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001. cable	Re: Scenesetter for Washington Visit (10 pages)	02/03/1997	P1/b(1)
002. cable	Re: Scenesetter for Washington Visit (7 pages)	02/04/1997	P1/b(1)
003. cable	Re: SACO [Special Action Committee on Okinawa] - Pacman (6 pages)	02/05/1997	P1/b(1)
004. cable	Re: Managing U.S. - Japan Relations in 1997 (7 pages)	02/05/1997	P1/b(1)
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2016-0420-F
sb1895

RESTRICTION CODES

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

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P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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Cable

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INFO: RUALSEFJ/COMUSJAPAN YOKOTA AB JA
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RUEKJCS/JOINT STAFF WASHDC//J5//
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 3

TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 000947

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB
IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN
GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC
FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 3

TOP HEADLINES:

ASAHI: LET'S OBSERVE THE SHIFTS OF THE ACTIVE FAULT; TO
TAKE PICTURES OF DISLOCATION ON JAPANESE ARCHIPELAGOES;
SCIENCE AND TECHNOLOGY AGENCY PLANNING TO SURVEY EIGHT
POINTS

NIHON KEIZAI: COMMISSIONS FOR COMMODITY FUTURES WILL BE
CUT TO THE ONE-SIX OF THE PRESENT; PRODUCTS FOR LISTING
TO BE WIDENED, INCLUDING GASOLINE, CRUDE OIL; MITI,

AGRICULTURE, FORESTRY AND FISHERIES MINISTRY WILL
IMPLEMENT BY 2001

TOKYO SHIMBUN: HOSTAGES SITUATION IN LIMA: REBELS
REACTING NEGATIVELY TO REFUSAL OF RELEASE; "DISAPPOINTED"
AT SUMMIT MEETING; BUT ACCEPT HOLDING OF PRELIMINARY
TALKS

MAINICHI: HOW SUBSIDIES HAVE BEEN PAID BY 17 GOVERNMENT
AGENCIES NOW UNVEILED; 32.63 BILLION YEN GIVEN TO 378
PUBLIC-SERVICE CORPORATIONS (KOEKI HOJIN); SOME PROFIT-
EARNING FIRMS HAD RECEIVED SUBSIDIES

YOMIURI: KKC, A VOLUNTARY ECONOMIC GROUP, WILL BE RAIDED
THIS WEEK; SUSPICION OF SCAM TO MAKE MONEY; CHAIRMAN
YAMAMOTO, 10 OTHER EXECUTIVES PERSUADED PEOPLE TO JOIN
THE GROUP, AWARE OF POSSIBLE BANKRUPTCY; A TOTAL OF 35
BILLION YEN INVESTED BY GROUP MEMBERS

SANKEI: ARMED REBELS INSISTING ON RELEASE OF THEIR
COMRADES NOW IN JAIL; RELEASE STATEMENT RIGHT AFTER
SUMMIT MEETING; NO INFORMATION ABOUT HOLDING DIALOGUE AT
AN EARLY DATE

TORONTO MEETING: AMBIGUOUS HASHIMOTO-FUJIMORI JOINT
STATEMENT; BOTH SIDES STRESS RESULTS (MAINICHI - PAGE 2)

- DIRECT DIALOGUE

THE MAJOR PURPOSE OF THE TORONTO SUMMIT WAS TO FILL GAPS
THROUGH A HEART-TO-HEART DISCUSSION BETWEEN THE TOP
LEADERS OF THE JAPANESE AND PERUVIAN GOVERNMENTS
REGARDING THE FOLLOWING TWO: (1) HOW TO START A DIRECT
DIALOGUE BETWEEN THE PERUVIAN GOVERNMENT AND THE TUBAC
AMARU REVOLUTIONARY MOVEMENT (MRTA); AND (2) CHOICES FOR
A FINAL SOLUTION OF THE CRISIS SITUATION THAT WILL
INCLUDE A USE OF ARMED FORCE.

A FOREIGN MINISTRY (MOFA) SOURCE HAD NOTED BEFORE THE
SUMMIT: "THE MAJOR POINT FOR JAPAN IS WHETHER WE CAN
INCLUDE THE STARTING OF A DIRECT DIALOGUE IN A JOINT
PRESS STATEMENT." ON THE OTHER HAND, HOWEVER, ON THE
PART OF PRESIDENT FUJIMORI, IF HE WERE TO ACCEPT
LAUNCHING A DIRECT DIALOGUE UNCONDITIONALLY, HE MIGHT
HAVE GIVEN THE IMPRESSION THAT HE YIELDED TO JAPAN'S
PRESSURE WHILE ABANDONING ITS PREVIOUS "ENTRANCE
ARGUMENT" THAT THE CONDITION FOR OPENING A DIALOGUE WOULD
BE FOR THE MRTA TO DROP ITS DEMAND FOR RELEASE OF ITS
MEMBERS NOW PUT IN PRISON.

AS A RESULT, A COMPROMISE PROPOSAL WAS WORKED OUT THAT
GOES, A "PRELIMINARY DIALOGUE" WILL BE REALIZED WITHOUT
DELAY AS A RUN-UP FOR FULL-FLEDGED NEGOTIATIONS, IN ORDER
TO AIM AT HOLDING A DIRECT CONTACT BETWEEN THE PERUVIAN
GOVERNMENT AND THE REBELS SIDE. IT WAS WELCOMED BY
JAPAN, AND AN OFFICIAL ACCOMPANYING THE PRIME MINISTER
REMARKED: "WE HIGHLY VALUE IT AS MEANING A STEP
FORWARD." MEANWHILE, THE PRESIDENT AVOIDED EXPRESSING A

CLEAR NOTION AS TO WHETHER TO REFUSE IF THE GUERRILLA SIDE TAKES UP THE RELEASE ISSUE AS A SUBJECT FOR NEGOTIATIONS, AND AS TO THE ENTRANCE ARGUMENT, HE SWITCHED TO A FLEXIBLE STANCE, BUT HE ON THE OTHER HAND STRESSED, "PRIME MINISTER HASHIMOTO ENDORSED THE APPROACH UNCLAS SECTION 02 OF 06 TOKYO 000947

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 3

OF REFUSING A RELEASE OF (REBELS NOW PUT IN PRISON). "THE PRESIDENT THEN SCORED POINTS SO THAT HE CAN DECLARE TO HIS PEOPLE THAT HIS POLICY APPROACH OF MAKING NO CONCESSIONS ON THE RELEASE ISSUE HAS OBTAINED SUPPORT FROM THE JAPANESE GOVERNMENT.

- USE OF ARMED FORCE

EXCHANGING OF VIEWS ON CHOICES AS TO WHETHER TO EXERCISE ARMED FORCE WAS SEEN AS A MATTER THAT WOULD MOST EASILY GIVE RISE TO A RIFT, JUDGING FROM THE PUBLIC OPINIONS OF THE TWO COUNTRIES AND THEIR PREVIOUS RESPONSES TO TERRORISM. PRESIDENT FUJIMORI EMPHASIZED: "WHAT IS IMPORTANT IS HOSTAGES ARE IN GOOD CONDITIONS AND NOT HARMED AT ALL." THE PRIME MINISTER STATED HE "TOOK SERIOUSLY" THE PRESIDENT'S REMARK THAT HE WOULD NOT USE ARMED FORCE UNLESS HOSTAGES ARE INJURED."

PRESIDENT FUJIMORI WILL PROBABLY SEND THE REBELS SIDE A MESSAGE THAT GOES HE HAS OBTAINED SUPPORT FROM JAPAN FOR HIS CHANGING THE PEACEFUL-SOLUTION APPROACH TO THAT OF USING ARMED FORCE IF SOMETHING HAPPENS TO CAPTIVES. HE APPARENTLY THINKS IT WOULD SERVE AS A DETERRENCE POWER TO SECURE THE SAFETY OF HOSTAGES. ON THE OTHER HAND, SAYING, "IT IS IMPORTANT THAT PRESIDENT FUJIMORI STATED HE WOULD GIVE CONSIDERATION TO THE MINDS AND PHYSICAL CONDITIONS OF HOSTAGES" (A SOURCE ACCOMPANYING THE PRIME MINISTER), JAPAN, AS A FRUITFUL RESULT, STRESSES THAT IT OBTAINED A DEFINITE PROMISE FROM THE PRESIDENT THAT HE WILL NOT USE ARMED FORCE AS LONG AS THE SAFETY OF HOSTAGES ARE SECURED.

- TURNING POINT IN RESPONSES

THOSE DELICATE DIFFERENCES IN INTERPRETATIONS BETWEEN BOTH COUNTRIES ARE NOTHING MORE THAN SHOWING BOTH SIDES OF A COIN. BOTH THE PRIME MINISTER AND THE PRESIDENT

NOTE: "WE DISCUSSED ALL KINDS OF ISSUES, BUT WE CANNOT REVEAL THE DETAILS." JUDGING FROM THAT, BOTH ADJUSTED THEIR VIEWS ON ALL HYPOTHETICAL SCENARIOS THAT MAY COME TRUE IN THE DAYS AHEAD.

UNTIL RECENTLY, THE JAPANESE GOVERNMENT, PLACING ITSELF OUTSIDE THE NEGOTIATING FRAMEWORK, HAD AVOIDED SHOWING WORDS AND DEEDS THAT MAY BE TAKEN AS PRESSURING THE PERUVIAN SIDE, BUT WITH THE POSSIBILITY OF EXERCISING ARMED FORCE ASSUMING THE ASPECT OF A REAL CASE, MORE OFFICIALS IN THE GOVERNMENT ARE VOICING: "JAPAN ALSO IS AMONG THE PARTIES INVOLVED." THE SUMMIT MEETING THIS TIME IS PRESUMABLY TAKEN AS SHOWING A TURNING POINT IN JAPAN'S RESPONSE TO THE INCIDENT IN THE SENSE THAT WHILE SECURING CLOSER COOPERATION WITH THE PERUVIAN GOVERNMENT THAN EVER, JAPAN HAS MADE IT CLEAR IT WOULD PLAY A RESPONSIBLE ROLE IN THE FINAL STAGE OF THE INCIDENT TOWARD ITS SOLUTION. (HIROSHI KOMATSU)

OECF TO REVISE ODA PROCUREMENT RULES TO OFFER MORE OPPORTUNITIES TO JAPANESE FIRMS (ASAHI - PAGE 1, FEB. 2 EDITION)

THE OVERSEAS ECONOMIC COOPERATION FUND (OECF), AN ORGAN TO IMPLEMENT THE GOVERNMENT OFFICIAL DEVELOPMENT ASSISTANCE (ODA), HAS FIRMED UP ITS POLICY LINE OF REVIEWING ITS RULES FOR INTERNATIONAL BIDDING FOR JAPAN'S ODA PROGRAMS IN ORDER TO PREVENT THE NOW-DECLINING RATE OF JAPANESE CORPORATIONS' ACQUIRING ORDERS. THE JAPANESE GOVERNMENT FUNDS APPROXIMATELY ONE TRILLION YEN ANNUALLY FOR ITS ODA. GIVING PRIORITY TO THE QUALITY OF TECHNOLOGY OF TENDERERS, THE OECF INTENDS TO IMPROVE THE QUALITY OF ODA PROGRAMS. BUSINESS CIRCLES, WHICH HAVE BEEN SUFFERING FROM THE DECLINING OF THEIR INTERNATIONAL COMPETITIVENESS, WELCOME THE OECF'S POLICY CHANGE, SAYING "CHANCES FOR JAPANESE FIRMS' RECEIVING ORDERS WILL UNCLAS SECTION 03 OF 06 TOKYO 000947

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 3

INCREASE." HOWEVER, THE OUTLOOK IS THAT THE UNITED STATES, EUROPE AND DEVELOPING COUNTRIES, WHO HAVE CALLED ON THE JAPANESE GOVERNMENT TO LIBERALIZE ITS ODA RULES, MAY REACT NEGATIVELY TO ITS NEW RULES THAT WILL BE RELEASED IN THIS SPRING.

BIDDING FOR ODA PROGRAMS, WHICH ARE CARRIED OUT USING YEN LOANS, HAVE BEEN OPENED ALSO TO FOREIGN COMPANIES. THE PERCENTAGE OF JAPANESE CORPORATIONS' SUCCESSFUL BIDS WAS 38 PERCENT IN 1989. BUT IN 1995, BECAUSE OF APPRECIATION OF THE YEN, IN ADDITION TO THE DECREASE OF JAPANESE FIRMS' COMPETITIVE POWER CAUSED BY HIGH LABOR COSTS AND RAW MATERIALS, IT STOPPED AT 27 PERCENT, WHILE DEVELOPING COUNTRIES MARKED 60 PERCENT AND THE U.S. AND EUROPE WITH 13 PERCENT.

THE OECF LAST SUMMER LAUNCHED A STUDY FORUM COMPOSED OF SUCH NINE ORGANIZATIONS AS THE KEIDANREN (JAPAN FEDERATION OF ECONOMIC ORGANIZATIONS) AND PLANT, CONSTRUCTION, TRADING INDUSTRIES. DURING THEIR DISCUSSIONS UP UNTIL NOW, MANY PARTICIPANTS HAD CALLED FOR INTRODUCING TECHNICAL EVALUATION IN THE BIDDING STANDARDS, ARGUING "THE PRESENT COST-ORIENTED BIDDING SYSTEM HAS ALLOWED LOCAL FIRMS' "LOW-COST-BUT-INFERIOR" CONSTRUCTIONS. SO DECIDING ON THE REVIEW OF THE GUIDELINES FOR PROCUREMENT OF MATERIALS AND SERVICES, THE OECF HAS STARTED THE FULL-FLEDGED WORK FROM LATE JANUARY.

THE GUIDELINES FOR PROCUREMENT HAVE BEEN APPLIED TO BIDDING THAT ARE CARRIED OUT BY YEN-LOAN-RECIPIENT DEVELOPING COUNTRIES. THE OECF INTENDS TO INCLUDE IN THE GUIDELINES SUCH POINTS AS 1) CARRYING OUT STRICT PRE-EXAMINATIONS ON THE PAST PERFORMANCES OF COMPANIES PARTICIPATING IN BIDDING AND 2) INCREASING TECHNICAL EVALUATION ITEMS. OBSERVERS SEE THAT "IMPACTS WILL LIKELY BE ON SUCH PROJECTS AS THE CONSTRUCTION OF EXPRESS HIGHWAYS THAT REQUIRES ADVANCED-TECHNOLOGY AND KNOW-HOW."

THE OECF SIDE HAS EXPLAINED THAT THE REVIEW OF ODA BIDDING IS "TO HEIGHTEN THE QUALITY OF YEN-LOAN AID PROGRAMS TO THE LAST." BUT COMPANIES CONCERNED WITH ODA PROGRAMS THINK THAT IT IS A POLICY-CHANGE OF THE OECF IN ORDER TO REGAIN SUPPORT FOR YEN-LOAN AID PROGRAMS."

THE GOVERNMENT, HOWEVER, HAS NOT CHANGED ITS UNTIED POLICY STANCE, ONE OFFICIAL COMMENTING "JAPANESE COMPANIES HAVE MADE A 60 PERCENT OF SUCCESSFUL BIDS IN THE ODA PROGRAMS IN WHICH THEY PARTICIPATED. THE SITUATION IS NOT SO SERIOUS AS IT IS POINTED OUT" (FOREIGN MINISTRY SENIOR OFFICIAL).

BUDGET DEBATE IN DIET: LDP AIMS AT EARLY PASSAGE;
OPPOSITION GEARING UP FOR FIGHT (NIHON KEIZAI - PAGE 2)

FOLLOWING THE PASSAGE OF THE FY1996 SUPPLEMENTARY BUDGET, THE FOCUS OF THE DIET WILL NOW SHIFT TO WRANGLING BETWEEN THE RULING AND OPPOSITION CAMPS OVER THE FY1997 DRAFT BUDGET. THE GOVERNMENT AND THE LIBERAL DEMOCRATIC PARTY (LDP) ARE POISED TO HAVE THE LEGISLATION CLEAR THE LOWER HOUSE THIS MONTH, MAINTAINING, "PASSAGE OF THE FY1997 BUDGET IS ABSOLUTELY NECESSARY TO STIMULATE THE ECONOMY." IN CONTRAST, THE OPPOSITION PARTIES INTEND TO PUT UP TOUGH RESISTANCE TO PASSAGE OF THE BUDGET AS DRAFTED, NOTING, "THE CONTENTS OF THE DRAFT BUDGET ARE CONTRARY TO

THE ONGOING EFFORTS TO REFORM THE NATION'S FISCAL STRUCTURE. WE CANNOT APPROVE SUCH." THE SHINSHINTO (NEW FRONTIER PARTY), MINSHUTO (DEMOCRATIC PARTY OF JAPAN) AND SUN PARTY (TAITYOTO) ARE SEARCHING FOR WAYS TO ARCHITECT A UNITED FRONT SIMILAR TO THE CASE OF THE SUPPLEMENTARY BUDGET. SIGNS ARE THAT THE RULING AND OPPOSITION CAMPS WILL FURTHER STRENGTHEN THEIR CONFRONTATIONAL STANCE.

THE LOWER HOUSE BUDGET COMMITTEE HAS AGREED TO HAVE THE UNCLAS SECTION 04 OF 06 TOKYO 000947

USIA

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E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 3

ROUND OF INTERPELLATIONS BY VARIOUS PARTIES RUN ITS COURSE ON THE 3RD AND 4TH, AND THEN HOLD SUMMARY INTERPELLATIONS ON THE 7TH. AN IDEAL SCHEDULE FOR THE GOVERNMENT AND LDP IS TO HOLD PUBLIC HEARINGS AFTER SUMMARY INTERPELLATIONS AND THEN HAVE THE DRAFT BUDGET CLEAR THE LOWER HOUSE AT THE END OF THE MONTH, AFTER GOING THROUGH THE PROCESS OF GENERAL INTERPELLATIONS AND SUB-COMMITTEE DISCUSSIONS OVER A PERIOD OF SIX DAYS OR SO. FROM A PRACTICAL VIEWPOINT, APRIL 5 IS CONSIDERED TO BE THE DEADLINE FOR PASSAGE OF THE DRAFT BUDGET WITHIN THIS FISCAL YEAR. IF A CASE OF NATURAL PASSAGE IS TAKEN INTO CONSIDERATION, THE DEADLINE IF IT IS TO CLEAR THE LOWER HOUSE WILL BE EARLY MARCH.

ORANGE KYOSAI SCANDAL: ARRESTED SWINDLERQS LINKS TO FORMER NEW JAPAN PARTY BEING PROBED
(NIHON KEIZAI - PAGE 1)

AUTHORITIES WITH THE METROPOLITAN POLICE DEPARTMENT LIVING AND ECONOMIC AFFAIRS DIVISION AND OTHER RELEVANT OFFICES AS OF FEBRUARY 2 APPEAR TO HAVE BEGUN QUESTIONING MEMBERS CONNECTED WITH THE FORMER JAPAN NEW PARTY (JNP) REGARDING THEIR POSSIBLE INVOLVEMENT IN GIVING THE 13TH PLACE IN THE SHINSHINTO'S (NEW FRONTIER PARTY) CANDIDATES' LIST IN THE 1995 UPPER-HOUSE ELECTION TO TATSUO TOMOBE, 68, WHO HAS ALREADY BEEN ARRESTED IN CONNECTION WITH THE ORANGE KYOSAI KUMIAI (A MUTUAL BENEFIT SOCIETY) FRAUD CASE.

IT IS THE FIRST CASE OF (A PROBE INTO) A "POLITICAL ROUTE." AUTHORITIES ARE GOING TO CARRY OUT INVESTIGATIONS CAREFULLY REGARDING POSSIBLE VIOLATION OF THE PUBLIC OFFICE ELECTION LAW (IN SELECTING OF

CANDIDATES).

PUBLIC OFFICE ELECTION LAW ARTICLE 224-3 STIPULATES:
"ANYONE WITH AUTHORITY IN SELECTING CANDIDATES FOR THE
ELECTION RECEIVING PROFIT IN RETURN FOR EXERCISING POWER
SHALL BE SENTENCED TO UP TO THREE YEARS IN PRISON."

AUTHORITIES HAVE ALREADY IDENTIFIED 15 SHINSHINTO
"ELECTION COUNTERMEASURES COMMITTEE" MEMBERS, WHO WERE
RESPONSIBLE FOR DETERMINING CANDIDATES. TOMOBE WAS
INCLUDED IN THE FRAMEWORK OF THE FORMER JNP. AUTHORITIES
WILL FOCUS ON WHO HAD THE REAL AUTHORITY IN DETERMINING
THE RANKING, AS WELL AS ON OTHER DEVELOPMENTS.

MPT REACTS TO HIGH-LEVEL U.S. STATEMENT ON TELECOM ACCESS
IN JAPAN (NIHON KEIZAI - PAGE 3. FEB. 2 EDITION)

THE MINISTRY OF POSTS AND TELECOMMUNICATIONS (MPT) IS
BECOMING NERVOUS ABOUT THE MOVES OF THE UNITED STATES
REGARDING THE COMMUNICATIONS SECTOR. ACTING U.S. TRADE
REPRESENTATIVE (USTR) BARSHEFSKY HAS SINGLED OUT
INFORMATION AND COMMUNICATIONS AS A BILATERAL PROBLEM
LYING BETWEEN JAPAN AND THE U.S. THE MPT HAS NEGATIVELY
REACTED TO HER STATEMENT, NOTING, "WE DO NOT UNDERSTAND
WHAT SHE MEANS BY JAPAN'S COMMUNICATIONS. HER STATEMENT
IS BASED ON A VIEWPOINT THAT IS CONVENIENT TO HER" (MPT
MINISTER HISAO HORINOUCHI). WITH THE DEADLINE FOR THE
BASIC TELECOMMUNICATIONS NEGOTIATIONS UNDER THE WORLD
TRADE ORGAN (WTO) NEAR AT HAND ON THE 15TH, THE MPT IS
FRANTICALLY STRESSING THAT JAPAN IS AN HONOR STUDENT.

THE OBJECTIVE OF THE WTO NEGOTIATIONS IS TO CREATE RULES
FOR LIBERALIZATION IN THE INFORMATION AND COMMUNICATIONS
SECTOR. DURING LAST SPRING'S NEGOTIATIONS, JAPAN AIMED
AT PLAYING A LEADING ROLE FOR LIBERALIZATION OF THAT
SECTOR, BY MAKING AN APPEAL ON THE OPENNESS OF ITS
MARKET, SUCH AS THAT IT CAME UP WITH A PLAN TO TOTALLY
DISMANTLE RESTRICTIONS ON FOREIGN CAPITAL. HOWEVER, THE
NEGOTIATIONS FELL THROUGH DUE TO ADDITIONAL REQUESTS FOR
LIBERALIZATION MADE BY THE U.S. TO VARIOUS MEMBER
UNCLAS SECTION 05 OF 06 TOKYO 000947

USIA

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 3
COUNTRIES.

THE MPT'S STANCE IS THAT "JAPAN HAS NO MORE MATERIALS TO OFFER FOR LIBERALIZATION" (SENIOR OFFICIAL). HOWEVER, THE U.S. HIGH-RANKING OFFICIAL'S STATEMENT HAS APPARENTLY STIRRED UP THE MPT'S UNEASINESS, THAT IS, "WE CANNOT RULE OUT THE POSSIBILITY OF JAPAN COMING UNDER ATTACK FOR NOT COMING UP WITH ADDITIONAL LIBERALIZATION MEASURES AT THE FINAL STAGE." AS SOME HAVE PREDICTED THAT THE NEGOTIATIONS SEEM SLATED FOR ROUGH GOING, THE MPT MIGHT BE STRENGTHENING CRITICISM OF THE U.S. AS A PRECAUTION AGAINST BEING MADE A "PERPETRATOR" IN CASE THE NEGOTIATIONS RUN INTO DIFFICULTIES.

INTERNET COMMUNICATIONS BETWEEN U.S. AND JAPAN NOW FAR OUTPACING TELEPHONE BUSINESS (ASAHI - PAGE 1)

THE VOLUME OF INTERNET CIRCUITS BY USING SUBMARINE CABLES TO CONNECT JAPAN AND THE UNITED STATES HAS INCREASED ABOUT SEVEN FOLD IN A YEAR SINCE LAST MARCH, OUTPACING THOSE FOR INTERNATIONAL TELEPHONE CIRCUITS, ACCORDING TO A SURVEY OF KDD. INTERNET USERS ARE SAID TO REACH FIVE MILLION IN JAPAN. IN RESPONSE TO SUCH A SHARP INCREASE OF SUBSCRIBERS, INTERNET PROVIDERS HAVE SECURED A LARGE VOLUME OF CIRCUITS BETWEEN JAPAN AND THE U.S. KDD HAS REACHED AN AGREEMENT WITH AT & T, A U.S. COMPANY, TO LAY A NEW CABLE BY THE YEAR 2000, BUT IF INTERNET USERS EXPAND AT THE CURRENT PACE, THE CAPACITY MIGHT RUN SHORT BY 2000.

SINCE THE U.S. IS THE CORE OF NETWORKS, 95 PERCENT OF JAPAN'S INTERNET TELECOMMUNICATIONS CIRCUITS ARE LINKED TO THE U.S.

THE VOLUME OF INTERNET CIRCUITS BETWEEN JAPAN AND THE U.S. WAS AT 10 MEGA-BITS (1 MEGA EQUAL 1 MILLION) EVERY SECOND BY THE END OF 1995, BUT SINCE JAPANESE LEADING PROVIDERS BEGAN TO BORROW CIRCUITS BY A UNIT OF 45 MEGA-BITS FROM KDD IN 1996, THE VOLUME HAS REMARKABLY SWELLED. REGARDING A NEW SUBMARINE CABLE THAT KDD AND AT&T JOINTLY STARTED OPERATIONS LAST DECEMBER, THE COMPANIES HAVE BEEN INUNDATED WITH INQUIRIES. AS OF THIS FEBRUARY, THE VOLUME CAME TO 468 MEGA-BITS.

THE VOLUME OF CIRCUITS (EXCLUDING THOSE FOR CORPORATE LINES) FOR INTERNATIONAL TELEPHONES PROVIDED BY KDD, INTERNATIONAL TELECOMMUNICATIONS OF JAPAN (ITJ) AND INTERNATIONAL DIGITAL COMMUNICATIONS (IDC) IS ESTIMATED AT 66 MEGA-BITS, ACCORDING TO KDD. KDD HAS CALCULATED THAT INTERNET CIRCUITS TOPPED THOSE FOR TELEPHONES DURING A PERIOD FROM LAST FALL TO YEAR-END.

GOVERNMENT PLANNING TWO-STAGED APPROACH TO STAVE OFF OKINAWA LAND-USE CRISIS IN MAY (TOKYO SHIMBUN - PAGE 1)

THE GOVERNMENT AS OF FEBRUARY 2 HAS COME UP WITH THE FOLLOWING TWO STEPS IN ORDER TO AVOID "ILLEGAL OCCUPATION" REGARDING THE 12 OKINAWA BASE FACILITIES, SUCH AS KADENA AIR BASE, OWNED BY SOME 3,000 LANDOWNERS, WHICH WILL EXPIRE ON MAY 14: 1) REQUEST THE OKINAWA

COMMITTEE ON EXPROPRIATION (OCE) FOR SIX-MONTH EMERGENCY USE POSSIBLY IN LATE FEBRUARY; AND 2) AMEND BY APRIL THE SPECIAL LAND LEASE LAW FOR THE U.S. FORCES STATIONED IN JAPAN TO LET THE U.S. FORCES CONTINUE TO USE THE SITES DURING THE OCE'S DELIBERATIONS.

FOR THE TIME BEING, THE GOVERNMENT WILL WATCH CLOSELY THE OCE'S PUBLIC DELIBERATIONS FOR FEBRUARY 21. IF THE DELIBERATIONS ARE THROWN INTO CONFUSION DUE TO LANDOWNERS' OPPOSITION, THE GOVERNMENT MAY GIVE UP EMERGENCY USE AND RESORT TO AMENDING THE LAW.

UNDOUBTEDLY, SUCH A CASE WOULD INVITE STRONG REACTION
UNCLAS SECTION 06 OF 06 TOKYO 000947

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 3

FROM OKINAWA AND THE SOCIAL DEMOCRATIC PARTY (SDP), AND EVENTUALLY WOULD HAVE AN IMPACT ON THE FRAMEWORK OF THE HASHIMOTO ADMINISTRATION.

LAST SEPTEMBER, OKINAWA GOVERNOR MASAhide OTA CARRIED OUT PUBLIC POSTING AND REVIEWS AS A PROXY IN APPRECIATION OF THE PROGRESS IN 12 BASE FACILITIES, PARTICULARLY THE PLANNED REVERSION OF FUTENMA AIR STATION. AS THE NEXT STEP, THE OCE WILL HOLD ITS FIRST PUBLIC DELIBERATIONS ON FEBRUARY 21 ATTENDED BY LANDOWNERS.

PAST CASES HAVE PROVEN THAT THE SHORTEST PUBLIC DELIBERATIONS TOOK EIGHT MONTHS. CHANCES ARE EXTREMELY SLIM FOR THE OCE TO COME UP WITH A FINAL DECISION BY MAY, BEFORE THE LAND LEASE EXPIRES. AS THE FIRST OPTION, THE GOVERNMENT HAS BEEN LOOKING INTO SIX-MONTH EMERGENCY USE FOR THE SAKE OF SUSTAINING THE JAPAN-U.S. SECURITY ARRANGEMENT, PERCEIVING, "WE SHOULD AVOID ILLEGAL OCCUPATION AT ALL COSTS."

JDA AIMS BY NEXT MARCH TO ESTABLISH SUPPLY CONTROL HEADQUARTERS (NIHON KEIZAI - PAGE 2)

THE JAPAN DEFENSE AGENCY (JDA) HAS PLANS TO SET UP BY MARCH NEXT YEAR A "SUPPLY-CONTROL HEADQUARTERS" THAT WILL HANDLE ALL PROCESSES IN SUPPLYING EQUIPMENT TO THE GROUND SELF-DEFENSE FORCE. SUPPLY WORK HAS PREVIOUSLY BEEN DONE SEPARATELY BY EACH SPECIFIC ITEM. BUT THE JDA WILL AIM TO INTEGRATE SUCH SUPPLY WORKS INTO ONE IN AN EFFORT TO

INCREASE THE EFFICIENCY OF WORK AND TO RESPOND SWIFTLY TO DISASTERS, ETC. THE AGENCY WILL SUBMIT A BILL TO AMEND THE SELF-DEFENSE LAW TO THE CURRENT DIET SESSION.

THE SUPPLY-CONTROL HEADQUARTERS IS PLANNED TO BE SET UP IN THE JUJO BASE IN TOKYO, AND WILL HAVE ABOUT 1,500 PERSONNEL. THE JDA WILL REORGANIZE THE MATERIAL CONTROL UNITS AND THE CENTRAL SUPPLY BASES THAT HANDLE DAILY NECESSITIES (SUCH AS CLOTHING), WEAPONS, FACILITIES, COMMUNICATIONS AND SANITATION INTO THE NEW OFFICE. THE CENTRAL SUPPLY BASES WILL HANDLE ONLY WAREHOUSE WORK AS BRANCH OFFICES FOR KANTO SUPPLY BASE TO BE ESTABLISHED IN THE KASUMIGAURA BASE IN IBARAKI PREFECTURE. CRANE

SECT: SECTION: 01 OF 06

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COLLECTION:

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[02/03/1997 - 02/12/1997]

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RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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COLLECTION:

Clinton Presidential Records
NSC Cables
Jan 1997-Dec 1998 ([Futenma])
OA/Box Number: 520000

FOLDER TITLE:

[02/03/1997 - 02/12/1997]

2016-0420-F
sb1895

RESTRICTION CODES

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RUEKJCS/SECDEF WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 4

TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 000986

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB
IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN
GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC
FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 4

TOP HEADLINES:

ASAHI: LONG LEAKAGE OF CREDIT-RELATED INFORMATION BY
EMPLOYEES OF THE ONLY INFORMATION RESEARCH COMPANY;
ADDRESSES, RECORDS OF ARREARS ON ONE'S RENT; DIVISION-
DIRECTOR-LEVEL OFFICERS PUNISHED, TO LEAVE THE COMPANY

NIHON KEIZAI: HEALTH MINISTRY BEGINS STUDYING THE
SCRAPPING OF PENSION WELFARE SERVICE PUBLIC CORPORATION
BY 1999; OPERATION OF RESERVE FUND WILL BE TRANSFERRED TO

AN "EXTRA-MINISTERIAL AGENCY" WHICH WILL BE ESTABLISHED;
TO WITHDRAW FROM HOUSING LOAN BUSINESS

TOKYO SHIMBUN: KKC INVESTMENT GROUP CHAIRMAN AND 15
RELEVANT PERSONS ARRESTED; ON CHARGE OF MONEY-MAKING
FRAUD SCHEME; 12,000 PEOPLE SUFFER DAMAGE WITH THE AMOUNT
OF DAMAGE REACHING 17 BILLION YEN

MAINICHI: SHIODOME LAND SITE OF THE FORMER JAPAN NATIONAL
RAILWAYS AWARDED TO DENTSU AND OTHER FIRMS WITH LOWER
BIDS THAN EXPECTED -- 37.23 BILLION YEN FOR THREE
DISTRICTS

YOMIURI: 16 KKC INVESTMENT GROUP MEMBERS INCLUDING ITS
CHAIRMAN ARRESTED; ALLEGED FRAUD INVOLVING 119 MILLION
YEN; 36.3 BILLION YEN COLLECTED BUT 19 BILLION YEN NOT
RETURNED

SANKEI: SHIODOME SITE AWARDED DOWN TO DENTSU, MITSUI REAL
ESTATE AND NIHON TV AT A TOTAL BID PRICE OF 37.23 BILLION
YEN; BY FAR LOWER AMOUNT THAN THAT ASSUMED AT TIME OF THE
BUBBLE ECONOMY; WILL AFFECT DEBTS LIQUIDATION

OPTIMISM AND CAUTION IN GOVERNMENT ABOUT NEGOTIATED
SETTLEMENT OF PERU HOSTAGE SITUATION
(TOKYO SHIMBUN - PAGE 2)

IN DEALING WITH THE HOSTAGES CRISIS AT THE JAPANESE
AMBASSADOR'S COMPOUND IN PERU, ATTENTION IS NOW FOCUSED
ON WHEN A "PREPARATORY DIALOGUE (PREPARATORY
NEGOTIATIONS)" WILL START BETWEEN THE PERUVIAN GOVERNMENT
AND THE TUPAC AMARU REVOLUTIONARY MOVEMENT (MRTA) AS WAS
EARLIER AGREED IN THE JAPAN-PERU SUMMIT.

ADMINISTRATIVE VICE MINISTER SADAYUKI HAYASHI OF THE
FOREIGN MINISTRY (MOFA) IN MEETING THE PRESS LAST EVENING
EXPRESSED HIS EXPECTATIONS TOWARD STARTING PREPARATORY
DIALOGUE AT AN EARLY DATE, NOTING, "I HOPE PREPARATORY
NEGOTIATIONS WILL BEGIN AS SOON AS POSSIBLE TO BRING THE
CRISIS SITUATION TO A RESOLUTION."

HOWEVER, MANY IN THE JAPANESE GOVERNMENT TAKE A CAUTIOUS
VIEW, ASSUMING THAT IT WILL TAKE MORE TIME BEFORE
NEGOTIATIONS START, AND EVEN AFTER NEGOTIATIONS ACTUALLY
BEGIN, THE SITUATION WILL NOT MAKE RAPID PROGRESS.

ON THE OTHER HAND, ANOTHER GROUP OF GOVERNMENT OFFICIALS
ARE OPTIMISTIC, PREDICTING, "NEGOTIATIONS WILL BEGIN
WITHIN A WEEK. AND ONCE THEY START, IT WILL NOT TAKE TOO
MUCH TIME." THE REAL SITUATION IS THAT OUTLOOK REMAINS
UNCERTAIN.

THE GOVERNMENT IS NOW PAYING ATTENTION TO A REMARK BY
PERUVIAN GOVERNMENT FUJIMORI SHOWN IN HIS INTERVIEW GIVEN
ON FEBRUARY 2 TO THE WASHINGTON POST THAT: "I HAVE
CONVINCED MRTA REBELS THERE IS NO POSSIBILITY OF RELEASE
OF THEIR COMRADES IN PRISON." IF THAT IS TRUE, THERE
WOULD BE NO OBSTACLE TO STARTING A DIALOGUE; IN ADDITION,

NEGOTIATIONS ARE EXPECTED TO GO SMOOTHLY.

BUT CERPA, A LEADER OF MRTA REBELS SEIZING THE JAPANESE AMBASSADOR'S RESIDENCE, STRESSED IN AN INTERVIEW WITH A BRITISH TV ON FEBRUARY 1 AND ON OTHER OCCASIONS THAT HE UNCLAS SECTION 02 OF 08 TOKYO 000986

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 4

WOULD NOT DROP THE DEMAND FOR RELEASE OF MRTA PRISONERS. AT THIS POINT, NO ONE KNOWS WHICH REPORTS REFLECT THE REAL FEELING OF THE MRTA.

SEEING THOSE DEVELOPMENTS, THE GOVERNMENT HAS STEPPED UP INFORMATION-GATHERING EFFORTS THROUGH ITS LOCAL COUNTERMEASURES HEADQUARTERS, BUT MAJOR PERUVIAN OFFICIALS ARE NOW IN WASHINGTON, ACCOMPANYING PRESIDENT FUJIMORI, SO AFTER THE PRESIDENTIAL MISSION COMES BACK TO LIMA, THE GOVERNMENT WILL LIKELY ASCERTAIN WHICH REPORTS REFLECT THE REBELS SIDE'S INTENTION.

IN ANY CASE, THE JAPANESE GOVERNMENT BELIEVES SOME MOVES WILL EMERGE TOWARD STARTING PREPARATORY DIALOGUE ON THE 4TH OR AFTERWARDS, WHEN THE PRESIDENTIAL MISSION RETURNS HOME. TAKING THAT OCCASION, IT WANTS TO MAKE SURE WHETHER THE MRTA SIDE WITHDREW ITS DEMAND FOR RELEASE OF THEIR COMRADES NOW IN PRISON, A KEY ISSUE.

AMBASSADOR TERADA MAY PARTICIPATE IN PERUVIAN GOVERNMENT'S NEGOTIATIONS WITH MRTA
(TOKYO SHIMBUN - PAGE 2)

ADMINISTRATIVE VICE MINISTER SADAYUKI HAYASHI OF THE FOREIGN MINISTRY (MOFA) REVEALED TO THE PRESS CORPS LAST EVENING THAT IN HIS VIEW, AMBASSADOR TO MEXICO TERUSUKE TERADA (ADVISOR OF MOFA'S LOCAL COUNTERMEASURES HEADQUARTERS) MAY JOIN NEGOTIATIONS BETWEEN THE PERUVIAN GOVERNMENT AND THE TUPAC AMARU REVOLUTIONARY MOVEMENT (MRTA) THAT WILL OCCUR SOMETIME IN THE WEEKS TO COME OVER THE HOSTAGES SITUATION IN THE JAPANESE AMBASSADOR'S RESIDENCE IN PERU.

AMBASSADOR TERADA WAS SELECTED DURING THE JAPAN-PERU SUMMIT HELD IN TORONTO AS AN OBSERVER IN THE GUARANTORS' COMMISSION.

ADMINISTRATIVE VICE MINISTER HAYASHI POINTED OUT, "IN THE PREPARATORY DIALOGUE (PREPARATORY NEGOTIATIONS) AND (FULL-FLEDGED) NEGOTIATIONS THAT WILL FOLLOW, THE PERUVIAN GOVERNMENT AND THE MRTA SIDE WILL MEET, AND THAT MEETING WILL BE JOINED BY THE GUARANTORS' COMMISSION." "AT SOME POINT IN THAT PROCESS, IT IS POSSIBLE THAT AMBASSADOR TERADA WILL JOIN IN."

REPORT OF NORTH KOREAN KIDNAPPING OF JAPANESE SCHOOLGIRL IN 1977 STIRS DIET DISCUSSION (SANKEI - PAGE 2)

CONCERNING THE SANKEI SHIMBUN'S RECENT REPORT ON THE HIGH PROBABILITY THAT A JAPANESE JUNIOR HIGH SCHOOL GIRL WAS ABDUCTED BY A NORTH KOREAN AGENT IN NIIGATA PREFECTURE (IN 1977), THE GOVERNMENT ADMITTED ON FEBRUARY 3 THAT IT HAS BEEN ENGAGED IN INFORMATION-COLLECTION ACTIVITIES WITH THE REPUBLIC OF KOREA AND OTHER RELEVANT COUNTRIES. THE CASE OF A NORTH KOREAN ABDUCTION IS NOW AGAIN IN THE SPOTLIGHT. ACTUALLY, HOWEVER, THE GOVERNMENT HAS FEW CARDS TO PLAY. IT IS NOW COLLECTING INFORMATION THROUGH DIPLOMATIC CHANNELS, BUT IT, ON THE OTHER HAND, HAS NO CHOICE BUT TO WATCH THE NORTH KOREANS' MOVES.

THE GOVERNMENT HAS SO FAR SECRETLY INVESTIGATED THE LIKELIHOOD OF A POSSIBLE ABDUCTION. A SOURCE IN THE MINISTRY OF FOREIGN AFFAIRS EXPLAINS THE REASON: "WE HAVE BEEN COLLECTING INFORMATION THROUGH DIPLOMATIC CHANNELS. BUT IF SUCH INVESTIGATIVE ACTIONS ARE MADE PUBLIC, THE GIRL'S SAFETY MIGHT BE AFFECTED." HOWEVER, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA AT A PRESS CONFERENCE ON FEBRUARY 3 IMPLIED THE HIGH POSSIBILITY OF THE MISSING NIIGATA SCHOOLGIRL BEING ABDUCTED BY SOMEONE FROM NORTH KOREA. IN RESPONSE, MOFA'S ADMINISTRATIVE VICE MINISTER SADAYUKI HAYASHI ALSO STATED AT A REGULAR PRESS MEETING THAT DAY: "INVESTIGATIVE OFFICIALS HAVE BEEN CARRYING OUT NECESSARY INVESTIGATIONS."
UNCLAS SECTION 03 OF 08 TOKYO 000986

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 4

ON THE OTHER HAND, THE GOVERNMENT HAD BEEN SEEKING THE RIGHT TIMING TO REACTIVATE JAPAN-NORTH KOREA DIPLOMATIC NORMALIZATION TALKS THAT HAVE BEEN SUSPENDED SINCE NOVEMBER 1992, IN PARALLEL WITH PROGRESS IN THE FOUR-PARTY TALKS OF NORTH AND SOUTH KOREAS, THE U.S., AND

CHINA ABOUT PEACE AND STABILITY ON THE KOREAN PENINSULA, AND IN THE NORTH-SOUTH DIALOGUE. HOWEVER, THE JAPANESE GOVERNMENT'S BASIC POSITION IS THAT IT CANNOT RESUME SUCH TALKS WITHOUT TAKING UP THE PROBLEM OF LI UN HYE, ALLEGEDLY A JAPANESE NATIONAL IN CHARGE OF EDUCATING THE PERSON WHO TOOK PART IN THE INCIDENT OF PLANTING A BOMB ON BOARD A KOREAN AIR LINES PLANE, AND THE SUSPECTED ABDUCTION OF JAPANESE CITIZENS. EVEN IF JAPAN PURSUES NORTH KOREA THROUGH INFORMAL CHANNELS, IT IS LIKELY THAT "THEY WON'T ADMIT ANYTHING ABOUT IT, AND THE POSSIBILITY IS HIGH THAT THEY MAY STIFFEN THEIR ATTITUDE INSTEAD" (GOVERNMENT SOURCE).

TESTIMONY ON SCHOOLGIRL ABDUCTION:
QUESTIONS AND ANSWERS IN BUDGET COMMITTEE MEETING

THE MAIN QUESTIONS AND ANSWERS AT THE FEBRUARY 3 MEETING OF THE LOWER HOUSE BUDGET COMMITTEE REGARDING THE POSSIBLE ABDUCTION OF A SCHOOLGIRL BY A NORTH KOREAN AGENT ARE AS FOLLOWS:

-- ABOUT THE PROBLEM OF MEGUMI YOKOTA, WE'VE PRESENTED A PROSPECTUS OF INTERPELLATIONS ON JANUARY 23. I UNDERSTAND I SHOULD ASK THIS QUESTION AFTER THERE IS A REPLY (FROM THE GOVERNMENT), BUT THE GOVERNMENT ASKED ME TO POSTPONE IT, SO I'VE HAD NO REPLY. KIM HYON GI SAYS IN HER BOOK, "AMONG THOSE ABDUCTED WAS A GIRL STILL GOING TO HIGH SCHOOL." IS SHE NOT YOKOTA?

PRIME MINISTER RYUTARO HASHIMOTO: INVESTIGATIVE AUTHORITIES HAVE BEEN CARRYING OUT NECESSARY INVESTIGATIONS IN A CAREFUL WAY. I THINK OTHER ORGANIZATIONS CONCERNED ALSO HAVE BEEN COLLECTING INFORMATION. WE'D LIKE TO CONTINUE SUCH EFFORTS FROM NOW ON AS WELL.

FOREIGN MINISTER YUKIHIKO IKEDA: "THE MINISTRY OF FOREIGN AFFAIRS ALSO WANTS TO MAKE EFFORTS TO COLLECT INFORMATION ABOUT OTHER SUSPECTED ABDUCTION CASES LIKE THIS. IN THE CASE OF LI UN HYE, THE POSSIBILITY WAS SAID TO BE GREAT THAT SHE MIGHT BE THAT JAPANESE NATIONAL REPORTED MISSING SINCE 1991. SO, WE ASKED THE NORTH KOREAN SIDE TO PROVIDE INFORMATION IN THE PROCESS OF TALKS BETWEEN JAPAN AND NORTH KOREA. BUT THE DIPLOMATIC NORMALIZATION TALKS THEN BROKE OFF. FROM NOW ON, IN CONSIDERATION OF SUCH CIRCUMSTANCES, THE MINISTRY OF FOREIGN AFFAIRS WOULD LIKE TO DEAL WITH THIS CASE PROPERLY.

-- WHY DID JAPAN GIVE RICE AID TO A COUNTRY THAT ABDUCTS JAPANESE?

PRIME MINISTER: THE PROBLEM OF ABDUCTION HAS BEEN INVESTIGATED BY OUR COUNTRY'S INVESTIGATIVE AUTHORITIES. JAPAN'S RICE AID EXTENDED THE YEAR BEFORE LAST WAS CARRIED OUT AS A SPECIAL, EXCEPTIONAL MEASURE AS INTERNATIONAL EMERGENCY HUMANITARIAN AID.
(THE QUESTIONS WERE ASKED BY SHINGO NISHIMURA.)

JAPANESE AND RUSSIAN COMPANIES AGRFE TO RESTART FAR
EASTERN FORESTRY PROJECT AFTER LONG HIATUS
(ASAHI - PAGE 3)

IT HAS NOW BEEN GENERALLY DECIDED THAT JAPAN AND RUSSIA
WILL RESUME AFTER A LAPSE OF 10 YEARS THEIR "COOPERATION
PROJECT ON FORESTRY AND RESOURCES DEVELOPMENT IN THE FAR
EASTERN REGION," WHICH WAS SUSPENDED OVER ECONOMIC
UNCLAS SECTION 04 OF 08 TOKYO 000986

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB
IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN
GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC
FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 4

TURMOIL IN RUSSIA. THE JOINT JAPANESE-RUSSIAN PRIVATE-
LEVEL PROJECT STARTED IN 1969 WITH THE AIM OF
DEVELOPMENT OF FORESTS IN THE THEN SOVIET UNION'S FAR
EASTERN REGION IN ORDER TO PROVIDE A STABLE SUPPLY OF
NORTHERN-REGION LUMBER TO JAPAN. APPROXIMATELY 400
BILLION YEN WAS INVESTED IN THE PROJECT IN THREE
INSTALLMENTS. THE PROJECT HAS BEEN SUSPENDED SINCE THE
WANING DAYS OF THE SOVIET UNION IN 1986, BUT JAPANESE AND
RUSSIAN PRIVATE FIRMS REACHED AN AGREEMENT RECENTLY TO
RESUME THE PROJECT.

THE COMPANY SIDE WILL UTILIZE THE FRAMEWORK OF LOANS FOR
TRADE WITH RUSSIA IN TRADE INSURANCE AND SEEK JAPAN'S
EXPORT AND IMPORT BANK'S (JEXIMBANK) CAPITAL FINANCING.
WITH JAPAN-RUSSIA ECONOMIC RELATIONS AT AN IMPASSE, THIS
PRIVATE-LEVEL AGREEMENT HAS BEEN WELCOMED BY THE JAPANESE
GOVERNMENT, WHICH HAS PLACED EMPHASIS ON ECONOMIC
COOPERATION WITH RUSSIA FOCUSING ON THE FAR EASTERN
REGION AS ELIGIBLE FOR CAPITAL FINANCING AMOUNTING 500
MILLION DOLLARS BY JEXIMBANK AS A RUSSIA-SUPPORT MEASURE.
THE GOVERNMENT WILL LOOK INTO MEASURES TO BACK THE
PROJECT BY THE TIME OF A MEETING OF THE JAPAN-RUSSIA
GOVERNMENTAL TRADE ECONOMIC COMMITTEE TO BE HELD IN TOKYO
IN MARCH WITH THE PARTICIPATION OF RUSSIAN FIRST
DEPARTMENT CHAIRMAN ILYUSHIN.

UNDER THE AGREEMENT REACHED BETWEEN JAPANESE COMPANIES
AND RUSSIAN LUMBER PRODUCTION EXPORTERS, THE RUSSIAN
EXPORTERS WILL EXPORT NORTHERN-REGION LUMBER FROM AN AREA
COVERING 3 MILLION SQUARE METERS OVER FIVE YEARS IN
EXCHANGE FOR THE JAPANESE COMPANIES' FINANCING OF 100
MILLION DOLLARS. THE 100 MILLION DOLLARS WILL BE SPENT
TO BUY SUPERANNUATED LUMBER-CUTTING MACHINES, BULLDOZERS

TO BE USED FOR CONSTRUCTION OF ROADS BETWEEN INLAND AREAS AND CUTTING AREAS AND THE LIKE.

IF THIS PROJECT MOVES FORWARD SMOOTHLY, THE TWO SIDES WILL CONSIDER EXPANDING IT TWO YEARS LATER. PARTICIPATION IN THIS PROJECT WILL BE 11 TRADING HOUSES THAT IMPORT LUMBER, SUCH AS NISSHO IWAI CORPORATION, NICHIMEN AND MARUBENI. KOMATSU AND OTHER COMPANIES ARE PLANNING TO SUPPLY EQUIPMENT.

LDP AND SHINSHINTO CONSERVATIVES MOVING CLOSER; SHARE PRO-TAIWAN AND YASUKUNI SHRINE STANCE (ASAHI - PAGE 2)

A MOVE HAS BEGUN TO MERGE THE DIETMEMBERS' LEAGUES IN THE LIBERAL DEMOCRATIC PARTY (LDP) AND THE SHINSHINTO (NEW FRONTIER PARTY) THAT PROMOTE EXCHANGES WITH TAIWAN AND PAYING HOMAGE AT YASUKUNI SHRINE. TWO GROUPS PROMOTING EXCHANGES BETWEEN JAPAN AND TAIWAN WILL HOLD A GENERAL MEETING ON THE 5TH TO DISCUSS UNIFICATION OF THE LEAGUES. IN CONTRAST TO THE OPPOSING STANCES IN THE DIET, THE ABOVE GROUPS SHARE UNDERNEATH A COMMON VIEW ON DIPLOMACY AND A PERCEPTION OF HISTORY, ELEMENTS THAT ARE CLOSELY RELATED TO THE BASIC STANCE OF THEIR PARTIES. RELEVANT MEMBERS EXPLAINED IN UNISON THAT THE SYNCHRONISM OF THE TWO MOVES WAS A "MERE COINCIDENCE." IT MAY SERVE AS A GROUNDWORK FOR FORMING A "CONSERVATIVE-CONSERVATIVE ALLIANCE (HO-HO RENGU) IN THE FUTURE.

A UNIFIED DIETMEBERS' LEAGUE FOR EXCHANGES BETWEEN JAPAN AND TAIWAN TO BE LAUNCHED ON THE 5TH WILL BE MADE UP OF THE LDP'S ROUND TABLE FORUM OF DIETMEMBERS CONNECTED WITH JAPAN-REPUBLIC OF CHINA RELATIONS (NIKKA KANKEIGIIN KONDANKAI) (CHAIRER BY SADANORI YAMANAKA, 202 MEMBERS) AND THE SHINSHINTO'S JAPAN-REPUBLIC OF CHINA DIETMEMBERS LEAGUE (CHAIRER BY TATSUO OZAWA, 67 MEMBERS). LATE LAST YEAR, YAMANAKA SUGGESTED TO OZAWA, "MAINTAINING TWO DIFFERENT GROUPS MAY BE TROUBLESOME FOR TAIWAN." THE NEW GROUP, WHICH IS GOING TO USE THE LDP'S NAME (NIKKAKON, FOR SHORT) WILL BE HEADED BY YAMANAKA. THE UNIFIED GROUP IS GOING TO WORK ON THE SAKIGAKE PARTY AND INDEPENDENT UNCLAS SECTION 05 OF 08 TOKYO 000986

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 4 MEMBERS AS WELL.

MEANWHILE, THE LDP'S DIETMENS FORUM TO PROMOTE PAYING HOMAGE AT YASUKUNI SHRINE (CHAired BY KEIZO OBUCHI, 209 MEMBERS) AND THE SHINSHINTO'S DIETMENS LEAGUE FOR VISITING YASUKUNI SHRINE (CHAired BY KOZO WATANABE, 71 MEMBERS) HAVE BEEN MOVING CLOSER TO EACH OTHER. IN FACT, REPRESENTING THE TWO GROUPS, OBUCHI AND WATANABE HAVE BEEN PROMOTING THE GROUPS' UNIFICATION. THAT IS BECAUSE, "IT MAKES NO SENSE TO REMAIN TWO DIFFERENT GROUPS BECAUSE WE ARE ALREADY PAYING HOMAGE AT THE SHRINE TOGETHER" (LDP MEMBER).

BESIDES THE TWO, SOME OTHER GROUPS ARE CONSIDERING TO TAKE JOINT STEPS, SUCH AS THE LDP'S DIETMENS LEAGUE FOR A BRIGHT JAPAN (CHAired BY SEISUKE OKUNO) AND THE SHINSHINTO'S DIETMENS LEAGUE TO HAND DOWN A CORRECT PERCEPTION OF HISTORY (CHAired BY TATSUO OZAWA).

THE TWO YASUKUNI SHRINE GROUPS OF THE SHINSHINTO AND THE LDP WERE LAUNCHED AT THE TIME OF THE LDP'S SPLIT, CENTERING ON FORMER SHINSEITO MEMBERS. THEY ARE SPIN-OFFS OF THE LDP'S MAIN BODY. LAWMAKER EXCHANGES BETWEEN JAPAN AND TAIWAN, WITH THE RECOVERY OF DIPLOMATIC TIES WITH CHINA IN THE BACKGROUND, AND PAYING HOMAGE AT YASUKUNI SHRINE, WHICH IS DIRECTLY CONNECTED WITH A CERTAIN PERCEPTION TOWARD HISTORY, ARE ALL CLOSELY RELATED TO THE FUNDAMENTAL BASIS FOR CONSERVATIVE FORCES. SOME SUSPECT THAT SUCH IS A MOVE TO PAVE THE WAY FOR FORMING A CONSERVATIVE-CONSERVATIVE ALLIANCE IN THE FUTURE.

TOKYO COURT ASKS SHINSHINTO COOPERATION ON TOMOBE CASE;
POSSIBLE ELECTION LAW VIOLATION (MAINICHI - PAGE 1)

IT WAS LEARNED YESTERDAY THAT IN THE ORANGE KYOSAI KUMIAI (A MUTUAL AID ASSOCIATION) FRAUD CASE, THE TOKYO DISTRICT COURT SPECIAL INVESTIGATION DEPARTMENT HAD ASKED THE OPPOSITION PARTY SHINSHINTO TO COOPERATE IN AN INVESTIGATION TO CLARIFY THE PROCESS OF HOW THE PARTY DECIDED THE RANKING IN THE PARTY'S ELECTION CANDIDATES' LIST FOR THE PROPORTIONAL REPRESENTATION PORTION IN THE UPPER HOUSE ELECTION IN 1995, IN WHICH SUSPECT TATSUO TOMOBE (68), WHO HAS BEEN ARRESTED ON CHARGE OF FRAUD AND HAS SECEDED FROM THE SHINSHINTO, WAS ELECTED. THE SHINSHINTO DECIDED TO OFFER COOPERATION AT A MEETING OF PARTY HEAD ICHIRO OZAWA AND OTHER FOUR PARTY EXECUTIVES. THE PARTY WILL FORMALLY ACCEPT THE REQUEST AT TODAY'S LOWER AND UPPER HOUSES' GENERAL CAUCUS. THE SPECIAL INVESTIGATION DEPARTMENT IS EXPECTED TO START HEARINGS ON CIRCUMSTANCES FROM OFFICIALS CONCERNED AS SOON AS IT OBTAINS THE PARTY'S COOPERATION. THE SPECIAL INVESTIGATION DEPARTMENT'S UNPRECEDENTED REQUEST TO A POLITICAL PARTY IS A MANIFESTATION OF ITS DETERMINATION TO UNCOVER WHERE THE ASSOCIATION'S MONEY WAS FUNNELED IN THE POLITICAL WORLD, WHILE KEEPING IN MIND THE POSSIBILITY OF BREACH OF THE PUBLIC OFFICES ELECTION LAW.

SHINSHINTO MEMBERS UPSET WITH FORMER PRIME MINISTER
HOSOKAWA'S INVOLVEMENT WITH TOMOBE

(NIHON KEIZAI - PAGE 2)

APPREHENSION IS EXPANDING IN THE SHINSHINTO (NEW FRONTIER PARTY) OVER POSSIBLE VIOLATION OF THE PUBLIC OFFICE ELECTION LAW BY SOME PARTY MEMBERS IN CONNECTION WITH THE ORANGE KYOSAI KUMIAI (A MUTUAL BENEFIT SOCIETY) FRAUD CASE. IT WAS REVEALED YESTERDAY THAT SOME FORMER JAPAN NEW PARTY (JNP) MEMBERS WERE QUESTIONED BY AUTHORITIES. THIS HAS ELEVATED THE TENSION IN THE PARTY. IN YESTERDAY'S MEETING, HELD BY THE SHINSHINTO AND ITS SUPPORT GROUPS, OPINIONS EMERGED IN SUCCESSION CALLING FOR THE ELUCIDATION OF TRUTH BY THE LEADERSHIP.

UNCLAS SECTION 06 OF 08 TOKYO 000986

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 4

IN YESTERDAY'S ANNUAL MEETING OF THE DEMOCRATIC SOCIALIST ASSOCIATION (MINSHA KYOKAI) (CHAIRLED BY FORMER SHINSHINTO SECRETARY GENERAL TAKASHI YONEZAWA), A GROUP MADE UP OF FORMER DEMOCRATIC SOCIALIST PARTY (DSP) DIETMEMBERS AND LOCAL POLITICIANS, AN OPINION EMERGED FROM SOME MEMBERS, "SUCH A PROBLEM IS TRULY TROUBLESOME." THE GROUP REACHED A POLICY DECISION TO DO ITS BEST TO FIND OUT THE TRUTH CENTERING ON FORMER DSP MEMBERS.

THE YUAIKAI, MADE UP OF SUPPORT UNIONS, ALSO HELD A MEETING YESTERDAY. IN IT, MANY REPRESENTATIVES OF CONSTITUENT UNIONS EXPRESSED CONCERN OVER THE POSSIBLE DAMAGE TO THE PARTY BY THE "ORANGE SCANDAL." ONE MEMBER REMARKED, "A SET OF RULES SHOULD BE ESTABLISHED CLEARLY FOR DETERMINING THE RANKING OF THE CANDIDATES IN THE PROPORTIONAL REPRESENTATION PORTION."

DISSATISFACTION IS ALSO MOUNTING AMONG SUPPORT GROUPS AND SHINSHINTO MEMBERS EXCEPT FOR THE FORMER JNP GROUP REGARDING THE JNP'S INSUFFICIENT EXPLANATION OF ITS INVOLVEMENT IN TOMOBE'S CASE AND FORMER PRIME MINISTER MORIHIRO HOSOKAWA'S OVERSEAS TRIP DISREGARDING THE CONTROVERSY AT HOME. MANY ARE CALLING FOR HOSOKAWA'S EXPLANATION.

LDP CALLS FOR REVISION OF PUBLIC WORKS PLAN MAY LEAD TO RENEGING ON COMMITMENT TO U.S. (ASAHI - PAGE 2)

SENIOR MEMBERS OF THE LIBERAL DEMOCRATIC PARTY HAVE ALL

OF A SUDDEN TURNED UP THE VOLUME IN THEIR CALLS FOR A REVIEW OF THE BASIC 10-YEAR PUBLIC WORKS PLAN, WHICH TOTALS 630 TRILLION YEN IN EXPENDITURES, BUT THERE ARE NO INDICATIONS OF SUCH A CALL TAKING SHAPE. CHIEF CABINET SECRETARY SEIROKU KAJIYAMA ASKED THOSE LDP MEMBERS TO SELF-REFRAIN FROM MAKING SUCH A STATEMENT. IN ADDITION, PRIME MINISTER RYUTARO HASHIMOTO AT THE LOWER HOUSE UNCLAS SECTION 07 OF 08 TOKYO 000986

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 4

A REVIEW OF PUBLIC WORKS PROJECTS IS A MAJOR ITEM IN REFORMING THE NATION'S FISCAL STRUCTURE. IT IS SAID TO BE INDISPENSABLE IN ORDER TO ATTAIN TARGETS SET FOR FISCAL RECONSTRUCTION, INCLUDING PUTTING AN END TO THE ISSUANCE OF DEFICIT-COVERING GOVERNMENT BONDS, BY THE YEAR 2005. SINCE THE BASIC PUBLIC WORKS INVESTMENT PLAN INCLUDES FIVE-YEAR PLANS COVERING 16 AREAS, SUCH AS THE CONSTRUCTION OF ROADS AND AIRPORTS, IT CAN BE SAID THAT IT IS WORKING AS A FACTOR CAUSING RIGIDITY IN PUBLIC SPENDING.

- DIET COUNTERMEASURE?

THE CONSTRUCTION MINISTRY'S STANCE IS: "THE SITUATION IS STILL NEBULOUS." THE ECONOMIC PLANNING AGENCY (EPA), WHICH IS RESPONSIBLE FOR MAPPING OUT ECONOMIC PLANS, IS ASSUMING A WAIT-AND-SEE ATTITUDE, NOTING, "WE HAVE RECEIVED NO CONCRETE INSTRUCTION."

AS IT STANDS, THE SERIES OF STATEMENTS MADE BY LDP SENIOR OFFICIALS CALLING FOR A REVIEW TO THE PLAN ARE TAKEN AS A "DIET COUNTERMEASURE. THE VIEW IS THAT AMID THE LDP-INITIATED FY1996 SUPPLEMENTARY BUDGET AND FY1997 DRAFT BUDGET SUFFERING CRITICISM AS BEING PORK-BARREL BUDGETS, THEY WANTED TO TURN THE TIDE OF BUDGETARY DELIBERATIONS IN THEIR FAVOR, BY SEEKING COOPERATION WITH THE OPPOSITION PARTIES BY MEANS OF INDICATING A FORWARD-LOOKING STANCE TOWARD THE ISSUE OF FISCAL RECONSTRUCTION.

- U.S. MAY "MAKE REQUEST"

IN THE MEANTIME, THE BASIC PLAN HAS AN ASPECT OF BEING AN EXTERNAL PLEDGE, FOR THEN FINANCE MINISTER MASAYOSHI TAKEMURA MADE A REPORT OF THE PLAN AS JAPAN'S DOMESTIC

EXPANSION MEASURE AT THE SEVEN-NATION FINANCE MINISTERS AND CENTRAL BANK PRESIDENTS CONFERENCE (G-7). THE PREVAILING VIEW IN GOVERNMENT AND LDP CIRCLES IS THAT "THE U.S. WILL NATURALLY RESPOND TO AN ARGUMENT CALLING FOR SUCH A REVIEW" (POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI).

THE VIEW OF A U.S. GOVERNMENT SOURCE ON A POSSIBLE REVIEW OF THE PLAN IS "THE SITUATION IS NOT YET AT A STAGE WHERE WE SHOULD SHOW OUR ANNOYANCE."

AT THE SAME TIME, THIS SOURCE INDICATED THE U.S. STANCE OF CLOSELY WATCHING HOW THE ISSUE WILL DEVELOP, REMARKING, "IF THE HASHIMOTO CABINET MAKES ANY DECISION TO AX PUBLICWORKS PROJECTS, CHANCES ARE WE MIGHT MAKE SOME KIND OF REQUEST."

PRIME MINISTER TO MEET OKINAWA GOVERNOR OTA ON 18TH TO SEEK HIS MEDIATION OF HELIPORT ISSUE
(TOKYO SHIMBUN - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO AND OKINAWA PREFECTURE'S GOVERNOR MASAHIDE OTA DECIDED ON FEBRUARY 3 TO MEET IN TOKYO ON THE 18TH OF THIS MONTH. THE TWO WILL MEET ON THE OCCASION OF GOVERNOR OTA'S ATTENDING A OKINAWA POLICY CONSULTATIVE COUNCIL MEETING TO BE HELD ON THE 18TH.

ON THE PROBLEM OF CONSTRUCTING AN ALTERNATIVE SEA-BASED HELIPORT FOR THE U.S. FORCES' FUTENMA AIR STATION IN OKINAWA PREFECTURE, THE PRIME MINISTER IS EXPECTED TO REQUEST GOVERNOR OTA TO SERVE AS INTERMEDIARY BETWEEN THE CENTRAL GOVERNMENT AND NAGO CITY, WHERE A CANDIDATE CONSTRUCTION SITE IS SITUATED IN THE WATERS OFF CAMP SCHWAB.

THE GOVERNMENT'S CURRENT FORCIBLE REQUISITIONING OF LAND, NOW USED BY 12 U.S. MILITARY FACILITIES IN OKINAWA PREFECTURE, IS DUE TO EXPIRE ON MAY 14. ON THIS PROBLEM
UNCLAS SECTION 08 OF 08 TOKYO 000986

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 4

AS WELL, THE PRIME MINISTER AND THE GOVERNOR ARE EXPECTED TO EXCHANGE VIEWS.

JDA TO HOST REGULAR DEFENSE POLICY TALKS WITH SOUTHEAST

ASIAN COUNTRIES (SANKEI - PAGE 2)

THE JAPAN DEFENSE AGENCY (JDA) HAS REACHED AN AGREEMENT IN PRINCIPLE WITH THE DEFENSE AUTHORITIES OF INDONESIA, THAILAND, AND SINGAPORE ON SETTING UP AN ARENA TO REGULARLY HOLD DEPUTY VICE-MINISTER-LEVEL TALKS. THIS WAS REVEALED YESTERDAY IN A PRESS BRIEFING BY ADMINISTRATIVE VICE MINISTER NAOAKI MURATA, WHO HAS JUST RETURNED HOME FROM A TOUR OF SOUTHEAST ASIAN COUNTRIES. THE JDA ALREADY CARRIES OUT PERIODIC BILATERAL WORKING-LEVEL MEETINGS WITH THE REPUBLIC OF KOREA AND CHINA. BUT THIS IS THE FIRST APPROACH THE JDA HAS MADE TO SOUTHEAST ASIAN COUNTRIES TO OBTAIN THEIR AGREEMENT TO SET UP SUCH A FRAMEWORK.

VICE MINISTER MURATA STATED: "WE PROPOSED ESTABLISHING (A FRAMEWORK) FOR BILATERAL CONSULTATIONS SCHEME AND CARRYING OUT TALKS EVERY OTHER YEAR IN EACH COUNTRY. WE WERE ABLE TO OBTAIN THEIR UNDERSTANDING, WITH ALL REMARKING THAT IT 'IS A GOOD IDEA.'"

ACCORDING TO THE JDA'S INTERNATIONAL PLANNING DIVISION, MURATA SUGGESTED HOLDING CONSULTATIONS PERIODICALLY DURING HIS MEETINGS WITH THE DEFENSE MINISTERS, VICE MINISTERS, AND COMMANDERS-IN-CHIEF OF INDONESIA, THAILAND AND SINGAPORE. HE THEN OBTAINED APPROVAL FROM ALL THE THREE COUNTRIES AND CONFIRMED THAT THEY WOULD ENTER THE WORK OF COORDINATION OF ADMINISTRATIVE PROCEDURE.

THE JDA HAS CHARACTERIZED SECURITY DIALOGUE TO BUILD TRUST RELATIONSHIPS THROUGH EXCHANGING VIEWS ON DEFENSE POLICIES AS THE MOST IMPORTANT TASK FOR THE POST-COLD WAR PERIOD. IT IS NOW MAKING EFFORTS TO ACHIEVE THAT PURPOSE. CRANE

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RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEAWJB/USDOJ WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 5

TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 001028

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB
IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN
GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC
FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 5

TOP HEADLINES:

ASAHI: FINANCE MINISTER OBLIGED TO ANNOUNCE REASONS IF IT
DOES NOT APPROVE BANK OF JAPAN'S BUDGET; AMENDMENTS TO
LAW PROPOSED, CONTAINING MEASURES FOR MORE INDEPENDENCE

NIHON KEIZAI: CORPORATE PENSIONS, INVESTMENT TRUST WILL
ALSO BE ALLOWED TO INVEST IN UNLISTED STOCKS; TO SUPPORT
VENTURE BUSINESSES' CAPITAL PROCUREMENT

TOKYO SHIMBUN: "JAPAN AS LOGISTICAL BACKER" BECOMING AN ESTABLISHED FACT; "UN VESSELS" FREQUENTLY VISIT U.S. NAVAL BASES IN JAPAN -- 39 SHIPS FROM 5 COUNTRIES; MORE OF A ROLE TO BE PLAYED DURING FAR-EAST CONTINGENCIES (TRANSLATION BELOW)

MAINICHI: FORCIBLE USE OF OKINAWA LAND AS MILITARY BASES: SUCH USE MAY BE POSSIBLE EVEN WHILE DELIBERATIONS ARE UNDERWAY AT EXPROPRIATION COMMITTEE; GOVERNMENT TO AMEND THE SPECIAL MEASURES LAW FOR U.S. FORCES STATIONED IN JAPAN (TRANSLATION BELOW)

YOMIURI: ORANGE MUTUAL AID SCANDAL: SUSPECT TOMOBE ADMITS FRAUD; EVERYTHING HAD BEEN DONE AT HIS INSTRUCTIONS FOR PROCURING ELECTION CAMPAIGN FUNDS AND REPAYMENT OF DEBTS.

SANKEI: TO PUT ON HOLD ADOPTION OF A SEPARATE SURNAME SYSTEM FOR MARRIED COUPLES; LEGAL GROUND GIVEN TO "COMMONLY-KNOWN NAMES"; GOVERNMENT'S AND LDP'S APPROACH TO AMENDMENT TO THE CIVIL LAW

AMENDED SPECIAL MEASURES LAW TO ALLOW LAND-LEASE AUTHORITY WHILE EXPROPRIATION COMMITTEE MEETS (MAINICHI - TOP PLAY)

THE GOVERNMENT YESTERDAY REACHED A POLICY DECISION TO AMEND THE SPECIAL LAND LEASE LAW FOR THE U.S. FORCES STATIONED IN JAPAN TO LET THE U.S. FORCES CONTINUE TO USE THEIR FACILITIES ON OKINAWA DURING THE OKINAWA LAND EXPROPRIATION COMMISSION'S (OLEC) DELIBERATIONS ON LAND LEASES FOR 12 U.S. BASE FACILITIES, INCLUDING KADENA AIR BASE, THAT WILL EXPIRE IN MAY THIS YEAR. THE GOVERNMENT WILL POSSIBLY PRESENT THE LEGISLATION TO THE DIET EARLY NEXT MONTH IN ORDER TO PASS IT IN MID-APRIL. THE OLEC IS SCHEDULED TO CARRY OUT ITS FIRST PUBLIC HEARING ON FEBRUARY 21. THE GOVERNMENT HAS CONCLUDED THAT WINNING THE RIGHT OF USING FACILITIES WITHIN MARCH WOULD BE DIFFICULT. IT IS STILL UNCERTAIN IF THE SOCIAL DEMOCRATIC PARTY (SDP) WILL AGREE TO THE DECISION. A RIFT MAY RESULT IN THE RULING CAMP.

FACILITIES IN QUESTION TOTAL ABOUT 36 HECTARES OF LAND, INCLUDING KADENA AIR BASE, FUTENMA AIR STATION, AND IJIMA AIRFIELD. THEY ARE OWNED BY SOME 3,000 LANDOWNERS; OF THEM MORE THAN 90 PERCENT ARE ONE-TSUBO (3.3 SQUARE METERS) OWNERS. THE LAND LEASES WILL EXPIRE ON MAY 15. BUT BECAUSE IT WILL TAKE ABOUT TWO MONTHS FOR THE GOVERNMENT TO MAKE COMPENSATION PAYMENTS TO ONE-TSUBO OWNERS ACROSS JAPAN, THE GOVERNMENT THINKS THE OLEC HAS TO COME UP WITH APPROVAL IN MID-MARCH AT THE LATEST.

JAPAN'S ROLE AS LOGISTICAL BACKER OF U.S., UN FORCES ALREADY EXISTS AT NAVAL PORTS (TOKYO SHIMBUN - TOP PLAY)

THE TOKYO SHIMBUN FOUND OUT ON FEBRUARY 4 THAT A NUMBER OF NAVAL SHIPS LISTED AS PART OF THE UNITED NATIONS FORCE THAT WAS FORMED DURING THE KOREAN WAR WITH U.S. FORCES AS

ITS MAINSTAY CONSTITUENTS HAVE FREQUENTLY ENTERED THE NAVAL BASE AT YOKOSUKA IN KANAGAWA PREFECTURE AND OTHER U.S. MILITARY BASES IN JAPAN AND CONTINUE TO DO SO EVEN NOW. SUCH PORT CALLS WERE MADE UNDER AN AGREEMENT CONCLUDED BETWEEN U.N. MEMBER NATIONS AND THE JAPANESE UNCLAS SECTION 02 OF 08 TOKYO 001028

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 5

GOVERNMENT. THIS FACT MEANS THAT THE JAPANESE ARCHIPELAGO HAD ALREADY BECOME A BASE FOR REAR SUPPORT PREMISED ON EMERGENCIES IN THE FAR EAST -- EVEN BEFORE THE ONGOING REVIEW OF THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION DUE THIS FALL.

THE PACT IS CALLED THE "AGREEMENT REGARDING THE STATUS OF UNITED NATIONS ARMED FORCES IN JAPAN." IT WAS CONCLUDED IN 1954 BETWEEN THE COUNTRIES PARTICIPATING IN THE U.N. FORCE AND THE GOVERNMENT OF JAPAN UNDER THE NOTES EXCHANGED BETWEEN PRIME MINISTER SHIGERU YOSHIDA AND U.S. SECRETARY OF STATE ACHESON AT THE TIME THE SAN FRANCISCO PEACE TREATY WAS CONCLUDED.

ACCORDING TO THE AGREEMENT, THE U.N. FORCE, AS WELL AS THE U.S. FORCES IN JAPAN, IS VESTED WITH VARIOUS PRIVILEGES IN JAPAN. ADDITIONALLY, THE U.N. FORCE IS ALSO ALLOWED TO MAKE FREE USE OF SIX U.S. MILITARY BASES IN JAPAN, BROKEN DOWN INTO THE PORT FACILITIES AT YOKOSUKA, SASEBO (IN NAGASAKI PREFECTURE), AND WHITE BEACH (IN OKINAWA PREFECTURE), AND THE AIR BASES AND STATIONS AT YOKOTA (IN TOKYO), KADENA (IN OKINAWA PREFECTURE), AND ZAMA (IN KANAGAWA PREFECTURE).

MILITARY VESSELS THAT ENTERED USFJ BASES AS "U.N. FORCE" SHIPS IN AND AFTER 1975 TOTAL 39, INCLUDING DESTROYERS AND SUBMARINES, FROM FIVE COUNTRIES -- BRITAIN, AUSTRALIA, CANADA, NEW ZEALAND, AND THAILAND. THERE IS ALSO A PLAN NOW BEING FLOATED FOR A LIGHT AIRCRAFT (HELICOPTER) CARRIER OF THE BRITISH ROYAL NAVY AND OTHER VESSELS TO MAKE PORT CALLS IN JAPAN THIS MAY AS "U.N. FORCE" SHIPS.

ACCORDING TO A REPORT FROM THE U.N. FORCE'S REAR SUPPORT HEADQUARTERS, LOCATED AT CAMP ZAMA (A U.S. MILITARY BASE), TO THE FOREIGN MINISTRY, THEIR PORT CALLS ARE GOING TO BE MADE FOR SUCH PURPOSES AS "RECEIVING SUPPLY

ON THEIR WAY TO THE REPUBLIC OF KOREA WHERE THE U.N. FORCE IS HEADQUARTERED" AND "ADMINISTRATIVE COMMUNICATIONS." AN OFFICIAL (OF THE FOREIGN MINISTRY) SAYS THAT "IT MAY BE CONCURRENTLY FOR PRACTICE TO MAKE FULL USE OF THE BASES IN TIMES OF EMERGENCY."

HOWEVER, THERE HAS BEEN NO REPORT TO ANY OF THE LOCAL SELF-GOVERNING BODIES THAT MANAGE CONTIGUOUS PORT-HARBOR FACILITIES. AN OFFICIAL OF YOKOSUKA CITY'S MUNICIPAL OFFICE EXPLAINS, "WE DON'T KNOW THEIR PORT CALLS UNTIL WE LOOK THROUGH FIELD GLASSES." ALL THE MORE BECAUSE SUCH PORT CALLS HAVE BEEN MADE WITHIN THE SPHERE OF AN 'INVIOABLE TERRITORY' CALLED A U.S. MILITARY BASE, THE U.N. FORCE'S OPERATIONS ARE SUBSTANTIVELY UNKNOWN.

IN THE CASE OF THE BRITISH ROYAL NAVY'S LIGHT AIRCRAFT CARRIER INVINCIBLE, WHICH ENTERED PORT AT THE U.S. NAVAL BASE IN YOKOSUKA IN 1992, IT WAS SAID TO BE ON A PILGRIMAGE TO VARIOUS COUNTRIES FOR THE PURPOSE OF LOOKING FOR A COUNTRY THAT WOULD BUY THE VESSEL, SO A QUESTION WAS POSED OVER THE REASON FOR ITS MAKING OF SUCH A PORT CALL AS A U.N. FORCE SHIP. IN FACT, HOWEVER, THE GOVERNMENT CANNOT REFUSE SUCH A PORT CALL IF THERE IS A REPORT TELLING SUCH IS A PORT CALL TO BE MADE UNDER THE AGREEMENT.

LAST YEAR, A FACT-FINDING SURVEY CONDUCTED BY THE TOKYO SHIMBUN REVEALED THE REALITIES IN WHICH THE U.S. MILITARY HAS BEEN MAKING USE OF CIVILIAN AIRPORTS IN JAPAN UNDER THE JAPAN-U.S. STATUS OF FORCES AGREEMENT.

PUTTING TOGETHER THOSE U.N. FORCE SHIPS' PORT CALLS THAT BECAME KNOWN THIS TIME, IT IS POSSIBLE TO PREDICT A SITUATION WHERE THE U.S. FORCES AND THE U.N. FORCE WILL MAKE USE OF THE JAPANESE ARCHIPELAGO AS THEIR REAR SUPPORT BASE IN THE EVENT OF AN EMERGENCY ON THE KOREAN UNCLAS SECTION 03 OF 08 TOKYO 001028

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 5

PENINSULA, NEEDLESS TO WAIT FOR A CONCLUSION OF THE GOVERNMENT'S ONGOING STUDIES, DUE THIS FALL, ON "MAKING EMERGENCY USE OF DOMESTIC FACILITIES" AND "REAR SUPPORT FOR U.S. FORCES."

A SENIOR OFFICIAL OF THE JAPAN DEFENSE AGENCY, ADMITTING

SUCH A PRESENT SITUATION, HAS REMARKED: "SUCH IS NOT ENOUGH FOR OUR BACKING IN TIMES OF EMERGENCY, SO WE'VE BEEN ASKED TO SECURE PRIVATE-SECTOR SEAPORTS AND AIRPORTS." THE OFFICIAL PRESUMES THAT JAPAN WOULD BE ASKED TO PLAY AN EVEN MORE IN-DEPTH ROLE IN TIMES OF EMERGENCY IN THE FAR EAST.

CABINET SECURITY AFFAIRS OFFICE STUDYING SEA LANES
DEFENSE (MAINICHI - PAGE 3)

THE CABINET SECURITY AFFAIRS OFFICE (CSAO) AT A MEETING YESTERDAY OF THE SECURITY RESEARCH COUNCIL OF THE LIBERAL DEMOCRATIC PARTY (LDP) REVEALED THAT IT IS LOOKING INTO THE POSSIBILITY OF JAPAN DEFENDING ITS SEA LANES OF COMMUNICATION (SLOC) AS ONE MEASURE TO DEAL WITH A STATE OF EMERGENCY. THE ISSUE HAS BEEN UNDER CONSIDERATION SINCE LAST MAY ON THE INSTRUCTION OF PRIME MINISTER RYUTARO HASHIMOTO. THE CSAO EXPLAINED THAT IT INTENDS TO REACH A DEFINITE CONCLUSION BY AROUND THIS FALL, IN TANDEM WITH THE SCHEDULED REVIEW OF THE "GUIDELINES FOR JAPAN-UNITED STATES DEFENSE COOPERATION." THE MEASURES UNDER STUDY INCLUDE (1) PROTECTION OF JAPANESE CITIZENS OVERSEAS; (2) COUNTERMEASURES TO DEAL WITH LARGE NUMBERS OF REFUGEES; (3) SECURITY ALONG THE COASTLINE AND OF IMPORTANT FACILITIES; AND (4) MEASURES TO COOPERATE WITH THE UNITED STATES. THE DEFENSE OF THE SLOC IS BEING CONSIDERED AS PART OF JAPAN'S COOPERATION WITH THE U.S.

THREE AGENCIES JOINTLY STUDYING ANTI TERRORIST MEASURES
(SANKEI - PAGE 1)

THE GOVERNMENT AND RULING CAMP AS OF YESTERDAY ADOPTED A POLICY COURSE OF LETTING THE JAPAN DEFENSE AGENCY (JDA), NATIONAL POLICY AGENCY (NPA), AND MARITIME SAFETY AGENCY (MSA) CARRY OUT A JOINT STUDY ON PAST CASES AGAINST POSSIBLE TERRORISM INVOLVING NUCLEAR POWER PLANTS AND U.S. MILITARY BASES IN JAPAN AS PART OF THE "EMERGENCY COUNTERMEASURES PROGRAM" THAT HYPOTHESIZES A CRISIS AND CONFLICT ON THE KOREAN PENINSULA. THE GOAL IS TO COMPILE A MANUAL SPELLING OUT ROLE-SHARING IN ORDER TO ESTABLISH A QUICK-RESPONSE SYSTEM.

THIS IS THE FIRST CASE FOR THE GOVERNMENT TO CARRY OUT FULL-FLEDGED COORDINATION FOR COUNTERMEASURES AGAINST TERRORISM AMONG GOVERNMENT AGENCIES.

STRONG CALLS HAVE COME FROM WITHIN THE GOVERNMENT FOR SOUND MEASURES TO BE ADOPTED TO DEAL WITH TERRORISM, ESPECIALLY SINCE A NORTH KOREAN SUBMARINE'S INTRUSION INTO THE SOUTH LAST SEPTEMBER AND THE HOSTAGE CRISIS AT THE JAPANESE AMBASSADOR'S RESIDENCE IN PERU SINCE LAST DECEMBER.

PRIME MINISTER RYUTARO HASHIMOTO LAST MAY INSTRUCTED THE CABINET SECURITY AFFAIRS OFFICE (CSAO) TO LOOK INTO SPECIFIC STEPS TO UPGRADE THE GUARD SYSTEM FOR SUCH IMPORTANT FACILITIES AS NUCLEAR POWER PLANTS, U.S. BASES, AIRPORTS AND HARBORS, ALONG WITH MEASURES FOR PROTECTING

JAPANESE NATIONALS ABROAD.

IN RESPONSE, THE CSAO HAS BEEN STUDYING SUCH ELEMENTS AS:
1) SECURITY MEASURES AND TERRORISM COUNTERMEASURES FOR
IMPORTANT FACILITIES; 2) COUNTERMEASURES AGAINST ARMED
FISHING BOATS; 3) MARITIME INSPECTIONS IN ACCORDANCE WITH
A UNITED NATIONS RESOLUTION; AND 4) STEPS TO ENSURE
SAFETY FOR JAPANESE SHIPS OUTSIDE JAPAN'S TERRITORIAL
WATERS.

UNCLAS SECTION 04 OF 08 TOKYO 001028

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB
IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN
GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC
FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 5

THE THREE GOVERNMENT AGENCIES WILL DELVE DEEPER INTO SUCH
ELEMENTS IN THEIR JOINT STUDY. SPECIFICALLY, THEY WILL
MAP OUT NECESSARY APPROACHES AND FIND OUT LEGAL PROBLEMS,
HYPOTHESIZING EVERY POSSIBLE CASE, SUCH AS FOREIGN
TERRORISTS' ATTACKS ON JAPAN'S SEA AND GROUND TARGETS.

THE ULTIMATE GOAL IS TO COMPILE A MANUAL COVERING SUCH
SPECIFICS AS THE OPTIMUM TIMING AND PROCEDURES FOR THE
GOVERNMENT TO LAUNCH A COUNTERMEASURES HEADQUARTERS, ROLE-
SHARING AND COOPERATION WITH THE SELF-DEFENSE FORCES
(SDF) IN CASE THE NPA AND MSA ARE NOT ABLE TO HANDLE THE
CASE PROPERLY. THE GOVERNMENT INTENDS TO INCORPORATE
NECESSARY STEPS IN EACH AGENCY'S GUARD PROGRAM AND
IMPLEMENT A TRAINING PROGRAM AS WELL.

MEANWHILE, THE LIBERAL DEMOCRATIC PARTY (LDP) SECURITY
RESEARCH COUNCIL (CHAIRMANED BY TSUTOMU KAWARA, A FORMER JDA
DIRECTOR GENERAL) AS OF YESTERDAY HAS DECIDED TO PUT
TOGETHER BY APRIL THIS YEAR A SET OF PROPOSALS ON CRISIS
MANAGEMENT TOWARD THE GOVERNMENT.

AMBASSADOR TERADA, OBSERVER TO GUARANTORS COMMISSION IN
PERU, ENJOYS TRUST OF FUJIMORI (ASAHI - PAGE 3)

(LIMA, FEBRUARY 4, HIROTOSHI SAKO) PUBLIC ATTENTION AND
HIGH EXPECTATIONS ARE NOW SET ON AMBASSADOR TO MEXICO
TERUHIKO TERADA (58), AN ADVISOR OF THE LIMA
COUNTERMEASURES HEADQUARTERS THE MINISTRY OF FOREIGN
AFFAIRS (MOFA) HAS SET UP TO DEAL WITH THE HOSTAGE CRISIS
AT THE JAPANESE AMBASSADOR'S RESIDENCE IN PERU. TERADA
WILL JOIN MEETINGS OF THE GUARANTORS COMMISSION AS AN
OFFICIAL OBSERVER. AMBASSADOR TERADA HAS WON THE

PERSONAL TRUST OF PRESIDENT FUJIMORI; THEY HAVE ENJOYED A LONG ACQUAINTANCE. TERADA HAS BEEN WORKING IN LIMA AS A COORDINATOR BETWEEN THE JAPANESE AND PERUVIAN GOVERNMENTS SINCE THE INCIDENT OCCURRED. TERADA HAS BEEN WORKING BEHIND-THE-SCENES TO SETTLE THE INCIDENT, BUT WITH THE SUMMIT MEETING IN TORONTO, IN WHICH JAPAN AND PERU AFFIRMED THE NEED FOR THEIR "FURTHER COOPERATION," THE SPOTLIGHT HAS NOW BEEN TURNED ON TERADA.

TIES BETWEEN AMBASSADOR TERADA AND PRESIDENT FUJIMORI GO BACK TO WHEN TERADA WAS SERVING AS MOFA CENTRAL AND SOUTH AMERICAN AFFAIRS BUREAU DIRECTOR GENERAL IN 1992. AT THAT TIME, FUJIMORI HAD FOUND HIMSELF ISOLATED FROM THE INTERNATIONAL COMMUNITY, HIS CONSTITUTION-MORATORIUM MEASURE BEING THEN EXPOSED TO HEAVY FIRE FROM THE UNITED STATES AND EUROPE. TERADA VISITED PERU TO TRANSMIT A MESSAGE FROM THEN PRIME MINISTER KIICHI MIYAZAWA, AND HE ALSO GAVE ADVISE DIRECTLY TO PRESIDENT FUJIMORI IN SPANISH. SINCE THEN, A RELATION OF TRUST WAS BUILT BETWEEN THEM.

TWO DAYS AFTER THE INCIDENT OCCURRED, TERADA ENTERED LIMA FROM MEXICO ON DECEMBER 19, LAST YEAR. HE TOOK THE LEAD IN OPERATING THE LIMA COUNTERMEASURES HEADQUARTERS, WHICH IS SAID TO BE THE LARGEST-SCALE ORGANIZATION AMONG SUCH IN THE MOFA. A MOFA OFFICIAL SAYS, "HE IS ABLE TO MAKE COMMUNICATIONS WITH THE PRESIDENT BY PHONE EVEN WITHOUT MEETING HIM. THAT IS HIS STRONG ASSET."

WITH AMBASSADOR TERADA'S ASSUMPTION OF THE POST OF AN OBSERVER, EXPECTATIONS ARE RUNNING HIGH ABOUT HIM IN THE JAPANESE GOVERNMENT, ONE OFFICIAL REMARKING THAT "WE WILL BE ABLE TO OBTAIN INFORMATION AT THE GUARANTORS COMMISSION, WHICH IS DEEPLY INVOLVED IN DIRECT NEGOTIATIONS BETWEEN THE PERUVIAN GOVERNMENT AND THE TUPAC AMARU REVOLUTIONARY MOVEMENT (MRTA).

BUT NOW THAT THE JAPANESE GOVERNMENT HAS BEGUN TO TAKE A NEW STEP AWAY FROM THE STANCE OF "PERU TAKING THE MAJOR ROLE AND JAPAN FOLLOWING IT" (PERU COUNTERMEASURES UNCLAS SECTION 05 OF 08 TOKYO 001028

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 5

HEADQUARTERS SOURCE), AMBASSADOR TERADA HAS BEEN PLACED IN A DIFFICULT POSITION, BEING PRESSED TO TAKE A MORE

ACTIVE APPROACH NOW WHILE KEEPING A MEASURE OF BREATHING SPACE SO THAT "HE WILL NOT GO AHEAD OF THE COMMISSION MEMBERS."

AMBASSADOR TERADA JOINED THE MINISTRY OF FOREIGN AFFAIRS IN 1962 AND SERVED AS A SECRETARY TO FORMER PRIME MINISTER NOBORU TAKESHITA, A MINISTER AT THE EMBASSY IN FRANCE AND OTHER POSTS. UNTIL AUGUST 1995, HE WAS A MOFA SPOKESMAN RESPONDING TO THE DOMESTIC AND FOREIGN PRESS, BUT IN LIMA, HE HAS NOT APPEARED BEFORE THE PRESS, SKIRTING ANY INTERVIEWS. HE REPORTEDLY HAS STATED TO THOSE CLOSE TO HIM, "I AM NO LONGER ENGAGED IN THAT FORMER DUTY," BUT HE IS NOW LIKELY TO BE PLACED ON THE FRONT STAGE AS THE "FACE" OF JAPAN.

CHOSEN SOREN ORDERED TO SEND 8 BILLION YEN TO PYONGYANG FOR UPCOMING SUCCESSION EVENTS
(SANKEI - TOP PLAY, FEB. 4 EVENING EDITION)

IT HAS BEEN REVEALED AS OF FEBRUARY 4 THAT AT THE END OF LAST YEAR, NORTH KOREA (DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA) GAVE A SEC RET ORDER TO THE GENERAL FEDERATION OF KOREAN RESIDENTS IN JAPAN (CHOSEN SOREN), A KOREAN ORGANIZATION LOCATED IN JAPAN. THE ORDER CALLED ON THE CHOSEN SOREN TO MAKE DONATIONS OF 8 BILLION YEN FOR THE CELEBRATION OF SECRETARY KIM JONG IL'S FORMAL ASSUMPTION OF THE PRESIDENCY PRIOR TO THAT EVENT. ACCORDING TO A KOREAN PENINSULA-RELATED SOURCE IN TOKYO, SINCE SUCH AN ORDER WAS GIVEN, NORTH KOREAN AGENTS WHO INCLUDED HIGH-LEVEL MEMBERS OF THE KOREAN WORKERS PARTY (KWP) HAVE FREQUENTLY COME TO JAPAN FOR FUND-RAISING. IT APPEARS THAT THE ECONOMICALLY-BANKRUPT NORTH KOREA IS TRYING TO WEATHER A NATIONAL CRISIS BY HIGHLIGHTING SECRETARY KIM'S GRAND INAUGURATION CEREMONY.

THE SEC RET ORDER DEMANDS COMMERCE AND INDUSTRY GROUPS UNDER THE CHOSEN SOREN UMBRELLA TO DONATE "3 BILLION YEN IN CELEBRATION OF SECRETARY KIM'S ASSUMPTION OF THE PRESIDENCY" AND "5 BILLION YEN FOR CELEBRATING HIS TAKING OFFICE AS PARTY GENERAL SECRETARY."

WHAT IS GARNERED FROM THESE FACTS IS THAT SECRETARY KIM WILL MOST LIKELY ASSUME OFFICE AS PRESIDENT ON SEPTEMBER 9, NATIONAL FOUNDATION DAY, AND AS PARTY GENERAL SECRETARY ON OCTOBER 10, THE KWP'S FOUNDATION DAY.

IN FACT, IN AN EFFORT TO TRANSLATE THAT ORDER INTO ACTION, NORTH KOREAN MISSIONS UNDER VARIOUS TITLES, SUCH AS TRADING COMPANIES, REPRESENTATIVES OF A GROUP FOR INFANT NUTRITION PROBLEMS AND RESEARCHERS ON NEW LIFESTYLES HAVE COME TO JAPAN IN SUCCESSION SINCE LAST DECEMBER, ACCORDING TO THE SAME SOURCE.

ABOVE ALL, A WORKING-LEVEL MISSION (COMPOSED OF FOUR MEMBERS) OF TAE JIN TRADING FIRM, WHICH WILL STAY IN JAPAN FOR NEARLY ONE MONTH FROM MID-JANUARY THROUGH MID-FEBRUARY, IS ACTUALLY LED BY LI SONG CHOL, DEPUTY DIRECTOR OF THE KWP UNIFIED BATTLE FRONT DEPARTMENT,

WHICH IS IN CHARGE OF COMMANDING AND SUPERVISING THE CHOSEN SOREN. HE IS SAID TO BE CONCENTRATING HIS ENERGIES MAINLY ON FUND-RAISING, WITH NO MENTION BEING GIVEN TO BUSINESS MATTERS.

IN ADDITION, IT WAS LEARNED THAT AT ITS 17TH CENTRAL COMMITTEE'S EXPANDED CONFERENCE ON JANUARY 28, CHOSEN SOREN APPROVED A "LETTER THAT WILL BE ADDRESSED TO SECRETARY KIM" AND IN IT IT SPELLED OUT THE ORGANIZATION'S ABSOLUTE LOYALTY TO THE SECRETARY.

AS FOR THE DETAILS OF THE LETTER, THE ABOVE SOURCE EXPLAINS THAT THE AIM IS FOR CHOSEN SOREN TO VOW TO UNCLAS SECTION 06 OF 08 TOKYO 001028

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 5

BLINDLY SUPPORT SECRETARY KIM AS WELL AS TO CRITICIZE THE SOUTH KOREAN GOVERNMENT, WHICH HAS JOINED HANDS WITH JAPAN AND THE UNITED STATES TO URGE NORTH KOREA TO MOVE TOWARD REFORM AND OPEN-DOOR POLICY, AND THE KOREAN RESIDENTS UNION IN JAPAN (MINDAN), A SOUTH KOREAN ORGANIZATION IN JAPAN THAT IS PROMOTING A SUFFRAGE CAMPAIGN FOR PERMANENT FOREIGN RESIDENTS.

ANTI-JAPANESE FEELINGS IN ROK REPORTEDLY CASTING SHADOW ON U.S.-ROK RELATIONS
(SANKEI - PAGE 2, FEB. 4 EVENING EDITION)

(WASHINGTON, FEBRUARY 3, YOSHIHISA KOMORI) THERE IS A VIEW IN THE UNITED STATES, AS REVEALED IN A REPORT DRAFTED BY THE U.S. CONGRESSIONAL RESEARCH SERVICE (CRS), THAT THE REPUBLIC OF KOREA'S (ROK) DISTORTED FEELINGS TOWARD JAPAN IS IMPOSING VARIOUS CONSTRAINTS ON THE U.S. POLICY TOWARD THE ROK. THE REPORT SAYS THAT THE TENDENCY OF THE ROK TO REGARD JAPAN AS A LONG-TIME ENEMY COULD COMPLICATE POLICY COORDINATION AMONG THE U.S., ROK AND JAPAN.

CONSTRAINT ON POLICY DECISIONS, "MAKING PRACTICAL RESPONSES DIFFICULT"

THE OBSERVATION THAT ROK FEELINGS AGAINST JAPAN COULD EVEN AFFECT THE U.S.-ROK RELATIONSHIP WAS PRESENTED IN A REPORT TITLED "POLITICAL AND SECURITY RELATIONS BETWEEN THE REPUBLIC OF KOREA AND THE UNITED STATES." THE REPORT

CITES AS A FACTOR AFFECTING IN VARIOUS WAYS AND CONSTRAINING U.S. POLICY TOWARD THE ROK "THE TENDENCY OF COMPLICATIONS TO ARISE IN JAPAN-ROK RELATIONS," AND IT POINTS OUT (AS ONE SUCH) THE FEELINGS OF ANTAGONISM TOWARD JAPAN BY THE ROK.

SPECIFICALLY, THE REPORT STATES, "JAPAN CURRENTLY HAS BECOME A LIGHTNING ROD FOR NATIONALISM AND XENOPHOBIC SENTIMENTS EVEN THOUGH IT IS AT THE SAME TIME FOR THE ROK A VALUABLE PARTNER IN DEALING WITH NORTH KOREA AND AT TIMES IN DEALING WITH THE UNITED STATES. THE INTENT OF THE ROK GOVERNMENT, WHICH WOULD LIKE TO TAKE PRAGMATIC POLICIES TOWARD ITS EXTREMELY IMPORTANT NEIGHBOR (JAPAN), IS CONSTRAINED BY CONCERNS OVER ANTI-JAPANESE FEELINGS WIDESPREAD ACROSS THE ROK AND OVER THE FUTURE ROLE OF JAPAN IN THE ASIA REGION."

IT FURTHER RELATES THAT THE CONFRONTATION THAT HAS EXISTED SINCE EARLY 1996 BETWEEN JAPAN AND THE ROK OVER CLAIMS TO THE TAKESHIMA ISLANDS, AND THE REACTION FROM THE ROK TO PRIME MINISTER HASHIMOTO'S PAYING HOMAGE AT YASUKUNI SHRINE, HAVE WORSENERED BILATERAL RELATIONS AND THE SITUATION, ESPECIALLY AT THE EMOTIONAL LEVEL IN THE ROK. THE REPORT POINTS OUT THAT THE BAD FEELINGS OF THE ROK TOWARD JAPAN HAS NOT ONLY AFFECTED JAPAN-ROK RELATIONS, IT HAS ALSO EXTENDED ITS EFFECT ON U.S.-ROK RELATIONS.

ON THE OTHER HAND, THE CRS REPORT, COMMENTING ON THE POINT THAT THERE IS SKEPTICISM THAT JAPAN WILL DEPEND ON U.S. POLICIES IN RESPONDING TO NORTH KOREA, STATES THAT THERE EXISTS A COMMON AGENDA: JAPAN LOOKS SYMPATHETICALLY ON THE BURDEN OF EXPENSE THAT THE ROK WILL MOSTLY ASSUME FOR THE LIGHT WATER REACTORS THAT WILL BE CONSTRUCTED IN NORTH KOREA, BASED ON AN AGREEMENT BETWEEN THE U.S. AND THE NORTH, AND THAT THIS IN ONE ASPECT IS HAVING AN EFFECT ON IMPROVING ATTITUDES TOWARD JAPAN ON THE ROK SIDE.

ORANGE KYOSAI SCANDAL: CRISIS MENTALITY WIDESPREAD IN SHINSHINTO (ASAHI - PAGE 2)

THE SHINSHINTO (NEW FRONTIER PARTY), WHICH IS NOW SUSPECTED OF BEING INVOLVED IN THE MANEUVERING IN THE UNCLAS SECTION 07 OF 08 TOKYO 001028

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 5

POLITICAL WORLD CONNECTED TO THE ORANGE KYOSAI MUTUAL AID ASSOCIATION (FRAUD) CASE, IN YESTERDAY'S PLENARY SESSION OF BOTH DIET CHAMBERS ASSURED THE DIET THAT IT WOULD COOPERATE WITH INVESTIGATING AUTHORITIES. THE PARTY'S LEADERSHIP IS FRANTICALLY PLAYING UP ITS STANCE OF GRAPPLING WITH THE TASK OF ERASING ALLEGATIONS ABOUT ITS INVOLVEMENT IN THE INCIDENT, BUT IN AN INTERNAL PARTY SURVEY, IT COULD NOT BE DETERMINED WHETHER MONEY WAS FUNNELED FROM UPPER HOUSE DIETMEMBER TATSUO TOMOBE TO THE PARTY TO PLACE HIM ON ITS PROPORTIONAL REPRESENTATION LIST, A KEY PART OF THE CASE. A STORM OF CRITICISM OF PRESIDENT ICHIRO OZAWA AND FORMER PRIME MINISTER MORIHIRO HOSOKAWA CAME OUT DURING THE PLENARY SESSION, AND THIS HAS BROUGHT ON A SERIOUS SENSE OF CRISIS THOUGHOUT THE PARTY.

LDPQS KATO AND TAIYO PARTYQS HATA MEET SECRETLY ON
COUNTERING CONSERVATIVE ALLIANCE MOVES
(MAINICHI - PAGE 2)

IT WAS REVEALED YESTERDAY THAT LIBERAL DEMOCRATIC PARTY (LDP) SECRETARY GENERAL KOICHI KATO AND TAIYO PARTY HEAD TSUTOMU HATA MET ON THE NIGHT OF JANUARY 28 IN TOKYO TO EXCHANGE VIEWS ON POLITICS IN GENERAL. IN THE MEETING, HATA REPORTEDLY TURNED DOWN KATO'S PROPOSAL FOR TEAMING UP IN MANAGING THE ADMINISTRATION, BUT HE DID EXPRESSED A POSITIVE VIEW TOWARD "POLICY CONSULTATIONS."

THE TETE-A-TETE AT A YAKINIKU (BROILED MEAT) RESTAURANT LASTED ABOUT TWO HOURS. KATO ASKED HATA FOR HIS COOPERATION IN MANAGING THE ADMINISTRATION. HATA, THOUGH, APPEARS TO HAVE STRESSED THAT HIS PARTY WOULD MAINTAIN A NON-LDP POLICY STANCE FOR THE TIME BEING, SAYING, "I CANNOT RETURN TO THE LDP FOR NOW. BUT YOU ARE A REFORMIST, SO I THINK I CAN WORK WITH YOU. WHAT WOULD HAPPEN IF THE PARTY SPLIT?"

THE LDP LEADERSHIP HAS BEEN WORKING ON THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN) AND THE TAIYO PARTY IN ORDER TO BOLSTER ITS ADMINISTRATION'S BASE, WHILE UPHOLDING THE ALLIANCE SETUP WITH THE SOCIAL DEMOCRATIC PARTY (SDP) AND SAKIGAKE PARTY. THE KATO-HATA MEETING WAS THEREFORE A PART OF THE LDP'S MANEUVERING. IN THE LDP, ANOTHER MOVE HAS BEEN ACTIVE, CENTERING ON FORMER PRIME MINISTER YASUHIRO NAKASONE AND CHIEF CABINET SECRETARY KAJIYAMA. THE TWO ARE EAGER TO CREATE A CONSERVATIVE-CONSERVATIVE (HO-HO) ALLIANCE WITH THE SHINSHINTO (NEW FRONTIER PARTY). IT IS KNOWN THAT SHINSHINTO PRESIDENT ICHIRO OZAWA AND KAJIYAMA MET ON JANUARY 17.

KATO SAYS: "TEAMING UP WITH THE ENTIRE SHINSHINTO MEANS A BREAKDOWN OF DEMOCRACY." BUT THE ACTUAL SITUATION IS THAT THE MAIN OBJECT OF AN LDP ALLIANCE WITH THE MINSHUTO IS NOT GOING WELL. BECAUSE OF THIS REASON, KATO NEEDS TO CREATE A CHOICE BESIDES THE CONSERVATIVE-CONSERVATIVE ALLIANCE, BY MAKING A CHANNEL WITH THE TAIYO PARTY, MANY

OF WHOSE MEMBERS ARE FEELING SYMPATHY FOR THE LDP. THE TAIYO PARTY, WHICH HAS AIMED AT RALLYING TOGETHER OPPOSITION FORCES, TOO, HAS A SCHEME TO EXPAND ITS ALLIANCE WITH FUTURE POLITICAL REALIGNMENT IN MIND, WHILE COOPERATING WITH THE LDP.

CONTENTS OF BILL TO AMEND BANK OF JAPAN LAW REVEALED
(ASAHI - TOP PLAY)

THE FINANCIAL SYSTEM RESEARCH COUNCIL (ADVISORY PANEL TO THE FINANCE MINISTER) HAS BEEN LOOKING INTO THE POSSIBILITY OF AMENDING THE BANK OF JAPAN (BOJ) LAW IN ORDER TO ENHANCE THE BANK'S INDEPENDENCE AND REVEALED A DRAFT REPORT YESTERDAY. THE DRAFT UNDERSCORES ITS PURPOSE OF ENHANCING NOT ONLY THE AUTONOMY OF THE BOJ BUT ALSO ITS INDEPENDENCE, INCORPORATING A SENTENCE THAT GOES: "THE BOJ'S AUTONOMY IN THE EXECUTION OF ITS DUTY
UNCLAS SECTION 08 OF 08 TOKYO 001028

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 5

SHOULD BE FULLY CONSIDERED." ACCORDING TO THE PROPOSAL, AS TO ITEMS THAT "REQUIRE THE FOREIGN MINISTER'S APPROVAL," SUCH AS HIS RIGHT TO GRANT APPROVAL TO THE BOJ'S BUDGET, IF THE FINANCE MINISTER DOES NOT APPROVE SUCH, HE WILL BE OBLIGATED TO PUBLICIZE REASONS FOR THE REJECTION. THE RESEARCH COUNCIL IS EXPECTED TO APPROVE THE DRAFT REPORT AT A PLENARY SESSION TO BE HELD ON THE 6TH. THE GOVERNMENT WILL THEN SUBMIT AN AMENDMENT TO THE LAW EARLY IN MARCH DURING THE CURRENT DIET SESSION, AIMING AT ITS IMPLEMENTATION IN APRIL 1998.

- OUTLINE OF DRAFT REPORT

1. HONOR THE AUTONOMY OF THE BANK OF JAPAN'S FINANCIAL POLICIES.
2. THE FINANCE MINISTER IS TO SEEK NECESSARY MEASURES ONLY WHEN THE BOJ VIOLATES LAWS AND ORDINANCES OR THE ARTICLES OF ASSOCIATION.
3. THE FINANCE MINISTER IS REQUIRED TO MAKE PUBLIC REASONS FOR NOT GRANTING APPROVAL IN EXERCISING HIS APPROVAL RIGHT.
4. THE GOVERNMENT SHALL BE ABLE TO SEEK THE WITHHOLDING

OF RESOLUTIONS REACHED BY THE BOJ POLICY BOARD FOR A CERTAIN FIXED PERIOD. THE PROPRIETY OF EXTENDING SUCH A DECISION IS UP TO A JUDGMENT OF THE POLICY BOARD.

5. THE BOJ GOVERNOR IS TO BE APPOINTED WITH THE CABINET'S CONSENT. CRANE

SECT: SECTION: 01 OF 08

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. cable	Re: SACO [Special Action Committee on Okinawa] - Pacman (6 pages)	02/05/1997	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Cables
jan 1997-Dec 1998 ([Futenma])
OA/Box Number: 520000

FOLDER TITLE:

[02/03/1997 - 02/12/1997]

2016-0420-F
sb1895

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. cable	Re: Managing U.S. - Japan Relations in 1997 (7 pages)	02/05/1997	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Cables
Jan 1997-Dec 1998 ([Futenma])
OA/Box Number: 520000

FOLDER TITLE:

[02/03/1997 - 02/12/1997]

2016-0420-F
sb1895

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
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Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
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LINE2: ZNR UUUUU ZZH
LINE3: O 060300Z FEB 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 060300Z FEB 97
ORIG: AMEMBASSY TOKYO
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RUEAIIA/CIA WASHDC
RUCPDOG/USDOC WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
SUBJ: *** NO SUBJECT FOUND ***
TEXT: UNCLAS SECTION 01 OF 07 TOKYO 001075

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB
IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN
GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC
FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 6

TOP HEADLINES:

ASAHI: GOVERNMENT TO OFFER FOOD AID TO NORTH KOREA WITHIN
INTERNATIONAL FRAMEWORK; BILATERAL AID PUT ON SHELF FOR
TIME BEING (TRANSLATION BELOW)

NIHON KEIZAI: HEALTH AND WELFARE MINISTRY, LABOR MINISTRY
CONSIDERING ADOPTION OF A FIXED PREMIUM-TYPE PENSION
SYSTEM; PAYMENT OF PENSION WILL CHANGE, DEPENDING ON FUND
OPERATIONS; TO ADD TO EMPLOYEES' PENSION INSURANCE WITH

CHANGE IN NEST-EGG SAVINGS

TOKYO SHIMBUN: WHOLE PICTURE OF TESTIMONY BY FORMER POLICE OFFICER REVEALED; "I SHOT NATIONAL POLICY AGENCY DIRECTOR GENERAL AFTER TAKING WHITE PILLS"; BEING A POLICEMAN, HE HAD HESITATED; TOKYO METROPOLITAN POLICE DEPARTMENT STRENGTHENING ITS VIEW THAT THAT POLICEMAN WAS THE ONE WHO SHOT DIRECTOR GENERAL; THE POLICEMAN SAID, "I FELT PURIFIED, FOR I WAS ABLE TO PROTECT THE AUM RELIGION" (TRANSLATION BELOW)

MAINICHI: A HOSPITAL IN SAKAI CITY DID NOT TRY TO PROLONG PATIENT'S LIFE, REASONING, "AGREEMENT OBTAINED FROM FAMILY MEMBERS"; 78-YEAR-OLD PATIENT IN COMA DIED; FAMILY MEMBERS PROTESTING, "WE WERE UNABLE TO RAISE OBJECTION, SO WE SIGNED"

YOMIURI: UNIVERSITY EXAM CENTER'S EXAMINATIONS ALLOW WIDE DIFFERENCES IN AVERAGE POINTS IN TESTS UNDER NEW AND OLD CURRICULA; STUDENTS BETWEEN SCHOOLS AT DISADVANTAGE IN MATHEMATICS WITH A 22-POINT DIFFERENCE; NO ADJUSTMENT MADE BETWEEN MATHEMATICS II UNDER OLD CURRICULUM AND MATHEMATICS II B

SANKEI: LDP ADMINISTRATIVE REFORM PROMOTION HEADQUARTERS INTENDS TO BEGIN BY SCRAPPING EMPLOYMENT PROMOTION CORPORATION; FIVE SPECIAL CORPORATIONS, SUCH AS FORESTRY DEVELOPMENT, WILL ALSO BE COVERED; HOKUTO FINANCE COOPERATION WILL BE INTEGRATED INTO DEVELOPMENT BANK

NO MENTION OF JAPAN IN THIS YEAR'S PRESIDENT'S MESSAGE: ECONOMY NO LONGER IN FOCUS? (YOMIURI - PAGE 7)

THE JAPANESE ECONOMY MAY ALREADY HAVE SLIPPED BENEATH AMERICA'S NOTICE -- THIS IMPRESSION WAS GIVEN BY UNITED STATES PRESIDENT CLINTON'S STATE OF THE UNION ADDRESS DELIVERED ON FEBRUARY 4.

"WE HAVE COME BACK DURING THE PAST FOUR YEARS TO BECOME THE STRONGEST ECONOMY IN THE WORLD." HAVING STRONG CONFIDENCE, THE PRESIDENT EMPHASIZED THE IMPORTANCE OF SOUND FINANCES AND EDUCATIONAL REFORM, BUT HE DID NOT MENTION "JAPAN" EVEN ONCE.

IN CONTRAST, "CHINA" CROPPED UP SIX TIMES, AND RUSSIA, THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA), AND THE REPUBLIC OF KOREA WERE ALL MENTIONED, BUT THERE WAS NO PASSAGE REFERRING TO JAPAN AS THE U.S.' ECONOMIC COMPETITOR.

WHAT PRESIDENT CLINTON UNDERScoreD IN THE FIRST EVER "STATE OF UNION ADDRESS THAT WAS BROADCASTED LIVE THROUGH THE INTERNET," WAS PROMOTION OF HIGHLY-ADVANCED TELECOMMUNICATIONS AND AN INFORMATION-ORIENTED SOCIETY BY MEANS OF "CONNECTING ONE HOSPITAL TO ANOTHER THROUGH THE INTERNET."

EDUCATIONAL AND FISCAL REFORMS, AS WELL AS AMERICA'S

FUTURE-ORIENTATION WITH A SERIOUS AWARENESS OF THE IMPORTANCE OF SECURING COMPETITIVENESS FOR THE NEXT GENERATION PERMEATED THE STATE OF THE UNION ADDRESS. (TORU KUNIMATSU IN WASHINGTON)
UNCLAS SECTION 02 OF 07 TOKYO 001075

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIFR IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 6

SPOKESMAN DENIES LACK OF MENTION OF JAPAN IN PRESIDENTQ'S MESSAGE MEANS DIMINISHED IMPORTANCE (ASAHI - PAGE 2)

REGARDING UNITED STATES PRESIDENT CLINTON NOT MENTIONING HIS COUNTRY'S RELATIONS WITH JAPAN IN HIS STATE OF THE UNION ADDRESS, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA, IN A PRESS BRIEFING, STATED: "THROUGH VARIOUS OPPORTUNITIES, THE PRESIDENT AND WE HAVE MUTUALLY CONFIRMED THAT THE JAPAN-U.S. RELATIONSHIP REMAINS THE AXIS (OF OUR DIPLOMACY). HE IS PLACING IMPORTANCE ON ASIA AS A WHOLE. UNTIL NOW, THE U.S. USED THE EXPRESSION 'JAPAN-U.S.,' ALTHOUGH IT WAS PAYING ATTENTION TO ASIA. SO THE U.S. HAS NOW BROADENED ITS HORIZON TO ENCOMPASS ALL OF ASIA." HIS STATEMENT SHOWED HIS VIEW THAT HE DID NOT TAKE THE PRESIDENT'S MESSAGE AS MEANING THE U.S. WAS TREATING JAPAN LIGHTLY.

VICE PRESIDENT GOREQ'S VISIT TO JAPAN SET FOR MARCH 23 (NIHON KEIZAI - PAGE 1)

IT HAS BEEN DECIDED THAT UNITED STATES VICE PRESIDENT GORE WILL VISIT JAPAN FOR TWO DAYS FROM MARCH 23. THIS WAS REVEALED YESTERDAY BY A FOREIGN MINISTRY SOURCE. THE VICE PRESIDENT WILL MEET WITH PRIME MINISTER HASHIMOTO TO EXCHANGE VIEWS ON SUCH ISSUES AS THE FINDING AN ALTERNATE HELIPORT FOR THE ONE AT THE U.S. MARINE CORPS' FUTENMA AIR STATION, AS WELL AS CHINA POLICY. AFTER HIS JAPAN VISIT, THE VICE PRESIDENT WILL FLY TO CHINA TO PAVE THE WAY FOR MUTUAL VISITS OF PRESIDENT CLINTON AND CHINESE PRESIDENT JIANG Z EMIN.

VISITING HIGH NORTH KOREAN OFFICIAL SAYS KIM CHONG IL TO TAKE OFFICIAL REINS THIS YEAR (MAINICHI - PAGE 3)

SECRETARY FOR INTERNATIONAL AFFAIRS HWANG JANG YOP OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA), NOW IN JAPAN, GAVE AN INTERVIEW YESTERDAY TO THE MAINICHI

SHIMBUN AT A HOTEL IN TOKYO. AS TO WHEN SECRETARY KIM JONG IL WILL SUCCEED (HIS LATE FATHER) AS GENERAL SECRETARY OF THE KOREAN WORKERS PARTY (KWP) AND AS PRESIDENT, HWANG MADE A DIRECT INDICATION FOR THE FIRST TIME AS A HIGH-LEVEL NORTH KOREAN OFFICIAL THAT OFFICIAL REINS WOULD BE TAKEN WITHIN THE YEAR, NOTING: "THE PROCEDURES FOR INAUGURATION WILL BE MADE CLEAR AFTER THE THREE-YEAR MOURNING PERIOD AFTER THE DEATH OF PRESIDENT KIM IL SUNG IS OVER." REGARDING WHETHER TO RESUME DIPLOMATIC NORMALIZATION TALKS BETWEEN JAPAN AND THE NORTH, HE STATED: "WORKING-LEVEL CONTACTS WITH THE FOREIGN MINISTRY ARE NOW UNDERWAY," BASED ON THE SPIRIT OF THE THREE-PARTY JOINT DECLARATION RELEASED IN 1990.

IN HIS INTERVIEW, TOUCHING ON THE PROBLEM OF WHO WILL SUCCEED (THE LATE KIM IL SUNG) AS PRESIDENT AND GENERAL SECRETARY OF THE KWP, SECRETARY HWANG EMPHASIZED: "SECRETARY KIM JONG IL HAS LEAD THE KWP AND THE STATE FOR 30 YEARS." ON THE OTHER HAND, HE SAID, "ANY MORAL CONSTRAINTS (ON SUCCESSION) WILL BE CLEARED AWAY AFTER THE THREE-YEAR MOURNING PERIOD ENDS. THE PARTY CENTRAL EXECUTIVES AND THE SUPREME PEOPLE'S CONGRESS WILL HOLD ELECTIONS." AND HE INDICATED HIS OPINION THAT THE PROCEDURES NECESSARY FOR SECRETARY KIM TO SUCCEED HIS LATE FATHER, SUCH AS CALLING A MEETING OF THE CONGRESS, WILL MAKE PROGRESS IN THE COMING SUMMER OR AFTERWARDS.

AS FOR THE POSSIBILITY OF RESTARTING JAPAN-NORTH KOREA DIPLOMATIC NORMALIZATION TALKS, WHICH HAVE BEEN SUSPENDED, HWANG REVEALED THAT BASED ON THE SPIRIT OF THE 1990 "THREE-PARTY JOINT DECLARATION" IN WHICH THE LIBERAL DEMOCRATIC PARTY (LDP), THE SOCIAL DEMOCRATIC PARTY (LDP) AND THE KWP HAVE AGREED TO START JAPAN-NORTH KOREA NEGOTIATIONS, WORKING-LEVEL CONTACTS WITH THE FOREIGN UNCLAS SECTION 03 OF 07 TOKYO 001075

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 6

MINISTRY ARE NOW PROGRESSING."

THE OBJECTIVES OF HWANG'S VISIT TO JAPAN THIS TIME ARE TO PARTICIPATE IN THE "INTERNATIONAL SEMINAR ON THE 21ST CENTURY AND PEOPLE'S POSITIONS" PLANNED TO TAKE PLACE AT THE KEIO PLAZA HOTEL IN TOKYO FROM THE 7TH THROUGH THE 9TH, AS WELL AS TO HAVE AN ACADEMIC EXCHANGE. (SIMILAR COVERAGE IN MOST DAILIES.)

JAPAN READY TO PROVIDE FOOD AID TO NORTH KOREA UNDER AN INTERNATIONAL FRAMEWORK (ASAHI - TOP PLAY)

THE GOVERNMENT DECIDED ON FEBRUARY 5 TO PROVIDE THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA) WITH FOOD ASSISTANCE UNDER AN INTERNATIONAL ARRANGEMENT. THIS DECISION HAS BEEN INFORMALLY TRANSMITTED TO THE REPUBLIC OF KOREA. IN RESPONSE TO THE UNITED NATIONS' REQUEST FOR A THIRD EXTENSION OF EMERGENCY HUMANITARIAN ASSISTANCE, NOW BEING PLANNED FOR THE SAKE OF NORTH KOREA AT THE END OF THIS MONTH AT THE EARLIEST, THE GOVERNMENT WILL ENTER INTO COORDINATION WITH BOTH THE U.S. AND THE ROK AND ALSO WITH SUCH PARTIES AS THE LIBERAL DEMOCRATIC PARTY TO DISCUSS THE SPECIFIC AMOUNT OF SUCH ASSISTANCE. THE ROK GOVERNMENT ALSO IS GOING TO RESPOND IF IT IS FORMALLY REQUESTED TO EXTEND HUMANITARIAN AID TO NORTH KOREA. REGARDING BILATERAL ASSISTANCE, THE GOVERNMENT HAS DECIDED TO SHELVE THE IDEA BASED ON ITS JUDGMENT THAT SUCH CANNOT OBTAIN DOMESTIC AND INTERNATIONAL UNDERSTANDING ON THE GROUNDS THAT NORTH KOREA NOW REMAINS NEGATIVE ABOUT PARTICIPATING IN THE FOUR-NATION TALKS FOR PEACE ON THE KOREAN PENINSULA.

THE GOVERNMENT HAS NOW DECIDED TO EXTEND A HELPING HAND TO NORTH KOREA UNDER AN EMERGENCY ASSISTANCE PROGRAM OF THE U.N., CITING SUCH REASONS AS: (1) THE ROK REMAINS NEGATIVE ABOUT FOOD AID TO NORTH KOREA IN CONSIDERATION OF ITS SEVERE PUBLIC OPINION AGAINST NORTH KOREA, BUT JAPAN IS GOING TO PROVIDE NORTH KOREA WITH ASSISTANCE FROM A HUMANITARIAN VIEWPOINT, SO (THE ROK SIDE'S) UNDERSTANDING CAN BE EASILY OBTAINED; AND (2) A U.N. ORGANIZATION WILL CONDUCT A LOCAL FACT-FINDING SURVEY OF ASSISTANCE IN NORTH KOREA, SO GOODS TO BE EXTENDED ARE LESS FEARED TO BE DIVERTED TO SOME OTHER PURPOSES.

AT THE JAPAN-ROK SUMMIT MEETINGS HELD IN THE CITY OF BEPPU IN OITA PREFECTURE ON JANUARY 25 AND 26, THE JAPANESE SIDE INTENDED TO TRANSMIT ITS WAY OF THINKING ABOUT HUMANITARIAN AID. HOWEVER, THE MATTER WAS NOT TAKEN UP AT THE ACTUAL SUMMIT TALKS, AND HAS BEEN INFORMALLY TRANSMITTED TO THE ROK SIDE.

THE GOVERNMENT IS GOING TO STUDY AN AMOUNT OF ASSISTANCE WHILE IN CONSIDERATION OF THE RESPECTIVE OPINIONS OF THE U.S. AND ROK GOVERNMENTS AS THE U.S. IS POSITIVE ABOUT AIDING NORTH KOREA BUT THE ROK NEGATIVE. BUT BOTH JAPAN AND THE ROK ARE PREDICTED NOT TO BE LARGELY IN EXCESS OF THE TWO COUNTRIES' RESPECTIVE AMOUNTS OF EMERGENCY AID PROVIDED LAST JUNE.

THE U.N., WITH ITS DEPARTMENT OF HUMANITARIAN AFFAIRS (DHA) AS THE CENTRAL FORCE, IS PLANNING TO SEND A SURVEY TEAM (TO NORTH KOREA) IN THE MIDDLE OF THIS MONTH AT THE EARLIEST IN ORDER TO PROBE INTO THE PROPRIETY OF FOOD AID. ACCORDING TO THE RESULTS OF A JOINT FACT-FINDING SURVEY CONDUCTED IN NORTH KOREA FROM OCTOBER THROUGH NOVEMBER LAST YEAR BY THE U.N.'S WORLD FOOD PROGRAM (WFP)

AND FOOD AND AGRICULTURE ORGANIZATION (FAO), THIS YEAR'S RICE AND CORN CROP IN NORTH KOREA IS ESTIMATED AT 2.8 MILLION TONS -- AS MUCH AS 2.3 MILLION TONS SHORT OF THE MINIMAL DEMAND THERE. ACCORDINGLY, IT IS CERTAIN THAT THE U.N. WILL AID NORTH KOREA IN SOME WAY OR OTHER.

UNCLAS SECTION 04 OF 07 TOKYO 001075

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 6

ON THE OTHER HAND, THE GOVERNMENT'S POSITION OVER THE IDEA OF DIRECTLY AIDING NORTH KOREA IS THAT "JAPAN CANNOT GO AHEAD OF THE ROK IN STARTING ASSISTANCE ALL THE MORE BECAUSE NORTH KOREA HAS BEEN ASSUMING A NEGATIVE STANCE TOWARD THE QUADRILATERAL TALKS" (ACCORDING TO A PERSON CLOSE TO THE PRIME MINISTER). MEANWHILE, THE MINISTRY OF FOREIGN AFFAIRS NOW CONTINUES TO MAKE INFORMAL CONTACT WITH NORTH KOREA AT THE DIVISION DIRECTOR LEVEL. YET, THE GOVERNMENT IS NOT THINKING AT ALL OF RAISING THE LEVEL OF SUCH INFORMAL TALKS. IN SUCH A SITUATION, JAPAN HAS NO LIKELY CHANNELS WITH NORTH KOREA. IN VIEW OF SUCH CIRCUMSTANCES, THE GOVERNMENT JUDGED THAT IT CANNOT ASK FOR A DOMESTIC BURDEN AT HOME WITHOUT SOME KIND OF FRAMEWORK, SUCH AS AN INTERNATIONAL APPEAL.

IN JULY AND OCTOBER 1995, THE GOVERNMENT DIRECTLY AIDED NORTH KOREA WITH RICE -- TOTALING 500,000 TONS. HOWEVER, JAPAN, THEREAFTER, FELL INTO AN AWKWARD RELATIONSHIP FOR A WHILE WITH THE ROK WHICH ENTERTAINED A FEELING OF UNPLEASANTNESS WHILE TAKING IT AS "A DECISION WITH NO PRIOR CONSULTATIONS" ABOUT THE AMOUNT AND TIMING OF SUCH ASSISTANCE.

IN SEPTEMBER 1995, THE U.N. APPEALED FOR AID -- AMOUNTING TO APPROXIMATELY 15 MILLION DOLLARS -- TO NORTH KOREA THAT WAS SUFFERING FROM ITS FLOOD DAMAGE. AT THAT TIME, JAPAN FURNISHED 500,000 DOLLARS. WHEN THE U.N. CARRIED OUT EMERGENCY ASSISTANCE IN JUNE LAST YEAR TO THE EXTENT OF APPROXIMATELY 43 MILLION DOLLARS, JAPAN CONTRIBUTED 5,250,000 DOLLARS FOR FOOD AID UNDER THE WFP'S INITIATIVE AND 750,000 DOLLARS FOR HEALTH AND SANITARY ACTIVITIES CONDUCTED BY THE UNITED NATIONS CHILDREN'S FUND (UNICEF).

FORMER EDUCATION MINISTER SAYS COMFORT WOMEN WERE GATHERED BY LOCAL PIMPS (YOMIURI - PAGE 2)

LIBERAL DEMOCRATIC PARTY (LDP) DIETMEMBER YOSHINOBU SHIMAMURA, A FORMER MINISTER OF EDUCATION, GAVE A SPEECH ON THE 5TH AT A GENERAL MEETING OF THE FORMER WATANABE FACTION IN WHICH HE FOCUSED ON EDUCATION AND THE TEXTBOOK SCREENING PROBLEM. IN THE SPEECH, HE STATED: "THE FORMER COMFORT WOMEN (OF SUCH COUNTRIES AS THE REPUBLIC OF KOREA AND CHINA) WERE SELDOM GATHERED TOGETHER BY ANYONE CONNECTED WITH THE MILITARY; THE REAL SITUATION APPEARS TO HAVE MAINLY BEEN LOCAL PIMPS ROUNDING UP SUCH WOMEN."

AT THE MEETING WITH HIS COLLEAGUES, HE ALSO PRODUCED HIS VIEW ON THE GOVERNMENT'S RESPONSES TO THE COMFORT WOMEN ISSUE AND OTHER RELATED MATTERS, SAYING, "APOLOGIZING ALL THE TIME IS INCONGRUOUS."

300 POLITICIANS ATTEND JAPAN-TAIWAN FORUM
(SANKAI - PAGE 1)

A SUPRA-PARTISAN "PARLIAMENTARIANS FORUM ON JAPAN-REPUBLIC OF CHINA (TAIWAN) RELATIONS" (CHAired BY SADANORI YAMANAKA) DESIGNED TO EXPEDITE BILATERAL EXCHANGES WAS LAUNCHED YESTERDAY, HOLDING ITS FIRST MEETING IN THE FIRST LOWER HOUSE DIETMEMBERS BUILDING. UNTIL NOW, LAWMAKERS CONCERNED WITH JAPAN-TAIWAN RELATIONS HAVE BEEN DIVIDED INTO TWO GROUPS: ONE IN THE LIBERAL DEMOCRATIC PARTY (LDP) AND ANOTHER IN THE SHINSHINTO (NEW FRONTIER PARTY). THE DECISION TO MERGE THE TWO GROUPS WAS MADE FROM THE VIEWPOINT OF GIVING CONSIDERATION TO TAIWAN AND STRENGTHENING THEIR INFLUENCE.

THE MEETING HELD YESTERDAY BROUGHT TOGETHER 65 MEMBERS FROM THE LDP, SHISHINTO, TAIYO PARTY (SUN PARTY) AND SAKIGAKE PARTY OF BOTH DIET CHAMBERS AND 85 PROXIES. THE PARTICIPANTS TOTALED 300 THAT DAY -- 202 FROM THE LDP, 86 FROM THE SHINSHINTO, SEVEN FROM THE TAIYO PARTY AND FIVE UNCLAS SECTION 05 OF 07 TOKYO 001075

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 6

FROM THE SAKIGAKE.

THE CONFERENCE WAS CHAired BY LDP'S YAMANAKA, WITH TATSUO KOBAYASHI, THE FORMER CHAIRMAN OF THE SHINSHINTO'S JAPAN-ROC DIETMEMBERS CAUCUS, MASAKUNI MURAKAMI, TAKEO HIRANUMA AND ISAO MAEDA OF THE LDP AS VICE CHAIRMEN, TAKAO FUJII

OF THE LDP AS SECRETARY GENERAL AND HIROKO HAYASHI OF THE SHINSHINTO AS DEPUTY SECRETARY GENERAL.

IN THE OPENING SPEECH, CHAIRMAN YAMANAKA EXPLAINED THAT THE JOINING OF THE TWO FORCES WAS REALIZED WITH SHINSHINTO PRESIDENT ICHIRO OZAWA'S AGREEING TO A PROPOSAL TO UNITE LAWMAKERS OF THE LDP AND THE SHINSHINTO CONCERNED WITH JAPAN-TAIWAN RELATIONS. HE THEN CALLED FOR SOLIDARITY, NOTING, "ALTHOUGH WE DO NOT BELONG TO THE SAME PARTY, WE WOULD LIKE TO TAKE AN ACTIVE PART IN BILATERAL EXCHANGES WITHOUT PARTIALITY, SUCH AS THAT WHEN WE VISIT TAIWAN, WE COULD GO THERE TOGETHER."

AFTER THE SPEECH, THE MEETING DISCUSSED THE ISSUE OF WAGES WHICH FORMER JAPANESE MILITARY SERVICEMEN AND CIVILIAN EMPLOYEES DEPOSITED AND HAVE NOT BEEN REPAID YET AND FIXED DEBTS TO TAIWAN, SUCH AS POSTAL SAVINGS, AND REACHED A CONSENSUS THAT IT WILL LOOK INTO THE POSSIBILITY OF LIKE-MINDED MEMBERS OF THE FORUM MAKING MONETARY DONATIONS APART FROM THE GOVERNMENT'S REPAYMENT SCHEME.

THE FORUM PLANS TO HOLD MEETINGS AS OCCASION DEMANDS. IN ADDITION, ITS EXECUTIVES INTEND TO VISIT TAIWAN AROUND MARCH OR APRIL.

THREE OPPOSITION PARTIES PLAN CONCERTED ATTACK IN DIET ON FOUR ISSUES, INCLUDING CRISIS MANAGING (SANKEI - PAGE 4)

THREE OPPOSITION PARTIES -- THE SHINSHINTO, THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN) AND THE TAIYOTO -- REACHED AGREEMENT IN THEIR DIET POLICY COMMITTEE CHAIRMEN'S MEETING AND POLICY-MAKING OFFICIALS' MEETING YESTERDAY THAT THEY WOULD CALL FOR CONCENTRATED DIET DELIBERATIONS ON FOUR TOPICS, INCLUDING CRISIS MANAGEMENT AND FINANCIAL ISSUES. AT THE DIET POLICY COMMITTEE CHAIRMEN'S MEETING, THEY SHARED THE VIEW THAT "IT IS NECESSARY TO HOLD INTENSIVE DELIBERATIONS BEFORE THE START OF PUBLIC HEARINGS." THIS PERCEPTION CAME OUT OF THE CONCERN THAT IF THE OPPOSITION PARTIES ACCEPT THE RULING CAMP'S REQUEST FOR HOLDING PUBLIC HEARINGS SOON AFTER THE GENERAL INTERPRETATIONS WIND UP IN THE LOWER HOUSE BUDGET COMMITTEE, THE RULING CAMP MIGHT RAPIDLY FORCE THROUGH A VOTE."

DURING THE POLICY-MAKING OFFICIALS' MEETING HELD AFTER THE CHAIRMEN'S MEETING, THEY DECIDED TO SEEK INTENSIVE DELIBERATIONS ON FOUR TOPICS: (1) CRISIS MANAGEMENT TO DEAL WITH THE SUCH INCIDENTS AS THE HOSTAGE CRISIS AT THE JAPANESE AMBASSADOR'S RESIDENCE IN PERU; (2) FINANCIAL ISSUES, SUCH AS UNREPAYABLE LOANS; (3) FUTURE OPTIONS FOR PUBLIC WORKS SPENDING AND SUBSIDIES; AND (4) SCANDALS. THE THREE OPPOSITION PARTIES MADE THE REQUEST TO THE RULING PARTIES IN A LOWER HOUSE BUDGET COMMITTEE EXECUTIVES' MEETING HELD LATE YESTERDAY.

IN THE MEETINGS, THEY ALSO AFFIRMED THE NEED TO INCLUDE THE ORANGE KYOSAI KUMIAI (MUTUAL BENEFIT SOCIETY) FRAUD

CASE IN DELIBERATIONS ON SCANDALS. REGARDING THEIR JOINT DEMAND FOR REVISING THE FY1997 DRAFT BUDGET, THE THREE PARTIES DECIDED THEY WOULD DRAFT THEIR OWN PLANS AND MEET AGAIN ON THE 10TH.

BUT REGARDING A REVISION OF THE BUDGET, THE SHINSHINTO HAS PUT FORTH THE NEED FOR TAX BREAKS, INCLUDING THE CONTINUATION OF THE SPECIAL TAX-CUT SCHEME FOR INCOME AND UNCLAS SECTION 06 OF 07 TOKYO 001075

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 6

RESIDENTIAL TAXES, WHEREAS THE MINSHUTO HAS TAKEN A STANCE OF PLACING EMPHASIS ON FISCAL RECONSTRUCTION. AS IT STANDS, COORDINATION WORK IS EXPECTED TO RUN INTO DIFFICULTY.

FORMER PRIME MINSITER HOSOKAWA TO TAKE DIET WITNESS STAND ON TOMOBE MONEY ISSUE (ASAHI - PAGE 1)

FORMER PRIME MINISTER MORIHIRO HOSOKAWA OF THE OPPOSITION PARTY SHINSHINTO RETURNED FROM A TRIP TO CANADA YESTERDAY AND HELD A PRESS CONFERENCE AT NARITA AIRPORT. COMMENTING ON THE SUSPICION IN CONNECTION WITH THE FRAUD CASE OF ORANGE KYOSAI KUMIAI (MUTUAL BENEFIT SOCIETY) INVOLVING (FORMER) UPPER HOUSE MEMBER TASUO TOMOBE THAT MONEY WORKED TO DRAW UP THE LIST OF SHINSHINTO CANDIDATES WHO RAN UNDER PROPORTIONAL REPRESENTATION IN THE UPPER HOUSE ELECTION IN 1995, HOSOKAWA TOTALLY DENIED THE ALLEGATIONS THAT HE HAD ACCEPTED MONEY FROM TOMOBE. HE THEN INDICATED HIS WILLINGNESS TO GIVE TESTIMONY IF A REQUEST IS MADE, SAYING "IF THE DIET DECIDES (TO SUMMON ME), I WILL CLEARLY STATE WHAT I HAVE TO STATE."

SHINSHINTOQS OKADA HITS ADMINISTRATION ON PRIOR CONSULTATION IN U.S.-JAPAN SECURITY ARRANGEMENT (MAINICHI - PAGE 2)

IN THE LOWER HOUSE BUDGET COMMITTEE SESSION YESTERDAY, "LEGAL DEFICIENCY" WAS TAKEN UP IN CONNECTION WITH PRIOR CONSULTATIONS UNDER THE U.S.-JAPAN SECURITY TREATY. IN IT, KATSUYA OKADA (SHINSHINTO (NEW FRONTIER PARTY)) POSED A QUESTION ABOUT THE NECESSARY PROCEDURES WHEN JAPAN IS REQUESTED BY THE U.S. FOR PRIOR CONSULTATIONS FOR U.S. ARMED FORCES' DIRECT SORTIES FROM U.S. BASES IN JAPAN. HE ARGUED THAT IT IS CONTRADICTORY THAT THE FOREIGN

MINISTRY ESTABLISHMENT LAW AND THE SECURITY TREATY'S OFFICIAL EXCHANGE NOTES STIPULATE THAT AUTHORITY RESTS WITH THE FOREIGN MINISTER, WHILE IN REALITY, THERE ARE ONLY TWO APPROACHES: EITHER TO HOLD A CABINET MEETING OR TO HOLD AN EMERGENCY MEETING AMONG THE PRIME MINISTER, FOREIGN MINISTER, AND DEFENSE AGENCY DIRECTOR GENERAL.

OKADA ALSO SUGGESTED THAT THE PRIME MINISTER'S AUTHORITY TO MOBILIZE THE SELF-DEFENSE FORCES (SDF) IS STIPULATED IN LAW. HE ADDED: "DEPLOYMENT OF THE U.S. FORCES IN JAPAN (USFJ) MAY LEAD TO A SERIOUS SITUATION INVOLVING JAPAN." HE ALSO REQUESTED OBLIGATORY REPORTING TO THE DIET. IN RESPONSE, FOREIGN MINISTER YUKIHIKO IKEDA ONLY REPEATED THE CONVENTIONAL VIEW: "PRIOR CONSULTATIONS COME UNDER THE GOVERNMENT'S RESPONSIBILITY. THERE ARE SOME CASES I CANNOT DISCUSS IN THE DIET." OKADA'S QUESTION DERIVED FROM THE CONCERN OVER THE POSSIBILITY OF THE GOVERNMENT FOLLOWING SPECIAL ARRANGEMENT MADE OUTSIDE THE LEGAL FRAMEWORK. (KEN YAMADA)

TOP COP SHOOTERQS CONFESSION: ON DRUGS WHEN HE PULLED THE TRIGGER (TOKYO SHIMBUN - TOP LAY)

THROUGH ITS OWN INVESTIGATION, THE TOKYO SHIMBUN AS OF YESTERDAY HAS BEEN ABLE TO GRASP THE OVERALL PICTURE OF THE SHOOTING OF TAKAJI KUNIMATSU, NATIONAL POLICE AGENCY COMMISSIONER GENERAL, ALLEGEDLY CARRIED OUT BY FORMER METROPOLITAN POLICE DEPARTMENT (MPD) POLICE OFFICER TOSHIYUKI KOSUGI (31). KOSUGI -- WHO ALREADY HAS BEEN DISMISSED, WITH A REFERRAL OF THE CASE FILED WITH A PUBLIC PROSECUTORS OFFICE -- IS A FORMER MEMBER OF THE AUM DOOMSDAY CULT. KOSUGI'S STATEMENT INCLUDES SUCH DETAILS AS CONVERSATIONS WITH OTHER AUM SENIOR MEMBERS DURING A PRIOR ON-THE-SPOT TOUR AND HIS FRAME OF MIND AT THE TIME OF SHOOTING. HIS DESCRIPTION IS PARTICULARLY COPIOUS ABOUT THE DAY OF SHOOTING. THE STATEMENT REVEALS, FOR INSTANCE, THAT HE FELT QUALMS WHEN HE WAS INSTRUCTED BY AUM'S INTELLIGENCE AGENCY EXECUTIVE UNCLAS SECTION 07 OF 07 TOKYO 001075

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 6

YOSHIHIRO INOUE (27), NOW ON TRIAL, TO SHOOT THE POLICE COMMISSIONER. IT GOES ON TO REVEAL THAT HE WAS ENCOURAGED BY AUM'S CONSTRUCTION MINISTRY CHIEF HAYAKAWA'S (47) WORDS, "YOU CAN DO IT," HE FELT "IT WAS

FOR THE RIGHT CAUSE OF PROTECTING THE AUM," AND TOOK SOME WHITE TABLES BEFORE SHOOTING THE COMMISSIONER GENERAL. THE MPD IS NOW GENERALLY CERTAIN THAT KOSUGI IS THE ONE WHO PULLED THE TRIGGER BECAUSE OF SUCH FACTORS AS: 1) HIS CONFESSION HAS BEEN CONSISTENT SINCE LAST SEPTEMBER; AND 2) KOSUGI REVEALED ELEMENTS ONLY THE CULPRIT WOULD KNOW. THE MPD WILL FURTHER NAIL DOWN DETAILS IN FURTHER CARRYING OUT ITS INVESTIGATION.

TRANSPORT MINISTRY REJECTS U.S. REQUEST TO RECLASSIFY BRAKES AS CRITICAL AUTO PART (NIHON KEIZAI - PAGE 11)

OVER THE ISSUE OF THE U.S. AUTO PARTS INDUSTRY'S CALL FOR EXEMPTING BRAKE PADS FROM THE LIST OF CRITICAL AUTO REPAIR PARTS, WHICH REQUIRE MAINTENANCE AT OVERHAUL SERVICE WORKSHOPS HAVING A GOVERNMENT LICENSE, THE TRANSPORT MINISTRY REVEALED THAT IT HAS REPLIED TO THE U.S. THAT "IT IS NOT POSSIBLE TO COMPLY WITH SUCH A REQUEST FROM THE VIEWPOINT OF SECURING SAFETY." THIS IS THE FIRST TIME FOR THE TRANSPORT MINISTRY TO HAVE TURNED DOWN A REQUEST BY THE U.S. THERE IS THE POSSIBILITY OF THE PROBLEM FLARING UP AGAIN, BECAUSE UNDER THE EARLIER JAPAN-U.S. AUTO AND AUTO PARTS PACT, THE U.S. IS ENTITLED TO ONCE AGAIN MAKE THE SAME REQUEST IF IT IS DISSATISFIED WITH JAPAN'S REPLY.

THE WRITTEN REQUEST POINTS OUT THAT DESPITE THE FACT THAT BRAKE PADS COMMAND A LARGE SHARE IN THE MAINTENANCE MARKET, "U.S.-MADE PRODUCTS HAVE ALMOST NO PRESENCE IN THAT SEGMENT ON THE JAPANESE MARKET." CRANE

SECT: SECTION: 01 OF 07

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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 12
TEXT: UNCLAS SECTION 01 OF 08 TOKYO 001246

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB
IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN
GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC
FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 12

TOP HEADLINES:

ASAHI: TO START PREPARATORY DIALOGUE FOR RESOLVING LIMA
HOSTAGE CASE; REBELS SIDE ISSUES STATEMENT WITH
CONDITIONS; RELEASE PROBLEM MAY BE ON HOLD

NIHON KEIZAI: MITSUBISHI HEAVY INDUSTRIES WILL TIE UP
WITH SEGA ENTERPRISES ON THEME-ORIENTED PARK PROJECT;
EXPERIMENTAL EQUIPMENT AND OVERSEAS DEVELOPMENT
ENVISIONED

TOKYO SHIMBUN: LDP OUTLINES "DRAFT OF NATIONAL SERVANT ETHICS BILL"; SENIOR OFFICIALS OBLIGED TO REPORT THEIR INCOME OUTSIDE FROM SALARIES IN CASE OF SUCH INCOME EXCEEDING 10,000 YEN; GOVERNMENT DISAPPROVES (TRANSLATION BELOW)

MAINICHI: WAKAYAMA PREFECTURAL MEDICAL UNIVERSITY'S HOSPITAL HAD CONCEALED INJECTION OF MILK INTO VEIN OF INFANT, WHO DIED ONE MONTH LATER; THAT CASE OCCURRED IN OCTOBER, 1994

YOMIURI: PERU STANDOFF: TO LAUNCH PREPARATORY DIALOGUE; EARLY RELEASE OF 72 HOSTAGES AIMED AT; PRESIDENT STATES HE IS READY FOR NEGOTIATIONS WITH CUBA, A POSSIBLE DESTINATION FOR REBELS

SANKEI: PREPARATORY DIALOGUE: DIRECT NEGOTIATIONS WILL OCCUR AFTER A HIATUS OF 45 DAYS; DIFFICULTIES LYING AHEAD, SUCH AS RELEASE OF REBEL PRISONERS; SUSPECT CERPA MAINTAINS: "WE WILL NOT WITHDRAW OUR DEMAND"

DOD UNDERSECRETARY SLOCUMBE EXPRESSES DEEP REGRET FOR MARINE FIRING OF RADIOACTIVE BULLETS
(NIHON KEIZAI - PAGE 2)

(WASHINGTON, FEBRUARY 10, AKIHIKO MIYAMOTO) U.S. UNDER SECRETARY OF DEFENSE SLOCOMBE CALLED AMBASSADOR TO THE U.S. SAITO ON FEBRUARY 10 TO TALK ABOUT THE PROBLEM OF THE U.S. MARINE CORPS' HAVING CARRIED OUT EXERCISES USING DEPLETED-URANIUM BULLETS INTO A FIRING RANGE ON TORISHIMA ISLAND IN OKINAWA PREFECTURE. ON THE TELEPHONE, UNDER SECRETARY SLOCOMBE EXPRESSED "DEEP REGRET" OVER THE USE OF SUCH AMMUNITION AND THE DELAY IN INFORMING THE JAPANESE GOVERNMENT. AMBASSADOR SAITO REPLIED, "IT'S TRULY REGRETTABLE THAT SUCH AMMUNITION WAS USED ACCIDENTALLY AND THAT JAPAN WAS NOT INFORMED IMMEDIATELY."

UNDER SECRETARY SLOCOMBE ALSO STATED: (1) THE U.S. GOVERNMENT HAS CONFIRMED AS A RESULT OF AN INVESTIGATION CONDUCTED AFTER THE INCIDENT BECAME KNOWN THAT THOSE BULLETS WOULD NOT ENDANGER HUMANS OR THE ENVIRONMENT, AND THAT THE U.S. WOULD CONTINUE PERIODICAL INSPECTIONS; AND (2) THE U.S. SIDE ALSO WOULD LIKE TO EXTEND OVERALL COOPERATION TO THE JAPANESE GOVERNMENT IN CONDUCTING A FURTHER ENVIRONMENTAL SURVEY. IN THIS CONNECTION, U.S. STATE DEPARTMENT SPOKESMAN BURNS POINTED OUT AT A PRESS CONFERENCE THAT DAY: "THE U.S. GOVERNMENT INFORMED THE JAPANESE GOVERNMENT AT THE TIME WE CONFIRMED THE MISFIRING."

U.S. NEWS STORY OF RADIOACTIVE BULLETS BROKE BEFORE GOVERNMENT ANNOUNCEMENT (ASAHI - PAGE 2, FEB. 11 EDITION)

IT HAS BEEN FOUND OUT THAT AN INCIDENT OF FIRING DEPLETED-URANIUM BULLETS ON TRAINING RANGES IN OKINAWA PREFECTURE WAS KEPT FROM THE PUBLIC FOR NEARLY A YEAR AFTER IT

OCCURRED. THIS CASE INDICATES THAT THE "TIMELY REPORTING" PRINCIPLE, AGREED UPON BETWEEN JAPAN AND THE UNITED STATES REGARDING INCIDENTS INVOLVING U.S. TROOPS IN JAPAN, HAS NOT EFFECTIVELY FUNCTIONED. IN RESPONSE TO THE INFORMATION FROM THE U.S. MILITARY, THE JAPANESE UNCLAS SECTION 02 OF 08 TOKYO 001246

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 12

GOVERNMENT TRANSMITTED ITS "FEELING OF REGRET" TO THE U.S. BUT IT WAS NEGLIGENT IN PUBLICIZING AND IN NOTIFYING OKINAWAN AUTHORITIES ABOUT THE INCIDENT. IT SIMPLY RECEIVED THE INFORMATION FROM THE U.S. MILITARY ABOUT THE INCIDENT IN JAPAN. WITH JAPAN-U.S. SECURITY COOPERATION DEEPENING, SUCH A STANCE BY THE GOVERNMENT IS LIKELY TO COME UNDER HEAVY FIRE FROM THE PEOPLE.

ACCUSATIONS HAVE BEEN HURLED AGAINST THE DELAY IN TRANSMITTAL AND THE INSUFFICIENT INFORMATION PROVIDED TO LOCAL AUTHORITIES ABOUT INCIDENTS INVOLVING THE U.S. MILITARY. TRIGGERED BY THE INCIDENT OF A SCHOOL GIRL RAPED BY AMERICAN SERVICEMEN IN OKINAWA PREFECTURE THE YEAR BEFORE LAST, JAPAN AND THE U.S. INCLUDED IN THE FINAL REPORT OF THE SPECIAL ACTION COMMITTEE ON OKINAWA (SACO) LAST DECEMBER THE WORDING AS A MEASURE TO IMPROVE THE OPERATIONS OF THE JAPAN-U.S. STATUS OF FORCES AGREEMENT: "EVERY EFFORT WILL BE MADE SO THAT MAJOR INCIDENTS WILL BE IMMEDIATELY INFORMED."

DESPITE THE AGREEMENT, IT WAS ONLY ON JANUARY 16 THAT THE MINISTRY OF FOREIGN AFFAIRS (MOFA) WAS NOTIFIED OF THIS INCIDENT. AIR FORCE LIEUTENANT GENERAL KEVIN KLAIZAREK (TN: PHONETIC) EXPLAINED: "SINCE THE ISLAND OF TORISHIMA IS ISOLATED AND IN A RESTRICTED ZONE, NO ONE GOES NEAR IT. UNEXPLODED SHELLS ARE MORE DANGEROUS." BUT A SENIOR GOVERNMENT OFFICIAL EXPRESSED HIS DISPLEASURE: "EVEN THOUGH (THE DELAY IN INFORMING JAPAN OF THE INCIDENT) MAY NOT HAVE BEEN INTENTIONAL, IT WAS CARRIED OUT TOO LATE."

OKINAWA GOVERNOR MASAHIRO OTA STATED, "I WONDER IF THE U.S. STILL BELIEVES THAT OKINAWA IS UNDER ITS OCCUPATION," EXPRESSING HIS DISTRUST.

THE JAPANESE GOVERNMENT'S RESPONSE WAS ALSO BELATED. THE WASHINGTON POST DATED THE 10TH UNCOVERED THIS INCIDENT. ASTONISHED AT THE "EXPOSURE," THE MOFA HURRIEDLY NOTIFIED

THE OKINAWA PREFECTURAL GOVERNMENT AND RELATED AUTHORITIES ABOUT THE INCIDENT ON THE SAME DAY THROUGH THE DEFENSE FACILITIES AGENCY. AN MOFA OFFICIAL REMARKED, "IT IS IMPROPER TO PUBLICIZE AN ACCIDENT BEFORE LEARNING THE DETAILS. IF WE HAD JUDGED THERE COULD BE ANY EFFECT ON THE ENVIRONMENT, WE WOULD HAVE IMMEDIATELY PUBLICIZED IT, BUT THERE WAS NO ENVIRONMENTAL DANGER."

FACILITIES AND AREAS USED BY THE U.S. FORCES IN JAPAN, INCLUDING TORISHIMA GUNNERY RANGE, WERE PROVIDED BY THE JAPANESE GOVERNMENT ACCORDING TO THE U.S.-JAPAN SECURITY TREATY. BUT THE JAPANESE GOVERNMENT "HAS NO GRASP" (SENIOR MOFA OFFICIAL) OF THE DETAILS OF TRAINING AND STRATEGIC PROGRAMS CARRIED ON THERE.

THE CASE THIS TIME PROVED THAT THE PRINCIPLE OF "TIMELY REPORTING" BETWEEN JAPAN AND THE U.S. HAS NOT WORKED. IF THE U.S. PAPER HAD NOT REPORTED IT, THE INCIDENT MIGHT HAVE REMAINED HIDDEN FOREVER.

THE JAPANESE AND U.S. GOVERNMENTS HAVE EXPLAINED REGARDING THE NECESSITY TO MAINTAIN THE U.S. FORCES ON OKINAWA, "PEACE AND STABILITY IN THE ASIA-PACIFIC REGION ARE BUILT AROUND THE JAPAN-U.S. SECURITY TREATY ARRANGEMENT." BUT IF THE TWO GOVERNMENTS CONTINUE TO BE SLOW IN INFORMING AND PUBLICIZING INCIDENTS, PUBLIC TRUST IN THE JAPAN-U.S. SECURITY ARRANGEMENT WILL BE UNDERMINED AND THE EXPLANATIONS THEY HAVE MADE SO FAR WILL LOSE THEIR PERSUASIVENESS.

PRIME MINISTER'S OFFICE AT ODDS WITH FOREIGN MINISTRY OVER PUBLIC ANNOUNCEMENT ISSUE (NIHON KEIZAI - PAGE 2)

A TOP-LEVEL OFFICIAL OF THE GOVERNMENT: "WE SHOULD INFORM OKINAWA PREFECTURE RIGHT AWAY. ALSO, IT WOULD BE UNCLAS SECTION 03 OF 08 TOKYO 001246

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 12

BETTER TO MAKE PUBLIC THIS MATTER."

A SENIOR OFFICIAL OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA): "WE CAN'T DO SO, BECAUSE THE U.S. FORCES HAVE YET TO PREPARE MATERIALS."

IN CONNECTION WITH THE PROBLEM OF THE U.S. MARINE CORPS' HAVING CARRIED OUT EXERCISES USING DEPLETED-URANIUM BOMBS AT A FIRING RANGE NEAR TORISHIMA ISLAND IN OKINAWA PREFECTURE AGAINST THE U.S. MILITARY'S REGULATIONS, IT BECAME KNOWN THAT WHEN THERE WAS A REPORT FROM THE U.S. SIDE IN MID-JANUARY, THERE WAS A DIVERGENCE OF OPINION BETWEEN THE PRIME MINISTER'S OFFICIAL RESIDENCE (KANTEI) AND MOFA OVER THE PROPRIETY OF MAKING IT PUBLIC.

ACCORDING TO A GOVERNMENT SOURCE, THE U.S. SIDE REPORTED AN OUTLINE OF THE PROBLEM TO THE JAPANESE GOVERNMENT ON JANUARY 16 THIS YEAR, AND MOFA IMMEDIATELY REPORTED IT TO THE KANTEI AND ALSO HELD A MEETING OF WORKING-LEVEL OFFICIALS FROM OTHER RELEVANT GOVERNMENT MINISTRIES AND AGENCIES TO DISCUSS THE MATTER.

CONCERNING THE PROBLEM, A TOP-LEVEL OFFICIAL OF THE GOVERNMENT JUDGED THAT "IT WOULD BE BETTER TO CLARIFY THE FACT AS EARLY AS POSSIBLE," WHILE GIVING HEED TO SUCH CIRCUMSTANCES AS THAT THE PROBLEM OF CONSTRUCTING AN ALTERNATIVE HELIPORT FOR THE FUTENMA AIRFIELD IN OKINAWA AND THE FUTURE WAY OF THE GOVERNMENT'S CONTINUING ITS REQUISITIONING OF LAND FOR U.S. MILITARY BASES THERE, WHICH IS DUE TO EXPIRE ON MAY 14, ARE GOING TO BECOME ISSUES IN THE POLITICAL SITUATION. SO, THE OFFICIAL DIRECTED MOFA, WHICH WAS INSISTING ON THE NEED TO "WAIT FOR THE U.S. FORCES' INVESTIGATION," TO RESTUDY THE MATTER.

THE GOVERNMENT'S RESPONSE SUDDENLY CHANGED ON FEBRUARY 10 WHEN IT LEARNED THAT THE WASHINGTON TIMES, A U.S. NEWSPAPER, WAS GOING TO REPORT THE PROBLEM FULLY IN ITS MORNING EDITION THAT DAY. PRIOR TO THAT, THE U.S. SIDE LEARNED OF WHEN THE PAPER -- WHICH HAD ALREADY SENT IN A LETTER OF INQUIRY TO THE U.S. FORCES IN JAPAN -- WAS GOING TO REPORT THE MATTER. SO, THE U.S. SIDE INFORMED THE JAPANESE GOVERNMENT, AND THEN MOFA TOOK THE FORM OF MAKING IT PUBLIC IN A HURRY.

THE FIRING OF DEPLETED BULLETS TOOK PLACE BETWEEN THE END OF 1995 AND THE BEGINNING OF 1996 WHEN A MOVEMENT IN OKINAWA PREFECTURE AGAINST U.S. MILITARY BASES -- TOUCHED OFF BY A SCHOOLGIRL RAPE INCIDENT -- WAS ON THE RISE. MOFA WAS THEN GROPING FOR SUCH STEPS AS THE FUTENMA AIRFIELD'S REVERSION WHILE TRYING TO HOLD DOWN THE MARINE CORPS' RESISTANCE TO THE IDEA OF REDUCING THE U.S. MILITARY BASES ON OKINAWA, IN COOPERATION WITH SECRETARY OF DEFENSE PERRY (AT THAT TIME) AND OTHER PENTAGON OFFICIALS MAKING MUCH OF THE JAPAN-U.S. SECURITY ARRANGEMENT.

ANOTHER VIEW POINTS OUT THAT THE PENTAGON'S OFFICIALS LAYING EMPHASIS ON ITS SECURITY ARRANGEMENT WITH JAPAN HESITATED TO REPORT THE FIRING OF SUCH BULLETS TO THE JAPANESE SIDE FOR FEAR OF ITS BECOMING A PLITICAL ISSUE, AND MOFA, WHICH HAD SENSED IT, WAS ALSO RELUCTANT TO MAKE IT PUBLIC.

REACTION FRM RADIOACTIVE FIRING; GAP WIDENS BETWEEN DOD
AND JAPANESE SIDE (YOMIURI - PAGE 2)

(WASHINGTON, FEBRUARY 10, KOICHI AKAZA) THE ACCIDENTAL
FIRING OF RADIOACTIVE BULLETS BY U.S. MILITARY AIRCRAFT
NEAR TORISHIMA, AN UNINHABITED ISLAND IN OKINAWA
PREFECTURE, HAS COME TO LIGHT. ON THE FACT THAT
REPORTING WAS NOT CARRIED OUT FOR A YEAR, A UNITED STATES
DEPARTMENT OF DEFENSE (DOD) PUBLIC RELATIONS OFFICER ON
UNCLAS SECTION 04 OF 08 TOKYO 001246

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR
EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB
IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN
GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC
FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 12

THE 10TH REVEALED THE VIEW THAT THE U.S. HAD NO LEGAL
OBLIGATION TO REPORT IT TO JAPAN BECAUSE THE ACCIDENTAL
FIRINGS OCCURRED DURING TRAINING AND THAT IT DID NOT
CAUSE ANY DANGER. IN ADDITION, SHE ADMITTED THAT THE
U.S. HAD HAD NO PLAN TO REPORT IT BUT THAT IT DECIDED TO
REPORT IT BECAUSE THE MEDIA HAD BEGUN TO DO A STORY ON
THE FIRINGS.

JAPAN'S RESPONSE TO THE ACCIDENT HAS BEEN: "WHAT BOTHERS
US IS THE DELAY IN LETTING US KNOW ABOUT IT" (PRIME
MINISTER HASHIMOTO). THE U.S. HAS FORMALLY ADMITTED "A
DELAY IN REPORTING IT" (U.S. UNDERSECRETARY OF DEFENSE
WALTER SLOCOMBE). THE ANNOUNCEMENT, HOWEVER, ENDED UP
UNDERLINING A PERCEPTION GAP BETWEEN JAPAN AND THE U.S.
THE REPORTING SYSTEM IS LIKELY TO IGNITE A DEBATE.

DOD PUBLIC RELATIONS OFFICER FOR EAST ASIA KAREN JEFFRIES
(TN: PHONETIC) REVEALED TO THE YOMIURI SHIMBUN: "WE DID
NOT NEED TO REPORT IT TO THE JAPANESE GOVERNMENT. THERE
ARE TWO REASONS FOR THAT. FIRST, IT OCCURRED DURING
TRAINING. SECOND, (THE ACCIDENT) DID NOT RESULT IN ANY
DANGER. THERE WAS JUST NO REASON TO REPORT IT." SHE
ALSO NOTED, "WE REPORTED IT THIS PAST JANUARY BECAUSE THE
MEDIA WAS BEGINNING TO DO A STORY ON IT. BASED ON OUR
GOOD WILL, WE DECIDED TO REPORT THE ACCIDENT THAT TOOK
PLACE ONE YEAR AGO RATHER THAN TO HAVE THE JAPANESE
GOVERNMENT BE SURPRISED BY A SCANDALOUS NEWSPAPER
REPORT."

SHE WENT ON TO EXPLAIN: "LOOKING BACK ON THE INCIDENT,
WE FEEL NOW THAT WE SHOULD HAVE LET THE JAPANESE
GOVERNMENT KNOW EARLIER. WE FEEL REGRET THAT WE CAUSED
SUCH AN ACCIDENT AND THAT WE NOTIFIED IT AT THIS LATE

STAGE." BUT SHE STRESSED THAT THE U.S. HAS BEEN DOING ITS BEST SINCE THE ACCIDENT, REMARKING, "WE HAVE BEEN CARRYING OUT OUR OWN INVESTIGATION AND REACHED A CONCLUSION THAT THE ISLAND IS NOW SAFE. JAPAN IS WELCOME TO JOIN OUR INSPECTION. WE WILL CONTINUE OUR SURVEILLANCE. WE HAVE REVISED REGULATIONS (REGARDING THE USE OF RADIOACTIVE BULLETS). IN SHORT, WE DID EVERYTHING WE COULD."

IN COMPILING A FINAL REPORT OF THE SPECIAL ACTION COMMITTEE ON OKINAWA (SACO), THE TWO GOVERNMENTS REACHED AGREEMENT LAST DECEMBER TO THE FOLLOWING AS PART OF THEIR EFFORT TO IMPROVE THE APPLICATION OF THE JAPAN-U.S. STATUS OF FORCES AGREEMENT: "U.S. MILITARY UNITS ARE TO MAKE EVERY EFFORT TO REPORT TO THE JAPANESE GOVERNMENT AND/OR LOCAL PUBLIC ORGANIZATIONS IN A TIMELY MANNER SHOULD ANY MAJOR ACCIDENT RELATED TO THEIR EQUIPMENT AND/OR FACILITIES OCCUR."

OKINAWA PREFECTURE TO PRESS PRIME MINISTER ON PREVENTING FURTHER FIRING INCIDENTS (MAINICHI - PAGE 3)

OKINAWA PREFECTURE YESTERDAY HELD AN EMERGENCY COUNTERMEASURES MEETING OVER THE PROBLEM OF THE ACCIDENTAL FIRING OF RADIOACTIVE BULLETS (BY U.S. FORCES IN OKINAWA). IN ADDITION, IT HAS DECIDED ON THE POLICY DIRECTION OF MAKING A REQUEST AS EARLY AS ON THE 12TH TO THE NAHA OFFICE OF THE REGIONAL DEFENSE FACILITIES ADMINISTRATION BUREAU AND U.S. FORCES IN OKINAWA FOR PRETENSION OF RECURRENCE OF A SIMILAR INCIDENT. AT THE SAME TIME, IT WILL ASK GOVERNOR MASAHIDE OTA TO MAKE A SIMILAR REQUEST TO PRIME MINISTER RYUTARO HASHIMOTO AROUND THE TIME OF THE MEETING OF THE OKINAWA POLICY COUNCIL SCHEDULED FOR THE 18TH.

THE PREFECTURE WILL SHORTLY LODGE A PROTEST WITH AS WELL AS TO MAKE REQUESTS TO THE MINISTRY OF FOREIGN AFFAIRS (MOFA) AND THE HEADQUARTERS OF THE UNITED STATES FORCES IN JAPAN (USFJ) REGARDING THE FOLLOWING POINTS: (1) PREVENTION OF RECURRENCE OF A SIMILAR INCIDENT; (2) UNCLAS SECTION 05 OF 08 TOKYO 001246

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 12

THOROUGH INVESTIGATION OF ITS CAUSES AND EFFECT; AND (3) THOROUGH ENFORCEMENT OF A LIAISON SYSTEM. OF THOSE

REQUEST ITEMS, THE PREFECTURE IS ESPECIALLY MAKING AN ISSUE OVER THE DELAY IN THE INFORMING OF THE INCIDENT BY THE GOVERNMENT TO THE PREFECTURE. MOFA REPORTEDLY EXPLAINED TO THE BASE COUNTERMEASURES OFFICE ON THE 10TH OR LATER, "SINCE THE ACCIDENT OCCURRED A YEAR AGO, IT HAD NO URGENCY. IN ADDITION, WE JUDGED THAT IT WOULD BE BETTER IF THE GOVERNMENT COORDINATED THE TIMING, INSTEAD OF THE U.S. SIDE'S DIRECTLY PROVIDING INFORMATION. THAT IS THE REASON FOR THE DELAY."

IN THE MEANTIME, COMMANDER ROBERT MELTON AT THE U.S. MILITARY BASE IN IWAKUNI, TO WHICH THE FIGHTERS INVOLVED IN THE INCIDENT BELONG, YESTERDAY OFFICIALLY ACKNOWLEDGED THE STORAGE OF ARMOR-PIERCING INCENDIARIES AT IWAKUNI'S POWDER MAGAZINE.

ACCORDING TO IWAKUNI'S BASE COUNTERMEASURES DIVISION, IWAKUNI CITY, YAMAGUCHI PREFECTURE AND YU-CHO, KUGA DISTRICT, YAMAGUCHI PREFECTURE ON THE AFTERNOON OF THE SAME DAY REQUESTED PREVENTION OF RECURRENCE OF SIMILAR INCIDENTS. ON THAT OCCASION, THE COMMANDER REPORTEDLY REPLIED, "THERE ARE ARMOR-PIERCING INCENDIARIES (24 MILLIMETERS) IN OUR POWDER MAGAZINE HERE. THOSE BULLETS WERE CARRIED TO KADENA EITHER BY SEA OR BY TRANSPORTS AND LOADED ON THE HARrier PLANES THERE."

PERUVIAN HOSTAGE SITUATION: AMBASSADOR TERADA'S ROLE
QUERIED (ASAHI - PAGE 2)

(LIMA, FEBRUARY 11, HIROTOSHI SAKO) PREPARATORY TALKS ARE TO START ON THE 11TH BETWEEN THE PERUVIAN GOVERNMENT AND THE TUPAC AMARU REVOLUTIONARY MOVEMENT (MRTA) IN AN EFFORT TO BRING TO A PEACEFUL SOLUTION THE HOSTAGES INCIDENT AT THE REBEL-HELD JAPANESE AMBASSADOR'S RESIDENCE IN LIMA. THE TALKS WILL BE JOINED IN AS AN OFFICIAL OBSERVER OF THE GUARANTORS' COMMISSION BY ADVISOR TERUSUKE TERADA (AMBASSADOR TO MEXICO) OF THE JAPANESE FOREIGN MINISTRY'S COUNTERMEASURES HEADQUARTERS IN LIMA. FOR THE JAPANESE GOVERNMENT, THIS APPROACH MEANS A CERTAIN "FRAMEWORK" FOR A PEACEFUL SETTLEMENT HAS BEEN SET, BUT ON THE OTHER HAND, JAPAN WILL BE ASKED IN A MORE EXPLICIT WAY TO SHARE RESPONSIBILITY FOR SETTLEMENT OF THE STANDOFF. FOR THE MRTA SIDE, THE PRESENCE OF ADVISOR TERADA WILL UNDOUBTEDLY MAKE IT MORE STRONGLY AWARE OF "JAPAN." THE JAPANESE GOVERNMENT, AS A PARTY INVOLVED, WILL LIKELY BE PUT TO THE TEST FOR ITS "NEGOTIATING ABILITY."

THE JAPANESE GOVERNMENT HAS APPRECIATED AS A STEP FORWARD TOWARD A PEACEFUL SETTLEMENT THE START OF PREPARATORY NEGOTIATIONS BETWEEN THE PERUVIAN GOVERNMENT AND MRTA REPRESENTATIVES. AS FOR ADVISOR TERADA'S ATTENDANCE AT SUCH NEGOTIATIONS, THE VIEW OF THE FUJIMORI GOVERNMENT, WHICH HAS NOT YET GIVEN UP AN OPTION OF USING ARMED FORCE, IS THAT "AS LONG AS THE REPRESENTATIVE OF THE JAPANESE GOVERNMENT, WHICH HAS INSISTED ON A PEACEFUL SOLUTION, ATTENDS THE NEGOTIATIONS, ANY USE OF ARMED FORCE WOULD NOT OCCUR" (HIGH-RANKING OFFICIAL OF THE

PERUVIAN GOVERNMENT).

SINCE THE INCIDENT OCCURRED ON DECEMBER 17 OF LAST YEAR, THE JAPANESE GOVERNMENT HAS LET SENIOR OFFICIALS WHO INCLUDE ADVISOR TERADA AT THE COUNTERMEASURES HEADQUARTERS GATHER INFORMATION FROM KEY OFFICIALS OF THE PERUVIAN GOVERNMENT, BUT IT HAS ALWAYS FELT IRRITATED IN SUCH INFORMATION-GATHERING EFFORTS, BECAUSE "OUTSIDERS HAVE NO WAY OF KNOWING WHETHER (THE SITUATION) SHOWS SIGNS OF A NEW DEVELOPMENT" (JAPANESE FOREIGN MINISTRY SOURCE IN LIMA). BUT ADVISOR TERADA'S ATTENDANCE AT NEGOTIATIONS WILL LIKELY DISPEL SUCH A PROBLEM, ALTHOUGH IT IS UNKNOWN WHETHER ADVISOR TERADA WILL JOIN IN ALL UNCLAS SECTION 06 OF 08 TOKYO 001246

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 12
NEGOTIATIONS.

MEANWHILE, A JAPANESE GOVERNMENT-HELD "RESERVED SEAT" AS OFFICIAL OBSERVER IN DIRECT TALKS BETWEEN THE PERUVIAN GOVERNMENT AND THE MRTA MEANS THAT THE JAPANESE GOVERNMENT AS A PARTY INVOLVED HAS TAKEN PART IN THE PROCESS FOR SETTLING THE INCIDENT, TURNING AWAY FROM ITS PREVIOUS APPROACH OF KEEPING A DISTANCE FROM THE PARTIES CONCERNED.

FOLLOWING ITS ANNOUNCEMENT OF CONCERN OVER OVERBEARING MOVEMENTS DEVELOPED BY PERUVIAN POLICE AUTHORITIES NEAR THE AMBASSADOR'S RESIDENCE, JAPAN WITH ITS OWN INITIATIVE ARRANGED "PROMOTION OF STARTING A PREPARATORY DIALOGUE" AT THE SUMMIT MEETING HELD IN TORONTO. IF PREPARATORY DIALOGUE WERE TO COME TO A DEADLOCK, THE JAPANESE GOVERNMENT, ALONG WITH THE PERUVIAN GOVERNMENT, MAY COME UNDER CRITICISM FROM "HARD-LINERS" IN PERU, SUCH AS THE MILITARY AND THE POLICE, BOTH OF WHICH ARE IN A HURRY FOR A SOLUTION.

IN ADDITION, IT IS A COMMON THINKING IN LATIN AMERICA THAT "MONEY IS INDISPENSABLE" TO SETTLE THIS KIND OF INCIDENT. IF THE MRTA SIDE AS AN AGENDA FOR NEGOTIATIONS DEMANDS A RANSOM, THE JAPANESE GOVERNMENT, DUE TO ITS INTERNATIONAL AGREEMENT NOT TO YIELD TO TERRORISM, WILL BE PRESSED HARD TO WALK "TIGHTROPE" OR TO MAKE A DEBATABLE DECISION. FURTHERMORE, IF A PROBLEM OF WHETHER TO ALLOW MRTA REBELS TO FLEE INTO A THIRD COUNTRY

SURFACES, IT IS WELL IMAGINED THAT THE JAPANESE GOVERNMENT WILL BE EXPECTED TO ASK COUNTRIES THAT MAY ACCEPT SUCH REBELS FOR THEIR COOPERATION AND TO LAY THE GROUNDWORK TOWARD THE MEMBERS OF THE MAJOR INDUSTRIALIZED NATIONS SUMMIT (G-7 SUMMIT).

REGARDING THE POSITION OF THE OBSERVER, THE COUNTERMEASURES HEADQUARTERS EMPHASIZES A SELF-RESTRAINT RESPONSE, NOTING: "IT IS INAPPROPRIATE THAT (THE OBSERVER) HAS A STRONGER VOICE THAN GUARANTORS OR ENGAGES IN DOING SOMETHING BEYOND THE GUARANTORS" (SAME SOURCE). HOWEVER, THE REALITY SEEMS LIKELY THAT THE JAPANESE GOVERNMENT WILL BE ASKED TO PLAY A MORE COOPERATIVE PART IN "OFFERING ITS GOOD OFFICES FOR REACHING AN AGREEMENT" AS IS SOUGHT BY THE PERUVIAN GOVERNMENT FROM THE GUARANTORS' COMMISSION.

MUCH MORE TIME STILL REQUIRED FOR SOLUTION OF THE INCIDENT, ACCORDING TO THE JAPANESE GOVERNMENT'S VIEW

A "PREPARATORY DIALOGUE" AIMED AT RESOLVING THE STANDOFF SITUATION OF THE BESIEGED JAPANESE AMBASSADOR'S RESIDENCE IN LIMA WILL BEGIN BETWEEN THE PERUVIAN GOVERNMENT AND THE TUPAC AMARU REVOLUTIONARY MOVEMENT (TARM) ON THE 12TH (11TH, LOCAL TIME). BUT THE JAPANESE GOVERNMENT BELIEVES THAT IT WILL TAKE STILL MUCH MORE TIME BEFORE THE STANDOFF WILL BE RESOLVED. THE PERUVIAN GOVERNMENT HAS ALREADY TOLD THE JAPANESE GOVERNMENT IT WOULD NOT MAKE CONCESSIONS TO THE REBELS SIDE EXCEPT FOR TREATMENT IMPROVEMENT IN PRISON AND GUARANTEE FOR THE REBEL GROUP'S STATUS. TENACIOUS NEGOTIATIONS ARE LIKELY NECESSARY IN ORDER TO REALIZE SAFE RELEASE OF THE HOSTAGES AND A PEACEFUL SOLUTION, BOTH OF WHICH THE JAPANESE GOVERNMENT HAS STRONGLY INSISTED ON.

FOREIGN MINISTER YUKIHIKO IKEDA IN A NEWS BRIEFING ON THE 10TH STATED: "THE START OF DIALOGUE DOES NOT MEAN EVERYTHING HAS ENDED WITH IT. IT IS THE BEGINNING OF AN IMPORTANT PROCESS."

THE PERUVIAN GOVERNMENT AND THE MRTA HAVE LONG DISPUTED THE PROBLEM OF WHETHER TO ADD RELEASE OF REBEL PRISONERS TO THE CONDITIONS FOR NEGOTIATIONS.

UNCLAS SECTION 07 OF 08 TOKYO 001246

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 12

TAKING ADVANTAGE OF SUCH OCCASIONS AS THE TORONTO SUMMIT MEETING IN CANADA, PRESIDENT FUJIMORI HAS REPEATEDLY TOLD JAPAN THAT HE WOULD ABSOLUTELY NOT ACCEPT RELEASE OF REBEL PRISONERS, AN ACTION THAT WILL LEAD TO DENYING ANTI-TERRORIST MEASURES." AS A LIMIT TO CONCESSIONS TO THE REBELS SIDE, THE PERUVIAN GOVERNMENT HAS CITED "IMPROVEMENT IN TREATMENT TOWARD PRISONERS" AND "GUARANTEE OF REBEL CRIMINALS' STATUS." THE JAPANESE GOVERNMENT'S VIEW IS: "IT WILL TAKE CONSIDERABLE TIME BECAUSE THERE ARE DIFFERENCES WITH THE REBEL SIDE'S DEMANDS" (PERSON CLOSE TO THE PRIME MINISTER).

THE PERUVIAN GOVERNMENT ONCE LOOKED INTO A POSSIBILITY OF RESORTING TO ARMED FORCE, BUT AT THE STRONG REQUEST OF THE JAPANESE SIDE, IT PROMISED NOT TO USE IT FIRST BEFORE THE REBELS USE IT.

PRIME MINISTERQS SUPPORT RATE SLIPS TO 42 PERCENT, A CASUALTY OF DISAPPOINTMENT ON REFORMS
(ASAHI - PAGE 1, FEB. 11 EDITION)

IN ORDER TO PROBE THE JAPANESE PEOPLE'S EVALUATION OF THE HASHIMOTO CABINET ON SUCH ISSUES AS THE COMPILATION OF THE NEW FISCAL YEAR BUDGET AND THE RESPONSE TO THE PERUVIAN HOSTAGE INCIDENT, THE ASAHI SHIMBUN ON THE 9TH AND 10TH CONDUCTED A TELEPHONE POLL. THE RATE OF SUPPORT FOR THE CABINET FELL SHARPLY TO 42 PERCENT FROM THE 55 PERCENT LEVEL OF THE LAST (TELEPHONE) POLL IN DECEMBER LAST YEAR. IN CONTRAST, THE RATE OF NON-SUPPORT ROSE FROM 27 PERCENT TO 37 PERCENT. REGARDING THE COMPILATION OF THE NEW FISCAL BUDGET, 70 PERCENT EXPRESSED THEIR DISSATISFACTION, (CHOOSING THE ANSWER,) "TAX MONEY IS NOT BEING USED EFFECTIVELY." ON THE IMPLEMENTATION OF ADMINISTRATIVE REFORM ALSO, A MAJORITY REPLIED, "I AM NOT EXPECTING ANYTHING." SUCH REPLIES REVEALED THAT A SENSE OF DISSAPPOINTMENT TOWARD THE HASHIMOTO CABINET HAS RAPIDLY SPREAD. REGARDING THE RATES OF SUPPORT OF POLITICAL PARTIES, ALTHOUGHT HE SUPPORT RATE FOR THE LIBERAL DEMOCRATIC PARTY WAS UNCHANGED FROM THE LAST OPINION SURVEY, THE SUPPORT RATE FOR THE SHINSHINTO (NEW FRONTIER PARTY) DROPPED SHARPLY FROM 0 PERCENT TO 5 PERCENT.

LDPQS DRAFT PUBLIC SERVANTSQ ETHICS LEGISLATION NOT WELCOMED BY THE GOVERNMENT (TOKYO SHIMBUN - TOP PLAY)

AN OUTLINE OF A NATIONAL PUBLIC SERVANTS ETHICS BILL (TENTATIVE NAME), DRAFTED BY THE LIBERAL DEMOCRATIC PARTY (LDP) CABINET DEPARTMENT (CHAIRER BY HAJIME OGAWA), WAS REVEALED ON THE 11TH. THE DEPARTMENT HAS BEEN LOOKING INTO LEGISLATION SINCE LATE LAST YEAR AS PART OF THE PARTY'S EFFORT TO PREVENT A RECURRENCE OF BUREAUCRATIC SCANDALS LIKE THE GRAFT CASE INVOLVING THE HEALTH AND WELFARE MINISTRY. SPECIFICALLY, THE LDP'S DRAFT CALLS FOR MAKING IT OBLIGATORY FOR SENIOR PUBLIC SERVANTS TO REPORT AND MAKE PUBLIC THEIR NON-SALARY INCOMES. IN

CONTRAST, THE GOVERNMENT, WHICH IS RELUCTANT ABOUT SUBMITTING ANY ETHICS BILL, IS CALLING FOR CAREFUL MEASURES TOWARD THE LDP CABINET DEPARTMENT. A TUG OF WAR BETWEEN THE GOVERNMENT AND LDP IS EXPECTED TO INTENSIFY OVER THE ETHICS BILL.

IMPORTS OF CONSUMER GOODS DROPPED LAST YEAR AS YEN WEAKENED (NIHON KEIZAI - PAGE 3)

THE SHARE OF IMPORTED GOODS IS DROPPING IN THE CONSUMER GOODS SEGMENT. THE SHARE OF IMPORTS IN MANUFACTURED GOODS IN THE JULY - SEPTEMBER QUARTER, 1996 MARKED 16.3 PERCENT, UP 0.2 PERCENTAGE POINTS OVER THE PRECEDING QUARTER, BUT THAT OF IMPORTED CONSUMER GOODS SHRANK 1.9 PERCENTAGE POINTS FOR THE FIRST TIME IN FOUR YEARS. A MAJOR FACTOR FOR THE DROP IS TRACEABLE TO THE ENHANCED COST COMPETITIVENESS OF DOMESTIC GOODS CAUSED BY THE UNCLAS SECTION 08 OF 08 TOKYO 001246

USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; VIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION; COMMERCE FOR JEAN GRIER IN GENERAL COUNCIL'S OFFICE, DAS; USCINCPAC/PA; CINCPAC FLT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 12

LOWER YEN TREND AND PROGRESS IN INDUSTRIAL RESTRUCTURING. THE CURRENT YEN EXCHANGE HAS FALLEN MORE THAN 10 PERCENT FROM THE REPORTING PERIOD WHEN THE YEN WAS QUOTED AT AROUND 110 YEN. CHANCES ARE THAT THE SHARE OF IMPORTED GOODS WILL FOLLOW A DOWNWARD TREND NOT ONLY IN THE CONSUMER GOODS SEGMENT BUT ALSO IN MANUFACTURED GOODS AS A WHOLE.

THE SECTOR-BY-SECTOR ANALYSES OF THE SHARES OF IMPORTED GOODS IN THE JULY - SEPTEMBER QUARTER, 1996 HAVE REVEALED THAT THAT OF CONSUMER GOODS WAS 17.7 PERCENT, THAT OF CAPITAL GOODS 11.5 PERCENT AND THAT OF PRODUCER GOODS 18.5 PERCENT. APART FROM CONSUMER GOODS, THE SHARE OF IMPORTS OF CAPITAL GOODS FELL. THE SETTING IN OF THE LOWER-YEN TREND HAS BROUGHT ABOUT HIGHER COSTS TO OVERSEAS PRODUCTION AND IMPORTS OF GOODS IN SOME INDUSTRIAL SEGMENTS, CAUSING A SHIFT FROM IMPORTED GOODS TO DOMESTIC GOODS.

IN THE MEANTIME, DOWNWARD TENDENCIES ARE PERSISTENT IN THE SHARE OF IMPORTS OF PRODUCER GOODS, SUCH AS PARTS. THE JAPAN RESEARCH CENTER ANALYZED THE TREND, "A MAJOR MANUFACTURER OF PRODUCER GOODS IS MEDIUM AND SMALL-SIZED BUSINESSES, WHERE THE EFFECTS OF RESTRUCTURING CANNOT BE PRODUCED EASILY." THE VIEW IS THAT ALTHOUGH THERE IS THE

IMPACT OF THE DEPRECIATION OF THE YEN, THE SITUATION IS CONTINUING WHERE THE MANUFACTURERS OF PRODUCER GOODS ARE UNABLE TO SEIZE THE HIGH GROUND REGARDING COST PERFORMANCE, COMPARED WITH PRODUCTS OF ASIA, SUCH AS CHINA.

THE SHARE OF IMPORTED GOODS IN MANUFACTURED GOODS AS A WHOLE HAS FOLLOWED AN UPWARD TREND FROM THE APRIL - JUNE QUARTER, 1991. IN THE BACKGROUND ARE CIRCUMSTANCES THAT LEADING MANUFACTURERS, WHICH HAVE BEGUN COST-CUTTING EFFORTS IN ORDER TO COUNTER THE HIGHER-YEN TREND AND THE COLLAPSE OF THE BUBBLE ECONOMY, HAVE INCREASED OVERSEAS PARTS PROCUREMENT. WITH THE INCREASE IN REVERSE IMPORTS OF DURABLE CONSUMER GOODS, SUCH AS AUTOS AND HOUSEHOLD ELECTRIC APPLIANCES FROM AROUND 1993, THE SHARE OF IMPORTED CONSUMER GOODS HAS RAPIDLY RISEN.

THE LOWER YEN TREND HAS BEEN ABATED FOR THE TIME BEING AS A RESULT OF THE MEETING OF GROUPS OF SEVEN FINANCE MINISTERS AND CENTRAL BANKERS (G-7) HELD LAST WEEKEND, WHICH AGREED TO STABILIZE THE EXCHANGE MARKET. HOWEVER, MOVES FOR CORRECTING THE EARLIER HIGHER-YEN SHIFT HAVE ALREADY EMERGED, AS SEEN IN THAT HONDA-GIKEN HAS DECIDED TO SWITCH PART OF ITS OVERSEAS PRODUCTION TO DOMESTIC PRODUCTION. THE POSSIBILITY IS THAT IF THE DOLLAR MAINTAINS ITS CURRENT HIGH AT AROUND 120 YEN, A SHIFT OF PRODUCTION TO JAPAN WILL GAIN STRENGTH, CENTERING ON CONSUMER GOODS. CRANE

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- (1) EDITORIAL: Don't Impair the Trust in the Japan-U.S. Security Treaty Relationship

YOMIURI (Page 3) (Full)
February 12, 1997

A security arrangement can only display its basic functions -- protecting a country's peace and the security of its people -- when it enjoys the trust of the people.

In that sense, we can only call regrettable the incident of an accidental firing of bullets containing depleted uranium by U.S. forces at a firing range near Torishima Island in Okinawa Prefecture, and the response that was taken afterward. The Japanese Government also should be severely criticized for its way of handling this incident.

The two governments must now take thorough measures so this incident will not lead to a feeling of distrust of the U.S. forces -- and of the Japan-U.S. security arrangement.

One of the problems about this event is that depleted-uranium bullets -- which, according to the U.S. military's regulations, can be used in training only at some specific ranges on the U.S. mainland -- were fired from fighter planes. The second problem is the fact that it took more than a year after the incident took place for the U.S. Government to inform the Japanese Government of it.

The Japanese Government has protested to the U.S. Government regarding the accidental firings and the delay in informing it. The U.S. Government also
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admitted formally that the U.S. side was to blame, and apologized. That is only natural.

Additionally, the Ministry of Foreign Affairs must be taken to task for not telling Okinawa Prefecture anything about the incident for a month after the U.S. informed the Japanese Government.

Depleted uranium is said to cause no harm to one's health unless swallowed. Depleted-uranium bullets also are classified under the category of conventional weapons. The U.S. says that the U.S. military sent experts to Torishima Island and also to the waters around the island for an environmental survey, and has confirmed that there were no effects on the human body or on the environment.

However, the U.S. forces have so far recovered only about 200 of the estimatedly 1,500 fired depleted-uranium bullets, the rest being still uncollected. Since the U.S. prohibits its military from using such bullets outside specially designated ranges, the U.S. forces ought to make efforts also for recovery of the rest of those bullets for the sake of safety.

The U.S. side has expressed its intention of cooperating with the Japanese side in conducting an environmental survey. In order to dissolve the Okinawa prefectural people's anxieties, the Japanese Government also should carry out its own investigation.

It is also necessary to make utmost efforts to clear up the cause and prevent such an incident from recurring. Concerning the misuse of such ammunition, the U.S. military explains that it was

because of an "inadequate labeling" of those bullets. But the U.S. military will have to go so far as to look into why such labeling occurred. That will also become an effective measure to prevent recurrence.

Last December in Okinawa Prefecture, a U.S. military plane dumped a bomb into the sea off the city of Nahar. Touched off by that incident, the Japanese and U.S. governments started to discuss the issue of improving the system of reporting accidents caused by the U.S. forces. The two governments have just agreed also in a final report of their Special Action Committee on Facilities and Areas (SACO) to "secure timely reporting" between Japan and the U.S. This should be carried through again in a thoroughgoing way.

The Okinawa prefectural expropriation commission's examination of the central government's application for its continued requisitioning of land for U.S. military use in Okinawa is now at the crucial moment. The problem of constructing an alternative heliport for the Futenma airfield -- now being focused on in the proposed realignment and
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reduction of military bases -- is also at a subtle stage.

The incident this time must not pour cold water on the efforts to resolve such an "Okinawa" problem.

In that sense, linking the incident to a critical view of the Japan-U.S. security arrangement is too simplistic. That would lead to siding with those aiming to take advantage of it for their "anti-security (treaty), anti-base" movements. We hope Okinawa Prefecture and its people will show a calm response.

(2) EDITORIAL: Okinawa's Double Betrayal

ASAHI (Page 5) (Full)

February 12, 1997

Another accident linked to training exercises by the United States Forces in Japan (USFJ) has come to light.

The shock received has extended beyond the residents of Okinawa, where Torishima Island, the location of the firing ground where the accident occurred. The incident involved more than 1,500 bullets fired by Marine attack planes which were found to contain depleted-uranium that is prohibited in the U.S. except at special firing grounds due to their containing of radioactivity, although only slightly.

However, U.S. military officials did not inform the Japanese Government of such an accident for a year after such an occurrence. In addition, the Japanese Government, which had been notified of it only last month, did not immediately let Okinawa Prefecture know. What occasioned our government to release it was the fact that an American newspaper had broken the the news already.

This has become a frequent pattern.

As for the reason for its delay in informing the Japanese Government of the accident, the U.S. Government explained that there had been no effect on the environment. Unless otherwise required, the U.S. does not need to expressly inform Japan of details of drills and exercises they carry out at facilities that are offered under the U.S.-Japan Security Treaty. Added to it was apparently their view that the incident had occurred at a firing ground on an isolated island.

The Japanese side expressed deep regret (over the accident) to the U.S. Government and asked it to take steps to prevent a repeat of such an accident. At the same time, regarding the delay in informing local residents of such an incident, Japanese Foreign Ministry (MOFA) officials vindicated themselves by saying, "It took us considerable time to gather the information."

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But both responses shown by the Japanese and U.S. Governments are far from convincing.

Depleted-uranium bullets were employed in the Gulf war, and they became the focus of debate as to the relation of cause and effect because soldiers who returned from the battle fields complained of illness. The Clinton Administration's advisory panel however has denied any causality. But yet it is a well-known fact that uranium oxide, when burning at high temperature, becomes poisonous.

The task both the Japanese and U.S. Governments, with responsibility, have to grapple with should have been to release the full story of the firing drills now in question and carry out a survey as to what effect there has been near Torishima Island.

This must be for the Okinawan people an intolerable accident in many ways.

Last December the Japan-U.S. Special Action Program Committee released a report that specifies an effort "to timely inform " the other side of any accident, in line with the "USFJ's policy line of being a good neighbor." But right after that, a Marine aircraft dumped bombs off Naha City, and it took two days before that fact was made clear. Then the above accident was revealed only now.

"Nothing has changed. Do they have any desire to improve the situation?" -- Okinawan Governor Masahide Ota said. He continued: "Do they think Okinawa is still under their occupation?" No doubt that feeling is shared by many Okinawan residents.

Why did the U.S., a country that is supposed to be an advanced country in terms of information disclosure, conceal the accident? Why does the Japanese Government fall silent when it comes to activities by U.S. forces?

Our concern is that repeated incidents may help Okinawan people only to become more distrustful of the Japanese Government and make it difficult to solve the now-strained situation over the bases issue that includes relocation of Futenma Air Station and the forcible use of land for U.S. military facilities.

Prime Minister Ryutaro Hashimoto has stated he would throw all his energies into resolving the Okinawa problem. Okinawa keeps a watchful eye on

what the central government will do. The Prime Minister should let it become engraved in his mind how the circumstances as to the accident this time rubbed the prefectural residents the wrong way.

"Japan and the United States of America, desiring to strengthen the bonds of peace and friendship traditionally existing between them, and to uphold the principles of democracy, individual liberty,
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and the rule of law" -- a principle that is given in the preamble of the security treaty, but it is remote from the reality facing Okinawa, which continues to provide its helping hand to the security treaty.

A Japan-U.S. summit meeting is planned for April. The Prime Minister's job on that occasion should be to lead President Clinton into removing that contradiction. The first matter in opening the door to resolving the Okinawa problem would be to discuss the outlook for cutting back the Marines stationed there.

(3) EDITORIAL: Accidental Firing of Depleted-Uranium Bullets: Putting a Lid on Something Smelly Should Not Be Allowed

MAINICHI (Page 5) (Full)
February 12, 1997

Japan is providing the U.S. forces in Japan (USFJ) military bases, training areas and firing ranges in accordance with the U.S.-Japan Security Treaty. The Japanese people's understanding and their cooperation are indispensable for the smooth operation of the USFJ.

What is most important to that end, we believe, is not keeping the people in the dark for such may result in distrust toward the two governments and the U.S. armed forces.

An accident that may lead to such a consequence has occurred again in Okinawa Prefecture.

It has come to light that about one year ago U.S. Marine Corps Harrier fighters belonging to the Iwakuni Air Station had accidentally fired 1,520 radioactive bullets containing depleted uranium during training over Torishima, an uninhabited island in Okinawa Prefecture.

The U.S. armed forces use depleted-uranium bullets against tanks and fighters because they are more destructive than lead bullets. It is widely believed that their level of radioactivity is low and that they have no direct effects on human bodies. But rumor has it that the radioactive bullets the U.S. used for the first time in warfare during the Gulf War are partially responsible for the ill health of the soldiers who fought in the War.

In accordance with U.S. military regulations, the use of radioactive bullets is limited to firing ranges on U.S. mainland that are equipped with certain checking functions, such as for monitoring radioactivity. The accidental firing is ascribable to some errors in the ammunition catalogue. The firing took place in September 1995, soon after the tragic schoolgirl rape incident. The U.S. has explained that it was purely accidental. But the UNCLAS SECTION 06 OF 11 TOKYO 001287

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U.S. cannot escape the blame for its carelessness .

What is more serious is the fact that reporting`o the Japanese Government was not carried out for more than a year.

On December 10 last year, a U.S. fighter Hornet accidentally dropped a bomb in the waters off Naha City. At that time, it also took days for the U.S. forces to notify the Japanese Government about the accident. In an effort to improve the situation, the two countries begun to discuss the improvement

of the reporting system to deal with accidents. It is said that it was in this process that Japan learned for the first time from the U.S. side (about the accident involving radioactive bullets).

If the bomb had not been dropped last December, Japan may have been kept in the dark about the depleted-uranium accident.

Measures taken by the Japanese Government, especially those by the Foreign Ministry, are shabby. After being notified by the U.S. side about the accident, the Government kept it to itself for nearly one month, and finally notified Okinawa only after learning that a U.S. newspaper had begun to do a story on the accidental firing. Prime Minister Ryutaro Hashimoto remarked, "When I learned about the firing, I was very angry." But why didn't he instruct to make public the accident at that point?

The Government explained, "We figured that notifying Okinawa without knowing all the details would only amplify Okinawa's uneasiness." Is such an explanation reliable? After the bomb accident last December, it took two days for the Foreign Ministry to make public the dropping, supposedly because, "We have not grasped the danger or identified the spot the bomb was dropped."

At present, the Government is beset with sensitive problems, such as offshore heliport construction to replace Futenma Air Station and the land leases for 13 U.S. military facilities. Under such a condition, it cannot be helped if the Government is suspected of "putting a lid on something smelly."

Okinawa Governor Masahide Ota has expressed a sense of distrust toward the two governments, noting, "Not again! It makes me furious. The U.S. forces may be cherishing the illusion that Okinawa is still under the U.S. Occupation." Japan and the U.S. should do their best to dispel Okinawa's distrust by coming up with sound preventive measures, identifying the causes, determining effects on the environment, and solidifying the reporting system between the two countries.

(4) Budget, "Okinawa" Law Revision: SDP Going for Conditional Struggle; Sense of Crisis about LDP's Possible Breakoff with SDP
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NIHON KEIZAI (Page 2) (Full)
February 11, 1997

The Social Democratic Party is now beginning to grope for a path to "conditional approval" on such immediate pending issues as the FY1997 budget and the problem of revising a special land lease law for the (U.S.) forces stationed in Japan (tokusoho) for the Government's continued expropriation of land for U.S. military bases on Okinawa. What lies behind this move is the SDP leadership's sense of crisis: "If there is a delay in making a decision on our attitude, that may cause the LDP to abandon the SDP, for the LDP is now expecting a majority in the Lower House." In the SDP, however, there is also a negative reaction, claiming that "it's too early to show our hand."

Concerning the issue of how to deal with the FY1997 budget, SDP Secretary General Shigeru Ito promoted coordination behind the scenes with the Liberal Democratic Party's Secretary General Koichi Kato and others, and the SDP has generally agreed to "vote for the budget if the Government-LDP side gives a positive answer to the SDP's presentation of three to five conditions around February 20." The SDP is now presuming a positive answer to its proposal of principal conditions, such as considering relief measures -- instead of a special tax cut of two trillion yen for those in the middle brackets of income.

Another pending issue left on the other hand is what to do about the problem of U.S. military bases on Okinawa. On this issue, Ito and other SDP officers, including the SDP's former vice chairman and Dietmember from Okinawa, Kosuke Uehara, have frequently made contact with the Foreign Ministry's North American Affairs Bureau Deputy Director General Hitoshi Tanaka to probe for areas of accommodation. Ito implied on February 7 that if the Government shows a stance of tackling such tasks as reducing the U.S. Marines in Okinawa, that could become a condition for the SDP to approve a planned revision of the special measures law.

The SDP's executive officers are now harboring a growing sense of crisis about their party's having

virtually lost a casting vote in the Lower House, so its head, Takako Doi, who used to show a strong imprint of her party's being ready to go back to the opposition bench, and some of her aides are now also voicing their cautious views about the SDP's breaking away from the ruling camp at an early date. The moves of Ito and others are based on such intra-party circumstances.

However, other SDP Dietmembers close to Doi have now raised an objection to such moves, as one of them complained: "If we so early clarify our party's conditional approval, we won't be able to display our party's reason for its existence."

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They are going to challenge an argument at a meeting of the SDP's standing secretaries scheduled to be held on February 12. On the other hand, Ito also touched on the Okinawa problem on February 10, and then he told the press: "At the present stage, we're not thinking of approving a revision of the special measures law." So remarking, Ito stressed that what he has said does not mean that revising the law is acceptable. It is, therefore, true that the SDP leadership is at a loss, and the future course of intra-party coordination is unclear.

(5) Former House Speaker Thomas Foley, a Japan Expert with Full Confidence of the President, Informally Picked as New U.S. Ambassador to Japan

SANKEI (Page 1) (Full)
Eve., February 12, 1997

(Washington, February 11, Yoshihisa Komori)

It has informally been decided as of the 11th that former House Speaker Thomas Foley would be appointed new U.S. ambassador to Japan. It is expected that several more weeks are necessary before a public announcement and Congressional approval are made. Foley has long been known as a politician knowledgeable about Japan and for his

political clout in the Clinton Administration.

According to a Congressional source close to Foley on the 11th, he has been tapped informally by the Clinton Administration for the post of either ambassador to England or to Japan. As a result, he has recently transmitted to the Administration his decision to accept the post to Japan and revealed his decision to members in the Senate, which will deliberate on his appointment.

Given two options, London or Tokyo, he had leaned temporarily toward London, but because the ambassador's residence in London is under major facelift which would not good for his health, and because his wife, Heather, has opted for Tokyo, he has finally picked Tokyo, according to the source. Foley himself, however, released a statement through his secretary to the Sankei Shimbun on the 11th, "I cannot make any comment."

Thomas Foley was born in 1929, and is now 67. After graduating from the University of Washington, he practiced law, served as assistant attorney general, State of Washington, and served as a member of the staff of the U.S. Senate. He was elected to the House of Representatives in 1964 as a member of the Democratic Party from the fifth district (Spokane) from the State of Washington. He was reelected to each succeeding Congress, and appointed House majority whip in 1981, elected House majority leader in 1987, and elected Speaker of the House in 1989. But in the 1994 election, he was defeated by a new Republican candidate.

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Due largely to strong trade ties between Japan and the State of Washington, his home state, in such areas as agriculture and airplane, he has been involved deeply in exchanges with Japan and bilateral relations since the 1970. He is known as an influential, pro-Japanese politician who places importance on friendly Japan-U.S. relations.

He has been regarded as liberal in the Democratic Party. In addition, being a strong backer of President Clinton since the 1992 presidential election, he as a key Democrat had a number of major accomplishments in persuading the Congress to pass various bills. Reportedly, he enjoys the full confidence of President Clinton.

After losing a House seat in the November 1994 election, he has resumed his law practice at the law firm Akin, Gump, and Strauss (TN: phonetic) in Washington.

(6) Administrative Reform with Burning Determination; Finance Ministry International Financing Bureau Director General Eisuke Sakakibara -- Part 3; Time to Unify Public Opinion; Corruption Is Problem of Japan as a Whole; Emotional Bashing Is Harmful

MAINICHI (Page 2) (Full)
January 27, 1997

-- Unfortunately, there is a deep-seated public view that "the root source of all evil is to be found in the Finance Ministry (MOF)."

I think that the recent series of scandals involving MOF were responsible for such a remark, starting from two credit unions in Tokyo, housing loan corporations (jusen) and then there were stories about Mr. Nakajima (former Budget Bureau Deputy Director General Yoshio Nakajima, who was criticized for being frequently wined and dined and for amassing a fortune).

-- There was also the scandal involving Taya (Yiroaki Taya, former chief of the Tokyo Customs Office, whose trip to Hong Kong by a private airplane owned by a defendant of the two Tokyo's credit unions case was uncovered).

Oh yes. I think those scandals have been emotionally amplified and given rise to MOF-bashing. I do not mean to say that such a criticism is improper.

-- Are the problems of Nakajima and Taya a symbol of the disease of MOF or an exceptional case?

That is a difficult question, but if you say that is special, it is special. There is, however, no mistake that entertainment spending was rather lavish during the bubble years. In those days, the entire nation, including the private sector, were

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spendthrifts. Bureaucrats should have been a bit more stoic as they once were. But they were unable to be stoic. They succumbed to the malaise current during the bubble economy.

In addition, what is characteristic of scandals occurring at government offices is that they are all intertwined with politics. That guy (the defendant Hiroshi Koyama, who allegedly practiced bribery), in the Okamitsu incident (Nobuharu Okamitsu, former administrative vice minister of the Health and Welfare Ministry), who was formerly a secretary to Mr. Tamaoki (Kazuro. former Management and Coordination Agency Director General). A scandal also occurred at the Budget Bureau in the Finance Ministry.

That is the outcome of various interactions with politics. It is probably true that corruption has played on our decision-making process, which has been systematized with "politics" and "the bureaucracy" intertwining with each other. I think that the time has come when we need to plunge a scalpel into such a situation and bring about a drastic change.

-- In view of such a critical mind, what is your opinion on the current issue of reforming MOF, such as breaking away the financial sector to make it into an independent entity?

That issue is now being discussed, and so, I am not in a position of commenting on that. However, I think I am aware that MOF's financial administration has to undergo a sea change. I am not against either administrative reform, reform of MOF or deregulation. However, well, this may be taken as criticism of journalism, but ...

-- Please go ahead.

What I would like to say is that the cycle of scandal, bashing, scandal and bashing has to be cut off somewhere. The first was Kakuei Tanaka, and

then the Liberal Democratic Party's (LDP) Keiseikai (Takeshita Faction) and now MOF. I am not saying that there has never been corruption, but I feel that raising criticism, riding on the trend, has the reverse effect of being harmful at a time when reform is to be embarked, setting an eye on 100 years ahead.

Emotional Bashing Is Harmful

I was recently talking with a reporter of a certain newspaper. He said that the desk thrusts back a draft copy to a reporter, saying, "Write more criticism of MOF." It's not your company (Mainichi), though (laughter).

-- The key point of reporting scandals is to report facts. It is not to convey the mood.

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What I would like to say is that we should grasp the issue not as that of MOF alone but as a problem of Japan's system as a whole. Problems that have been pointed out in connection with MOF are problems that are more or less held by large organizations, including private organizations and newspaper companies.

Mr. Ushio (Jiro Ushio, who heads the Japan Association of Corporate Executives) once said in some round-table, "People say that bureaucrats have lost fidelity or benevolence, but I want to ask, do people in the private sector have (fidelity or benevolence)?"

In the age of reform, it is not possible to read the future, and so, Japanese are entertaining strong apprehensions. Therefore, I want to say that to give vent one's anger, by bashing a specific organization in the name of "reform" might result in stirring up the anxiety of the people.

-- We will admonish ourselves. Let's get back to

the administration issue.

As I said, we will do what should be done. Europe has formed the European Union (EU). It is likely to go along smoothly. The American economy is on the upswing. We must counter such trends.

The Hashimoto Cabinet has left the fate of his administration up to reform. He thinks that if he fails, his administration will collapse. I think he will make an earnest effort. In order to produce results, public opinion has to be united to some extent. In order for that thoroughgoing debate is needed. That is why I accepted this interview. Bureaucrats usually do not speak in forums like this.

-- We are grateful for that.

Ha, ha, ha.

(Interviewers: Political News Section Reporter Takao Yamada and Economic News Section Reporter Chiei Ito)

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