS
COMMISSIONED BY SECRETARY PERRY AND IT WAS LED BY VICE ADMIRAL
DONALD ENGEN, WHO IS A RETIRED NAVAL AVIATOR. HE BECAME THE
DIRECTOR OF THE FEDERAL AVIATION ADMINISTRATION, AND NOW RUNS THE
SMITHSONIAN'S AIR AND SPACE MUSEUM. SO HE'S MR. AVIATION.
HE REVIEWED THE PLANES USED TO TRANSPORT THE PRESIDENT AND
TO SUPPORT OTHER WHITE HOUSE MISSIONS. THOSE ARE BASICALLY THE
PLANES IN THE AIR FORCE 89TH AIR WING FROM ANDREWS AIR FORCE
BASE, AND THE MARINE HELICOPTER SQUADRON ONE FROM QUANTICO,

VIRGINIA.

HIS FINDINGS WERE THAT THE EXECUTIVE AIR FLEET OPERATES IN A

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VERY SAFE AND RELIABLE WAY, AND HE FOUND THAT THE PRESIDENTIAL AIRLIFT PROVIDED BY THE AIR FORCE AND THE MARINES HAS BEEN VIRTUALLY FLAWLESS. HE BASICALLY DIVIDED HIS REVIEW INTO TWO AREAS. HE LOOKED FIRST AT THE AIRCRAFT BOTH FROM THE AIR FORCE AND THE MARINES THAT CARRY THE PRESIDENT. THAT'S AIR FORCE ONE, OBVIOUSLY, AND MARINE ONE. THOSE ARE THE ONES THAT HE FOUND WERE, AS HE SAID, VIRTUALLY FLAWLESS.

THEN HE LOOKED AT SUPPORT AIRCRAFT THAT SUPPORT WHITE HOUSE MISSIONS. IT WOULD BE EITHER BACKUP AIRCRAFT -- THEY WOULD BE AIRCRAFT TO CARRY EQUIPMENT, COMMUNICATIONS EQUIPMENT, TO CARRY STAFF, AND OTHER SUPPORT ELEMENTS OF A PRESIDENTIAL TRAVEL MISSION -- AND ALSO AIRCRAFT THAT CARRY CABINET OFFICIALS, SOMETIMES SUPREME COURT JUSTICES, SOMETIMES MEMBERS OF CONGRESS. IT WAS THIS OVERALL FLEET THAT HE FOUND HAS BEEN OPERATING VERY SAFELY AND RELIABLY.

HE DID MAKE SEVERAL RECOMMENDATIONS FOR BOTH THE AIR FORCE AND THE MARINE CORPS. SECRETARY PERRY HAS PASSED ON THOSE RECOMMENDATIONS TO BOTH THE SECRETARY OF THE AIR FORCE AND THE SECRETARY OF THE NAVY AND ASKED THEM TO REPORT BACK TO HIM IN 60 DAYS ON HOW THEY PLAN TO DEAL WITH THE RECOMMENDATIONS. SO YOU

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HAVE THAT PACKAGE. THE RECOMMENDATIONS FOR THE AIR FORCE DEAL WITH THE MODERNIZATION OF THE FLEET; SOME DEAL WITH THE DEFINITION OF A CERTAIN TRAINING LEVEL; ONE DEALS WITH COMMAND AND CONTROL OF THE PRESIDENTIAL PILOT OFFICE. AND THE RECOMMENDATIONS FOR THE MARINES ALSO DEAL WITH BUYING SOME NEW HELICOPTERS AND RELOOKING AT AN ORGANIZATIONAL TABLE FOR THE WAY THE OPERATION IS RUN.

WITH THOSE COMMENTS, I'LL TAKE YOUR QUESTIONS.

Q: I WASN'T ABLE TO GET THROUGH EVERY PAGE OF IT, BUT WAS THERE A REFERENCE TO THE BROWN, SECRETARY BROWN'S...

A: NO, THAT WAS NOT... THAT WAS PART OF A EUROPEAN WING. IT WASN'T PART OF THE 89TH AIR WING. BASICALLY THIS REPORT WAS REQUESTED BY THE WHITE HOUSE CHIEF OF STAFF, LEON PANETTA, ON SEPTEMBER 6TH OF THIS YEAR AFTER TWO MARINE CORPS HELICOPTERS BOTH HAD MISHAPS, AND THAT FOLLOWED SHORTLY AFTER AN AIR FORCE C-130 CRASHED TAKING OFF FROM WYOMING. SO LEON PANETTA ASKED THE SECRETARY OF DEFENSE TO REVIEW THE SAFETY PROCEDURES OF THE EXECUTIVE AIRLIFT OPERATION.

Q: WHEN THEY TALK ABOUT DEFINING A CERTAIN LEVEL OF TRAINING FOR THE PILOTS, ARE THEY TALKING ABOUT A HIGHER LEVEL OF

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TRAINING BEYOND THAT WHICH THE AIR FORCE REQUIRES?

A: FIRST, IN ANSWERING ALL THESE QUESTIONS, I AGAIN WANT TO MAKE SURE THAT YOU FOCUS ON THE FUNDAMENTAL DISTINCTION BETWEEN THE PLANES AND CREWS THAT FLY AND MAINTAIN THE PRESIDENT

ON THE ONE HAND; AND ALL THE OTHERS, ON THE OTHER. WE'RE LOOKING NOW AT THE OTHERS, BECAUSE THE TRAINING REQUIREMENTS AND THE EXPERIENCE REQUIREMENTS FOR THOSE WHO FLY THE PRESIDENT -- EITHER IN FIXED WING AIRCRAFT OR HELICOPTERS -- ARE EXTREMELY HIGH. THEY'RE HIGH ALSO IN ALL THE OTHERS. THEY'RE NOT AS HIGH, THOUGH. ONE OF THE FINDINGS OF THE REPORT WAS THAT FOR SOME... THAT THE AIR FORCE CONSIDERS ITS MOST DIFFICULT MISSIONS TO BE THOSE THAT INVOLVE AERIAL REFUELING, THAT INVOLVE AIRDROPS, AND INVOLVE CERTAIN OTHER AIR PROCEDURES. THEY DON'T REGARD FLYING PEOPLE IN A TRANSPORT CAPACITY OR CIVIL AIR TYPE CAPACITY TO BE AS DEMANDING A MISSION AS THOSE THAT REQUIRE AIR-TO-AIR REFUELING, AIRDROPS, OR OTHER PROCEDURES. SO THEY TEND, EVERYTHING ELSE BEING EQUAL, TO ASSIGN THE MOST-EXPERIENCED PILOTS TO MISSIONS THAT REQUIRE AIR-TO-AIR REFUELING AND OTHER ACTIVITIES LIKE THAT. IT ASKED THAT THEY REVIEW THE EXPERIENCE LEVELS REQUIRED FOR FLYING IN THE 89TH AIR WING. THIS ONLY

PAGE 06 RUEKJCS7660 UNCLAS

APPLIES TO FIXED WING AIRCRAFT -- THE AIR FORCE PART OF IT. THAT'S WHAT THEY MEAN. THE REGULATIONS DO SAY THAT THE PILOTS HAVE TO BE HIGHLY QUALIFIED, I THINK IS THE TERM THEY USE, BUT THERE'S NO DEFINITION OF WHAT HIGHLY QUALIFIED MEANS. SO IT ASKS THAT THERE BE SOME ATTENTION GIVEN TO DEFINING THE LEVEL OF EXPERIENCE AND TRAINING NECESSARY.

Q: IT ALSO SEEMED TO MAKE REFERENCE TO THE FACT THAT CONGRESS IS PUTTING TOO MUCH OF A BURDEN ON THE MILITARY FOR MEETING ITS TRANSPORT REQUIREMENTS. IS THAT THE CASE, THAT THESE PEOPLE ARE JUST OVERLOADED GIVEN THE...

A: WELL, IT IS THE CASE THAT THERE ARE SOMETIMES SHORTAGES OF AIRCRAFT, THAT IT'S NOT ALWAYS EASY TO MEET ALL THE TRANSPORTATION NEEDS POSED BY CONGRESS AND THE EXECUTIVE BRANCH. AND YOU'RE RIGHT, THE REPORT DID SAY THAT THAT IS ONE THING THAT SHOULD BE STUDIED.

Q: WHAT'S THE DEPARTMENT'S POSITION ON THAT?

A: FIRST OF ALL, SECRETARY PERRY DIDN'T PASS ON THAT PARTICULAR RECOMMENDATION TO THE SERVICES, BUT WILL STUDY THE ENTIRE REPORT. WE'RE IN THE PROCESS OF TRYING TO ACQUIRE LARGER AND MORE MODERN PLANES. SO WE UNDERSTAND THAT SOME OF THE PLANES UNCLAS SECTION 02 OF 04 HAVE BEEN FLYING FOR DECADES, AND ALTHOUGH THE MAINTENANCE IS TIP-TOP AND THE PLANES PERFORM VERY WELL, THERE IS A NEED FOR NEW PLANES, AND WE ARE NOW WORKING TO GET NEW PLANES.

Q: DO YOU WANT TO GET OUT OF THE CONGRESSIONAL TRAVEL BUSINESS?

A: I DIDN'T SAY WE WANTED TO GET OUT OF THE CONGRESSIONAL TRAVEL BUSINESS. I SAID THAT WE'RE TRYING TO EXPAND AND UPGRADE THE FLEET TO MEET THE NEEDS. WE'LL LOOK AT THE SPECIFIC RECOMMENDATION ABOUT CONGRESSIONAL TRAVEL. I THINK IT'S UNREASONABLE TO EXPECT THAT THE AIR FORCE IS GOING TO GET OUT OF FLYING CONGRESSIONAL DELEGATIONS ON CONGRESSIONAL BUSINESS.

Q: DOES CONGRESS USE IT TOO MUCH?

A: I DON'T BELIEVE THAT THAT'S WHAT THE REPORT CONCLUDED.

Q: I'D LIKE TO ASK YOU ABOUT THE CHINESE DEFENSE MINISTER'S VISIT. DO YOU HAVE AN ITINERARY YET FOR WHERE HE WILL

PAGE 02 RUEKJCS7661 UNCLAS
BE GOING?

A: YOU AND I DISCUSSED THAT ON THE PHONE, AND IT REALLY HASN'T CHANGED SINCE THEN.

Q: OH, I WAS TOLD THAT THEY FINALIZED IT YESTERDAY.

A: WELL, AS I SAID, I DON'T THINK IT'S CHANGED SINCE WE DISCUSSED IT, BUT I DON'T HAVE THE ITINERARY HERE.

Q: AND AGAIN, I WANTED TO ASK YOU, DOES THE PENTAGON HAVE ANY RESERVATIONS ABOUT HONORING SOMEONE WHO ORDERED THE USE OF MILITARY FORCE AGAINST UNARMED CIVILIANS IN TIANANMEN?

A: WHEN SECRETARY PERRY WENT TO CHINA AS THE GUEST OF DEFENSE MINISTER CHI IN OCTOBER OF 1994, HE RECEIVED VERY FINE TREATMENT AND FULL MILITARY HONORS, AND HE PLANS TO RETURN THAT TREATMENT WHEN MINISTER CHI COMES HERE NEXT WEEK.

Q: IF THERE IS A FINALIZED ITINERARY, CAN WE GET IT?

A: WE'RE GOING TO HAVE A BRIEFING ON THE ENTIRE TRIP, I THINK, ON THURSDAY, AND WE'LL RELEASE THE ITINERARY THEN AND DESCRIBE EXACTLY WHAT'S HAPPENING ON THE TRIP AND DURING THE VISIT.

Q: I'M NOT QUITE SURE THAT YOU ANSWERED BILL'S QUESTION. I WOULD SIMPLY POSE IT AGAIN. YOU'RE SAYING YOU'RE RECIPROCATING

PAGE 03 RUEKJCS7661 UNCLAS
ON A VISIT THAT HE GOT, BUT CERTAINLY YOU COULDN'T PUT THE TWO MEN IN A PARALLEL TRACK AND SAY THAT THEIR HISTORIES ARE THE SAME, SO I DON'T THINK THAT ANSWERS THE QUESTION.

A: THE ANSWER TO THE QUESTION IS NO.

Q: DO YOU HAVE A TOPIC FOR SECRETARY PERRY'S SPEECH TOMORROW?

A: HE'S SPEAKING TO A, I THINK HE'S SPEAKING ON BASICALLY DIGITAL INFORMATION IS THE LAST I'VE SEEN, BUT I HAVE TO TELL YOU THAT HE, ON THE ROAD, FREQUENTLY CHANGES HIS TEXT, AND HE COULD WORK ON IT SOME TONIGHT, OR HIS STAFF COULD WORK ON IT TONIGHT, SO I'M A LITTLE RELUCTANT TO GIVE YOU A TOPIC, BUT THE LAST I UNDERSTOOD, IT'S SORT OF A GROUP OF COMPUTER AND INFORMATION TRANSMISSION PEOPLE, AND HE WAS TALKING TO THEM IN THEIR LANGUAGE ON THEIR TOPIC.

Q: IF I COULD GO BACK TO THIS INVESTIGATION FOR A MOMENT. THE REPORT, AS YOU NOTED, SAID THAT VIP AND CIVIL AIRLIFT HAVE RECEIVED EXCEEDINGLY LOW ACCIDENT RATES, BUT IT ALSO NOTES REGARDLESS, THERE'S A PERCEPTION AMONG MANY PASSENGERS THAT FLYING IS UNSAFE. WHEN YOU HAVE A SERIES OF HIGH PROFILE ACCIDENTS LIKE THE HELICOPTER ONE AND THE C-130 CRASH, DOES IT

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CREATE A FALSE IMPRESSION ABOUT THE SAFETY OF THE FLEET, DO YOU THINK?

A: I DON'T HAVE, UNFORTUNATELY, MY COPY OF THE REPORT HERE. I THOUGHT IT SAID THAT THERE WAS THE IMPRESSION ON THE PART OF SOME IN THE PRESS THAT THERE MIGHT BE A SAFETY PROBLEM. I THINK EVERY TIME THERE'S A CRASH PEOPLE WORRY ABOUT SAFETY. THIS REPORT IS VERY CLEAR AND FORTHRIGHT IN POINTING OUT THAT THESE ARE HUMAN INSTITUTIONS, THE PLANES ARE FLOWN BY HUMANS,

THEY'RE MAINTAINED BY HUMANS, AND THAT NO HUMAN INSTITUTION IS INFALLIBLE. BUT THE PEOPLE WHO FLY THE PRESIDENT AND MAINTAIN HIS PLANES, AND THE PEOPLE WHO FLY THE PLANES FOR OTHER DISTINGUISHED TRAVELERS AND MAINTAIN THOSE PLANES, ARE DOING THE BEST JOB THEY CAN. THEY'RE OPERATING AT VERY HIGH STANDARDS, AND THEY'RE REQUIRED TO OPERATE AT VERY HIGH STANDARDS. HAVING SAID THAT, YOU CAN ALWAYS FIND WAYS TO LIFT STANDARDS EVEN HIGHER. THAT'S WHAT THE PROPOSALS AND RECOMMENDATIONS WERE DESIGNED TO DO.

Q: ON THE GULF WAR ILLNESS INVESTIGATION, I WAS A LITTLE CONFUSED BY THE COMMENTS MADE LAST WEEK BY BERNARD ROSTKER ABOUT WHETHER OR NOT THE PENTAGON BELIEVES THAT IT'S BEEN ESTABLISHED

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AS A SCIENTIFIC FACT OR THAT THERE'S A SCIENTIFIC CONSENSUS BEHIND THE IDEA THAT VETERANS WHO SERVED IN THE PERSIAN GULF ARE SUFFERING ILLNESS AT A HIGHER RATE THAN SOLDIERS WHO DIDN'T SERVE. CAN YOU CLARIFY AND TELL ME WHETHER THAT'S IN FACT A CONCLUSION THE PENTAGON HAS COME TO?

A: IT'S TOO EARLY TO COME TO ANY CONCLUSIONS BASED ON THOSE STUDIES OR ANY OTHER SMALL NUMBER OF STUDIES RIGHT NOW. WE HAVE 80 STUDIES CURRENTLY UNDERWAY, MORE THAN 80 STUDIES UNDERWAY ON A VARIETY OF HEALTH ASPECTS THAT AFFLICT OR COULD AFFLICT VETERANS OF THE GULF WAR. THESE WERE ONLY TWO OF THE STUDIES. SO THEY'RE PART OF A MUCH LARGER CONSTELLATION OF STUDIES, AND I THINK JUST AS WE NOTED BUT DID NOT MAKE A LOT OUT OF THE STUDIES THAT CAME OUT FROM THE NAVY AND THE VETERANS ADMINISTRATION TWO WEEKS AGO ON RATES OF HOSPITALIZATION AND MORTALITY, WE'RE URGING THAT PEOPLE LOOK AT THESE STUDIES IN THE BROADER CONTEXT.

HAVING SAID THAT, I THINK THERE ARE PROBABLY SEVERAL OTHER POINTS TO MAKE ABOUT THESE STUDIES. THE FIRST IS THAT THEY ARE INCOMPLETE IN THAT THEY'RE STILL UNDERGOING PEER REVIEW, AND THEY'RE STILL BEING WRITTEN IN FINAL FORM.

SECOND, THE PRELIMINARY FINDINGS OF THE STUDIES AREN'T NEW,

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IN THAT THEY WERE BOTH REPORTED BACK IN 1995 -- ONE IN JUNE AND THE OTHER IN OCTOBER -- AND IN FACT ONE OF THE STUDIES WAS REPORTED ON IN A PIECE IN THE EARLY BIRD, AS I RECALL.

FINALLY, THESE STUDIES ARE BOTH SELF-REPORTING STUDIES. THAT IS, PEOPLE HAVE COME IN AND EITHER FILLED OUT FORMS ABOUT THEIR OWN HEALTH, OR THEY'VE VOLUNTEERED TO COME IN AND RESPOND TO QUESTIONS ABOUT THEIR HEALTH, SO THERE'S A CERTAIN AMOUNT OF SUBJECTIVITY IN THE FINDINGS OF THESE STUDIES. NOW THAT DOESN'T INVALIDATE THE STUDIES AT ALL. THEY ARE IMPORTANT DATA POINTS AND THEY'LL BE CONSIDERED AS THAT. BUT THEY HAVE TO BE SEEN AS PART OF A MUCH BROADER SPECTRUM OF STUDIES.

Q: SO WOULD YOU SAY IT'S FAIR TO SAY THAT THE PENTAGON'S POSITION, THAT THIS IS STILL AN OPEN QUESTION ABOUT WHETHER OR NOT THERE'S A HIGHER INCIDENCE OF ILLNESS AMONG VETERANS WHO SERVED COMPARED TO THOSE WHO DIDN'T?

A: CERTAINLY THESE STUDIES SUGGEST THAT, BUT I THINK WE HAVE TO WAIT UNTIL WE GET ALL THE EVIDENCE IN. I WOULD BE LOATHE TO MAKE ANY CONCLUSION RIGHT NOW BASED ON A PARTICULAR STUDY

WHILE THERE ARE STILL MANY OTHER STUDIES OUT THERE. I'M NOT A SCIENTIST AND I CAN'T MAKE A FIRM CONCLUSION ABOUT THESE ANYWAY. UNCLAS SECTION 03 OF 04

BUT FROM TALKING TO THE SCIENTISTS HERE WHO ARE LOOKING AT THESE STUDIES, WE WANT TO LOOK AT AS BROAD A SPECTRUM OF INFORMATION AS WE CAN BEFORE WE DRAW CONCLUSIONS ABOUT THE INCIDENTS OF ILLNESS OR CAUSES OF ILLNESS.

Q: CAN YOU PROVIDE AN UPDATE ON WHERE WE ARE IN CENTRAL AFRICA, ABOUT HELP OR NOT HELP OUT?

A: WELL, WE'RE STILL LOOKING AT THE SITUATION. WE HAVE ABOUT 440 PEOPLE IN AFRICA NOW -- MOST OF THEM IN ENTEBBE. AS YOU KNOW, THE CANADIANS ARE HOPING TO SEND A SURVEY TEAM INTO EASTERN ZAIRE SOON, BUT THEY HAVEN'T GONE IN YET. IT'S A FIVE PERSON TEAM -- FOUR CANADIANS, ONE PERSON FROM GREAT BRITAIN -- TO GET A CLEAR IDEA OF WHAT THE SITUATION IS ON THE GROUND THERE. WE'RE CONTINUING TO SEARCH WITH AIRCRAFT FOR CONCENTRATIONS OF REFUGEES SO TO BETTER CHART WHERE THEY ARE. THAT'S BASICALLY WHERE WE STAND. WE'RE PREPARED TO ACT IF WE HAVE TO, BUT SO FAR

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WE DO NOT HAVE PERMISSION FROM OTHER COUNTRIES TO SET UP A LARGE AID DELIVERY OPERATION, AND WE'RE STILL TRYING TO GET BETTER INFORMATION ON WHERE THE REFUGEES ARE, WHAT THEIR CONDITION IS, AND WHERE THEY'RE GOING.

Q: HAS THE AC-130 FLOWN ANY MISSIONS YET?

A: YES. IT FLEW ON SUNDAY. TO SUPPLEMENT THE TWO P-3S FLYING THERE NOW WHICH MAINLY TAKE PHOTOGRAPHS OF REFUGEE CONCENTRATIONS, WE NOW HAVE AN AC-130 WHICH HAS BEEN SENT THERE BECAUSE OF ITS INFRARED CAPABILITY AND ITS ABILITY TO USE INFRARED IMAGERY TO SEE EITHER THROUGH CLOUD COVER OR AT NIGHT. AND...

Q: (INAUDIBLE)

A: YEAH. ACTUALLY THERE'S A NEW GROUP OF PHOTOGRAPHS. I DON'T HAVE ANY INFRARED IMAGERY, BUT THERE'S A NEW GROUP OF PHOTOGRAPHS THAT YOU CAN GET FROM JAMIE GRAYBEAL, LIEUTENANT COMMANDER GRAYBEAL, TODAY. I THINK THESE WERE TAKEN FROM THE P-3S YESTERDAY OR THE DAY BEFORE. I ASSUME THAT THEY'LL BE PUT ON THE INTERNET.

A2: THEY SHOULD ALREADY BE UP THERE.

A: THE MOON, THE BACK SIDE OF THE MOON IS ALSO ON THE

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INTERNET. THE MOON SKATING RINK, MOON RINK IS ALREADY ON THE INTERNET.

Q: WHERE ARE THE AC-130S FLYING OUT OF?

A: FLYING OUT OF ENTEBBE, I BELIEVE.

Q: AS WELL AS THE P-3S?

A: THE P-3S ARE ALSO FLYING OUT OF ENTEBBE.

Q: WE REPORTED YESTERDAY THAT SOUTH KOREA WAS DEVELOPING A LONG RANGE CRUISE MISSILE IN VIOLATION OF A BILATERAL AGREEMENT WHICH I THINK WAS SIGNED IN 1979 BY THE U.S. MILITARY AND SOUTH KOREA AND THEN LATER UPGRADED. DOES THE PENTAGON HAVE ANY CONCERNS ABOUT THIS DEVELOPMENT IN TERMS OF AN ARMS RACE IN THE AREA?

A: AS YOU KNOW, WE HAVE BEEN TALKING TO THE SOUTH KOREANS ABOUT JOINING THE MISSILE TECHNOLOGY CONTROL REGIME. WE THINK THAT WOULD BE AN IMPORTANT STEP FORWARD. THE SOUTH KOREANS HAVE JUST, I BELIEVE THEY HAVE NOW COMPLETED TWO DAYS OF TALKS WITH ROBERT EINHORN AT THE STATE DEPARTMENT ON ARMS CONTROL ISSUES. THIS WAS ONE OF THE ISSUES THAT CAME UP, THE WHOLE QUESTION OF SOUTH KOREAN MISSILES. I THINK IT WOULD BE MORE APPROPRIATE TO TALK TO THE STATE DEPARTMENT ABOUT THAT THAN TO ME. AND I KNOW

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YOU ALREADY HAVE, ACTUALLY.

Q: ANYTHING ON OKINAWA? WAS ANYTHING ACTUALLY DECIDED?

A: I CAN PROVIDE YOU A LONG LIST OF ALL THE TERMS, BUT BASICALLY WE'RE REDUCING OUR FOOTPRINT THERE BY 21 PERCENT WITHOUT REDUCING THE NUMBER OF TROOPS. THIS AGREEMENT THAT WAS SIGNED OR WAS COMPLETED BY SECRETARY PERRY THE OTHER DAY IS WHAT I WOULD CALL A WIN-WIN-WIN AGREEMENT IN THAT IT MAINTAINS OUR CURRENT TROOP LEVELS IN OKINAWA AND IN JAPAN AND THEREFORE, IN ASIA GENERALLY. THESE TROOP LEVELS HAVE BEEN VERY IMPORTANT TO PROVIDING THE STABILITY ON WHICH THE ECONOMIC GROWTH HAS GROWN, SO IT'S A WIN FROM THAT STANDPOINT. IT'S A WIN FOR STABILITY, IT'S A WIN FOR US BECAUSE WE GET TO MAINTAIN THE TROOP LEVELS THERE, AND IT'S A WIN FOR THE OKINAWANS AND THE JAPANESE BECAUSE WE ARE REDUCING NOT ONLY OUR FOOTPRINT -- IN OTHER WORDS THE AMOUNT OF SPACE WE'RE USING, BUT WE'RE REDUCING OUR NOISE THERE, WE'RE TURNING OVER FUTENMA AIRPORT TO THE JAPANESE AND BUILDING AN OFF-SHORE FACILITY THAT WILL HOUSE THE PLANES THAT USED TO FLY FROM FUTENMA.

Q: WHAT CAN YOU TELL US ABOUT THE FLOATING HELIPORT?

A: I CAN'T TELL YOU A LOT ABOUT IT RIGHT NOW. I THINK THE

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DESIGN ISN'T COMPLETE. BUT IT WILL BE SOMETHING THAT WILL BE WORKED OUT IN THE NEXT, I CAN'T PREDICT THE AMOUNT OF TIME, BUT IT'S AN EXCITING DEVELOPMENT BECAUSE, AS YOU KNOW, SOME PEOPLE IN THE NAVY HAVE BEEN PROMOTING THIS FOR A LONG WHILE AS A WAY TO GIVE US MORE FLEXIBILITY IN BASING PLANES, AND...

Q: IS IT GOING TO BE MOBILE...AS IN 'MOVE IT'?

A: NO, I DON'T ANTICIPATE THAT IT WILL BE MOBILE. I THINK IT WILL JUST BE OFF-SHORE. IT WON'T BE WHAT USED TO BE REFERRED TO AS THE MOBILE OFF-SHORE BASES. IT WILL BE NOT A MOBS, BUT A FOBS -- IT WILL BE A FIXED OFF-SHORE BASE.

Q: (INAUDIBLE)

A: THAT REMAINS TO BE SEEN. MAYBE WE'LL CALL IT THE SS GEORGE WILSON.

Q: ARE YOU GOING TO ACTUALLY HAVE PEOPLE LIVE OUT THERE, THOUGH? IS THAT...

A: I'M AFRAID I DON'T KNOW THAT. I SUSPECT NOT. BUT OBVIOUSLY IT WILL HAVE TO BE MANNED ALL THE TIME THAT IT'S IN USE. I DON'T ANTICIPATE PEOPLE WILL LIVE THERE. BUT AS YOU KNOW, PROBABLY THE CIVILIAN ANALOG OF THIS OFF-SHORE BASE IS AN OIL PLATFORM. THAT'S THE BASIC TECHNOLOGY, AND PEOPLE DO LIVE ON

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OIL PLATFORMS IN THE MIDDLE OF A SEA FOR LONG PERIODS OF TIME, SO IT WOULD BE POSSIBLE TO LIVE THERE.

Q: YOU USED THE WORDS "VIRTUALLY FLAWLESS" AND SO DOES THE PRESS RELEASE. DOES THAT CHARACTERIZATION APPEAR IN THE INVESTIGATION ITSELF, OR IS THAT THE PENTAGON'S INTERPRETATION?

A: MY RECOLLECTION IS THAT IT DOES APPEAR THERE. I READ THE REPORT, AND I THINK IT'S TAKEN RIGHT FROM THE REPORT.

Q: CAN YOU POINT US TO... I'VE READ THROUGH IT AND I CAN'T FIND IT.

A: WE'LL SHOW IT TO YOU.

Q: SHOW ME TO THE BACK OF MY HAND.

A: I'D BE GLAD TO DO THAT.

Q: CAN WE GO BACK TO MOBS AND FOBS FOR JUST A SECOND? DOES THIS AGREEMENT IN OKINAWA NOW MEAN THAT THE PENTAGON IS NO LONGER INTERESTED IN THE MOBILE BASE CONCEPT, AND THAT THAT IS OFF THE DRAWING BOARD?

A: NO, IT DOESN'T MEAN THAT AT ALL. IT MEANS THAT WE'RE FLEXIBLE AND WE'RE WILLING TO LOOK AT INTERESTING TECHNOLOGICAL SOLUTIONS TO OUR PROBLEMS. I THINK IT WOULD BE PREMATURE TO SAY THAT WE'RE NOT INTERESTED IN MOBILE BASES ANY MORE. HERE A UNCLAS FINAL SECTION OF 04

MOBILE BASE WASN'T CALLED FOR. WE KNOW WHERE WE WANT IT. THE MARINES ARE STATIONED THERE, THEY HAVE TO FLY IN AND OUT, SO IT'S APPROPRIATE TO HAVE A FIXED BASE. THERE MAY BE OTHER SITUATIONS WHERE MOBILE BASES WOULD BE POSSIBLE. I SUSPECT THAT THIS WOULD PROVIDE SOME IMPORTANT INFORMATION AND EXPERIENCE, ALTHOUGH IT'S NOT MOBILE, ON HOW TO CONSTRUCT A LARGE AIRPORT-SIZE OFF-SHORE FACILITY.

PRESS: THANK YOU.

- END -

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. cable	Re: December 1-2 Visit to Tokyo (10 pages)	12/04/1996	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[12/03/1996 - 12/10/1996]

2016-0420-F
sb1890

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]
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004. cable	Re: December 2 Meeting (3 pages)	12/04/1996	P1/b(1)

COLLECTION:

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Jan 1995-Dec 1996 ([Futenma])
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[12/03/1996 - 12/10/1996]

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(1) Lower House Representative Interpellations and Replies

NIHON KEIZAI (Page 4) (Excerpts)
December 3, 1996

The main body of the questions asked by Dietmembers representing their respective parties and replies to those questions at the December 2 lower-house plenary session are as follows:

Japan-U.S. Security

Emergencies legislation needed

Prime Minister: Will not request U.S. to cut Marines

Takeo Nishioka (New Frontier Party): Regarding the review of the Guidelines for Japan-U.S. Defense Cooperation, if we only look at the interim report, Japan-U.S. cooperation in times of emergency is limited to bilateral discussions alone. Our concern would be that this would change the nature of the Japan-U.S. security arrangement, and instead fix Japan's foreign policy options. Therefore, we think there's a need to obtain a national consensus. About the modality of participation in a United Nations force and other multinational organizations, Japan should establish a national

security law, and we also should pass legislation that deals with emergencies (not covered by the Self-Defense Forces Law).

Prime Minister Ryutaro Hashimoto: The Government, on its part, would like to make positive efforts to finish up its work of reviewing the Guidelines by UNCLAS SECTION 02 OF 11 TOKYO 011101

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the fall of next year on the basis of defense cooperation promoted to date between Japan and the U.S., and taking into consideration the National Defense Program Outline and the Japan-U.S. Joint Declaration on Security. We'll have to make transparent the course of our debates, and must seek to remove any anxieties among neighboring countries. As for establishing a national security law, there have been various arguments from before, and the Government would like to study its propriety while in consideration of debates in the Diet and in various other quarters. About the problem of emergencies legislation, I think we should respond to it while looking into the process of Diet deliberations and the trend of public opinion. There are now still uncertainties in the international community. In such a situation, the stationing of U.S. forces (in Japan) is needed to attain (alliance) objectives. The Marines stationed in Okinawa have been playing a vital role of the U.S. Forces in Japan through their high mobility and readiness. For now, I'm not thinking of seeking to reduce or withdraw the Marines there.

Futenma Base Transferral

Nishioka: As for the issue of constructing an alternative heliport for Futenma Air Station in Okinawa, do you not think the Government should make a decision on constructing an offshore heliport at least after obtaining the local side's consent?

Prime Minister: The symbol of Okinawa Prefecture's problems is Futenma Air Station. Accordingly, partly in order to put at ease the local residents there, the Government has been thinking hard about

ways to eliminate the Futenma base. For that purpose, the Government worked out the idea of installing a sea-based heliport that can be removed. About the question of where to construct an alternative heliport for the Futenma airfield, Japan and the U.S. are now holding consultations. As a matter of course, we cannot work well to select any specific place without the local side's understanding and cooperation. Based on the conclusion issued today by the Japan-U.S. Special Action Committee (on Facilities and Areas in Okinawa) (SACO), the Government would like to make utmost efforts to obtain the local side's understanding and cooperation, while considering how to respond to the voice of people in Okinawa Prefecture, in addition to looking into technical feasibilities.

Foreign Relations, Defense

Yoshiro Mori (Liberal Democratic Party): The Japan-U.S. security arrangement is indispensable for our country's national security, and is greatly significant for the Asia-Pacific region's peace and stability.

Prime Minister: Today, the final report released by the Japan-U.S. Special Action Committee (on Facilities and Areas in Okinawa) (SACO) was
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approved at the Japan-U.S. Security Consultative Committee meeting. In response, we have now put an end to the two countries' intergovernmental work. From now on, it's a matter of course to carry out the measures incorporated in it, and the Government will make every possible effort. The problem of Futenma base reversion symbolizes the problems Okinawa has had to date, and I ask for the Diet's cooperation so that it will be resolved smoothly. In consideration of Okinawa's actual condition that has caused people there to be distrustful of the Government's administration for a long time, I'm now strongly determined to grapple with various Okinawa issues as a task of top priority to the Cabinet. Also, while in consideration of the

National Defense Program Outline and the Japan-U.S. Joint Declaration on Security, and on the basis of defense cooperation between Japan and the U.S. to date, I'd like to have a review of the Guidelines concluded by the fall of next year on the Japanese and U.S. sides in order to build a defense relationship for the new age. I also would like to make it possible to dissolve neighboring countries' anxiety by making the process of such discussions transparent. About the regional forum of the Association of Southeast Asian Nations, Japan will push for bilateral, multilateral dialogues and cooperation while in support of the U.S. presence and engagement for the Asia-Pacific region's security.

Mori: The role of the Government's official development assistance (ODA) for development issues in developing countries is significant. Japan should make international contributions in a positive way from now on as well through such steps as dispatching personnel for the U.N. peacekeeping operations (PKO) on the Golan Heights.

Prime Minister: Stepping up our efforts for development issues through ODA will contribute to the international community's peace and stability, and will also contribute to our country's national interests. Development was one of the agenda items discussed at the informal summit meeting of the Asia-Pacific Economic Cooperation (APEC) forum, and we were asked to fulfill our ODA projects. The Government would like to endeavor to improve its ODA, while giving heed to our country's financial stringency. Also, the Government will study personnel contributions, and then would like to participate positively in the United Nations' PKO activities from now on as well.

Okinawa Problem

Yukio Hatoyama (Democratic Party of Japan): Based on the final report released by the Japan-U.S. Special Action Committee (on Facilities and Areas in Okinawa) (SACO), how will the Government address the problem of U.S. military bases on Okinawa and local development there?

Prime Minister: All of the nation should share the heavy burden of people in Okinawa. While assuming such a stance, the Cabinet will make utmost
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efforts. Regarding Okinawa development, the Okinawa Policy Consultative Council, which consists of the Cabinet ministers concerned and the Governor of Okinawa Prefecture, is now conducting specific studies. Recently, I've received a report of recommendations from the Chief Cabinet Secretary's private forum on Okinawa Prefecture's local municipalities where U.S. military bases are located. The Government will make utmost efforts to resolve issues while basing itself on the results of the (Okinawa) council's studies.

Foreign Relations, Security

Hatoyama: Today, various countries are rising, gaining strength under a market economy system. In such a situation, Japan is now being required to develop an even more independent and dynamic foreign policy -- particularly toward neighboring countries in Asia. What do you think will be the future course of Japan-U.S. relations in the 21st century? And, what about the specific role of Japan for building a regional security system for Northeast Asia?

Prime Minister: Cooperative relations between Japan and the U.S. have been wide-ranging in various areas, as the two countries have been making such efforts as tackling political, security, economic, and global issues. It is indispensable to sustain and develop this relationship for peace and prosperity in the Asia-Pacific region and the world.

Hatoyama: It is truly regrettable that the Prime Minister paid homage at Yasukuni Shrine and such incurred negative reactions from among the neighboring countries. But the Prime Minister stated positively at the recent Manila meeting of the Asia-Pacific Economic Cooperation (APEC) forum that the Prime Minister would respect former Prime Minister Murayama's statement of August last year, which expressed his "keen feeling of self-reflection and apology" for (Japan's) "colonial rule and aggression." We welcome this.

Prime Minister: Based on the Murayama statement, I will make strenuous efforts for world peace and prosperity.

Hatoyama: Next year will see the 25th anniversary

of the restoration of diplomatic relations between Japan and China. With it ahead, how will you try to develop Japan-China relations?

Prime Minister: The relationship between Japan and China is a bilateral relationship that is important for peace and prosperity not only in the two countries but also in the Asia-Pacific region and the entire world. Working on various countries for China's joining the World Trade Organization (WTO) at an early date is necessary also for the world economy. The Government would like to endeavor for a further development of Japan-China relations based on the two countries' mutual trust in each other. At the recent Japan-China summit meeting in UNCLAS SECTION 05 OF 11 TOKYO 011101

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Manila with Chinese President Jian Z emin, we asked each other to visit Japan and China. The Government would like to make efforts so that the peoples of the two countries will be able to heartily bless the 25th anniversary of the normalization of diplomatic relations between the two countries.

Hatoyama: From now on, Japan should promote human-rights diplomacy while positioning the issue of human rights as a universal value and as an important pillar of Japan's diplomacy. In that respect, Japan's diplomacy is not highly appreciated at all. We'd like to hear the Prime Minister's view, including how to cope with the military regime in Myanmar (Burma).

Prime Minister: We need to play a positive role in foreign relations to promote the protection of human rights in the world. Japan has tenaciously worked on Myanmar, calling for democratization and improvements in the state of human rights.

Hatoyama: If Japan makes it clear that the threat or use of nuclear weapons is a violation of international law, and then if Japan appeals for concluding a nuclear weapons ban treaty, Japan will have an extremely great impact to rouse international public opinion.

Prime Minister: In order for us to create a world with no nuclear weapons, it is important to accumulate pragmatic, specific nuclear disarmament steps in a steady way through such approaches as calling on all nations to sign and ratify the adopted comprehensive nuclear test ban treaty (CTBT) for its early effectuation.

Hatoyama: How will you address the total banning of mines?

Prime Minister: In June this year, Japan announced its position to support international efforts for a total ban on mines. Japan has been working together to present the antipersonnel mine total ban resolution adopted by the First Committee of the United Nations. For mine removing as well, the Government will make utmost efforts, including our country's plan to host an international conference in March next year.

(2) Perplexed at "Partial Return" at Camp Zukeran; Landowners Say, "The Site Planned to Be Returned Is Just Like the Strings of a Loincloth"

ASAHI (Page 36) (Full)
December 4, 1996

Perplexity is getting around among local residents who learned that a partial return of the housing area in United States forces' Camp Zukeran is included in the final report just released by the Japan-United States Action Committee on Okinawa (SACO), a panel that is discussing realignment and reduction of U.S. forces' bases on Okinawa.

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The plan is to revert an area of approximately 83 hectares in all in the year 2007, but the sites covered in the reversion plan are studded far and wide across Kita-nakagusuku Village, Ginowan City and Okinawa City. In addition, some sites are narrow strips and some others are slopes.

To give an example, there is a narrow strip of vacant land inside the fence of the U.S. base. Most of that land is covered by a thicket. It is about 30 meters in width and is about more than 1 kilometers in length. This long and narrow site will be returned as if to remove a membrane of the base. "It is thin, just like 'a loincloth,'" complained Junichi Kiyamu, chairman of the Landowners Association for Military Sites situated at Kita-nakagusuku Village in Okinawa Prefecture, who has rented his land to the base.

The site that is to be returned to Kita-nakagusuku Village covers nearly 6.1 hectares and runs through Camp Zukeran, which has occupied a portion of the village, and the mountainous area, in the way it links the northwest part of the village to its center. In the northwest area surrounded by the base, 95 families are living. Their children go to elementary and junior high schools located at the opposite across the base, so they have to make a detour, walking three times as long as a distance along the fence.

The land to be returned then can be used as a road, thereby dissolving inconvenience of being isolated for the time being. But what the village had initially desired was to see the whole area returned to it.

It is planned to consolidate such facilities as U.S. troops' housing district into the site that is not included in the reversion plan this time. The worry under this circumstance is that a return of the whole area may become remote. On December 2, when the final report was unveiled, Kaoru Kiyamu, headman of Naka-gusuku Village, and landowners requested the Naha Defense Facilities Administration Bureau not to return right now the site that is included in the return plan, reasoning: "Under a partial return of the site, we cannot take a comprehensive regional promotional measure."

The site covering about 22.6 hectares extending to Kita-nakagusuku Village and Okinawa City is also to be returned. This area is located on an isolated slope divided by the road. Landowners say, "There are difficulties in making use of that land." An analysis by Ikuyoshi Kon (?), director of the Peace and Culture Promotion Division of Okinawa City is: "That area is not the land the city side had requested its return. There seems to be the intention of adding to the area to be reverted somehow."

However, Okinawa City will not raise an objection to the return plan. It says it wants to make the

good use of the site to be returned to build a new
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town because there is a large commercial facility
nearby, and the construction work to extend it is
continuing.

The site to be reverted to Ginowan City from Camp
Zukeran covers about 55 hectares, and that land is
not dotted, but it is situated on a bluff and is
uneven with a gap of several tens of meters between
the highest and the lowest portions. On the 2nd,
Ginowan City, together with landowners, considered
a counteraction and arrived at a conclusion to
"oppose the return plan." Mayor Seiken Toubaru
angrily remarks: "On the flat land we had called
for return, a hospital is constructed by U.S.
forces. Their plan is to return only a steep bluff
area which is useless."

(3) "Forum of Dietmembers for ODA" to Be Formed in
the Upper House Aiming at Creating ODA Program by
Enlisting Citizens' Participation

SANKEI (Page 2) (Full)
December 4, 1996

In an effort to review the present government
official development assistance (ODA) program,
Liberal Democratic Party (LDP) members from the
Upper House yesterday decided to form a
"Dietmembers' Forum for an ODA Program with Citizen
Participation that Aims at a New Age of Diplomacy."

The purpose of setting up the forum is to heighten
the degree of transparency of ODA programs by
enlisting citizens. Meetings of promoters and the
forum will take place on the 19th.

"The Japanese Government has long treated its ODA
as a 'sanctuary area,' believing that its ODA
program is the greatest tool for implementing its
international strategy" (Foreign Ministry senior
official). However, reflecting the recent tight
fiscal condition, there has been an increasing
tendency to slash the budgetary allocations for the
ODA program. As a result, the inefficiencies of

the current ODA programs have been exposed.

Given such circumstances, the forum intends to grapple with reform of ODA policy, by totally reexamining the ODA policy-making process and its effectiveness. It also will look for measures to obtain the understanding and agreement of the public for ODA policy. It will develop a debate on ODA programs with the enactment of an ODA basic law in mind.

This view is shared by 18 advocates who include Upper House LDP Secretary General Masakuni Murakami, Diet Policy Committee Chairman Mitsuhiro Uesugi, Policy Deliberation Council chairman and former justice minister Hiroshi Miyazawa, former National Land Agency minister Takashi Inoue, former home affairs minister Hiroyuki Kurata. The present state of ODA and issues will be reported at the first meeting on the 19th.

(4) Labor Ministry to Drastically Revise Public
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Employment Security Law; To Set Standards, Focusing
on Active Use of Telecommunication Networks; With
Aim to Enable Public Employment Security Offices to
Respond to Job-Change Trend

NIHON KEIZAI (Page 5) (Full)
November 27, 1996

The Labor Ministry has decided to boldly revise the Public Employment Security Law, which regulates the job placement business. The ministry will establish a study group of academic experts in December, at the earliest, to launch into the work. Based on the judgment that the said law no longer matches the present labor situation, the ministry is willing to restudy future options for public employment security offices and to rewrite the job-placement standards in an information-orientation. Agreement has already been reached to review the Labor Standards Law. Labor-related laws, which have long been criticized as "having fallen into system fatigue," will be completely reviewed all at once.

Reviews of Labor-related Laws Now in High Gear

The Public Employment Security Law was enacted in 1947. Since then, the ministry has not retouched this law. With rapid changes observed in the nation's industrial structure and the labor environment, such as an increase in part-time jobs, however, calls for reviewing the law have been growing. One complains, "The current measures are no longer match the situation."

Items to be discussed by the study group will be worked out from now, but the ministry is determined to review public employment security offices to enable them to reond to the growing job-change trend observed especially among the younger people. With the aim of nurturing expert staff for placing jobs, the ministry will study the possibility of extending the minimum length of service at one place. Private-sector job placement companies are now required to renew their licenses every year, but as a measure to facilitate new entry into the business, an extension of the period will also likely to become a subject of consideration.

The Labor Ministry will tackle drawing up standards on job placement by using computers, including accessing the Internet. Although the case of using Internet in employing new university graduates is increasing, there is no pertinent provision under the existing laws. The ministry thinks it necessary to come up with a framework that can dispose of such problems as an oversupply of information and infringement of privacy.

Regarding an expansion f the scope of services offered by fee-charging job-search companies, the Central Employment Security Council (advisory organ to the labor minister) is scheduled to come up with a report by mid-December. But the Council will not be able to satisfactorily reflect the ongoing sharp changes of the labor environment in its report.

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The Labor Ministry therefore will look into drastic

measures by setting up a study group to expedite such reviews.

Agreement has been reached to amend treaties related to the fee-charging job-search business during next summer's general meeting of the International Labor Organization (ILO). With consideration given to this, the legal revisions is expected to occur in the regular Diet session in early 1999.

(5) Report on Economic Structural Reform; Gives Priority to Competition and Profits for Majority; "Separate Measures Necessary for the Weak"

ASAHI (Page 11) (Full)
December 4, 1996

The Economic Council submitted its report on economic structural reform to Prime Minister Ryutaro Hashimoto yesterday. In the report, the Council expressed a sense of alarm toward the current situation in which the collusive relations between government offices and business circles have blocked reform efforts in Japan, which is losing international competitiveness due to a mesh of restrictions. It also criticized central government agencies' stance of "approving the report as a long-term direction but calling for taking a lot of time for discussion so that such reform would not disturb public order."

As the first feature of this report, it did not recognize "protection of the weak" and "high public interests" as reasons for continuing regulations. It instead placed emphasis on thorough introduction of market principles and promotion of competition. As for side-effects to be produced from this new approach, the report stressed the need to work out separate policy measures. It explained, "The way of delaying reform efforts by using side-effects as a reason is tantamount to protecting the minority's profits at the cost of the majority's economic benefits."

In the employment and labor sector, some harbor apprehension that if provisions pertaining to protection of female workers are erased or if the fee-charging job placement business is deregulated, such may cause workers to work until late at night or agents to squeeze out money. But such cases can be controlled by the police and the courts, and they are not necessarily placed under labor-related regulations. The report denied the need to continue the existing regulations and the government's monopoly in the job-search business for the reasons of such a fear.

Yet, the report appears to have greatly reflected the business world's intentions. If reform is to deal a blow only to the weak, antipathy will naturally arise. Some call for the business world to be determined to hurt itself for structural reform.

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SENTAKU

November, 1996

As the proverb goes, that which is good for the back may not be good for the head. Senior officials of the Ministry of Foreign Affairs (MOFA) are having trouble choosing the next ambassador to the Republic of Korea (ROK). The reason is because MOFA has yet to find an appropriate candidate for the post, despite incumbent Ambassador Shintaro Yamashita already having served out his full two-year term.

Since there are a mountain of delicate political problems between Japan and the ROK, including Takeshima Island, Yasukuni Shrine, and former military comfort women, the post of ambassador to the ROK is an exhausting one, as seen in this remark (from a former MOFA official): "No matter how capable the ambassador may be, he will suffer a nervous breakdown." "A person who makes guarded statements is required for that post" (same ex-official). Reportedly, the ROK side is tacitly urging the appointment of an ambassador who has a humble attitude and has a correct perception of history. In the ministry however, one senior official said: "There is no such saintly diplomat."

At one time, the name of Deputy Vice Minister Kazuo Ogura, who served as director of the Northeast Asia Division, was mentioned. But the possibility disappeared because of his open-hearted and outspoken personality.

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TOP HEADLINES:

ASAHI: ADMINISTRATIVE REFORM SUB-PANEL ISSUES REPORT THAT
CONTAINS 51 DEREGULATION PROPOSALS, SUCH AS SCRAPPING
SUPPLY-DEMAND ADJUSTMENTS FOR TAXIS, EXAMINING A
POSSIBILITY OF WIDENING OPTIONS FOR ELEMENTARY AND JUNIOR
HIGH SCHOOLS UNDER THE PRESENT SCHOOL DISTRICT SYSTEM,
AND STUDYING HOSPITAL MANAGEMENT BY PRIVATE FIRMS;
"CONSUMERS' BENEFITS" HIGHLIGHTED

NIHON KEIZAI: ADMINISTRATIVE REFORM SUB-PANEL PROPOSES 51

ITEMS FOR DEREGULATION; URGES ECONOMIC SYSTEM REFORM;
BACKS "HASHIMOTO'S ADMINISTRATIVE REFORM" (TRANSLATION
BELOW)

TOKYO SHIMBUN: "CONSUMERS' SOVEREIGNTY" SUGGESTED BY
ADMINISTRATIVE REFORM SUB-PANEL'S REPORT ON DEREGULATION;
URGES FOR TRANSPARENCY OF MEDICAL AND WELFARE
ADMINISTRATION; PROPOSAL FOR FLEXIBLE CHOICE OF PUBLIC
ELEMENTARY AND JUNIOR HIGH SCHOOLS

MAINICHI: UNESCO DECIDES TO PUT ATOMIC PEACE DOME ON
"WORLD HERITAGE LIST," DESPITE OPPOSITION FROM U.S.
(TRANSLATION BELOW)

YOMIURI: ADMINISTRATIVE REFORM SUB-PANEL SUGGESTS 51
ITEMS FOR DEREGULATION; MORE FLEXIBLE OPERATIONS OF THE
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SANKEI: ADMINISTRATIVE REFORM SUB-PANEL'S REPORT
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MADE FLEXIBLE

OKINAWA BASES PROBLEM: HASHIMOTO FEELS PROGRESS MADE
AFTER MEETING WITH GOVERNOR OTA (SANKEI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO RETURNED TO TOKYO ON THE
AFTERNOON OF DECEMBER 5 AFTER WINDING UP A SERIES OF
SCHEDULES DURING HIS VISIT TO OKINAWA, INCLUDING A
MEETING WITH OKINAWA PREFECTURE'S GOVERNOR MASAHIDE OTA.
IN HIS MEETING WITH GOVERNOR OTA, THE PRIME MINISTER
OBTAINED (THE GOVERNOR'S COMMITMENT TO) COOPERATION FOR
CONSTRUCTING AN ALTERNATIVE HELIPORT FOR THE PLANNED
REVERSION OF THE FUTENMA AIR STATION SITE. ON THE NIGHT
OF DECEMBER 4, THE PRIME MINISTER MET ALSO WITH THE
REPRESENTATIVES OF LOCAL MUNICIPALITIES WHERE MILITARY
BASES ARE LOCATED, AND THEN OBTAINED THEIR UNDERSTANDING
TO A CERTAIN EXTENT. WITH THIS, PRIME MINISTER HASHIMOTO
LEFT THE IMPRESSION OF MOVING ONE STEP FORWARD TOWARD A
SETTLEMENT OF THE BASE PROBLEM. FROM NOW ON, HOWEVER,
THE PRIME MINISTER'S ABILITY IS GOING TO BE TESTED AGAIN
ON HOW FAR HE WILL BE ABLE TO PRODUCE VISIBLE RESULTS IN
THE COURSE OF BRINGING TO FRUITION SUCH POLICIES AS THE
DEVELOPMENT PACKAGE FOR OKINAWA PREFECTURE.

ON THE MORNING OF DECEMBER 5, PRIME MINISTER HASHIMOTO,
AFTER HIS MEETING WITH GOVERNOR OTA IN GINOWAN CITY,
EMPHASIZED HIS RESULTS: "I ASKED FOR THE PREFECTURE'S
COOPERATION TO CARRY OUT THE REPORT ISSUED BY THE JAPAN-
U.S. SPECIAL ACTION COMMITTEE (ON FACILITIES AND AREAS IN
OKINAWA) (SACO). THE GOVERNOR WELCOMED MY PROPOSAL OF
HOLDING TALKS AND DOING THINGS IN COOPERATION." GOVERNOR
OTA ALSO WAS LAUDATORY, SAYING, "THE PRIME MINISTER'S
VISIT WAS VERY SIGNIFICANT."

AFTER THAT, THE PRIME MINISTER VISITED THE OKINAWA NATIONAL CEMETERY FOR THE WAR DEAD AND HIMEYURI MEMORIAL PARK, WHERE HE OFFERED FLOWERS. ADDITIONALLY, THE PRIME MINISTER CHANGED HIS SCHEDULE AND VISITED THE HIMEYURI PEACE PAVILION TO DEMONSTRATE HIS SINCERITY FOR OKINAWA. UNCLAS SECTION 02 OF 07 TOKYO 011160

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 6

IN THE MEETING WITH THE HEADS OF LOCAL MUNICIPALITIES CONTAINING MILITARY BASES ON THE NIGHT OF DECEMBER 4, THE PRIME MINISTER REVEALED HIS OWN GIFT, TELLING THEM THAT THE FOREIGN MINISTRY WAS PLANNING TO ESTABLISH THE POST OF AMBASSADOR TO OKINAWA. ALSO, THE PRIME MINISTER REITERATED, "WE MUST NOT CARRY OUT TRANSFERAL (OF BASE FUNCTIONS) BY OVERPOWERING THE OPPOSITION OF LOCAL CITIZENS." ON THE OTHER HAND, THE PRIME MINISTER HIMSELF PROPOSED THE MEETING WITH THEM BE EXTENDED BEYOND THE TIME IT WAS TO END, AND IT CONTINUED FOR NEARLY ONE AND A HALF HOURS.

TETSUYA HIGA, MAYOR OF NAGO CITY, A LOCAL MUNICIPALITY ON THE LIST OF CANDIDATE LOCALITIES FOR THE FUTENMA AIRFIELD'S FUNCTIONAL RELOCATION, REMARKED, "NOW I CAN GO BACK TO NAGO AND MEET THE CITIZENS OF MY CITY. HE DEEPLY UNDERSTANDS OKINAWA. I DEEPLY APPRECIATE HIM." OTHER MAYORS LIKEWISE VOICED THEIR APPRECIATION, ONE SAYING, "I FEEL WHAT WE HEARD FROM THE PRIME MINISTER WAS THE ROOT BASE OF DEMOCRACY." ANOTHER SAID, "I FELT RELIEVED."

ON THE OTHER HAND, HOWEVER, ONE FROM THE OKINAWA CHAPTER OF RENGO (JAPANESE TRADE UNION CONFEDERATION) REMARKED, "WE APPRECIATE THE OKINAWA FORUM'S POLICY PROPOSAL, BUT THE QUESTION NOW IS WHETHER SUCH WILL BE CARRIED OUT IN A TANGIBLE WAY."

ADMINISTRATIVE REFORM SUBCOMMITTEE ISSUES REPORT WITH 51 DEREGULATORY PROPOSALS (NIHON KEIZAI - TOP PLAY)

THE DEREGULATION SUBCOMMITTEE (CHAIRER BY YOSHIHIKO MIYAUCHI) UNDER THE ADMINISTRATIVE REFORM COMMITTEE (CHAIRER BY YOTARO IIDA) YESTERDAY MAPPED OUT A REPORT ON DEREGULATORY STEPS AND SUBMITTED IT TO THE ADMINISTRATIVE COMMITTEE. THE REPORT, WHICH COVERS 51 ITEMS IN 13 SECTORS, EXPRESSES A STRONG SENSE OF ALARM TOWARD THE NATION'S PRESENT SOCIOECONOMIC SYSTEMS AND CALLS FOR

DRASTIC STRUCTURAL REFORM. THE COMMITTEE WILL SUBMIT THE REPORT TO PRIME MINISTER RYUTARO HASHIMOTO ON THE 13TH SO THAT THE GOVERNMENT CAN REFLECT IT IN THE DEREGULATION PROMOTION PLAN TO BE AMENDED AT THE END OF THIS FISCAL YEAR. IT ALSO PLANS TO SUBMIT TO THE PRIME MINISTER ON THE 16TH A REPORT COMPILED BY THE SUBCOMMITTEE ON WORK-SHARING BETWEEN GOVERNMENT AND PRIVATE SECTOR." FOLLOWING UP THOSE REPORTS, THE CONFERENCE ON ADMINISTRATIVE REFORM" (CHAIRER BY PRIME MINISTER RYUTARO HASHIMOTO) WILL START EFFORT TO DRAFT A PLAN FOR RESTRUCTURING CENTRAL GOVERNMENT AGENCIES -- THE MOST IMPORTANT AGENDA ITEM FOR THE CABINET.

AS A GENERAL ARGUMENT, THE REPORT POINTS OUT, BEARING IN MIND THAT JAPAN'S DEREGULATION IS LAGGING BEHIND THE U.S., "JAPAN IS DISCREDITED WITH NOT DESERVING MAKING INVESTMENTS." IT NOTES THAT (THE COMMITTEE) HAS LOOKED INTO ISSUES PERTAINING TO PROMOTION OF DEREGULATION AND MADE PROPOSALS, FOCUSING ON AREAS THAT HAVE A GREAT IMPACT ON SOCIOECONOMIC SYSTEMS AND AREAS THAT SHOULD BE DEREGULATED IMMEDIATELY, WITHOUT SETTING UP ANY PROTECTED SANCTUARIES.

AS SPECIFIC MEASURES IN THE TRANSPORT SECTOR, THE REPORT CALLS FOR REMOVING THE BLOCKAGE TO NEW MARKET ENTRIES AND BUSINESS EXPANSION BY BASICALLY SCRAPPING THE "SUPPLY-DEMAND ADJUSTMENT CONTROLS" OVER THE TAXI, BUS AND RAILWAY SERVICE BUSINESSES. AS TO RAILWAY FREIGHTAGE, IT PROPOSES INTRODUCTION OF A PRICE-CAP SYSTEM IN THE FUTURE IN THE CIVIL AVIATION AND TAXI SERVICES BUSINESSES.

REGARDING THE EDUCATION SECTOR, WHICH HAS BEEN TAKEN UP FOR THE FIRST TIME, THE PANEL CLAIMS THAT A FLEXIBLE SCHOOL DISTRICT SYSTEM FOR PRIMARY AND JUNIOR HIGH SCHOOLS AND SCHOOL-TEXTBOOK SCREENING BY EACH SCHOOL ARE NEEDED. THE REPORT UNDERSCORES THAT IN THE FINANCIAL, UNCLAS SECTION 03 OF 07 TOKYO 011160

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 6

SECURITIES AND INSURANCE SECTORS, JAPANESE INSURERS SHOULD BE IMMEDIATELY ALLOWED TO HANDLE PRODUCTS IN THE GRAY ZONE OF THE LIFE AND NON-LIFE INSURANCE AREA, SUCH AS ACCIDENT, ILLNESS AND NURSING-CARE INSURANCE.

IN THE INFORMATION AND TELECOMMUNICATIONS SECTOR, THE REPORT PROPOSES INTRODUCTION OF A METHOD OF COLLECTING

NHK SATELLITE TELEVISION BROADCASTING FEES IN PROPORTION TO THE LENGTH OF TIME WHICH SUBSCRIBERS WERE ACTUALLY TUNED IN TO THE NHK CHANNELS, CITING, "(THE EXISTING SYSTEM) MAY HAMPER THE FUNCTIONS OF FEE-CHARGING BROADCASTING MARKET, WHICH IS EXPECTED TO GROW IN THE FUTURE."

THE PANEL'S PROPOSAL ON THE JOB AND LABOR SECTOR IS THAT RESTRICTIONS ON FEMALE WORKERS' OVERTIME, HOLIDAY AND MIDNIGHT WORK SHOULD BE DONE AWAY WITH. IN THE MEDICAL-CARE AND WELFARE SECTOR, THE PANEL UNDERSCORES THE NECESSITY OF STOPPING GOVERNMENT INVOLVEMENT REGARDING THE "SILVER MARK SYSTEM," CITING THAT IT HAS BLOCKED FREE MARKET ENTRIES BY PRIVATE COMPANIES. AS TO THE RESALE PRICE MAINTENANCE SYSTEM FOR COPYRIGHT PRODUCTS, SUCH AS NEWSPAPERS AND BOOKS, THE REPORT NOTES, "(THE COMMITTEE) WILL CONTINUE TO LOOK INTO THE ISSUE, WHILE STRENGTHENING FAR-REACHING DISCUSSION AMONG THE PEOPLE."

OUTLINE OF ADMINISTRATIVE SUBCOMMITTEE REPORT

1. REVIEW THE SYSTEM OF NHK SATELLITE TELEVISION BROADCASTING FEES.
2. SCRAP THE SUPPLY-DEMAND ADJUSTMENT CONTROL OVER THE TAX AND BUS SERVICE BUSINESSES.
3. EXPAND THE CROSS-SERVICING BUSINESS AREA ALLOWED FOR LIFE AND NON-LIFE INSURERS.
4. SCRAP ADMINISTRATIVE INVOLVEMENT REGARDING THE SILVER MARK SYSTEM.
5. SCRAP OVERTIME, HOLIDAY AND MIDNIGHT WORK RESTRICTIONS IMPOSED ON FEMALE EMPLOYEES.
6. FLEXIBLE SCHOOL DISTRICT SYSTEM.
7. CONTINUE TO STUDY THE RESALE PRICE MAINTENANCE SYSTEM FOR COPYRIGHT PRODUCTS.

4.5 TRILLION YEN SUPPLEMENTARY BUDGET TO FOCUS ON ADDITIONAL PUBLIC WORKS SPENDING (NIHON KEIZAI - PAGE 1)

THE GOVERNMENT AND THE LIBERAL DEMOCRATIC PARTY (LDP) ON THE 5TH REACHED A POLICY DECISION TO APPROPRIATE 4.4 TO 4.5 TRILLION YEN AS TOTAL OPERATIONAL EXPENSES IN THE FY1996 SUPPLEMENTARY BUDGET. PUBLIC WORKS EXPENSES PER SE WILL NOT BE APPROPRIATED IN ECONOMIC MEASURES SPENDING BUT WILL BE INCLUDED IN SUCH ACCOUNTS AS REHABILITATION EXPENSES FOR THE GREAT HANSHIN (OSAKA-KOBE) EARTHQUAKE DISASTER, URUGUAY ROUND AGRICULTURAL EXPENSES, AND THE DISASTER-PREVENTION EXPENSES. THE DECISION REFLECTS THE LDP'S STRONG CALL FOR ADDITIONAL OPERATIONAL EXPENSES.

JAPAN-U.S. INSURANCE TALKS: CABINET-LEVEL MEETING TO SEEK POLITICAL SOLUTION TO 3 KEY ISSUES
(NIHON KEIZAI - PAGE 5)

(COMMENTARY)

IN COMPILING A SUPPLEMENTARY BUDGET, Qz%)8L
DEMOCRATIC PARTY (LDP) HAVE BEEN SADDLED WITH
TWO CONTRADICTORY POLICY TASKS, NAMELY, FISCAL

RECONSTRUCTION AND ADDITIONAL PUBLIC WORKS SPENDING. THE GOVERNMENT OPTED TO SCATTER AROUND PUBLIC WORKS SPENDING THINLY IN SUCH ACCOUNTS AS DISASTER-PREVENTION EXPENSES AND THE LIKE, INSTEAD OF APPROPRIATE IT AS ECONOMIC MEASURES EXPENSES. SUCH AN "AMBIGUOUS SETTLEMENT" REFLECTS THE GOVERNMENT'S CONSIDERATION TOWARD THE LDP'S CALL FOR ADDITIONAL PUBLIC WORKS PROJECTS AS WELL AS TO WARD OFF ANY CRITICISM THAT SUCH WOULD BE CONTRADICTORY TO FISCAL RECONSTRUCTION.

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USIA

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

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS DECEMBER 6

SINCE THE LOWER-HOUSE ELECTION, THE SUPPLEMENTARY BUDGET DEBATE HAS PROCEEDED AT THE LDP'S PACE. POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI HAS CALLED FOR A SUPPLEMENTARY BUDGET OF ABOUT 5 TRILLION YEN. OTHER LDP MEMBERS ALSO CALLED IN CHORUS FOR INCREASING PUBLIC WORKS SPENDING IN APPRECIATION OF THEIR VICTORY IN THE ELECTION.

MEANWHILE, PRIME MINISTER RYUTARO HASHIMOTO, WHO HAS PLEDGED TO SLASH GOVERNMENT BONDS BY 3 TRILLION IN THE NEXT FISCAL YEAR AS PART OF THE STRUCTURAL FISCAL REFORM PROGRAM, DEFINITELY WANTS TO AVOID GENERATING ANY BAD IMAGE THAT WOULD TARNISH HIS REFORM SCHEME FROM THE BEGINNING. THE PRIME MINISTER HAS INSTRUCTED THE MINISTRY OF FINANCE (MOF) TO ALLOW ALL NECESSARY ADDITIONAL BUDGETS IN COMPILING THE SUPPLEMENTARY BUDGET. AT THE SAME TIME, RECEIVING THE BANK OF JAPAN'S SHORT-TERM ECONOMIC FORECAST AND THE NATIONAL INCOME SPOT STATISTICS FOR THE JULY - SEPTEMBER QUARTER, THE PRIME MINISTER HAS CONCLUDED, "THERE HAS BEEN NO CHANGE IN THE MODERATE ECONOMIC RECOVERY TONE" (FINANCE MINISTER HIROSHI MITSUZUKA). HE HAS ARRANGED ALL THE STEPPING STONES NECESSARY TO DILUTE THE NEED TO FOCUS ON ECONOMIC MEASURES.

AT THE SAME TIME, THE PRIME MINISTER DECIDED TO STEP UP NATIONAL DISASTER-PREVENTION MEASURES IN THE SUPPLEMENTARY BUDGET IN ORDER TO CREATE MORE JOBS FOR THE LOCAL CONSTRUCTION INDUSTRY. WITH AGRICULTURAL MEASURES AGAINST THE URUGUAY ROUND (UR), A HIGHLY CONTROVERSIAL ELEMENT, INCLUDED IN THE BUDGET, ADDITIONAL NATIONAL SPENDING MAY REACH 2 TRILLION YEN. THE SUPPLEMENTARY BUDGET MAY HAVE TO BE COVERED BY THE ISSUANCE OF

GOVERNMENT BONDS. A STEEPER PATH LIES BEFORE FISCAL RECONSTRUCTION.

JAPAN SEEKING COMPROMISE SOLUTION TO AUTO INSURANCE ISSUE
(ASAHI - PAGE 13)

(WASHINGTON, DECEMBER 4, HIROAKI ITO) DURING JAPAN-UNITED STATES INSURANCE TALKS TO RESUME IN TOKYO TODAY, FINANCE MINISTER HIROSHI MITSUZUKA AND ACTING U.S. TRADE REPRESENTATIVE BARSHEFSKY ARE EXPECTED TO AIM TO SETTLE THREE ITEMS BY POLITICAL DECISION. THIS WAS REVEALED ON THE 4TH BY JAPANESE AND U.S. INFORMED SOURCES. THE ITEMS INCLUDE THE ISSUE OF DIVERSIFIED PREMIUM RATES FOR AUTOMOBILE INSURANCE BY AGE AND OTHER ELEMENTS AND CONDITIONS FOR ENTRY INTO THE SO-CALLED THIRD SECTOR BY NON-LIFE INSURANCE COMPANIES OF LIFE INSURERS. IN CASE BOTH SIDES FAIL TO FIND COMMON GROUND, THEY MAY HOLD ANOTHER SESSION ON THE 14TH.

CABINET-LEVEL TALKS START TODAY

THE U.S. HAS INSISTED ON LIBERALIZING NOW GENERALLY UNIFIED PREMIUM RATES FOR AUTOMOBILE INSURANCE AND ADOPTING DIFFERENT RATES BY AGE, REGION AND SEX. JAPAN IS GOING TO FIERCELY REJECT SUCH REQUESTS AS ADOPTION OF DIVERSIFIED RATES BY REGION, BUT THE FOCUS IS ON HOW FAR JAPAN WILL APPROVE SUCH A DIVERSIFIED RATE SYSTEM.

THE U.S. HAS ALSO CALLED FOR SECEDING FROM THE PROPERTY AND CASUALTY INSURANCE RATING ORGANIZATION, WHICH HAS ULTIMATELY CONTROLLED ALL NON-LIFE INSURANCE COMPANIES' PREMIUM RATES, AND FOR RATES TO THEN BE SET FREELY. JAPAN IS EXPECTED TO AGREE TO U.S. COMPANIES' WITHDRAWAL FROM THE ORGANIZATION, BUT IT IS UNWILLING TO ACCEPT PRESENTING THE ORGANIZATION'S IN-HOUSE DATA.

MEANWHILE, JAPAN HAS ASSERTED THAT THE U.S. APPROVE NON-LIFE INSURANCE COMPANIES OF LIFE INSURERS TO ENTER THE THIRD SECTOR, INCLUDING CASUALTY INSURANCE WHILE TAKING MEASURES TO MITIGATE CATAclysmic CHANGES IN THE MARKET,
UNCLAS SECTION 05 OF 07 TOKYO 011160

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 6

SUCH AS A MEASURE TO PROTECT THE CURRENT SALES CHANNELS OF FOREIGN INSURERS. THERE IS THE POSSIBILITY THAT THE U.S., DEPENDING ON HOW FAR JAPAN WILL MAKE CONCESSIONS ON

THE OTHER TWO ITEMS, WILL GIVE IN TO THIS ITEM WITH CONDITIONS.

YET, THE PLANNED TALKS WILL HAVE TO BE WOUND UP BY THE AFTERNOON OF THE 7TH, BECAUSE BARSHEFSKY IS SCHEDULED TO ATTEND THE MINISTERIAL MEETING OF THE WORLD TRADE ORGANIZATION IN SINGAPORE STARTING FROM THE NIGHT OF THE 8TH.

IN THE EVENT OF THE TALKS ENDING IN RUPTURE, BARSHEFSKY MIGHT COME TO TOKYO AGAIN ON THE WAY BACK FROM THERE TO CONTINUE TALKS UNTIL THE 15TH.

JAPAN SEEKING COMPROMISE SOLUTION TO AUTO INSURANCE ISSUE
(ASAHI - PAGE 13)

IN JAPAN-UNITED STATES INSURANCE TALKS, JAPAN AIMS AT DRAWING A CONCESSION FROM THE U.S. ON APPROVAL OF ENTRY INTO THE THIRD SECTOR BY SUBSIDIARIES OF LIFE AND NON-LIFE INSURANCE COMPANIES STARTING NEXT YEAR. IN EXCHANGE FOR THAT, IT MAY YIELD WITH CONCESSIONS ON LIBERALIZATION OF AUTOMOBILE INSURANCE PREMIUM RATES.

REGARDING THE ISSUE OF ENTRY INTO THE THIRD SECTOR, WHICH COVERS CASUALTY INSURANCE AND OTHER POLICIES, THE MINISTRY OF FINANCE (MOF) HAS BANNED WITHIN THE YEAR LIFE INSURERS' NON-LIFE SUBSIDIARIES FROM SELLING PERSONAL ACCIDENT INSURANCE POLICIES, IN WHICH THE U.S. IS GREATLY INTERESTED. BUT PRIME MINISTER RYUTARO HASHIMOTO HAS SET FORTH A GOAL OF LIBERALIZING FINANCIAL SERVICES TO THE SAME LEVEL AS THOSE IN THE U.S. AND EUROPE BY THE YEAR 2001, SO THE MOF HAS JUDGED IT IMPOSSIBLE TO CONTINUE THE U.S. REQUEST FOR BANNING THE LIBERALIZATION UNTIL JANUARY, 1999. REFLECTING SUCH, THE MOF TAKES THE STANCE "OF APPROVING NEW ENTRIES NEXT YEAR, EVEN IF NO SETTLEMENT IS REACHED" (INTERNATIONAL FINANCE BUREAU OFFICIAL).

THE JUDGMENT IS THAT, IN ORDER TO DRAW COMPROMISE FROM THE U.S. ON THE THIRD-SECTOR ISSUE, JAPAN WILL HAVE NO CHOICE BUT TO MAKE A CONCESSION ON AUTOMOBILE INSURANCE PREMIUM RATES. THE DEREGULATION SUB-COMMITTEE OF THE GOVERNMENT'S ADMINISTRATIVE REFORM COUNCIL RELEASED A REPORT OF PROPOSALS ON THE 5TH. THE REPORT ALSO SUGGESTED A REMOVAL OF THE OBLIGATION TO USE THE PREMIUM RATES PRESENTED BY THE PROPERTY AND CASUALTY INSURANCE RATING ORGANIZATION TO ENABLE EACH COMPANY TO SET PREMIUM RATES ON THEIR OWN DISCRETION. KEEPING SUCH ADVICE IN MIND, SOME JUDGE IT DIFFICULT TO MAINTAIN THE UNIFORM RATING SYSTEM.

YET, THE APPROVAL OF DIVERSIFIED RATES FOR AUTOMOBILE INSURANCE AND WITHDRAWAL FROM THE SAID ORGANIZATION AS A SET IS LIKELY TO EVOKE RESISTANCE FROM THE INDUSTRY, STEMMING FROM THE VIEW THAT FOREIGN INSURERS MIGHT SINGLE OUT SUPERIOR DRIVERS OF AGES AND REGIONS WITH LOW ACCIDENT RECORDS.

THE MOF IS WILLING TO TAKE MEASURES TO PREVENT NON-INSURED CARS FROM APPEARING DUE TO HIGH PREMIUM RATES APPLIED FOR DRIVERS WITH MANY ACCIDENTS. IF THE MINISTRY APPROVES LIBERALIZATION OF PREMIUM RATES, IT INTENDS TO LEAVE SOME RESTRICTIONS, FOR INSTANCE, ONE TO PROHIBIT TOO DETAILED CLASSIFICATION OF REGION.

JAPAN TO PROPOSE AT IWC MEET A REVISION OF BAN ON WHALING (YOMIURI - PAGE 7)

THE GOVERNMENT YESTERDAY SET ITS POLICY DIRECTION OF PROPOSING A REVIEW OF THE BAN ON COMMERCIAL TRANSACTIONS OF FOUR KINDS OF WHALES, SUCH AS THE MINK WHALE, WHICH UNCLAS SECTION 06 OF 07 TOO 011160

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 6

LIVES IN THE ANTARCTIC OCEAN. IT WILL MAKE THE PROPOSAL AT A CONFERENCE OF THE SIGNATORY COUNTRIES OF THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (WASHINGTON TREATY) TO TAKE PLACE IN ZIMBABWE NEXT JUNE.

UNDER THE WASHINGTON TREATY AIMING AT PROTECTING WILD ANIMALS AND PLANTS, BASED ON THE NUMBER OF A SPECIES, CRITERIA ON TRADE ARE STIPULATED, SUCH AS "THE BAN ON COMMERCIAL-BASIS TRADE" AND "POSSIBLY ALLOWING TRADE IF AN EXPORTER NATION GIVES PERMISSION." BUT JAPAN WOULD LIKE TO OPEN THE WAY TO INTERNATIONAL TRADE (IN WHALES) BY CHANGING THE PRESENT CATEGORIZATION OF CRITERIA FROM "THE BAN" TO "TRADE WILL BE ALLOWABLE," JUDGING FROM THE SURVEY RESULTS THAT SHOW THE NUMBER OF MINK WHALES AND OTHER KINDS SHOWS A TENDENCY TO INCREASE IN THE ANTARCTIC OCEAN.

JAPAN WILL ASK FOR A REVIEW OF CATEGORIZATION REGARDING FOUR KINDS OF WHALES: MINK WHALES LIVING IN THE ANTARCTIC OCEAN AND THE NORTH PACIFIC; NITARI WHALES (IN JAPANESE) IN THE NORTHWEST PACIFIC; KOKU WHALES (IN JAPANESE) IN THE NORTHEAST PACIFIC; AND MINAMI TOKKURI WHALES (IN JAPANESE) IN THE ANTARCTIC OCEAN.

AS FOR INTERNATIONAL WHALING, IN 1982, THE INTERNATIONAL WHALING COMMISSION (IWC), WHICH AIMS AT PROTECTING WHALES, ADOPTED IN ITS GENERAL ASSEMBLY A RESOLUTION ON "A COMMERCIAL-BASIS WHALING MORATORIUM." SINCE THEN, WHALING HAS BEEN RESTRICTED, AND IN 1994, MOST OF THE

ANTARCTIC OCEAN WAS DECIDED TO BE A NO-FISHING ZONE. JAPAN IS CONTINUING WHALING FOR RESEARCH IN THAT OCEAN AREA, REASONING THAT "IT IS NECESSARY TO CONDUCT A SCIENTIFIC SURVEY WHEN (THE RESTRICTIONS ON WHALING) IS RECONSIDERED."

THROUGH THE SURVEY, THE FISHERIES AGENCY HAS CONFIRMED THAT 760,000 MINK WHALES ARE LIVING THERE, AND IT SAYS EVEN IF 2,000 WHALES WERE CAPTURED, IT WOULD BE POSSIBLE TO CONTROL RESOURCES. JAPAN WANTS TO CREATE A STIR IN THE INTERNATIONAL DEBATE ON WHALING, WHICH TENDS TO BE EMOTIONAL, BY MAKING A SUGGESTION BASED ON SUCH SCIENTIFIC DATA.

JAPAN'S SUGGESTION WILL BE THE FIRST SINCE IT BECAME A SIGNATORY COUNTRY OF THE WASHINGTON TREATY IN 1980. IF APPROVAL IS OBTAINED FROM MORE THAN TWO-THIRDS OF THE VOTERS AT A MEETING OF THE SIGNATORY COUNTRIES, REVISION WILL BE ALLOWED.

FOREIGN MINISTRY MAY PROPOSE OGATA TO HEAD UN IF AFRICAN CANDIDATE FALLS THROUGH (TOKYO SHIMBUN - PAGE)

THE MINISTRY OF FOREIGN AFFAIRS (MOFA) HAS FIRMED UP A POLICY DECISION FOR THE JAPANESE GOVERNMENT TO HAVE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES SADAKO OGATA STAND AS A CANDIDATE FOR THE ELECTION FOR THE SECRETARY GENERAL OF THE UNITED NATIONS IN CASE AFRICAN COUNTRIES FAIL TO SELECT A SINGLE-CANDIDATE, ACCORDING TO A HIGH-RANKING MOFA OFFICIAL ON THE 5TH. IT WAS THE FIRST TIME FOR A JAPANESE GOVERNMENT OFFICIAL TO ACKNOWLEDGE THE POSSIBILITY THAT OGATA MAY RUN IN THE ELECTION, ALTHOUGH MOFA HAS ATTACHED THE PRECONDITION THAT THIS WOULD ONLY BE IF AFRICAN NATIONS COULD NOT REACH AN AGREEMENT TO SUPPORT A SINGLE-CANDIDATE. THE JAPANESE GOVERNMENT'S DECISION WILL LIKELY IMPACT ON THE SELECTION OF A SUCCESSOR TO INCUMBENT SECRETARY GENERAL BOUTROS-GHALI, THE WORK OF WHICH IS NOW CARRYING OUT CENTERING ON THE UN SECURITY COUNCIL MEMBERS IN NEW YORK.

JAPAN HAS BEEN MAKING EFFORTS FOR SECURING A PERMANENT SEAT ON THE UNSC. HOWEVER, THERE HAVE NO CASES THAT A UN SECRETARY GENERAL WAS ELECTED FROM AMONG THE NON-PERMANENT MEMBERS OF THE UNSC. THEREFOR, MOFA HAD BEEN UNCLAS SECTION 07 OF 07 TOKYO 011160

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 6

CAUTIOUS ABOUT LETTING OGATA RUN FOR THE ELECTION BASED ON THE VIEWPOINT THAT IF JAPAN OBTAINS THE SECRETARY GENERAL POST, THAT WILL BECOME AN OBSTACLE FOR JAPAN'S BID FOR PERMANENT SEAT ON THE UNSC.

UNESCO PANEL PROPOSES PEACE DOME BE DESIGNATED A WORLD HERITAGE; U.S. OBJECTS (MAINICHI - TOP PLAY)

THE UNESO WORLD HERITAGE COUNCIL, WHICH IS TRYING TO PRESERVE CULTURAL HERITAGE AND NATURE ON THE GLOBE, DECIDED BEFORE DAWN OF DECEMBER 6 (JAPAN TIME) TO PLACE ON THE LIST OF WORLD HERITAGES THE ATOMIC BOMB PEACE DOME (LOCATED IN NAKA WARD IN HIROSHIMA CITY), WHICH TELLS THE PEOPLE OF THE WORLD THROUGH ITS BADLY DAMAGED STRUCTURE THE EXTENT OF THE HORROR OF NUCLEAR WEAPONS. IT ALSO WILL PUT ON THE LIST THE ITSUKUSHIMA SHRINE (AT MIYAJIMA TOWN IN SAEKI COUNTY IN HIROSHIMA PREFECTURE) KNOWN FOR ITS BEAUTIFUL TORII (GATE) STANDING IN THE SEA. APPROVAL WAS GIVEN AT THE 20TH MEETING OF THE COUNCIL NOW IN SESSION IN MERIDA CITY IN MEXICO, AND THE RESULT WAS THEN REPORTED TO THE CULTURAL AFFAIRS AGENCY. WITH THESE TWO, EIGHT (JAPANESE) HISTORICAL CITES, SUCH AS HORYUJI TEMPLE AND HIMEJI CASTLE, WILL NOW BE ON THE WORLD HERITAGE LIST. THE UNITED STATES HAD BEEN OPPOSED TO THE REGISTERING AS A WORLD HERITAGE THE ATOMIC BOMB PEACE DOME, BUT AS ONE OF THE OBJECTS THAT REMAIN TO SHOW THE DISASTERS OF WORLD WAR II, IT WAS DECIDED TO BE REGISTERED AS A WORLD HERITAGE, FOLLOWING THE AUSCHWITZ CONCENTRATION CAMP (REGISTERED IN 1979). IT WILL BECOME A "NEGATIVE HERITAGE" SHOWING A LESSON TO THE WORLD.

SHINSHINTOQS HATA THINKNG OF FORMING A NEW POLITICAL PARTY (ASAHI - PAGE 1)

FORMER PRIME MINISTER TSUTOMU HATA OF THE SHINSHINTO (NEW FRONTIER PARTY) DELIVERED A SPEECH AT A PARTY HELD ON THE 5TH IN TOKYO TO CELEBRATE HIS NEW BOOK. IN THE SPEECH, HATA REFERRED TO HIS FUTURE PLANS: "I WOULD LIKE TO WORK ACTIVELY WITHOUT RESERVE AND EXCHANGE VIEWS WITH AS MANY PEOPLE AS POSSIBLE IN ORDER BREAK THE IMPASSE IN THE PRESENT SITUATION." IN THE PAST, HATA HAS ALSO HINTED AT POSSIBLY BOLTING THE PARTY TO FORM A NEW PARTY. STEPPING FURTHER INTO THE ARENA, HATA YESTERDAY EXPRESSED ENTHUSIASM TOWARD LEAVING THE SHINSHINTO TO LAUNCH A NEW PARTY, AND HE ALSO REVEALED HIS INTENTION TO MAKE A FINAL DECISION AFTER SEEING THROUGH ALL THE VIEWS IN HIS GROUP, INCLUDING SOME WHO TAKE A CAUTIOUS VIEW ABOUT HIS DEPARTURE. CRANE

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LINE2: ZNR UUUUU ZZH
LINE3: O 100326Z DEC 96
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 100326Z DEC 96
ORIG: AMEMBASSY TOKYO
TO: RUEHIA/USIA WASHDC IMMEDIATE 2323
RUEHC/SECSTATE WASHDC IMMEDIATE 0550
INFO: RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RHEHAAA/WHITE HOUSE WASHDC
RUEKJCS/SECDEF WASHDC
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEAIIA/CIA WASHDC
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUEBBEA/USDOT WASHDC
RUCPDOG/USDOC WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS DECEMBER 10

TEXT:
UNCLAS SECTION 01 OF 07 TOKYO 011240

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 10

TOP HEADLINES:

ASAHI: POSTS AND TELECOMMUNICATION MINISTRY CONSIDERING
NO HIKE IN POSTAGE DESPITE THE CONSUMPTION TAX HIKE; DUE
TO LARGE AMOUNT OF SURPLUS; "ONE-YEAR-AFTER SITUATION"
ALSO ENVISIONED

NIHON KEIZAI: PATH FOR DEREGULATION AND DIVISION OF
POWERS BY THE YEAR 2000 WILL BE SHOWN; GOVERNMENT TO
COMPILE "ADMINISTRATIVE REFORM PROGRAM"

TOKYO SHIMBUN: FIVE PATIENTS DIED OF GVHD REJECTION OF BLOOD TRANSFUSION; "PREVENTIVE MEASURES AGAINST IRRADIATION" NOT THOROUGHLY TAKEN; MAY BECOME ANOTHER DRUG-CAUSED PROBLEM; DOZENS OF PEOPLE DIE ANNUALLY

MAINICHI: BEDDING LEASE FIRM HAD DONATED 500,000 YEN IN JULY LAST YEAR TO PRIME MINISTER; GAPS SEEN FROM DIET REPLIES; 200,000 YEN DONATED TO HEALTH MINISTER (TRANSLATION BELOW)

YOMIURI: SEVEN ECONOMIC COUNCILS TO BE CONSOLIDATED; SECRETARIAT WILL COME UNDER PRIME MINISTER'S DIRECT CONTROL; AT THE ORDER OF PRIME MINISTER; ILL EFFECTS OF VERTICALLY-SEGMENTED ORGANIZATIONS WILL BE CORRECTED (TRANSLATION BELOW)

SANKEI: WTO MINISTERIAL START FULL-FLEDGED DISCUSSION; PRIORITY GIVEN TO CONCLUDING AN "INFORMATION AGREEMENT"; DEVELOPING COUNTRIES REACTING AGAINST EMPHASIS ON MATERIALS

AMBASSADOR MONDALEQS FINAL SAYONARA SPEECH: ENGAGING CHINA IS A COMMON TASK FOR U.S., JAPAN (ASAHI - PAGE 3)

UNITED STATES AMBASSADOR TO JAPAN WALTER MONDALE, WHO IS TO RETIRE FROM OFFICE ON DECEMBER 15 AND RETURN HOME, HELD A "FAREWELL NEWS CONFERENCE" YESTERDAY AT THE JAPAN NATIONAL PRESS CLUB AT CHIYODA WARD IN TOKYO. AS THE MOST IMPORTANT DIPLOMATIC CHALLENGE FOR BOTH THE U.S. AND JAPAN, THE AMBASSADOR POINTED OUT "ASSISTANCE TO CHINA SO THAT THAT COUNTRY CAN SMOOTHLY BLEND INTO THE REGION AND THE INTERNATIONAL COMMUNITY," AND HE ADVOCATED THE NECESSITY OF KEEPING IN STEP WITH EACH OTHER IN AN "ENGAGEMENT POLICY" TOWARD CHINA. AT THE SAME TIME HE EMPHASIZED THE U.S.' MOVES FOR IMPROVING ITS TIES WITH CHINA WERE NOT SOMETHING THAT WOULD HARM THE U.S.-JAPAN RELATIONSHIP.

AS FOR THE PURPOSE OF THE U.S.' CONTINUING TO HOLD A DIALOGUE WITH CHINA, THE AMBASSADOR EXPLAINED: "THE AIM IS TO FACILITATE GROWTH IN THE REGION BY PRODUCTIVE, PEACEFUL MEANS BUT NOT ACCOMPANIED BY THREATS." HE ALSO SAID THAT THE U.S.-JAPAN ALLIANCE WOULD SERVE AS A "FOUNDATION" TO ADOPT THAT ENGAGEMENT POLICY. ADDITIONALLY, HE REMARKED THAT IF THE REGION BECOMES MORE STABLE DUE TO IMPROVEMENT IN U.S.-CHINA TIES, THAT WOULD BENEFIT JAPAN AS WELL.

ON THE SECURITY FRONT, HE CITED THREE POINTS AS TASKS FOR JAPAN AND THE U.S.:

1. PROGRESS IN REALIGNMENT AND REDUCTION OF U.S. BASES ON OKINAWA'

2. PROMOTION OF RESTUDYING "JAPAN-U.S. DEFENSE COOPERATION GUIDELINES" FOR THE PURPOSE OF REINFORCING THE ALLIANCE; AND

3. FRAMEWORK-BUILDING FOR MULTILATERAL CONSULTATIONS IN THE REGION.

REGARDING THE SECOND POINT ABOVE, THE AMBASSADOR ENUMERATED "THE NEED FOR THE TWO COUNTRIES TO STIPULATE UNCLAS SECTION 02 OF 07 TOKYO 011240

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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WHAT THE TWO COUNTRIES CAN DO IN A STRICTER WAY," AND STATED THAT "THERE ARE A VARIETY OF MEANS TO STRENGTHEN THE ALLIANCE" WITHIN THE SCOPE OF THE JAPANESE CONSTITUTION AND THE U.S.-JAPAN SECURITY TREATY.

AFTER MONDALE RETURNS HOME, HE PLANS TO LIVE IN MINNESOTA, RESUMING HIS LAW PRACTICE.

AMBASSADOR MONDALEQS FINAL SPEECH: HOPES FOR IMPLEMENTATION OF OKINAWA SETTLEMENT (NIHON KEIZAI - PAGE 8)

"FROM NOW ON AS WELL, I'D LIKE TO CONTINUE WHAT I CAN DO FROM THE POSITION OF A PRIVATE CITIZEN FOR THE RELATIONSHIP OF JAPAN AND THE UNITED STATES." U.S. AMBASSADOR TO JAPAN MONDALE, SCHEDULED TO LEAVE JAPAN ON DECEMBER 15, ATTENDED A FAREWELL MEETING WITH THE PRESS AT THE JAPAN NATIONAL PRESS CLUB ON DECEMBER 9. SKILLFULLY DODGING QUESTIONS REGARDING HIS REPLACEMENT, AMBASSADOR MONDALE REPEATEDLY UNDERScoreD ISSUES ON JAPAN-U.S. RELATIONS AND THE SIGNIFICANCE OF DEREGULATION.

FIRST OF ALL, THE AMBASSADOR POINTED OUT THE OKINAWA PROBLEM AS A BILATERAL ISSUE. THE TWO COUNTRIES HAVE AGREED ON THE REVERSION OF THE U.S. FORCES' FUTENMA AIR STATION SITE, WHICH HAS BECOME A TURNING POINT OF THE BILATERAL SECURITY ARRANGEMENT, BUT THE TWO GOVERNMENTS ARE STILL ENGAGED IN DIFFICULT NEGOTIATIONS. THE AMBASSADOR NOTED, "WE'LL BE REQUIRED TO MAKE A BIG EFFORT, BUT I BELIEVE EVERYTHING WILL HELP THE PEOPLE OF OKINAWA PREFECTURE IMPROVE THEIR QUALITY OF LIFE." HE THUS EXPRESSES HIS HOPES FOR THE JAPANESE AND U.S. GOVERNMENTS' ACTION.

REGARDING THE CLINTON ADMINISTRATION'S JAPAN POLICY FOR ITS SECOND TERM, THE AMBASSADOR ESPECIALLY GAVE THE NAME OF (SANDY) BERGER, A PRESIDENTIAL ASSISTANT DESIGNATE (FOR NATIONAL SECURITY AFFAIRS), AND VOUCHED FOR THE NEW NATIONAL SECURITY ADVISER: "A PERSON OF GREATEST

UNDERSTANDING FOR JAPAN POLICY HAS NOW OBTAINED A POSITION TO MEET THE PRESIDENT EVERY MORNING."

ASKED ABOUT WHAT WAS MOST IRRITATING TO HIM DURING HIS ASSIGNMENT PERIOD OF ABOUT THREE YEARS AND THREE MONTHS, THE AMBASSADOR, LOOKING UP TO THE CEILING, WAS LOST IN THOUGHT FOR A WHILE, AND THEN SAID, "LET ME ANSWER THAT QUESTION ON THE 16TH (AFTER HIS RETURN HOME)." SO DODGING THE QUESTION, THE AMBASSADOR MOVED THE AUDIENCE TO LAUGHTER.

AMBASSADOR MONDALE'S FAREWELL SPEECH: DEREGULATION WILL BE IN JAPAN'S BENEFIT (MAINICHI PAGE 3)

UNITED STATES AMBASSADOR TO JAPAN WALTER MONDALE, WHO IS TO LEAVE HIS POST ON DECEMBER 15, YESTERDAY MET THE PRESS FOR A "FAREWELL SPEECH" AT THE JAPAN PRESS CLUB AT UCHISAIWAI-CHO IN TOKYO. THE BIG-NAME AMBASSADOR, WHO ONCE SERVED AS VICE PRESIDENT, EXPRESSED HIS GRATITUDE FOR HIS THREE-YEAR TOUR IN JAPAN, REMARKING, "I AS AN INDIVIDUAL CITIZEN WOULD LIKE TO WORK FOR THE U.S.-JAPAN RELATIONSHIP IN THE FUTURE AS WELL." PRIME MINISTER RYUTARO HASHIMOTO, WHO AT TIMES WORKED CLOSELY TOGETHER WITH THE AMBASSADOR IN TACKLING THE PROBLEM OF U.S. BASES ON OKINAWA AND OTHER ISSUES, THAT NIGHT INVITED THE AMBASSADOR TO A DINNER PARTY HELD AT HIS OFFICIAL RESIDENCE TO EXPRESS HIS APPRECIATION FOR THE EFFORTS OF THE AMBASSADOR.

IN THE SPEECH, AMBASSADOR MONDALE REMARKED, "THE MOST PLEASANT PART OF MY SERVING HERE WAS THAT MY WIFE, WHO IS VERY FOND OF POTTERY, ENJOYED VERY MUCH LIVING HERE IN JAPAN," AND EMPHASIZED HE SHALL NEVER FORGET THE GOODWILL AND KINDNESS SHOWN BY THE JAPANESE. ANSWERING TO A QUESTION, "WHAT MOST BOTHERED YOU?" HE SAID, "I CANNOT SAY. I AM STILL IN THE POST OF AMBASSADOR," DRAWING UNCLAS SECTION 03 OF 07 TOKYO 011240

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 10

LAUGHTER FROM THE AUDIENCE.

ON THE OTHER HAND, HE NOTED, "DEREGULATION IS THE ABSOLUTELY ESSENTIAL STEP JAPAN SHOULD TAKE FOR ITS OWN INTERESTS," AND HE LEFT A FINAL SHARP-TONGUED REQUEST EVEN IN THE FINAL STAGE OF HIS SERVICE BY RAISING THE QUESTION OF WHETHER THE CONSENSUS-ORIENTED SYSTEM UNIQUE

TO JAPAN CAN YIELD A SATISFACTORY RESULT. AS FOR A SUCCESSOR TO HIM, HE SAID, "I HOPE THE SUCCESSOR WILL CONTINUE TO TACKLE EXPANSION OF THE FOREIGN STUDY PROGRAM AND STUDENT EXCHANGES." (HIROSHI KOMATSU)

AMBASSADOR MONDALEQS FINAL SAYONARA SPEECH: FEELS REGRET ABOUT DEREGULATION (SANKEI - PAGE 2)

"I'VE HAD TOO MANY MEALS AT SUCCESSIVE FAREWELL PARTIES (GIVEN TO ME), SO I AM NOW WORRIED I WILL GAIN WEIGHT LIKE AKEBONO (SUMO WRESTLER)."

UNITED STATES AMBASSADOR TO JAPAN WALTER MONDALE YESTERDAY HELD A FAREWELL PRESS CONFERENCE AT THE JAPAN NATIONAL PRESS CLUB IN UCHISAIWAI-CHO, TOKYO. HE WILL FORMALLY RESIGN HIS POST AND LEAVE JAPAN ON THE 15TH. HE RECALLED TO THE PRESS HIS THREE AND A HALF YEARS IN JAPAN, MIXING IN SOME JOKES.

AT THE OUTSET OF HIS SPEECH, THE AMBASSADOR SUMMED UP HIS WORK IN JAPAN RANGING FROM SECURITY AFFAIRS IN EAST ASIA TO ECONOMIC ISSUES. IN THE QUESTION AND ANSWER SESSION, HE STRESSED DEREGULATION THE MOST.

THE AMBASSADOR RECALLED HIS OWN EXPERIENCE: "I REALIZE HOW TOUGH THIS PROBLEM IS. WHEN I WAS VICE PRESIDENT, I WORKED WITH PRESIDENT CARTER TO EASE RESTRICTIONS IN THE FINANCIAL AND CIVIL AVIATION SECTORS, BUT WE WERE TOLD OUR EFFORTS WOULD BRING ABOUT THE END OF THE WORLD." SO SAYING, HE SENT A SUPPORTIVE STATEMENT TO THE HASHIMOTO GOVERNMENT'S EFFORTS TO PROMOTE MARKET OPENING. HE AT THE SAME TIME EXPRESSED UNHAPPINESS WITH THE JAPANESE GOVERNMENT'S SLOW DEREGULATORY EFFORTS.

THE AMBASSADOR SAID THAT HIS WIFE JOAN HAD EXTREMELY ENJOYED HER AVOCATION, CERAMIC ART, WHILE IN JAPAN: "A GOOD MEMORY." ASKED WHAT BOTHERED HIM THE MOST, HE THOUGHT FOR A WHILE AND THEN SAID: "I WILL ANSWER THAT ON THE 16TH (WHEN I AM NO LONGER AMBASSADOR)."

FOREIGN MINISTRY ASKS ROK TO STOP CONSTRUCTION OF WHARFS ON DISPUTED TAKESHIMA ISLAND (YOMIURI -PAGE 2)

IN CONNECTION WITH THE PROBLEM OF ON-GOING CONSTRUCTION OF A PIER ON ONE OF THE TAKESHIMA ISLANDS (TOKDO ISLANDS IN KOREAN), FOREIGN MINISTRY'S (MOFA) ASIAN AFFAIRS BUREAU DIRECTOR GENERAL RYOZO KATO YESTERDAY MORNING CALLED MINISTER KIM YONG KYOO OF THE REPUBLIC OF KOREA (ROK) EMBASSY TO MOFA AND REQUESTED THAT SUCH CONSTRUCTION BE STOPPED. HE NOTED, "THE TAKESHIMA ISLANDS ARE WITHIN JAPANESE TERRITORY."

POINTING OUT THE AGREEMENT REACHED IN THE JAPAN-ROK FOREIGN MINISTERIAL HELD ON CHEJU ISLAND OF THE ROK IN JUNE, NAMELY, "IT IS NECESSARY TO PROCEED WITH THE WORK OF CREATING AN ENVIRONMENT TO DISCUSS THE MATTER IN A COOL-HEADED MANNER IN ORDER TO GO ON WITH NEGOTIATIONS ABOUT FIXING AN EXCLUSIVE ECONOMIC ZONE (EEZ)," BUREAU

DIRECTOR GENERAL KATO INDICATED THE VIEW THAT
CONSTRUCTING A PIER WENT AGAINST THAT AGREEMENT.
MINISTER KIM TOLD HIM HE WOULD RELAY SUCH A
REPRESENTATION TO HIS HOME COUNTRY.

PRIME MINISTER TOOK CONTRIBUTION FROM SHADY COMPANY EVEN
AFTER FTC WARNING (MAINICHI - TOP PLAY)

IT WAS REVEALED ON THE 9TH THAT WATAKYU SEIMOA (TN:
UNCLAS SECTION 04 OF 07 TOKYO 011240

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, RMR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA
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TREASURY/OASIA/IMI; WHITE HOUSE; COMMERCE FOR DAS;
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E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS DECEMBER 10

PHONETIC), A BEDDING LEASE COMPANY FOR WHICH SHIRO MURATA
(63) -- THE FORMER EXECUTIVE OF JWM, A COMPANY THAT
BRIBED HEALTH AND WELFARE MINISTRY OFFICIALS -- SERVES AS
VICE PRESIDENT, HAD GIVEN IN 1995 A 500,000-YEN POLITICAL
DONATION TO A FUND-RAISING ORGANIZATION OF PRIME MINISTER
RYUTARO HASHIMOTO AND A 200,000 YEN CONTRIBUTION TO THAT
OF HEALTH AND WELFARE MINISTER JUN'ICHIRO KOIZUMI. IN
JUNE 1994, WATAKYU, ALONGSIDE OF THE JAPAN HOSPITAL LINEN
SUPPLY ASSOCIATION, HAD RECEIVED A WARNING FROM THE FAIR
TRADE COMMISSION (FTC) BECAUSE IT HAD BLOCKED ACCESS TO
MARKET NEWCOMERS. WATAKYU'S DONATIONS AFTER THE FTC'S
WARNING ARE LIKELY TO FUEL CRITICISM.

SHINSHINTO TWO YEARS OLD TODAY, BUT WITH HATA ABOUT TO
BOLT, NOONE IS CELEBRATING (NIHON KEIZAI - PAGE 2)

TODAY THE SHINSHINTO (NEW FRONTIER PARTY) MARKS ITS
SECOND ANNIVERSARY IN THE MIDST OF STORMY DEVELOPMENTS
OVER FORMER PRIME MINISTER TSUTOMU HATA'S POSSIBLE
DEPARTURE TO LAUNCH A NEW PARTY. THE PARTY HAS YET TO
COME UP WITH A BRIGHT PICTURE FOR ITS FUTURE EVER SINCE
IT WAS DEFEATED SERIOUSLY IN THE PREVIOUS ELECTION THAT
WAS FOUGHT UNDER THE LEADERSHIP OF PRESIDENT ICHIRO
OZAWA. IN ADDITION, THE PARTY MAY SPLIT EVEN BEFORE
YEAR'S END. THE ENVIRONMENT SURROUNDING THE OZAWA
LEADERSHIP HAS BECOME EVEN MORE SEVERE.

PRESIDENT ICHIRO OZAWA AT THE FIVE PARTY OFFICIALS
MEETING YESTERDY INDICATED HIS INTENTION TO HOLD TALKS
WITH HATA POSSIBLY THIS WEEK. LATER YESTERDAY, OZAWA
NOTED TO THE PRESS, "I BELIEVE MY GOAL OF REFORMING THE
SYSTEM IS THE SAME AS (HATA'S)," AND HE SUGGESTED HE
WOULD TRY TO PERSUADE HATA TO REMAIN IN THE PARTY. BUT
AMONG OTHER PARTY EXECUTIVES AND THOSE CLOSE TO OZAWA, A

COOL-HEADED VIEW IS DOMINANT, "IF HATA WANTS TO BOLT THE PARTY, WE CANNOT STOP HIM." THEY HAVE BEEN, IN FACT, MAPPING OUT MEASURES BASED ON HATA'S DEPARTURE.

ONE OF THE APPROACHES THAT HAS SURFACED IN THE PARTY IS TO GENERATE AN IMAGE FOR AN "AMICABLE DEPARTURE" BY HATA TO LAUNCH A NEW PARTY IN AN EFFORT TO DILUTE A NEGATIVE IMAGE OF THE WHOLE DEVELOPMENT. SUCH OVERLAPS WITH HATA'S INTENTION NOT TO LAUNCH A NEW PARTY BY DRAGGING IN HIS OLD GRUDGES. IN HIS TALKS WITH HATA, OZAWA IS ALSO EXPECTED TO ACKNOWLEDGE HATA'S DEPARTURE TO LAUNCH A NEW PARTY.

BUT OVER-EMPHASIZING THE AMICABLE MOOD RUNS THE RISK OF HATA'S MANEUVERING TO SECURE A MAJORITY PRODUCING AN ENDLESS FLOW OF FOLLOWERS BEING DRAWN OUT. A CRITICAL VIEW IS AFLOAT IN THE PARTY, "IT MR. OZAWA AND HATA CAN WORK TOGETHER AMICABLY, THERE IS NO NEED FOR HATA TO LEAVE THE PARTY IN THE FIRST PLACE. THE EXPRESSION 'AMICABLE DEPARTURE' ITSELF SOUNDS CONTRADICTIONARY. I DON'T THINK MANY WOULD SUPPORT SUCH A CONCEPT" (JUNIOR MEMBER).

MEANWHILE, HATA YESTERDAY TRANSMITTED HIS STRONG RESOLVE TO FOUR FORMER KOMEITO MEMBERS, SUCH AS TETSUZO FUYUSHIBA. ADDITIONALLY, HE IS SLATED TO MEET WITH SOKA GAKKAI CHAIRMAN EINOSUKE AKIYA SOON TO ASK FOR HIS UNDERSTANDING TOWARD HIS PLAN TO FORM A NEW PARTY.

FORMER PRIME MINISTER MORIHIRO HOSOKAWA OF THE SHINSHINTO YESTERDAY REACHED A DECISION NOT TO JOIN HATA'S NEW PARTY THIS YEAR. THIS WAS REVEALED IN THE MEETING LATE YESTERDAY HELD BY FORMER JAPAN NEW PARTY MEMBERS. HOSOKAWA WILL NOT TAKE A JOINT STEP WITH HATA BECAUSE THERE IS NO "NOBLE CAUSE." HOSOKAWA, HOWEVER, REMARKED ABOUT HIS RELATIONSHIP WITH HATA, "I AM GOING TO CHERISH IT FROM NOW ON AS WELL." HE THUS INDICATED SOME IMPLICATIONS ABOUT HIS MERGER WITH HATA'S PARTY IN THE FUTURE.

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USIA

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS DECEMBER 10

ACTING USTR: U.S. AND JAPAN FAR APART IN INSURANCE TALKS (ASAHI - PAGE 2)

(SINGAPORE, DECEMBER 9, HIROAKI ITO) ACTING UNITED STATES TRADE REPRESENTATIVE (USTR) BARSHEFSKY, WHO IS NOW ATTENDING THE SINGAPORE MINISTERS MEETING OF THE WORLD TRADE ORGANIZATION (WTO), REFERRED TO JAPAN-U.S. INSURANCE TALKS DURING A PRESS CONFERENCE ON THE 9TH, "I WILL GO BACK TO TOKYO (TO HOLD A MINISTERIAL MEETING ON THE 14TH), BUT THAT DOES NOT NECESSARILY MEAN BOTH SIDES WILL REACH AN AGREEMENT." SHE TOOK A CAUTIOUS VIEW ABOUT REACHING A SETTLEMENT BY THE DEADLINE OF DECEMBER 15TH.

BARSHEFSKY GAVE A WARNING TO THOSE WHO TOOK AN OPTIMISTIC VIEW, REMARKING "JAPAN IS EAGER TO REACH A SETTLEMENT, BUT BOTH SIDES REMAIN FAR APART." AMBASSADOR TO USTR SHAPIRO IS SCHEDULED TO HOLD TALKS WITH FINANCE MINISTRY INTERNATIONAL FINANCE BUREAU EISUKE SAKAKIBARA ON THE 12TH AND 13TH.

JAPAN SAYS U.S. TELECOM LIBERALIZATION PLAN IS UNFAIR
(SANKEI -PAGE 9)

(SINGAPORE, DECEMBER 9, REIKO HAYASAKA) AN INFORMAL MINISTERIAL MEETING ON BASIC TELECOMMUNICATIONS, ONE OF THE MOST IMPORTANT ITEMS OF THE WORLD TRADE ORGANIZATION (WTO), WAS HELD AT A HOTEL IN THE SINGAPORE ON THE AFTERNOON OF THE 9TH. WITH THE DEADLINE FOR THE NEGOTIATIONS SET FOR FEBRUARY 15 NEXT YEAR, THE UNITED STATES TOOK THE INITIATIVE, BRINGING TOGETHER TRADE MINISTERS FROM 29 COUNTRIES. FROM JAPAN, SEIKO NONAKA, PARLIAMENTARY VICE MINISTER OF THE MINISTRY OF POSTS AND TELECOMMUNICATIONS, PARTICIPATED IN THE MEETING.

NONAKA TOOK UP THE U.S.' PRIOR SCREENING SYSTEM IN WHICH IF A FIRM OF A FOREIGN COUNTRY HOPES TO ENTER THE U.S. MARKET, THE U.S. WILL EXAMINE WHETHER THE COUNTRY'S MARKET IS AS FULLY OPENED AS THE U.S.' REFERRING TO THE SCREENING METHOD TAKEN BY THE FEDERAL COMMUNICATION COMMISSION (FCC), SHE EXPRESSED APPREHENSION, SAYING "THE PERIOD FROM APPLICATION ISSUED TO APPROVAL GRANTED HAS NOT BEEN SPECIFIED. GIVEN SUCH FACTORS, THE METHOD IS FAR FROM BEING FAIR."

THE REPRESENTATIVE OF THE U.S., WHICH CHAIRED THE MEETING, STRESSED THE NEED FOR EACH COUNTRY'S EFFORT FOR LIBERALIZATION IN A BID TO MAKE THE NEGOTIATIONS SUCCESSFUL. THE REPRESENTATIVE CALLED ON COUNTRIES THAT FIND IT DIFFICULT TO REVAMP THEIR DOMESTIC RULES, AT LEAST, TO COMMIT THEMSELVES TO LIBERALIZATION EFFORTS.

IN RESPONSE, CANADA, POLAND AND AUSTRALIA REVEALED THEIR WILLINGNESS TO MAKE EFFORTS FOR LIBERALIZATION.

THE TELECOMMUNICATIONS ISSUE IS A MAJOR THEME TO PROMOTE LIBERALIZATION OF SERVICES IN THE SECTOR. DISCUSSION HAD BEEN CONSTANTLY CONDUCTED ON THIS ISSUE EVEN BEFORE THE INAUGURATION OF THE WTO IN JANUARY LAST YEAR. THE DEADLINE FOR THE NEGOTIATIONS HAD BEEN SET FOR APRIL 30 THIS BUT, THE U.S. INSISTED LIBERALIZATION DID NOT FULLY ACHIEVE PROGRESS IN THE INTERNATIONAL AND SATELLITE

TELECOMMUNICATIONS SECTORS. IN RESPONSE, THE DEADLINE HAS BEEN EXTENDED TO FEBRUARY 25 NEXT YEAR.

PARLIAMENTARY VICE MINISTERS SHINE AT WTO MEETING
(SANKEI - PAGE 9)

SILENCE FELL OVER THE CONFERENCE ROOM WHEN PARLIAMENTARY VICEMINISTER OF THE POSTS AND TELECOMMUNICATIONS MINISTRY (MPT) SEIKO NODA TOLD THE AUDIENCE, "WE CANNOT POSSIBLY PURSUE FULL DISCUSSION IF THIS IS WHAT IT IS."

AN INFORMAL MINISTERIAL MEETING UNDER THE BASIC WORLD TRADE ORGANIZATION (WTO) NEGOTIATIONS ON
UNCLAS SECTION 06 OF 07 TOKYO 011240

USIA

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

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TELECOMMUNICATIONS WAS HELD AT A HOTEL IN SINGAPORE ON THE AFTERNOON OF THE 9TH. THE MEETING WAS REALIZED IN RESPONSE TO A CALL BY THE UNITED STATES. THE MEETING WAS ORIGINALLY PLANNED FOR THREE HOURS BUT WAS SHORTENED TO TWO HOURS AT THE CONVENIENCE OF ACTING U.S. TRADE REPRESENTATIVE (USTR) BARSHEFSKY, WHO CHAIRED THAT MEETING.

THE PARLIAMENTARY VICE MINISTER'S CLEAR AND CRISP MANNER OF MAKING A SPEECH IN FLUENT ENGLISH APPARENTLY LEFT A FAVORABLE IMPRESSION OVER THE AUDIENCE. SOD MINISTERS SPECIALLY LAUDED HER AFTER THE MEETING, "IT WAS VERY GOOD."

HOWEVER, AS FOR ACTING USTR BARSHEFSKY, THE SPEECH WENT IN ONE EAR AND OUT THE OTHER. SHE SHREWDLY PLAYED THE ROLE OF THE CHAIRPERSON, WITHOUT EVEN REFERRING TO THE ISSUE OF SCRAPPING RESTRICTIONS ON FOREIGN CAPITAL REGARDING NIPPON TELEGRAM AND TELEPHONE CORP., WHICH JAPAN HAD BEEN CONCERNED ABOUT.

A CERTAIN RELATED SOURCE EXPLAINED, "LURKING BEHIND SUCH AN ATTITUDE OF HERS IS THE CALCULATION THAT SHE WANTS TO SCORE POINTS, BY BRINGING ABOUT A SUCCESSFUL END TO THE BASIC TELECOMMUNICATIONS NEGOTIATIONS, WHICH WILL BECOME A TOUCHSTONE FOR THE UPCOMING WTO NEGOTIATIONS ON SERVICES."

THE ACTING USTR IN A WHITE JACKET AND THE PARLIAMENTARY VICE MINISTER IN A RED SUIT FIRMLY SHOOK HANDS BEFORE THE

START OF THE MEETING. THEIR FIRST MEETING ENDED UP WITH THE TWO SIDES REMAINING ON TWO DIFFERENT PLANES.
(SINGAPORE, REIKO HAYASAKA)

SEVEN ECONOMIC ADVISORY COUNCILS TO BE CONSOLIDATED UNDER PRIME MINISTER'S SECRETARIAT (YOMIURI - TOP PLAY)

PRIME MINISTER RYUTARO HASHIMOTO YESTERDAY DECIDED TO CONSOLIDATE THE SEVEN ECONOMIC ADVISORY COUNCILS NOW UNDER VARIOUS GOVERNMENT MINISTRIES AND AGENCIES INTO AN "ECONOMIC ADVISORY COUNCIL" (TENTATIVE NAME). THESE INCLUDE THE ECONOMIC ADVISORY COUNCIL, FISCAL SYSTEM ADVISORY COUNCIL AND LOCAL SYSTEM RESEARCH COUNCIL). THE AIM IS TO EXPEDITE COMPREHENSIVE AND FLEXIBLE POLICY-MAKING PROCESS, CENTERED ON THE PRIME MINISTER'S RESIDENTIAL OFFICE (KANTEI), BY CONSOLIDATING GOVERNMENT-INITIATED ECONOMIC POLICY-PLANNING, WHICH HAS SO FAR BEEN CONDUCTED UNDER THE VERTICALLY FRAGMENTED SYSTEM OF ADMINISTRATION. A GENERAL SECRETARIAT WILL BE ESTABLISHED UNDER THE DIRECT CONTROL OF THE PRIME MINISTER, COMBINING THE SECRETARIATS OF THE EXISTING ADVISORY COUNCILS. AT THE SAME TIME, ADVISORY COUNCILS THAT WILL BECOME SUBJECT TO THE PLANNED CONSOLIDATION WILL BE LEFT WITH THE RELEVANT GOVERNMENT AGENCIES IN THE FORM OF A SUB-PANEL SIMILAR TO A SUBCOMMITTEE OF THE ECONOMIC ADVISORY COMMITTEE. THE PRIME MINISTER AS OF YESTERDAY INSTRUCTED ADMINISTRATIVE REFORM COUNCIL CHIEF OF SECRETARIAT KIYOSHI MIZUNO TO FLESH OUT HIS PROPOSAL. FOLLOWING THE INSTRUCTION, THE COUNCIL ON ADMINISTRATIVE REFORM WILL SET ABOUT A REVIEW OF THE ADVISORY COUNCILS IN QUESTION.

ADVISORY COUNCILS SUBJECT TO PROPOSED CONSOLIDATION

- ECONOMIC ADVISORY COUNCIL
- FISCAL SYSTEM ADVISORY COUNCIL
- TAX SYSTEM RESEARCH COUNCIL
- FUND MANAGEMENT ADVISORY COUNCIL
- LOCAL SYSTEM RESEARCH COUNCIL
- SOCIAL SECURITY SYSTEM ADVISORY COUNCIL
- LOCAL FINANCES ADVISORY COUNCIL

FUTENMA ALTERNATE SITE: PLAN INCLUDES USE OF CIVILIAN AIRPORT ON OKINAWA DURING EMERGENCY
UNCLAS SECTION 07 OF 07 TOKYO 011240

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 10

(NIHON KEIZAI - PAGE 2)

IN CONNECTION WITH THE PLANNED REVERSION OF THE U.S. FORCES' FUTENMA AIR STATION SITE IN OKINAWA, THE GOVERNMENT HAS DECIDED AS OF DECEMBER 9 TO ALLOW THE U.S. MILITARY TO MAKE USE OF PERIPHERAL CIVILIAN AIRPORTS IN TIMES OF EMERGENCY. THIS IS BECAUSE IT IS PREDICTED THAT A SEA-BASED HELIPORT, NOW BEING PLANNED TO BE CONSTRUCTED AS AN ALTERNATIVE FACILITY FOR (FUTENMA'S) HELIBORNE TROOPS, AND KADENA AIR FORCE BASE, WHERE FIXED-WING AIRCRAFT WILL BE REASSIGNED (FROM FUTENMA), MAY NOT BE ENOUGH TO PREPARE FOR EMERGENCIES. FROM NOW ON, JAPAN AND THE U.S. ARE GOING TO HOLD WORKING-LEVEL CONSULTATIONS TO WORK OUT DETAILS ABOUT SUCH SPECIFICS AS HOW TO USE CIVILIAN AIRPORTS. THIS, IN A SENSE, MEANS A MEASURE TO MAKE UP FOR BASE REVERSION, AND IT IS LIKELY TO CAUSE A SUBTLE IMPACT ALSO ON LOCAL COORDINATION.

REGARDING THE U.S. MILITARY'S MAKING USE OF COMMERCIAL AIRPORTS IN TIMES OF EMERGENCY AROUND JAPAN, THE GOVERNMENTS OF JAPAN AND THE U.S. HAVE ALREADY AGREED TO STUDY IT IN THE WORK OF REVIEWING THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION TOWARD THE FALL OF NEXT YEAR. HOWEVER, REVIEWING THE GUIDELINES IS A GENERAL COURSE OF ACTION THAT IS COMMON TO THE WHOLE COUNTRY, AND THE GOVERNMENT HAS THEREFORE DECIDED TO CONDUCT SPECIFIC STUDIES ON ISSUES RELATED TO THE FUTENMA AIRFIELD'S FUNCTIONAL RELOCATION SEPARATELY IN A FUTENMA IMPLEMENTATION GROUP (FIG) TO BE NEWLY ESTABLISHED. THE LIST OF AIRPORTS CONSIDERED FOR THE U.S. MILITARY'S USE IN TIMES OF EMERGENCY INCLUDES NAHA AIRPORT AND THE SHIMOJI-JIMA TRAINING AIRFIELD CURRENTLY USED FOR PILOT TRAINING AND OTHER PURPOSES. CRANE

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