

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Optimistic on Okinawa (5 pages)	02/14/1997	P1/b(1)
002. cable	Re: Lands Expropriation Law (7 pages)	02/20/1997	P1/b(1)
003. cable	Re: Marine Force Levels in Okinawa (5 pages)	02/20/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[02/12/1997 - 02/20/1997]

2016-0420-F

sb1896

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO1292 0431234-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 121234Z FEB 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 121234Z FEB 97
ORIG: AMEMBASSY TOKYO
TO: RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 3195
RUHBANB/OAFO CAMP BUTLER JA PRIORITY
RUHVPAC/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N541// PRIORITY
RHHMUNA/USCINCPAC HONOLULU HI//USIA// PRIORITY
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA PRIORITY
RUEATRS/TREASURY DEPT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC//USDA/ISA// PRIORITY
RUEHC/SECSTATE WASHDC PRIORITY 2714
RUALSFJ/COMUSJAPAN YOKOTA AB JA PRIORITY
INFO: RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 0506
RUEHKOF/AMCONSUL FUKUOKA PRIORITY 3692
SUBJ: MEDIA REACTION, U.S.-JAPAN SECURITY; TOKYO
TEXT:

UNCLAS TOKYO 001292

USIA

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

E.O. 12958; N/A

SUBJECT: MEDIA REACTION, U.S.-JAPAN SECURITY; TOKYO

LEAD STORIES: MOST WEDNESDAY MORNING PAPERS GAVE TOP
COVERAGE TO THE PLANNED PRELIMINARY TALKS BETWEEN THE
PERUVIAN GOVERNMENT AND GUERRILLAS HOLDING 72 CAPTIVES
AT THE JAPANESE AMBASSADOR'S RESIDENCE IN LIMA.

1. "DON'T DAMAGE TRUST IN THE U.S.-JAPAN ALLIANCE" THE
TOP-CIRCULATION, MODERATE YOMIURI EDITORIALIZED
(FEBRUARY 12), "A SYSTEM OF NATIONAL SECURITY, DESIGNED
TO PROTECT THE PEACE AND SECURITY OF A NATION, CAN ONLY
BE EFFECTIVE WHEN PEOPLE HAVE TRUST IN IT. IN THAT
SENSE, THE INADVERTENT FIRING OF DEPLETED-URANIUM
BULLETS BY U.S. MARINE AIRCRAFT DURING TRAINING ON THE
TORISHIMA GUNNERY RANGE NEAR OKINAWA (FROM LATE 1995 TO
EARLY 1996,) AND THE YEAR-LONG DELAY BY THE U.S.

GOVERNMENT IN NOTIFYING THE JAPANESE GOVERNMENT WAS VERY REGRETTABLE. THE GOJ HANDLING OF THE CASE SINCE THE NOTIFICATION ALSO MERITS CRITICISM.

"THE U.S. AND JAPANESE GOVERNMENTS SHOULD TAKE STRONG STEPS TO ENSURE THAT THIS LATEST CASE DOES NOT SOW DISTRUST OF THE U.S. MILITARY AND THE SECURITY RELATIONSHIP AMONG THE JAPANESE PEOPLE.... THE U.S. BASE ISSUE IS COMING TO AN IMPORTANT POINT AS THE OKINAWA PREFECTURAL LAND EXPROPRIATION COMMISSION WILL SHORTLY SCREEN REQUESTS FOR RENEWING LAND LEASES FOR 12 U.S. MILITARY FACILITIES, INCLUDING KADENA AB. THE RELOCATION OF THE USMC HELIPORT FROM FUTENMA TO ANOTHER SITE IS ALSO ABOUT TO ENTER THE DELICATE STAGE. THIS INCIDENT SHOULD NOT THROW COLD WATER ON ONGOING EFFORTS TO RESOLVE THE OKINAWA BASE ISSUE."

2. "OKINAWA BETRAYED BY THE U.S. AND JAPAN" THE LIBERAL ASAHI OBSERVED (FEBRUARY 12), "ANOTHER DEPLORABLE INCIDENT INVOLVING THE U.S. MILITARY IN JAPAN HAS COME TO LIGHT. THE OKINAWAN PEOPLE WERE NOT THE ONLY ONES SHOCKED BY THE FIRING OF DEPLETED-URANIUM BULLETS BY THE U.S. MILITARY. ABOUT 1,520 ROUNDS OF AMMUNITION, FIRED BY A USMC ATTACK JET DURING TRAINING, CONTAINED A LOW LEVEL OF RADIOACTIVITY. THE USE OF THE DEPLETED-URANIUM BULLETS IS PROHIBITED AT U.S. MILITARY GROUNDS IN THE U.S. EXCEPT FOR SPECIALLY-DESIGNATED GUNNERY RANGES.

"THE U.S. MILITARY WITHHELD INFORMATION ON THE INCIDENT FOR ABOUT A YEAR BEFORE NOTIFYING TOKYO. THE JAPANESE GOVERNMENT RECEIVED NOTIFICATION LAST MONTH, BUT DID NOT REPORT IT IMMEDIATELY TO THE OKINAWA PREFECTURAL GOVERNMENT. TOKYO MADE PUBLIC THE INCIDENT ONLY AFTER A U.S. NEWSPAPER REPORTED IT. THIS PRACTICE IS OFTEN REPEATED BETWEEN THE U.S. MILITARY AND THE JAPANESE GOVERNMENT. WHY DOES THE U.S., A NATION WHERE FREEDOM OF INFORMATION IS GUARANTEED, WITHHOLD ACCIDENTS INVOLVING THE U.S. MILITARY? WHY DOES THE JAPANESE GOVERNMENT ALWAYS HOLD ITS TONGUE ABOUT THESE CASES? "WE FEAR THAT REPEATED INCIDENTS LIKE THIS INVOLVING THE U.S. MILITARY WILL SPREAD DISCORD BETWEEN THE OKINAWAN PEOPLE AND THE CENTRAL GOVERNMENT AND MAKE SETTLEMENT OF THE ALREADY TENSE OKINAWA BASE ISSUE MORE DIFFICULT... PM HASHIMOTO SHOULD KEEP IN MIND HOW MUCH THE DEPLETED-URANIUM BULLET CASE RUBBED THE OKINAWAN PEOPLE THE WRONG WAY... THE CONTRADICTION BETWEEN THE PREAMBLE OF THE U.S.-JAPAN SECURITY TREATY AND THE REALITIES OF OKINAWA REMAINS. TALKS BETWEEN PRESIDENT CLINTON AND PM HASHIMOTO ARE TENTATIVELY SET FOR APRIL. THE PRIME MINISTER SHOULD ASK THE PRESIDENT TO DISCUSS HOW TO RESOLVE THESE CONTRADICTIONS."

CRANE

SECT: SECTION: 01 OF 01

SSN: 1292

TOR: 970212085853 M2614112

DIST:

SIT: BAKER KRECKO KRISTOFF PRITCHARD SAMORE SEATON SESTAK SUETTINGER
TUCKER URIU
SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO1303 0440433-UUUU--RHEHAAX.
LINE2: ZNR UUUUU ZZH
LINE3: O 130433Z FEB 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 130433Z FEB 97
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TO: RUEHC/SECSTATE WASHDC IMMEDIATE 2722
RUEHIA/USIA WASHDC IMMEDIATE 3196
INFO: RHEHAAA/WHITE HOUSE WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUCPDOG/USDOC WASHDC
RUEBBEA/USDOT WASHDC
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
RUEAWJB/USDOJ WASHDC
RUEAIIA/CIA WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 13
TEXT: UNCLAS TOKYO 001303

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 13

TOP HEADLINES:

ASAHI: HIGH NORTH KOREAN OFFICIAL HWANG JANG YOP -- AIDE
TO SECRETARY KIM -- ASKS ASYLUM IN ROK; AT ROK EMBASSY IN
BEIJING

NIHON KEIZAI: NORTH KOREAN SECRETARY HWANG, SECRETARY
KIM'S AIDE, SEEKS ASYLUM IN ROK; ON HIS WAY BACK FROM
JAPAN TO HIS COUNTRY; HE IS NOW UNDER PROTECTION IN
BEIJING

TOKYO SHIMBUN: NORTH KOREAN SECRETARY HWANG SEEKS ASYLUM IN ROK; AIDE TO SECRETARY KIM JONG IL; ON HIS WAY BACK FROM JAPAN TO NORTH KOREA, HE APPLIES FOR ASYLUM TO EMBASSY IN BEIJING, ACCORDING TO ROK GOVERNMENT'S BRIEFING

MAINICHI: NORTH KOREAN SECRETARY HWANG ASKS ASYLUM IN ROK; AIDE TO SECRETARY KIM JONG IL; JUST AFTER LEAVING JAPAN, HE IN BEIJING SEEKS REFUGE

YOMIURI: NORTH KOREAN SECRETARY HWANG DEFECTS IN BEIJING AFTER HIS JAPAN VISIT, SEEKING ASYLUM IN ROK; AIDE TO SECRETARY KIM AND MAINSTAY OF "CHUCHE OR SELF-RELIANCE THINKING"; CHINESE, ROK FOREIGN MINISTERS DISCUSSING "HIS DEPARTURE"

SANKEI: SECRETARY HWANG JANG YOP MAKES AN ASYLUM REQUEST TO ROK EMBASSY IN BEIJING AFTER HIS TOKYO VISIT; HE IS CLOSE TO NORTH KOREAN SECRETARY KIM JONG IL; AUTHORITY ON CHUCHE THINKING; MAY ABANDON HIS COUNTRY'S SYSTEM?

HIGH-LEVEL NORTH KOREAN DEFECTION TO THE ROK: FOREIGN MINISTRY TAKEN COMPLETELY BY SURPRISE (SANKEI - PAGE 2)

NORTH KOREAN SECRETARY HWANG JANG YOP YESTERDAY SOUGHT POLITICAL ASYLUM IN THE REPUBLIC OF KOREA (ROK). THE JAPANESE GOVERNMENT AND THE FOREIGN MINISTRY (MOFA) ARE NOW SPEEDING UP INFORMATION-GATHERING, SAYING, "SUCH A SITUATION WAS COMPLETELY UNEXPECTED" (SENIOR MOFA OFFICIAL). OFFICIALS, HOWEVER, HAVE BEEN UNABLE TO FATHOM WHAT THE IMPACT OF HIS SEEKING ASYLUM WILL BE ON THE FUTURE OF THE KOREAN PENINSULA, AS WELL AS ON SUCH PROBLEMS AS THE RESUMPTION OF NEGOTIATIONS FOR NORMALIZATION BETWEEN JAPAN AND NORTH KOREA. THEIR CONCERN IS BECAUSE "HE IS THE HIGHEST NORTH KOREAN OFFICIAL EVER TO DEFECT" (SENIOR MOFA OFFICIAL), AND THE LACK OF A CLEAR REASON FOR HIM HAVING CHOSEN POLITICAL ASYLUM.

AS FOR THIS ASYLUM CASE, MOFA WAS INFORMED YESTERDAY AFTERNOON BY THE ROK GOVERNMENT, WHICH STATED, "WE ARE GOING TO ANNOUNCE THAT THERE HAS BEEN A CASE OF POLITICAL ASYLUM." IN RESPONSE TO THAT NOTIFICATION, SOON AFTER THE LOWER HOUSE BUDGET COMMITTEE SESSION WAS OVER, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA CAME BACK TO THE PRIME MINISTER'S OFFICIAL RESIDENCE (KANTEI) IN ORDER TO COLLECT MORE INFORMATION.

SINCE (HWANG) IS A CLOSE CONFIDANT OF SECRETARY KIM JONG IL AND IS THE NORTH'S CHIEF THEORETICIAN OF "CHUCHE" OR "SELF-RELIANCE THINKING," SOME IN JAPAN TAKE HIS POLITICAL ASYLUM AS AN INDICATION THAT A MAJOR SHAKEUP IS GOING ON IN NORTH KOREA, ARGUING, "THE REASON FOR HIS SEEKING ASYLUM MAY BE HIS ANXIETY AND DESPAIR OVER THE FUTURE OF HIS STATE, NORTH KOREA" (SENIOR MOFA OFFICIAL).

ON WHAT IMPACT (THIS ASYLUM CASE) WILL HAVE ON THE

DOMESTIC SITUATION IN THE NORTH, THE ABOVE OFFICIAL STATED, "IT WILL NOT BE MADE PUBLIC, BUT IT WILL GET AROUND BY WORD OF MOUTH," SHOWING HIS PERSPECTIVE THAT PUBLIC UNREST WILL INEVITABLY SPREAD IN NORTH KOREA AFTER THIS ASYLUM CASE.

HOWEVER, AS TO WHAT EFFECT THERE WILL BE ON INTERNATIONAL ISSUES LINKED TO THE NORTH KOREAN SITUATION, A MOFA SOURCE ANALYZES THAT BECAUSE SUCH A "BIGWIG" OFFICIAL SOUGHT ASYLUM, IT IS VERY LIKELY THAT THE NORTH KOREAN LEADERSHIP WILL BECOME SUSPICIOUS ABOUT EVERYONE. SO FOR A WHILE, IT WILL BECOME DIFFICULT FOR RESPONSIBLE OFFICIALS TO GO ABROAD." THE DOMINANT VIEW HERE IS THAT PROGRESS IN RESOLVING INTERNATIONAL ISSUES RELATED TO NORTH KOREA CANNOT BE EXPECTED.

REGARDING THE ROK, A COUNTRY THAT HE CHOSE AS A PLACE TO DEFECT, THERE IS A VIEW IN JAPAN THAT "SINCE HWANG IS A LEADER OF CHUCHE THINKING, THE ROK'S ADVANTAGE WILL BE HE CAN ASK HWANG ABOUT A LOT ABOUT SUCH A THINKING" (OFFICIAL OF THE PRIME MINISTER'S RESIDENTIAL OFFICE). ON THE OTHER HAND, THE CONCERN IS PREVAILING THAT "IF THE ROK TRIES TO EXCESSIVELY USE HWANG, THE OTHER SIDE WILL REACT FIERCELY" (MOFA SOURCE).

LDP SECRETARY GENERAL WORRIED ABOUT CONTINUITY OF NORTH KOREA'S CURRENT REGIME (NIHON KEIZAI - PAGE 2)

IN A PRESS BRIEFING HELD LAST NIGHT IN TOKYO, LIBERAL DEMOCRATIC PARTY SECRETARY GENERAL KOICHI KATO TOUCHED ON NORTH KOREAN WORKERS PARTY SECRETARY HWANG JANG YOP'S ASYLUM REQUEST TO DEFECT TO THE REPUBLIC OF KOREA (ROK), AND INDICATED HIS VIEW: "IF THAT IS TRUE, THERE WOULD HAVE A SERIOUS IMPACT. THE PYONGYANG GOVERNMENT WOULD SUFFER AN IMMEASURABLE BLOW. I THINK (NORTH KOREA) IS NEAR STARVATION, AND REGARDING ITS POLITICAL SYSTEM, I HAVE HARBORED DOUBTS AS TO WHETHER THE PRESENT POLITICAL REGIME WILL CONTINUE INTO THE FUTURE."

GOVERNMENT FEARS DELAY IN SOUTH-NORTH DIALOGUE (NIHON KEIZAI - PAGE 2)

KOREAN WORKERS PARTY SECRETARY HWANG JANG YOP, A POWERFUL OFFICIAL OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA) AND A CLOSE AIDE TO SECRETARY KIM JONG IL, HAS ASKED (THE REPUBLIC OF KOREA) FOR ASYLUM. THE JAPANESE GOVERNMENT IS NOW OBSERVING CLOSELY WHAT DEVELOPMENTS WILL NOW ARISE, THINKING THAT "IT MAY SERVE AS A NEGATIVE FACTOR IN EFFORTS TO REALIZE A SOUTH-NORTH (KOREA) DIALOGUE" (SENIOR FOREIGN MINISTRY (MOFA) OFFICIAL. THE GOVERNMENT'S ANALYSIS IS THAT NORTH KOREA WILL SUFFER A SEVERE BLOW FROM THE DEFECTION OF SECRETARY HWANG, A CHIEF THEORETICIAN OF CHUCHE OR SELF-RELIANCE IDEOLOGY. IF THIS CASE TRIGGERS AN EMOTIONAL ROUND OF ACCUSATIONS BETWEEN SOUTH AND NORTH KOREA, UNAVOIDABLY THERE WILL BE A SERIOUS IMPACT ON THE PROBLEM OF

REALIZING FOUR-WAY TALKS AT AN EARLY DATE, AS PROPOSED BY THE UNITED STATES AND THE REPUBLIC OF KOREA (ROK), AS WELL AS ON THE PLAN TO SUPPLY LIGHT-WATER REACTORS BY THE KOREAN ENERGY DEVELOPMENT ORGANIZATION (KEDO).

MOFA'S ANALYSIS OF SECRETARY HWANG'S ASYLUM REQUEST IS THAT SINCE HE HAD BEEN IN THE CENTER OF NORTH KOREA'S POLITICAL SYSTEM, "THE NORTH KOREAN LEADERSHIP WILL SUFFER AN IMMEASURABLE BLOW." IT NOTES THAT SECRETARY HWANG'S SUDDEN DEFECTION "INDICATES THAT THE REGIME IN NORTH KOREA IS IN SERIOUS TROUBLE." MOFA ALSO ANALYZES THAT (1) THE LIKELIHOOD IS STRONG THAT SECRETARY HWANG HAD BEFOREHAND PLANNED TO SEEK ASYLUM; AND (2) IT IS LESS LIKELY THAT THE NORTH WILL DENOUNCE JAPAN FOR THIS PROBLEM. FOR THOSE REASONS, MOFA BELIEVES THERE WOULD BE NO MAJOR IMPACT ON JAPAN'S NORTH KOREAN POLICY ITSELF.

MEANWHILE, HOWEVER, (MOFA) PREDICTS IF THE NORTH HARDENS ITS STANCE DUE TO SECRETARY HWANG'S ASYLUM, A JOINT EXPLANATORY MEETING, A RUN-UP FOR FOUR-WAY TALKS THE U.S. AND THE ROK ARE NOW PROMOTING, MAY REACH A DEADLOCK AGAIN. IN ADDITION, REGARDING A KEDO SURVEY THAT IS TO

BE LAUNCHED ON THE 22ND WITH MANY ROK TECHNICIANS ENTERING NORTH KOREA, MOFA IS CONCERNED THAT "IF THE NORTH WERE TO INDICATE REFUSAL, A DELAY IN THE KEDO PROGRAM WOULD BE UNAVOIDABLE."

FURTHERMORE, THE FOOD AID PROBLEM MAY BE THROWN INTO CONFUSION. REGARDING JAPAN'S RESPONSE IN CASE THE UNITED NATIONS' DEPARTMENT OF HUMANITARIAN AFFAIRS (DHA) AND OTHER AGENCIES ISSUE AN APPEAL FOR ADDITIONAL FOOD ASSISTANCE TOWARD NORTH KOREA, MOFA STILL MAINTAINS THE STANDPOINT THAT "WE ARE CONSIDERING IT BUT WE HAVE NOT YET ARRIVED AT A CONCLUSION." BUT IT IS VERY LIKELY THAT IF THE ASYLUM ISSUE MAKES SOUTH-NORTH RELATIONS EMOTIONALLY COMPLICATED, IT WILL BECOME DIFFICULT TO PROVIDE ADDITIONAL AID ALONG SUCH AN APPEAL BECAUSE OF CONSIDERATION FOR THE ROK.

IRAN JOINS BURMA IN REJECTING JAPANESE ODA LOANS
(NIHON KEIZAI - PAGE 9)

IN HIS PRESS BRIEFING ON THE 12TH IN TEHERAN, IRANIAN PRESIDENT RAFSANJANI CRITICIZED JAPAN FOR HAVING FROZEN ITS SECOND TRANCHE OF YEN LOANS TO IRAN FOR CONSTRUCTION OF A DAM, STATING "WE WILL BE ABLE TO CONSTRUCT THE DAM EVEN WITHOUT JAPAN'S ASSISTANCE." WITH THIS, HE MADE HIS VIEW CLEAR THAT JAPAN'S YEN LOAN WAS NO LONGER NEEDED.

THE IRANIAN PRESIDENT REMARKED THAT WHILE IRAN'S RELATIONS WITH JAPAN WERE "SATISFACTORY IN THE TRADE AND TECHNOLOGY AREAS," BUT HE SAID "WE ARE UNHAPPY WITH THE SUSPENSION OF THE YEN LOANS FOR THE DAM CONSTRUCTION PROJECT UNDER PRESSURE FROM THE UNITED STATES AND ISRAEL." HE THEN CONTINUED: "IRAN IS NOW BUILDING THE DAM BY ITS OWN EFFORTS. WE WILL BE ABLE TO COMPLETE THE

CONSTRUCTION IN TWO OR THREE YEARS WITHOUT JAPAN'S AID."

THE JAPANESE GOVERNMENT PROVIDED IRAN IN 1993 A TOTAL OF 38.6 BILLION YEN AS THE FIRST TRANCHE IN ITS YEN LOAN PACKAGE FOR CONSTRUCTION OF THE FOURTH KARUN DAM IN SOUTHWESTERN IRAN. IT WAS TO HAVE PROVIDED ANOTHER 45 BILLION YEN AS THE SECOND TRANCHE OF YEN LOANS IN THE SUMMER OF 1994 FOR THE HYDROPOWER PLANTS; BUT FACED WITH OPPOSITION BY THE U.S., WHICH HAS ADOPTED A POLICY LINE OF CONTAINING IRAN AS A TERRORIST-SUPPORTING COUNTRY, THE JAPANESE GOVERNMENT SUSPENDED THE DISBURSEMENT.

IN EARLY FEBRUARY, A HIGH-LEVEL BURMESE OFFICIAL ALSO INDICATED THAT JAPANESE YEN LOANS, FROZEN OVER BURMA'S HANDLING OF HUMAN RIGHTS, WERE NO LONGER NEEDED.
(BAHRAIN, SHINJI ITO)

PRIME MINISTER Q'S OFFICE CLEARLY RESPONSIBLE FOR POOR HANDLING OF RADIOACTIVE BULLETS INCIDENT
(MAINICHI - PAGE 2)

THE PROBLEM OF A COVER-UP OF THE FACT FOR MORE THAN ONE YEAR THAT U.S. MILITARY AIRCRAFT ASSIGNED TO JAPAN HAD MISTAKENLY FIRED DEPLETED-URANIUM BULLETS INTO A FIRING RANGE NEAR TORISHIMA ISLAND IN THE WESTERN OFFING OF OKINAWA PREFECTURE HAS NOW AGAIN MADE CLEAR THE DIFFERENCES IN SENSITIVITIES OF OKINAWA PREFECTURE, THE JAPANESE AND U.S. GOVERNMENTS, AND THE U.S. FORCES OVER THE PROBLEM OF U.S. MILITARY BASES. THE TWO GOVERNMENTS IS NOW IN THE PROCESS OF IMPROVING THEIR REPORTING SYSTEM, BUT THE CASE UNVEILED THIS TIME HAS DISCLOSED THAT THEY HAD FAILED TO MAKE FULL USE OF THE THE LESSON LEARNED OF THE PROBLEM OF MILITARY BASES SINCE THE SCHOOLGIRL RAPE INCIDENT THAT TOOK PLACE THE YEAR BEFORE LAST. EVEN THE FINAL GOAL OF RESOLVING THE ISSUE OF RELOCATING THE FUTENMA AIR STATION'S BASE FUNCTIONS IS YET TO BE IN SIGHT, AND THE GOVERNMENT ALSO MUST SOON ASK FOR LOCAL COOPERATION ON THE ISSUE OF CONTINUING ITS CURRENT REQUISITIONING OF LAND LOTS FOR U.S. MILITARY

USE. IN SUCH A DIFFICULT SITUATION, THE GOVERNMENT, AS A RESULT OF ITS OWN MISJUDGMENT, HAS NOW MADE THE PROBLEM OF U.S. MILITARY BASES ON OKINAWA EVEN MORE COMPLICATED.

POLITICAL INSENSIBILITY SHOWN; BASE PROBLEM EVEN MORE COMPLICATED

ACCORDING TO THE MINISTRY OF FOREIGN AFFAIRS, THE FACTS OF THE INCIDENT WERE REPORTED TO PRIME MINISTER RYUTARO HASHIMOTO AND CHIEF CABINET SECRETARY SEIROKU KAJIYAMA ON JANUARY 17 THROUGH OFFICIAL CHANNELS. CONCERNING THIS MATTER, PRIME MINISTER HASHIMOTO IN HIS FEBRUARY 12 DIET REPLY BEFORE THE LOWER HOUSE BUDGET COMMITTEE INTRODUCED AN EXCHANGE OF WORDS IN WHICH THE PRIME MINISTER, WHEN IT WAS REPORTED TO HIM BY AN OFFICIAL FROM MOFA, ASKED IF MOFA HAD ALREADY REPORTED IT TO OKINAWA, AND THE MOFA OFFICIAL THEN ANSWERED THAT THE OFFICIAL WAS "THINKING OF

REPORTING IT (TO OKINAWA) AFTER LOOKING INTO A LITTLE BIT MORE." THE PRIME MINISTER HAS THUS INDICATED THAT IN HIS VIEW IT HAD NOT BEEN REPORTED TO OKINAWA AT A MOFA OFFICIAL'S OWN JUDGMENT.

MOFA EXPLAINS WHY IT DID NOT REPORT THE FACT TO OKINAWA PREFECTURE: "IT WAS BECAUSE WE HAD ONLY FRAGMENTARY INFORMATION." FOREIGN MINISTER YUKIHIKO IKEDA ALSO EXPLAINED TO OKINAWA PREFECTURE'S LIEUTENANT GOVERNOR MASANORI YOSHIMOTO DURING THEIR MEETING AT MOFA ON THE 12TH: "TIME PASSED WHILE WE WERE MAKING CONTACT WITH THE U.S. SIDE." HOWEVER, MOFA FAILED TO MAKE USE OF A PAST LESSON THAT "HASTINESS" (IN RESPONSE) CAN MORE EASILY OBTAIN THE LOCAL SIDE'S UNDERSTANDING.

MEANWHILE, DISCORD OF A SORT HAS NOW RISEN BETWEEN THE PRIME MINISTER'S OFFICIAL RESIDENCE AND MOFA OVER THE DELAY IN THE REPORTING. CHIEF CABINET SECRETARY KAJIYAMA TOLD THE PRESS ON THE 12TH, "I, AT THAT TIME, MENTIONED THAT THIS SHOULD BE MADE KNOWN TO OKINAWA RIGHT AWAY." PRIME MINISTER HASHIMOTO, WHEN ASKED BY THE PRESS FOR HIS IMPRESSION OF THE KAJIYAMA REMARK, REPLIED: "THAT'S SO. I ALSO AGREE." BUT, ONE MOFA OFFICIAL HAS SAID, "IF WE WERE GIVEN A CLEAR-CUT DIRECTION, WE WOULD HAVE HAD TO FOLLOW IT."

CHIEF CABINET SECRETARY AND FOREIGN MINISTER ADMIT LATE REPORTING OF BULLET FIRING INCIDENT (SANKEI - PAGE 4)

THE CONFUSION AMONG THE PRIME MINISTER'S RESIDENTIAL OFFICE (KANTEI), THE MINISTRY OF FOREIGN AFFAIRS (MOFA), AND THE UNITED STATES OVER THE ACCIDENTAL FIRING OF DEPLETED-URANIUM BULLETS BY U.S. MARINE FIGHTERS HAS DEMONSTRATED THAT THE PUBLIC PLEDGE OF "SPEEDY REPORTING OF ACCIDENTS," STIPULATED IN THE FINAL REPORT THE SPECIAL ACTION COMMITTEE ON OKINAWA (SACO) COMPILED IN DECEMBER, IS A DEAD LETTER. THE KANTEI AND MOFA ARE NOW EVEN ENGAGING IN A MUD-SLINGING CONTEST OVER THE REPORTING SYSTEM. THE JAPANESE GOVERNMENT'S INCOMPETENCE IN INFORMATION CONTROL HAS BEEN REVEALED ONCE AGAIN.

THE MISFIRING OF RADIOACTIVE BULLETS ITSELF IS A PROBLEM. BUT WHAT IS MORE SERIOUS IS THE DELAYED REPORTING BY THE U.S. SIDE. DURING HIS MEETING WITH OKINAWA LIEUTENANT GOVERNOR MASANORI YOSHIMOTO ON THE 12TH, FOREIGN MINISTER YUKIHIKO IKEDA INDICATED THAT THE GOVERNMENT HAS TRANSMITTED A SENSE OF REGRET TO THE U.S. GOVERNMENT. AT THE SAME TIME, THE FOREIGN MINISTER SHOWED SOME UNDERSTANDING TOWARD THE U.S., REMARKING, "THE ACCIDENT OCCURRED WITHIN U.S. MILITARY FACILITIES. THE U.S. ARMED FORCES HAVE JUDGED THAT THERE WOULD BE NO EFFECTS." HIS COMMENT REVEALED A PERCEPTION GAP WITH OKINAWA PREFECTURE.

THE U.S. DEPARTMENT OF DEFENSE ON THE 11TH ANNOUNCED, "WE DECIDED TO MAKE THE ACCIDENT PUBLIC AT THIS POINT BECAUSE

THE MEDIA HAVE BEGUN TO GET HOLD OF IT." A FUNDAMENTAL REVIEW MAY BE NECESSARY FOR THE REPORTING SYSTEM ITSELF.

MEANWHILE, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA ON THE 12TH CRITICIZED MOFA'S MEASURES, CALLING THEM "INSENSITIVE." PRIME MINISTER RYUTARO HASHIMOTO FOLLOWED SUIT, NOTING, "I FEEL THE SAME WAY (WITH CHIEF CABINET SECRETARY KAJIYAMA)." THEIR VIEWS COME FROM THE COMMON PERCEPTION: "WHEN THE OKINAWA PROBLEM IS ABOUT TO ENTER HOME STRETCH, MOFA'S MISJUDGMENT MADE THE WHOLE SITUATION DIFFICULT" (GOVERNMENT SOURCE).

A MOFA SOURCE EXPLAINED ABOUT ITS RESPONSE TO THE KANTEI, "WE LET THE KANTEI KNOW ABOUT IT IMMEDIATELY ESPECIALLY BECAUSE WE EXPERIENCED THAT ACCIDENTAL BOMB-DROPPING BY U.S. AIRCRAFT IN DECEMBER."

MOFA'S FORMAL RESPONSE TO THE CRITICISM BY CHIEF CABINET SECRETARY KAJIYAMA AND EXECUTIVES IS: "WE TAKE IT IN A SINCERE MANNER" (MOFA PRESS SECRETARY HIROSHI HASHIMOTO). MOFA IS REACTING NEGATIVELY BENEATH SUCH A FORMAL REACTION, REASONING, "THERE WAS NO INSTRUCTION FOR AN IMMEDIATE REPORT" (MOFA SOURCE). A MUD-SLINGING CONTEST IS GOING ON.

AS FOR THE KANTEI SIDE, SYMPATHETIC VIEWS ARE STRONG TOWARD OKINAWA, WHICH IS INFURIATED OVER MOFA'S SLOW RESPONSE. AS STARTERS TO BREAK THE IMPASSE, DEPUTY CHIEF CABINET SECRETARY TEIJIRO FURUKAWA MET WITH OKINAWA LIEUTENANT GOVERNOR YOSHIMOTO LATE ON THE 11TH. NEVERTHELESS, DISTRUST TOWARD THE CENTRAL GOVERNMENT IS DEEP-SEATED IN OKINAWA, WITH THE EXPIRATION OF LAND LEASES FOR U.S. BASES COMING UP IN MID-MAY. THE REALITY IS, "THE ONLY WAY IS TO DO OUR BEST EXPLAINING EVERYTHING WE CAN EARNESTLY TO OKINAWA EXECUTIVES, STARTING WITH THE SESSION BETWEEN THE PRIME MINISTER AND GOVERNOR MASAHIDE OTA SCHEDULED FOR THE 18TH" (GOVERNMENT SOURCE).

FOREIGN MINISTER IKEDA APOLOGIZES TO DEPUTY GOVERNOR OF OKINAWA (TOKYO SHIMBUN - PAGE 1)

FOREIGN MINISTER YUKIHIKO IKEDA MET OKINAWA VICE GOVERNOR YOSHIMOTO AT THE FOREIGN MINISTRY YESTERDAY. REFERRING TO THE GOVERNMENT'S DELAY IN NOTIFYING THE OKINAWA PREFECTURAL GOVERNMENT OF THE ACCIDENTAL FIRING OF DEPLETED-URANIUM BULLETS CAUSED BY THE U.S. MILITARY FORCES IN JAPAN, VICE GOVERNOR YOSHIMOTO STATED, "THAT IS VERY REGRETTABLE. WE WANT THE GOVERNMENT TO MAKE A QUICK RESPONSE." THE FOREIGN MINISTER REPLIED, "WE WERE LACKING IN CONSIDERATION. WE FEEL DEEP REMORSE FOR IT."

THE FOREIGN MINISTER THEN STATED: "WE WOULD LIKE TO INCLUDE INCIDENTS AND ACCIDENTS THAT OCCURRED WITHIN THE SITE OF U.S. MILITARY BASES IN A LIST OF CASES REQUIRED TO REPORT TO THE JAPANESE GOVERNMENT," REVEALING THAT THE GOVERNMENT WOULD ESTABLISH A REPORTING SYSTEM ON INCIDENTS AND ACCIDENTS INVOLVING THE U.S. MILITARY.

HE MADE THIS REMARK, KEEPING IN MIND THE FACT THAT SINCE THE INCIDENT OCCURRED AT THE U.S. FORCES' TORISHIMA GUNNERY RANGE (OKINAWA PREFECTURE), WHICH IS DESIGNATED AS AN OFF-LIMIT ZONE, THE TRANSMITTAL OF THE INFORMATION BY THE U.S. TO JAPAN WAS DELAYED. BOTH SIDES HAVE SO FAR LEFT VAGUE ON THE SCOPE OF INCIDENTS AND ACCIDENTS SUBJECT TO REPORTING.

THE FOREIGN MINISTER INDICATED THAT THE GOVERNMENT WOULD ASK THE U.S. BY THE END OF MARCH TO CONDUCT ANOTHER SURVEY ON THE EFFECT ON THE ENVIRONMENT AND TO RECOVER THE BULLETS FIRED. VICE GOVERNOR YOSHIMOTO REQUESTED, "I WANT THE JAPANESE GOVERNMENT AS WELL TO SURVEY (THE ENVIRONMENTAL IMPACT)."

PRIME MINISTER SAYS THERE WILL BE A JOINT US.-JAPAN ENVIRONMENTAL SURVEY OF FIRING SITE (ASAHI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO REVEALED DURING A MEETING OF THE LOWER HOUSE BUDGET COMMITTEE YESTERDAY THAT THE GOVERNMENT WOULD CONDUCT AN ON-SPOT INVESTIGATION ON ENVIRONMENTAL POLLUTION CAUSED BY THE ACCIDENTAL FIRING OF DEPLETED-URANIUM BULLETS BY UNITED STATES MARINE CORPS AT A GUNNERY RANGE ON THE TORISHIMA ISLAND IN OKINAWA PREFECTURE. THE PRIME MINISTER REMARKED, "IT MAY BECOME NECESSARY TO CONDUCT A JAPAN-U.S. JOINT INVESTIGATION. I HAVE INSTRUCTED THAT JAPAN'S INVESTIGATION GROUP SHOULD INCLUDE THOSE WHO ARE RECOMMENDED BY THE OKINAWA PREFECTURAL GOVERNMENT." FOREIGN MINISTER YUKIHIKO IKEDA ALSO SAID, "THE U.S. HAS STATED THAT IT WOULD CARRY OUT ANOTHER INVESTIGATION WITHIN THIS FISCAL YEAR. THE GOVERNMENT HAS BEEN STUDYING THE POSSIBILITY OF AN INVESTIGATION BY JAPAN ON ITS OWN OR TOGETHER WITH THE U.S. WE WOULD LIKE TO FULLY CONSULT WITH THE OKINAWA PREFECTURAL GOVERNMENT ON THIS ISSUE." THE INVESTIGATION GROUP, COMPOSED OF REPRESENTATIVES FROM THE MINISTRY OF FOREIGN AFFAIRS (MOFA), THE JAPAN DEFENSE AGENCY (JDA) AND OTHER MINISTRIES AND AGENCIES CONCERNED, WILL EXAMINE SOIL, WATER, FISHES AND SHELLFISHES TO MAKE AN ANALYSIS.

THE MOFA MINISTER EXPLAINED: "DEPLETED-URANIUM BULLETS CERTAINLY CONTAIN TOXICITY AS HEAVY METAL AND ARE RADIOACTIVE SUBSTANCES, BUT COLOR TELEVISION SETS THAT WERE SOLD EARLIER EMIT MORE. UNLESS PEOPLE DRINK OR BREATHE IN (THE GAS), THERE WILL BE NO EFFECT ON HUMANS." HE ALSO STATED, "I HEARD THAT SOME CITED DEPLETED-URANIUM BULLETS AS A REASON FOR SOLDIERS IN THE GULF WAR HAVING BEEN TAKEN ILL. JAPAN WILL CONDUCT AN INVESTIGATION OF THEIR DANGER FROM VARIOUS ANGLES TO TAKE PROPER MEASURES."

TOUCHING UPON THE FACT THAT THE GOVERNMENT KEPT THE CASE FROM THE PUBLIC FOR ALMOST ONE MONTH AFTER THE U.S. REPORTED IT, THE FOREIGN MINISTER EXPLAINED, "THAT WAS NOT A KIND OF INCIDENT THAT UNLESS THE CASE WAS PUBLICIZED, DANGER WOULD WIDELY SPREAD." HE LISTED AS

REASONS THE FOLLOWING THREE POINTS: (1) WHEN THEY RECEIVED THE INFORMATION, DATA WAS NOT FULLY ARRANGED; (2) THE INCIDENT OCCURRED AT SUCH A SPECIFIC PLACE AS TRAINING RANGE MORE THAN ONE YEAR AGO; (3) THE RESULT OF U.S. INVESTIGATION SHOWED THERE WOULD BE NO DANGER. HE THEN ADDED, "I BELIEVE THERE ARE NO OTHER SIMILAR CASES THAT HAVE NOT YET BEEN ANNOUNCED."

THIS WAS IN REPLY TO QUESTIONS BY YOSHIKI MATSUMOTO (JAPAN COMMUNIST PARTY) AND KENJI NAKAZAWA (DEMOCRATIC PARTY OF JAPAN).

SPECIALIST SAYS HEAVY METAL POISONING A THREAT TO AREA WHERE RADIOACTIVE BULLETS LIE (MAINICHI - PAGE 3)

REGARDING THE ACCIDENTAL FIRING OF AMMUNITION CONTAINING DEPLETED URANIUM, CONCERNS ARE EMERGING AMONG EXPERTS THAT THE INCIDENT MIGHT AFFECT THE ECOSYSTEM AT THE SITE, NOT DUE TO THE RADIOACTIVITY BUT BECAUSE OF THE HEAVY METAL THE BULLETS CONTAIN.

THE SCIENCE AND TECHNOLOGY NUCLEAR FUEL RESTRICTION DIVISION EXPLAINED THAT THE LEVEL OF THE RADIOACTIVITY OF DEPLETED URANIUM IS LOW -- SIMILAR TO THAT USED FOR SECURING THE STABILITY OF THE FLIGHT OF AIRCRAFT AND FOR RESEARCHING. RYUSUKE ICHIKAWA, FORMER SCIENTIFIC RESEARCHER AT THE RADIOACTIVE MEDICAL RESEARCH CENTER SAID, "THERE EXISTS IN THE SEA LARGE QUANTITIES OF URANIUM IN LOW CONCENTRATION. EVEN IF BULLETS CONTAINING DEPLETED URANIUM ERODE IN THE SEA, IT WILL NOT RAISE THE CONCENTRATION OF URANIUM IMMEDIATELY. THERE WILL BE NO

HARM."

IN THE MEANTIME, IT IS CONSIDERED THAT THE VIRULENCE OF THE HEAVY METALS IS SIMILAR TO THAT OF LEAD. IN THE TORISHIMA INCIDENT, OF MISTAKENLY FIRED BULLETS CONTAINING DEPLETED URANIUM, 193 KILOGRAMS OF DEPLETED URANIUM HAVE YET TO BE RECOVERED.

HIROSHI OGATANI, CHIEF OF THE RESEARCH DEPARTMENT OF THE WILD ANIMAL RESCUE AND PROTECTION VETERINARIANS ASSOCIATION (TACHIKAWA CITY, TOKYO) IS CONCERNED, "IF THE VIRULENCE OF THOSE HEAVY METALS IS SIMILAR TO THAT OF LEAD, IN CASE IT ENTERS (ANIMALS') BODIES, IT CAUSES TROUBLE TO THEIR BLOOD-MAKING FUNCTIONS AND NERVE SYSTEM. AS A RESULT, THEY WILL BE AFFECTED WITH ANEMIA, HAVE THE SHIVERS AND GET PARALYZED."

ACCORDING TO OKINAWA PREFECTURE, IT IS INCONCEIVABLE THAT THERE ARE MANY WILD ANIMALS AROUND THE FIRING RANGE; IT MAY ONLY BE MIGRATORY BIRDS THAT STOP AT THE ISLE. (YASUYOSHI TANAKA)

U.S. GOVERNMENT AVOIDS DETAILED EXPLANATION OF BULLET FIRING INCIDENT (MAINICHI - PAGE 2)

THE U.S. GOVERNMENT HAS NOW EXPRESSED "DEEP REGRET" (UNDER SECRETARY OF DEFENSE SLOCOMBE) FOR THE MISFIRING OF DEPLETED-URANIUM BULLETS AND THE DELAY IN INFORMING THE JAPANESE GOVERNMENT, BUT HAS NOT YET GIVEN ANY DETAILED EXPLANATION OF WHY SUCH WAS DELAYED. THE U.S. SIDE IS NOW BEING SUSPECTED OF HAVING INTENTIONALLY ABSTAINED FROM REPORTING IT TO THE JAPANESE SIDE FOR AT THE TIME OF THE MISFIRING OF THOSE BULLETS A MOOD AGAINST U.S. MILITARY BASES -- TOUCHED OFF BY THE OCCURRENCE OF A SCHOOLGIRL RAPE INCIDENT IN OKINAWA -- WAS GROWING STRONGER (IN JAPAN). BUT ANOTHER VIEW IS THAT IT IS BECAUSE THE U.S. GOVERNMENT PROBED DEEPLY INTO THE DELAYED REPORTING PROBLEM MAY HAVE RESULTED IN ACCELERATING SUCH SUSPICIONS.

THE PENTAGON'S SPOKESMAN BACON AT A PRESS CONFERENCE ON THE 11TH STRESSED SAFETY: "THE RADIOACTIVE LEVEL (OF THOSE DEPLETED-URANIUM BULLETS) IS EXTREMELY LOW, AND IS LOWER THAN THAT OF TV SETS IN THE 1950S." HE ALSO EXPLAINED, "THE U.S. FORCES IN JAPAN JUDGED THAT THERE WOULD BE NO EFFECT ON THE ENVIRONMENT OR PEOPLE. IT WAS AN UNINHABITED ISLAND, AND WE DIDN'T THINK THOSE BULLETS WERE DANGEROUS, SO WE DIDN'T INFORM THE JAPANESE GOVERNMENT."

BUT, IN REPLY TO A QUESTION ASKING WHY THE U.S. GOVERNMENT EXPRESSED REGRET FOR THE DELAYED REPORTING, THE PENTAGON SPOKESMAN STATED: "WE THOUGHT THAT THE CASE WAS A PROBLEM THAT WOULD BE HARD FOR THE JAPANESE GOVERNMENT TO HANDLE, AND IT WAS A TROUBLESOME PROBLEM ALSO FOR THE U.S. GOVERNMENT." THIS REMARK CAN BE TAKEN AS WHAT IMPLIES THAT ONE OF THE REASONS IN THE BACKGROUND WAS THAT THE MISTAKEN USE OF SUCH AMMUNITION TOOK PLACE WHEN THE WIND WAS BLOWING HARD AGAINST THE USFJ AFTER THE OKINAWA INCIDENT, BUT THE SPOKESMAN REFRAINED FROM GIVING A FURTHER COMMENT.

IN THE MEANTIME, ON AND AFTER FEBRUARY 10 WHEN THE INCIDENT WAS BROUGHT TO LIGHT, THE WHITE HOUSE'S SPOKESMAN MCCURRY AND THE STATE DEPARTMENT'S SPOKESMAN BURNS TOUCHED ON THE EXPRESSION OF "REGRET" AT PRESS CONFERENCES, BUT BOTH SPOKESMEN HAVE ABSTAINED FROM GIVING AN OUTLINE OF THE MISTAKEN FIRINGS OR FROM GIVING A DETAILED EXPLANATION OF THE DELAYED REPORTING. THE U.S. GOVERNMENT APPARENTLY WOULD NOT LIKE THE SITUATION TO BECOME ANY MORE COMPLICATED PRIOR TO SECRETARY OF STATE ALBRIGHT'S JAPAN VISIT SET FOR LATE THIS MONTH. (MASATO KISHIMOTO, WASHINGTON)

U.S. CHARGE DQAFFAIRS PROMISES QIMPROVEMENT OF NOTIFICATION SYSTEM BY END OF MARCHQ (ASAHI - PAGE 2)

UPPER HOUSE MEMBER HIDEO DEN OF THE SOCIAL DEMOCRATIC PARTY (SDP) AND OTHERS YESTERDAY FILED A COMPLAINT WITH THE UNITED STATES EMBASSY FOR THE U.S. MARINE CORPS HAVING USED DEPLETED-URANIUM BULLETS AT A GUNNERY RANGE

ON THE TORISHIMA ISLAND IN OKINAWA PREFECTURE. ACCORDING TO DEN, CHARGE D'AFFAIRS DEMING REPLIED, "WE WOULD LIKE TO ARRANGE A SYSTEM BY THE END OF MARCH SO THAT THE JAPANESE AND U.S. GOVERNMENT WILL BE ABLE TO NOTIFY EACH OTHER IF A SIMILAR CASE HAPPENS IN THE FUTURE."

REFERRING TO THE USE OF DEPLETED URANIUM BULLETS AND THE DELAY IN INFORMING THE CASE, DEN ASSAILED, "IT SEEMS THE U.S. FEELS AS IF IT STILL OCCUPIES JAPAN." IN RESPONSE, DEMING APOLOGIZED, "DEPLETED-URANIUM BULLETS SHOULD NOT HAVE BEEN USED. IT WAS EXTREMELY REGRETTABLE." THEN TOUCHING ON THE EFFECT ON THE ENVIRONMENT ON THE TORISHIMA ISLAND, HE STATED, "EXPERTS CARRIED OUT AN INSPECTION, BUT WE WOULD LIKE TO HAVE ANOTHER ONE."

CHARGE AT AMERICAN EMBASSY SAYS MARINES KNEW THEY WERE USING RADIOACTIVE BULLETS (MAINICHI - PAGE 2)

A DELEGATION OF DIETMEMBERS FROM THE SOCIAL DEMOCRATIC PARTY, INCLUDING UPPER HOUSE MEMBER HIDEO DEN, CALLED AT THE U.S. EMBASSY ON THE 12TH AND MET WITH CHARGE D'AFFAIRES DEMING AND OTHER U.S. EMBASSY OFFICIALS. DURING THE MEETING, DEN AND HIS GROUP CALLED FOR TAKING SUCH MEASURES AS MAKING PUBLIC ALL INFORMATION ABOUT THE MISTAKEN FIRING OF DEPLETED-URANIUM BULLETS, RECOVERING THOSE BULLETS AS SOON AS POSSIBLE, AND CARRYING OUT AN ENVIRONMENTAL ASSESSMENT SURVEY. ACCORDING TO THE SDP DELEGATION, THE CHARGE D'AFFAIRES HAS REVEALED THAT "THEY WERE AWARE THAT THEY WERE USING DEPLETED-URANIUM BULLETS."

ACCORDING TO THE SDP'S ACCOUNTS, THE U.S. SIDE EXPLAINED THAT "THERE WAS AN ERROR IN THE CATALOGUE (MANUAL) FOR LOADING AIRCRAFT WITH BULLETS, AND IT DID NOT DESCRIBE SUCH MUST NOT BE USED IN THE TORISHIMA FIRING RANGE ZONE." THE SDP SIDE ASKED, "WERE THEY AWARE THAT THOSE WERE DEPLETED-URANIUM BULLETS?" IN REPLY, THE CHARGE D'AFFAIRES, ACCORDING TO THE SDP, ANSWERED: "THEY WERE AWARE OF IT, AND USED THEM."

SDP POLITICIAN AND OTHERS PROTEST OKINAWA FIRING INCIDENT AT AMERICAN EMBASSY (SANKEI - PAGE 4)

UPPER HOUSE DIETMEMBER HIDEO DEN AND OTHERS FROM THE SOCIAL DEMOCRATIC PARTY (SDP) VISITED THE AMERICAN EMBASSY ON THE 12TH ON THE ISSUE OF THE ACCIDENTAL FIRING OF DEPLETED-URANIUM BULLETS (IN OKINAWA BY THE U.S. FORCES) AND HANDED CHARGE D'AFFAIRES RUST DEMING A LETTER OF PROTEST REQUESTING THE PUBLIC DISCLOSURE OF THE FACTS AND AN EARLY COLLECTION OF THE REMAINING DEPLETED-URANIUM BULLETS.

THE SDP HAS REACTED STRONGLY TO NEWS OF THE ACCIDENT. ITS ACTIONS ARE LIKELY TO HAVE AN IMPACT ON THE GOVERNMENT'S AND THE RULING CAMP'S EFFORTS TO AMEND THE SPECIAL LAND LEASE LAW FOR THE U.S. FORCES BEFORE THE FORCED LAND LEASES (ON OKINAWA) EXPIRE IN MAY.

OKINAWAQS ANGER AT NEW FIRING INCIDENT
(MAINICHI - PAGE 3)

OKINAWA PREFECTURE'S PROTEST (OF THE ACCIDENTAL FIRING OF RADIOACTIVE BULLETS BY UNITED STATES FORCES) IS FOCUSING ON TWO POINTS -- "AGAIN, A SIMILAR INCIDENT" AND "WHY THE DELAY IN INFORMING US OF THE INCIDENT?" THE PUBLIC'S

DISTRUST OF THE GOVERNMENT AND VIEWS CALLING FOR REMOVAL OF U.S. MILITARY BASES ARE SURGING UP EVEN MORE, COUPLED WITH THE PROBLEM OF "SHIFTING" THE CAPABILITIES OF U.S. BASES' CAPABILITIES "AROUND OKINAWA" AND THE GOVERNMENT'S MOVE FOR AMENDING THE SPECIAL MEASURES LAW FOR USE OF LAND BY FORCES STATIONED IN JAPAN.

UPON HEARING THE NEWS ON THE EVENING OF THE 10TH, GOVERNOR MASAHIDE OTA LAMENTED, "THE U.S. PERHAPS STILL THINKS THAT OKINAWA IS UNDER AMERICAN OCCUPATION." IN THE CONTEXT OF THE RECENT INCIDENT OF U.S. FORCES' PLANE DUMPING A 1,000-LB. BOMB (ABOUT 450 KILOGRAMS) OFF THE COAST OF NAHA CITY, THE PREFECTURE HAD SOUGHT PREVENTION OF RECURRENCE OF A SIMILAR INCIDENT AND ESTABLISHMENT OF AN SYSTEM TO INFORM THE OTHER SIDE.

THE PREFECTURE HAS POINTED OUT, "IF INCIDENTS THAT PUT PREFECTURAL CITIZEN'S LIVES IN DANGER CONTINUE, WE IN THE END MAY HAVE TO ASK THE MARINE CORPS TO RETURN TO AMERICA. THE U.S. SAYS IN ITS REPORT THAT IT WILL CONTINUE (THIS KIND OF TRAINING) IN THE FUTURE AS WELL."

OKINAWA HAS TAKEN A PREFECTURE-WIDE STANCE WITH DEPUTY GOVERNOR MITSUKO TOMON, NOW VISITING THE U.S.,. SEEKING A REDUCTION OF THE MARINES, MEETING WITH DEPUTY ASSISTANT SECRETARY OF DEFENSE CAMPBELL, DEPUTY GOVERNOR MASANORI YOSHIMOTO VISITING THE FOREIGN AFFAIRS MINISTRY AND POLICY COORDINATION SUPERVISOR TATSUO MATAYOSHI VISITING THE NAHA OFFICE OF THE REGIONAL DEFENSE FACILITIES ADMINISTRATION OFFICE, THE U.S. FORCES IN OKINAWA AND THE U.S. CONSULATE IN OKINAWA. EACH OF THEM LODGED A PROTEST AND REQUESTED TO THOROUGHLY IMPLEMENT AN NOTIFICATION SYSTEM AND UNRAVEL THE CAUSE.

VISITING THE FOREIGN MINISTRY ON THE 12TH, VICE GOVERNOR YOSHIMOTO MADE A CRITICAL REMARK TOWARD FOREIGN MINISTER YUKIHIKO IKEDA, "THE USE OF INCENDIARY SHELLS, WHICH ARE NOT SUPPOSED TO BE USED, INDICATES THAT THERE IS A DEFECT IN THE FUNDAMENTAL PORTION OF A SYSTEM THAT CONTROLS U.S. FORCES' TRAINING." HE ALSO EXPRESSED DISSATISFACTION OVER THE DELAY IN THE NOTIFICATION OF THE INCIDENT BY THE JAPANESE GOVERNMENT, NOTING, "THE GOVERNMENT SHOULD HAVE IMMEDIATELY INFORMED US OF WHAT HAPPENED."

FOREIGN MINISTER IKEDA MADE EXPLANATIONS TO EXCUSE THE ACTION, CITING THAT THE WATERS OFFERED FOR TRAINING IS A FIRING RANGE AND THAT THE RADIOACTIVITY CONTAINED IN DEPLETED URANIUM IS INSIGNIFICANT. HE SAID, "WE HAD TO GRASP THE DETAILS." VICE GOVERNOR YOSHIMOTO OPENLY

EXPRESSED HIS SENSE OF DISTRUST, "THAT IS THE FOREIGN MINISTRY'S OWN CONVENIENCE. THERE IS A POSSIBILITY THAT IF THERE HAD BEEN NO PRESS REPORTS ON THE INCIDENT, ITS PUBLICATION MIGHT HAVE BEEN FURTHER DELAYED. WE CANNOT UNDERSTAND."

AFTER THE MEETING, VICE GOVERNOR COMMENTED, "THE GOVERNMENTS OF JAPAN AND THE U.S. NEED TO CHANGE THEIR CONVENTIONAL STANCE AND KEEP THEIR PROMISES. THE PROBLEM LIES ON THE PART OF THE JAPANESE GOVERNMENT."

WHAT THE PREFECTURE IS MAKING AN ISSUE IS THAT THE INFORMING OF THE INCIDENT FROM THE MOFA TO THE PREFECTURE WAS DELAYED AS LONG AS A MONTH. THE MOFA REPORTEDLY EXPLAINED, "THE DELAY WAS DUE TO THE DECISION THAT THERE SHOULD BE COORDINATION ON THE MATTER BY THE GOVERNMENT." IN RESPONSE TO THIS EXPLANATION, GOVERNOR OTA WAS STIRRED UP AND ANGRILY STATED, "A DELAY IN NOTIFICATION CAN CAUSE FATAL DAMAGE."

YESTERDAY, THE HEAD OF NAKAZATO VILLAGE, WHERE THE TORISHIMA FIRING RANGE IS LOCATED, ADJACENT GUSHIKAWA VILLAGE AND THE CHIEF OF THE KUMEJIMA FISHERMEN'S COOPERATIVE ASSOCIATION FILED A PROTEST WITH THE NAHA

OFFICE OF THE REGIONAL DEFENSE FACILITIES ADMINISTRATION BUREAU. TODAY, THE JAPANESE COMMUNIST PARTY AND THE SOCIAL PUBLIC PARTY WILL VISIT THE OFFICE. IN ADDITION, A SPECIAL COMMITTEE MEETING WILL BE HELD AT THE PREFECTURAL ASSEMBLY, WHICH HAS DECIDED TO SUBMIT A DRAFT RESOLUTION TO THE PLENARY SESSION IN PROTEST TO THE INCIDENT. (SHUNJI NOZAWA, SHIGERU SAKURAI)

LDP SECRETARY GENERAL KATO CALLS FOR AMENDING SPECIAL MEASURES LAW ON EXPROPRIATED LAND (YOMIURI - PAGE 2)

LIBERAL DEMOCRATIC PARTY (LDP) SECRETARY GENERAL KATO GAVE A LECTURE AT THE YOMIURI INTERNATIONAL ECONOMIC SYMPOSIUM (YIES) HELD YESTERDAY IN THE KEIDANREN (JAPAN FEDERATION OF ECONOMIC ORGANIZATIONS) HALL. IN A QUESTION-ANSWER SESSION AFTER THE LECTURE, KATO, REFERRING TO THE QUESTION OF THE TERM OF FORCIBLE USE OF ABOUT 3,000 LANDOWNERS' LAND BY UNITED STATES MILITARY BASES IN OKINAWA RUNNING OUT IN MAY, REMARKED: "FOLLOWING THE CABINET LEGISLATION BUREAU'S VIEW THAT CONTINUOUS USE OF THE LAND EVEN AFTER THE LEASES EXPIRE IS NOT NECESSARILY ILLEGAL SEEMS STRANGE AS A POLITICAL AND ADMINISTRATIVE WAY OF DOING BUSINESS. I THINK THE TIME HAS COME FOR US TO THINK OF FINDING A WAY TO DEAL WITH THIS ISSUE."

HIS REMARKS HINTED AT A VIEW THAT IF THE GOVERNMENT'S PLAN FOR AN "EMERGENCY USE OF LAND" THAT WILL BE SUBMITTED TO THE OKINAWA EXPROPRIATION COMMITTEE IS NOT APPROVED WITHIN THE TIME LIMIT, SUCH STEPS MAY BE NECESSARY AS AMENDING THE SPECIAL MEASURES LAW FOR USE OF LAND BY THE U.S. FORCES IN JAPAN.

NON-PROFIT ORGANIZATION MADE ILLEGAL CONTRIBUTION TO
HASHIMOTOQS POLITICAL SUPPORT GROUP (MAINICHI - PAGE 1)

IT HAS BEEN REVEALED AS OF THE 12TH THAT PRIME MINISTER
RYUTARO HASHIMOTO'S FUND-RAISING ORGANIZATION CALLED NEW
POLITICAL PROBLEMS STUDY FORUM (SHIN SEIJI MONDAI KENKYU
KAI) (CHIYODA WARD, TOKYO) IS STRONGLY SUSPECTED OF
HAVING RECEIVED ILLEGAL DONATIONS FROM A JURIDICAL
FOUNDATION (ZAIDAN HOJIN) WHICH IS RECEIVING SUBSIDIES
FROM THE HEALTH AND WELFARE MINISTRY. UNDER THE
POLITICAL FUND CONTROL LAW, ANY CORPORATION OR
ORGANIZATION THAT HAS RECEIVED SUBSIDIES IS NOT ALLOWED
TO MAKE POLITICAL DONATIONS FOR ONE YEAR AFTER RECEIVING
A SUBSIDIES NOTICE. THE JURIDICAL FOUNDATION IN QUESTION
VIOLATED THIS LAW. NUDGED BY THE MAINICHI SHIMBUN, THE
STUDY FORUM RETURNED THE MONEY IMMEDIATELY. PRIME
MINISTER HASHIMOTO'S FUND-RAISING ORGANIZATION IS THE
FIRST CASE THAT CAME TO LIGHT REGARDING THE RETURN OF
MONEY FROM A PUBLIC-SERVICE CORPORATION (KOUKEI HOJIN).
CRANE

SECT: SECTION: 01 OF 01

SSN: 1303

TOR: 970213011202 M2615544

DIST:

SIT: KRISTOFF PRITCHARD SUETTINGER URIU
SIT: NSC

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LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 130942Z FEB 97

ORIG: AMEMBASSY TOKYO

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INFO: RUEHIA/USIA WASHDC IMMEDIATE 3206

RUEKDIA/DIA WASHDC IMMEDIATE

RUCPDOG/USDOC WASHDC IMMEDIATE

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RUEAWJB/DEPT OF JUSTICE WASHDC IMMEDIATE

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RUEAIIA/CIA WASHDC IMMEDIATE

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RUHBBMA/AMCONSUL NAHA 7339

RUEHKON/AMCONSUL NAGOYA 0258

RUEHKOF/AMCONSUL FUKUOKA 3709

RUEHKOS/AMCONSUL SAPPORO 0126

RUESDJ/FBIS OKINAWA JA

RUCWAAB/FBIS RESTON VA

RUAYJAA/COMPATWING ONE KAMI SEYA JA

RUATJHU/CGUSARJ CAMP ZAMA JA//IX CORPS G5//

RHHMUNA/USCINCPAC HONOLULU HI

RUALSEFJ/COMUSJAPAN YOKOTA AB JA

RUEHOK/AMCONSUL OSAKA KOBE 0523

RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA

RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//

SUBJ: JAPANESE DAILY PRESS SUMMARY 02/13/97

TEXT:

UNCLAS SECTION 01 OF 08 TOKYO 001324

DEPT FOR E, P, PM, EB, EAP/J AND S/AL

USIA FOR MR AND REA

WHITE HOUSE FOR NSC ROTH

WHITE HOUSE FOR NEC CUTTER

JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION

COMMERCE FOR JEAN GRIER IN GENERAL COUNCILQS OFFICE, DAS

TREASURY FOR OASIA/IMI/JAPAN

DEPT PASS USTR FOR SHAPIRO/WOLD

DEPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETER

E.O. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 02/13/97

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SANKEI (Page 2) (Full)
February 13, 1997

It would appear that the problem of the U.S. Marines having fired depleted-uranium bullets in training exercises off the island of Torishima in Okinawa will not become any worse officially by the U.S. Government's apology for the late reporting of the incident to the Japanese Government. However, if the issue of the firing of radioactive bullets has any kind of effect after this on Okinawa, which will be in an unsteady situation until May, the tardiness in consideration of the Okinawa problem by authorities of both governments will be regreted.

The radioactive bullets use a bit of heavy depleted uranium in them to increase penetrating power. When they hit and penetrate thick metal, such as on an armored vehicle like a tank, the personnel inside are killed by the heat and the equipment burned up. It is said that the cause of the unspecified illness called the Gulf syndrome that appeared after the Gulf war was possibly the acidified uranium released from the fires, but the causal relationship is not at all certain. In addition, as long as the depleted uranium is not swallowed, it reportedly has almost no effect on the human body.

Environmentally, the material is not thought to be lethal, but what should be stressed is the point that the relationship of trust between Japan and the United States, centering on such issues as the U.S. bases on Okinawa has been hurt by this incident. Starting from the 21st next week in Okinawa, the prefecture's Land Expropriation Committee will open its deliberations of the some 3,000 plots of land that have been turned over for use (by the U.S. forces). Moreover, this is a

delicate time in that tensions are rising over the land whose leases will expire in May, with the central government rumored to be planning to ask for emergency use of the land or even amending the UNCLAS SECTION 02 OF 08 TOKYO 001324

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law so that such land will not be illegally occupied.

In spite of that, the report of the incident from the U.S. forces was a year late. There seems to be a convenient excuse that the bullets were mistakenly used because the labelling on them was incorrect and that it took time to find out about the error. Moreover, simply because the number of bullets fired was small (at most for 60 seconds) does not excuse them from taking responsibility. We would have liked minute care to be taken particularly in training in Okinawa, where anti-American sentiments cannot be dismissed.

What is even more outrageous was the judgment of the Foreign Ministry, which lacked any sense of the seriousness of this issue. The Ministry, in the process of drafting a report on six accidents caused by U.S. forces, intended to announce the incident publicly once it finished compiling all of those reports, and it reportedly let the issue ride for almost a month. The Government has elevated the Okinawa base problem to be its most important matter to address. So in that context, high priority is supposedly given to building a relationship of trust with Okinawa. How much damage was done to the trust relationship between Japan and the U.S. by the late reporting of the incident by the United States and then by the Government's delaying its announcement? And what kind of impact would there be on the overall base problem? The Foreign Ministry's crisis management was supposed to have been sensitive to such questions. It is indeed regrettable.

(2) EDITORIAL: For Building Trust in the Japan-U.S. Security Relationship

NIHON KEIZAI (Page 3) (Full)
February 13, 1997

The accidental firing of depleted-uranium bullets by the U.S. Marines in Okinawa and the delay in the notification and publication of the incident have damaged the sensitivities of the Okinawan people. Now is a politically delicate time in the issue of renewing forced land leases for the U.S. military bases. This kind of incident must not be repeated, so that the trust relationship in the Japan-U.S. security arrangement is not strained. The governments of Japan and the U.S. are urged to pay more careful attention to this problem.

According to the Foreign Ministry (MOFA), Marines fired about 1500 armor-piercing incendiaries, including depleted-uranium bullets during their training carried out at U.S. forces' firing range on the Torijima Island, Okinawa. The characteristic of armor-piercing incendiaries is that target-piercing capability is enhanced, using the property of depleted uranium with low specific gravity. They are not nuclear weapons, because
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they do not utilize radioactive energy created by nuclear fission.

On the U.S. mainland, U.S. forces limit the use of depleted uranium bullets to designated areas, and the U.S. forces stationed in Japan (USFJ) also ban the use of such at facilities and areas in Japan. Japan-U.S. Status of Forces Agreement (SOFA) Section 3, Article 3 stipulates, "Work at facilities and areas used by U.S. forces should be carried out in due consideration of public safety," but it seems that the USFJ did not inform anyone immediately after the incident, judging that since the radioactivity of depleted uranium was low, it would not affect the human body or the environment and that there would be no impact outside the facilities and areas.

In debate at the Japan-U.S. Special Action Committee (SACO) on the streamlining of Okinawan bases and lessens from the dumping of a bomb from a U.S. force plane stationed in Okinawa, the governments of Japan and the U.S. reached agreement that such incidents should be immediately informed. In response, the U.S. notified to the Japanese side of the accidental firing case on January 16.

The Japanese Government claims that it was coordinating the timing of the notification to the public with the U.S. side, but receiving information that the Washington Times of the U.S. would report the incident, it made it public just in time. Accidental firing of bullets is a mistake that should not be made, but the problem about this incident was that the way adopted by Japanese and U.S. officials to deal with it, which has amplified the Okinawan citizens' distrust, and given the impression that they "covered up the incident."

Okinawa is about to enter a serious phase. The governments of Japan and the U.S. are required to conduct a thorough investigation of the incident and mull over ways to prevent recurrence of similar incidents and to handle accidents properly should such occur.

(3) Okinawa Prefecture's Governor Ota 'Straying' on Base Problem; Still Fighting His Own Image; Governor's 'Ideal' Bumps against Wall between Japan and U.S.; Can He Take All the Blame Himself for "Within-Prefecture Relocation"?

NIHON KEIZAI (Page 44) (Full)
February 9, 1997

(Monday Nikkei Edition)

Okinawa Prefecture's Governor Masahide Ota is now 'straying' off the circuit lane as he is sandwiched between his own ideals and the reality of the problem of U.S. military bases in his prefecture. Governor Ota has been assuming a wait-and-see attitude toward the issue of constructing an
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alternative heliport along with the timetabled reversion of the Futenma Air Station site. People in Okinawa Prefecture, therefore, are becoming critical of the governor for being "irresponsible" and "not trying to take all the blame himself." On the other hand, the governor's strategy is to have the (U.S.) Marines in Okinawa withdrawn from his prefecture. Such a strategy, however, has been blocked by the big wall of the Japanese and U.S. governments. The governor is now urged to fight the gap between his prefectural people's desire and politics -- and his own image that has grown too big as the hero on the base problem. His agony is only deepening.

(Koichi Sugino, Naha Branch Bureau Chief)

Position for "total abolition" wavering

"We've been calling for base and troop reductions, and now we're going to create an Okinawa with no military bases in the year 2015. Generally, it's inconceivable to tell us to persuade them (local municipalities) (to accept base relocation). I understand the Government has its own position. But I also want the Government to understand our own position, too."

At a press conference held on February 3, Governor Ota so confessed his innermost agony over the problem of constructing an alternative heliport in the waters off Camp Schwab in Nago City -- which still has been in a three-cornered deadlock among the central government, the prefectural government, and the local municipalities.

The problem of constructing an alternative heliport cannot be side-stepped in the process of generating a trend of base realignment and reduction with the actual reversion of the Futenma airfield site. But if the governor positively sets about the proposed task of persuading the local municipalities, his political position could be markedly shaken all the more because he has called for the central government to "abolish all the bases" in his prefecture. While making it a principle to maintain that "the prefectural government is basically against the idea of relocating the base (functions) within the same prefecture," the governor has been assuming an attitude of stressing that "the prefectural government is not the party concerned" and "it, primarily, is a problem between the central government and local municipalities."

Meanwhile, however, the Futenma airfield site's reversion has been requested by the government of Okinawa Prefecture as a matter of top priority in its base reversion action program. Nago City's Mayor Tetsuya Higa says, "The prefectural government is the very party concerned, because it has pushed for Futenma's reversion." So remarking, the mayor is calling for the prefectural government to join in the coordination work to the last. The UNCLAS SECTION 05 OF 08 TOKYO 001324

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Liberal Democratic Party's Okinawa prefectural federation also strongly criticizes the governor: "If Futenma is not returned and is fixed there, that's the governor's responsibility. He's neglected his office too much."

Naha Regional Defense Facilities Administration Bureau Director General Takehiko Shimaguchi, who has asked the government of Okinawa Prefecture and the municipal office of Nago City for cooperation, is also one of those posing a question over the governor's attitude. Shimaguchi says, "The prefectural government has obtained each self-governing body's understanding for its action program, so it has something to do with the local municipalities from the start."

What has driven the governor into such a scrape was the prefectural people's showing of complicated responses after his complying last September with the central government's request for his execution of an official posting and public review of an application (filed by the central government for its continued expropriation of land for U.S. military use). Many had voiced their high acclaim for the governor's decision, but the governor's turnabout -- only five days after a prefectural referendum on the issue of base realignment and reduction -- made the local public feel something unsatisfactory with him.

The final report issued last December by the Special Action Committee (on Facilities and Areas

in Okinawa) (SACO) conditions the planned reversion of the Futenma airfield site and most other (U.S. military) facilities' sites on their relocation within the same prefecture. So, the local public's dissatisfaction grew even stronger. The governor remains unable to fill up the gulf lying between the prefectural people's feelings and politics.

Turning point to pose a question again over security

And, the path chosen by the governor was to pose a frontal question over the Japan-U.S. security arrangement. Okinawa Prefecture sent a delegation of women to the U.S. on the 7th in pursuit of reductions in the U.S. military presence in Okinawa, including the Marines' withdrawal, and the governor himself will go to the U.S. to file a direct appeal with the U.S. Government, he says.

However, posing a question again over the two countries' bilateral security arrangement differs qualitatively from raising an objection like the governor's appeal to date: "The Government says security is important. If so, why is only Okinawa compelled to be over-burdened?" The governor has so far rocked the central government back and forth, and the governor was able to have the central government work out a package of Okinawa promotional measures. This is because the governor
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did not deny the Japan-U.S. security arrangement.

Seeing the governor's turnabout, the Government and ruling parties, which have been assuming a low posture toward Okinawa, would not cover up their feeling of unpleasantness. Prime Minister Ryutaro Hashimoto again stated at the current Diet session: "At the present time, the Government does not intend to request the U.S. to reduce or withdraw the Marines." An influential member of his cabinet has said, "There are limits to our endurance." The Ministry of Foreign Affairs and the Japan Defense

Agency have sent letters to the government of Okinawa Prefecture to explain why the USFJ's troop strength cannot be reduced. Meanwhile, MOFA and JDA have conducted engineering spadework also toward the U.S. Government and Congress so as not to have the U.S. side listen to the governor's appeal.

On January 24, the governor informally met with a group of Japanese and American researchers on foreign and security affairs at the prefectural government office. Yet, they set forth their views regarding the governor's call for "a security setup with no armed forces stationed" and his U.S. visit plan. One of them said, "It's unconvincing to say, 'Okinawa has now sacrificed itself enough, so Japan and the U.S. should think about what to do for the rest.'" Another remarked, "The governor should talk more with the Japanese Government, rather than to make an appeal to the U.S."

Even so, however, the governor also seems to have anticipated such negative reactions. Seemingly, the governor's plan to make such a request to the U.S. looks reckless. But it is strongly characterized as an appeal to his prefecture's people who have a growing sense of dissatisfaction toward him.

Economic card comes up again

In such circumstances, an "economic card" has come up again as a move to probe a landing point. On February 1, Okinawa Prefecture's Lieutenant Governor Masanori Yoshimoto -- the governor's staff officer exclusively undertaking negotiations with the central government -- indicated a plan to call on the central government to establish two special laws for deregulation along with the package of Okinawa promotional measures and for public investments in the utilization of the vacant land lots of military bases.

The governor also stated at a January 27 press conference, "Base relocation is one thing, and the package of promotional measures is another." But the governor has confessed, "We still cannot expect anything for our international urban planning concept, so now it would be difficult to deal with the problem of military bases only."

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"Even so, however, the governor will have to take all the blame himself before long ..." Such a view is now being voiced from within the central government and on the local side as well. The days of agony will still continue on Governor Ota -- who has been in the forefront of a base reduction movement to date and said at the end of last year that "the next one year will determine the fate of Okinawa."

(4) Endorsement of Tomobe (in 1995 Election):
Shinshinto's Investigation Team Concludes Ozawa Was Not Entrusted Entirely with the Matter; Process Still Unclear

ASAHI (Page 2) (Excerpts)
February 13, 1997

The Shinshinto's (New Frontier Party) Orange Kyosai Kumiai (mutual benefit society) Project Team (chaired by Executive Council Chairman Takenori Kanzaki) on the 12th reported its conclusion to an officers meeting that the name of Tatsuo Tomobe (upper-house member) was put on the Shinshinto's list of candidates for the proportional representation portion in the 1995 upper-house election as a "decision by a majority."

According to the report, the rankings of all candidates were decided generally in election countermeasures meeting, held on July 4 and 5, 1995. In the session, some members requested to present the list in a way it was decided by the secretary general without changing the order. The former Shinseito, discontent with the order, reacted strongly to such a suggestion. In the end, Ozawa declared, "The list was adopted by a majority," according to the report. The report also says that Hosokawa left earlier and was not present in the meeting when the final decision was made.

The standings of former prime minister Morihiro Hosokawa and (then) secretary general Ichiro Ozawa had been contradictory over this meeting, with the former claiming, "The matter was left entirely to (then) secretary general Ichiro Ozawa" and the latter denying it altogether. The project team's

report has served to substantiate Ozawa's claim.

The paper also says Tomobe had been recognized in the party as "a constituent of the former Japan New Party's (JNP) slot" at the initial screening stage for giving endorsement in March 1995. Hosokawa has claimed that he did not know Tomobe at that point, which contradicts the party leadership's explanation, "The decision was left entirely to the leader of the former NP." In addition, Hosokawa has flatly denied his alleged acceptance of money (from Tomobe). But former lower-house member Ken'ichiro Hatsumura, who is close to Hosokawa, has admitted that he had received 30 million yen from Tomobe in June 1996 and kept it temporarily.

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In his press meeting on the 12th, Secretary General Takeo Nishioka revealed a plan that the party would hold a general meeting of the two houses to make public what is in the project team's report. He also suggested that the party's investigation has now entered a final stage. Some Shinshinto members are arguing, "Winding up the investigation so soon would not help our party wipe out the people's distrust toward our party. Such would make it more difficult for our party to determine candidates for the next upper-house election." A host of dissatisfied opinions may erupt in the meeting of the two houses.

Major Contradictions between Shinshinto's Report and Hosokawa's Positions

- 1) -- Shinshinto Report
- 2) -- Hosokawa's Claim

Authority to determine the proportional representation list

- 1) The leader of each former group/party had the substantial authority to make a decision.

2) The secretariat was virtually responsible for narrowing down candidates.

Method of reaching the final decision

1) The decision was made by a majority because some were discontent with what was in the list.

2) (Then) secretary general Ichiro Ozawa was solely responsible for minor fine-tuning. I believe the final decision was made by the secretary general, who was virtually the central figure of election campaigning.

Time Tomobe was recognized as a candidate

1) Tomobe and two other JNP-affiliated members passed the initial screening for endorsement in March 1995.

2) I had two new members in mind for the February 1995 contest. One of them declined the offer in June. I learned about (Tomobe) from Hatsumura either in May or June.

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TEXT:
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FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR
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TOP HEADLINES:

ASAHI: SECRETARY HWANG HAD WRITTEN A LETTER JUST BEFORE
HIS DEFECTION; RELEASED BY ROK; DESPITE STARVATION,
PEOPLE CLAIM AN IDEAL SOCIETY HAS BEEN CREATED

NIHON KEIZAI: PRIVATE RAILWAY FIRMS' SPRING LABOR
OFFENSIVE: TO PUT AN END TO COLLECTIVE NEGOTIATIONS; 15
MAJOR FIRMS TO ADOPT A SEPARATE NEGOTIATING SYSTEM AFTER

AN HIATUS OF 30 YEARS; A TURNING POINT IN THE PREVIOUS ALL-ARE-EQUALLY-TREATED FORMULA DUE TO GAPS IN BUSINESS PERFORMANCE

TOKYO SHIMBUN: SECRETARY HWANG'S LETTER INDICATING HIS MOTIVE FOR DEFECTION; RESOLVED TO HAVE DIALOGUE FOR RESCUING HIS COUNTRY PEOPLE; DESIRES TO GIVE A HELPING HAND TO UNIFICATION OF (KOREA)

MAINICHI: SECRETARY HWANG'S ASYLUM REQUEST; CHINA EVADING TALKS, REFUSING ROK'S PROPOSAL; OUT OF CONSIDERATION FOR NORTH KOREA?

YOMIURI: PRIVATE RAILWAY FIRMS WILL NEGOTIATE SEPARATELY IN THE COMING SPRING LABOR OFFENSIVE; TO PUT AN END TO 30-YEAR-OLD COLLECTIVE NEGOTIATING SYSTEM; PRIVATE RAILWAYS ORGANIZATION'S DECISION; MAY AFFECT RENGO'S STRATEGY

SANKEI: SECRETARY HWANGS' OWN LETTER INDICATING HIS MOTIVE FOR DEFECTION; HIS DETERMINATION TO HOLD CONSULTATIONS WITH SOUTH KOREAN TO RESCUE HIS COUNTRY'S PEOPLE FROM THEIR UNHAPPINESS; CHINA, ROK START NEGOTIATIONS FOR HIS TRANSPORTATION

FORMER SPEAKER FOLEY LIKELY TO BE NEXT AMBASSADOR TO JAPAN (TOKYO SHIMBUN - PAGE 2)

A SENIOR OFFICIAL OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA) ON THE 13TH, REFERRING TO PRESS REPORTS THAT FORMER SPEAKER OF THE UNITED STATES HOUSE OF REPRESENTATIVES HAD BEEN ASKED BY THE WHITE HOUSE TO SERVE AS THE NEW AMBASSADOR TO JAPAN, MADE IT CLEAR THAT THE NEW U.S. AMBASSADOR TO JAPAN HAS YET TO BE INTERNALLY DESIGNATE, REMARKING "THE U.S. GOVERNMENT HAS NOT YET ASKED THE JAPANESE GOVERNMENT FOR AGREEMENT ON THE SELECTION OF MR. FOLEY."

THE DOMINANT VIEW IN THE MOFA, HOWEVER, IS THAT SINCE "THERE IS NO OTHER NAME MENTIONED BUT MR. FOLEY AS A CANDIDATE TO BE THE NEXT U.S. AMBASSADOR TO JAPAN" (ANOTHER MOFA SENIOR OFFICIAL), MR. FOLEY IN THE END WILL LIKELY BE THE NEXT AMBASSADOR.

U.S. GOVERNMENT EXPERTS WORRIED ABOUT POSSIBLE IMMINENT COLLAPSE IN NORTH KOREAN REGIME (SANKEI - PAGE 4)

(WASHINGTON, FEBRUARY 13, HIROSHI YUASA) IN REACTION TO THE DEFECTION TO THE REPUBLIC OF KOREA (ROK) OF NORTH KOREAN WORKERS PARTY'S SECRETARY HWANG JANG YOP, A CLOSE AIDE TO SECRETARY KIM JONG IL, THE TOP NORTH KOREAN LEADER, MANY IN THE UNITED STATES OBSERVE THAT THE "KIM JONG IL-LED SYSTEM" IS COMING APART AT THE SEAMS AND MOVING TOWARD COLLAPSE. THE U.S. DEPARTMENT OF STATE EMPHASIZES THE NEED FOR FOOD ASSISTANCE IN ORDER TO STABILIZE NORTH KOREA, WHILE THE DEPARTMENT OF DEFENSE (DOD), THE CENTRAL INTELLIGENCE AGENCY (CIA) AND OTHER MILITARY INTELLIGENCE SOURCES PART COMPANY WITH EACH OTHER WITH SOME ADVOCATING A SOUTH-NORTH UNIFICATION

ARGUMENT, BUT ANOTHER GROUP ASSERT AN ADVANCING- SOUTH ARGUMENT. BUT THE UNANIMOUS VIEW IS THAT NORTH KOREA IS ON THE BRINK OF A CRISIS IN WHICH ITS POLITICAL SYSTEM WILL COLLAPSE.

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USIA

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 14

A DOD SOURCE, WHO GATHERS INTELLIGENCE ON NORTH KOREA, STATED ON THE 12TH THAT THIS DEFECTION CASE HAS PROVED THE NORTH'S LEADERS "HAVE LACKED LEADERSHIP CAPABILITY AND HAVE BEEN LOSING POWER" FOR THE PAST SEVERAL YEARS. ESPECIALLY CITING THE SERIOUS LACK OF FOOD AND FUEL, THE SOURCE POINTED OUT THAT AN INSUFFICIENT SUPPLY OF FUEL HAS BEEN PARTLY RESPONSIBLE FOR THE MANY CRASHES OF PLANES OF THE NORTH KOREAN AIR FORCE.

ON WHEN THE POLITICAL SYSTEM WQ(9QdQ)%Q&DSfQoYEAR."

FORMER SECRETARY OF DEFENSE PERRY, WHO IS PESSIMISTIC ABOUT THE NORTH KOREAN SITUATION, GAVE A WARNING IN AN INTERVIEW LATE LAST YEAR TO CNN TV THAT (NORTH KOREA) WAS IN THE TENSEST SITUATION EVER, NOTING, "IT WOULD BE NO SURPRISE IF A CRISIS OF NATIONAL COLLAPSE HAPPENED ANYTIME IN (NORTH KOREA). IT IS IN AN EXTREMELY DANGEROUS SITUATION." BUT HE PRUDENTLY AVOIDED MENTIONING WHEN SUCH WOULD TAKE PLACE.

MEANWHILE, FORMER CIA DEPUTY DIRECTOR STUDEMANN (PHONETIC), WHO WAS IN CHARGE OF FOREIGN INTELLIGENCE, PRESENTED A PAPER TO A MEETING OF THE HOUSE NATIONAL SECURITY COMMITTEE HELD ON THE 12TH, AND IN IT, HE REVEALED HIS OPINION THAT THERE IS A "REALISTIC POSSIBILITY" OF THE NORTH SELF-DESTRUCTING OR ERUPTING OUTWARD THE NEXT THREE TO FIVE YEARS. FORMER CIA DIRECTOR DEUTCH ALSO INDICATED AN IN-DEPTH TESTIMONY BEFORE THE PUBLIC HEARING OF THE U.S. CONGRESS HELD LAST YEAR'S END THAT THE LIKELIHOOD IS THAT THE NORTH MAY COLLAPSE IN THE COMING THREE YEARS OR SOUTH AND NORTH KOREA MAY BE ACTUALLY UNIFIED.

IT IS HOWEVER DIFFICULT TO SPECIFY ANY DATE AS FORMER SECRETARY PERRY FRANKLY TOLD THE WASHINGTON POST IN MAY, 1994: "IT IS HARD INDEED TO PREDICT WITH OUR ASSESSMENTS WHEN THE NORTH KOREAN SYSTEM WILL COLLAPSE OR WHEN A WAR

WILL BREAK OUT."

WHAT IS INTRIGUING IS THAT THE DEPARTMENT OF STATE, PINNING ITS HOPES ON DIPLOMATIC NEGOTIATIONS, HAS TAKEN A VIEWPOINT SLIGHTLY DIFFERENT FROM DOD, WHICH IS READYING ITSELF FOR A CONTINGENCY.

LAST MARCH, ASSISTANT SECRETARY LORD STATED FLATLY: "THERE ARE NO SIGNS OF IMMINENT COLLAPSE." HIS REMARK WAS TO EASE THE IMPACT OF TESTIMONY MADE A WEEK EARLIER IN CONGRESSIONAL PUBLIC HEARINGS BY COMMANDER OF U.S. FORCES IN ROK GARY LUCK (PHONETIC), WHO IN HIS TESTIMONY SAID: "DUE TO A SERIOUS FOOD SHORTAGE, (NORTH KOREA) IS ON THE VERGE OF COLLAPSE. TO FEND OFF DOMESTIC TURMOIL, IT MAY ATTACK THE ROK."

FORMER U.S. AMBASSADOR TO THE ROK LANY, WHO HAS JUST RETIRED, ALSO POINTED OUT IN A CNN TV PROGRAM THAT SET OFF BY SECRETARY HWANG'S DEFECTION, IT HAS BECOME VERY LIKELY THAT THE MILITARY WILL STRENGTHEN ITS POWER, WARNING THAT THE U.S. FORCES IN THE ROK NEED TO BE MORE ALERT.

THAT VIEWPOINT IS SHARED BY SECRETARY OF STATE ALBRIGHT. SHE TESTIFIED BEFORE THE HOUSE FOREIGN RELATIONS COMMITTEE ON THE 12TH THAT IT WOULD NOT BE BENEFICIAL TO ANY COUNTRY IF NORTH KOREA FALLS INTO AN UNSTABLE SITUATION, STRESSING, "IT IS IMPORTANT TO OFFER A CERTAIN AMOUNT OF FOOD AID."

GOVERNMENT TO DELAY FOOD AID PLAN FOR NORTH KOREA IN UNCLAS SECTION 03 OF 08 TOKYO 001342

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 14

LIGHT OF NEW DEVELOPMENTS (TOKYO SHIMBUN - PAGE 2)

THE GOVERNMENT HAS GENERALLY DECIDED THAT IT WOULD SET A POLICY DIRECTION REGARDING EMERGENCY FOOD ASSISTANCE TO NORTH KOREA AFTER COMPREHENSIVELY MAKING A JUDGMENT REGARDING RECENT DEVELOPMENTS IN NORTH KOREA, INCLUDING THE ASYLUM REQUEST TO SOUTH KOREA BY HWANG JANG YOP, SECRETARY (FOR INTERNATIONAL AFFAIRS) OF THE KOREAN WORKERS PARTY.

THIS WAS REVEALED BY A SENIOR OFFICIAL OF THE MINISTRY OF

FOREIGN AFFAIRS YESTERDAY. THE GOVERNMENT'S DELAY IN IMPLEMENTING HUMANITARIAN ASSISTANCE BECAUSE IT MUST FIRST MAKE A COMPREHENSIVE POLITICAL JUDGMENT IS UNPRECEDENTED. THE GOVERNMENT IS EXPECTED TO MAKE A DECISION AFTER THE UN DEPARTMENT OF HUMANITARIAN AFFAIRS (DHA) ANNOUNCES NEXT MONTH ITS CALL A REQUEST FOR ASSISTANCE TO NORTH KOREA.

THE WORLD FOOD PROGRAM (WFP) ON THE 12TH CALLED FOR ASSISTANCE WORTH OF 41.6 MILLION DOLLARS FOR NORTH KOREA, WHICH HAS SUFFERED CHRONIC FOOD CRISIS. THE WFP MADE THE REQUEST PRIOR TO THE DHA, OUT OF CONSIDERATION TO THE CRITICAL FOOD SHORTAGE THERE. THE UNITED STATES HAS ALREADY REVEALED ITS WILLINGNESS TO OFFER 8 MILLION DOLLARS.

THE JAPANESE GOVERNMENT, WITHOUT IMMEDIATELY FALLING IN LINE WITH THE U.S., WILL MAKE A JUDGMENT IN A CAUTIOUS MANNER AND "COMPREHENSIVELY" (SENIOR MOFA OFFICIAL), BASED ON: (1) NORTH KOREA'S REACTION TO SECRETARY HWANG'S APPLICATION FOR POLITICAL ASYLUM IN SOUTH KOREA; (2) DOMESTIC PUBLIC OPINION REGARDING ABDUCTION CASE OF A HIGH SCHOOL GIRL STUDENT IN NIIGATA PREFECTURE, WHICH IS SUSPECTED OF NORTH KOREA'S INVOLVEMENT; AND (3) SOUTH KOREA'S RESPONSE TO THE FOOD SHORTAGE IN NORTH KOREA.

THE LAST EMERGENCY FOOD ASSISTANCE THE GOVERNMENT EXTENDED TO NORTH KOREA WAS IN JUNE LAST YEAR IN RESPONSE TO THE REQUEST OF A UN AGENCY. JAPAN PROVIDED AID WORTH 6 MILLION DOLLARS THROUGH SUCH INTERNATIONAL ORGANIZATIONS AS THE WFP.

AT THAT TIME AS WELL, NORTH KOREA WAS NOT COOPERATIVE, REFUSING FOUR-PARTY TALKS, BUT THE GOVERNMENT CONSIDERED IT NECESSARY ON HUMANITARIAN GROUNDS TO RESOLVE THE FOOD CRISIS IN NORTH KOREA.

THIS TIME, HOWEVER, WITH SUCH NEW ISSUES AS THE GIRL-ABDUCTION CASE AND HWANG'S DEFECTION ISSUE EMERGING, THE GOVERNMENT HAS CONCLUDED IT WOULD TAKE ITS TIME IN MAKING A DECISION, STEMMING FROM THE JUDGMENT "IT WOULD BE DIFFICULT TO GIVE PRIORITY TO HUMANITARIAN AID" (SENIOR MOFA OFFICIAL).

LDP APPROVES RESTART OF GRANT AID TO CHINA
(SANKEI - PAGE 3)

THE MINISTRY OF FOREIGN AFFAIRS (MOFA) ON THE 13TH DECIDED TO RESTART ITS GRANT AID TO CHINA, WHICH HAD BEEN SUSPENDED SINCE THE SUMMER OF 1995 IN PROTEST OF CHINA'S NUCLEAR TESTING. THE MOFA ANNOUNCED ITS DECISION AT THE LIBERAL DEMOCRATIC PARTY'S (LDP) SPECIAL COMMITTEE ON OVERSEAS ECONOMIC COOPERATION AND THE MOFA'S POLICY LINE WAS APPROVED. THE OUTLOOK IS THAT MOFA WILL CARRY OUT THE DECISION FROM FISCAL 1997 (STARTING IN APRIL).

JAPANESE GRANT AID HAD BEEN DISCONTINUED SINCE FISCAL 1995 EXCEPT FOR EMERGENCY ASSISTANCE. A TOTAL OF

APPROXIMATELY 1.8 BILLION YEN WILL BE PROVIDED AS EXPENSES FOR MEDICAL EQUIPMENT. THE DETAILS OF THE PROJECT WILL BE COORDINATED BY THE JAPANESE EMBASSY IN UNCLAS SECTION 04 OF 08 TOKYO 001342

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 14

BEIJING.

CHINA ANNOUNCED THE MORATORIUM OF ITS NUCLEAR TESTING AS THE LAST ONE THAT IT CONDUCTED IN LAST JULY. MOFA THEREFORE HAD LOOKED FOR AN APPROPRIATE TIMING FOR RESUMING ITS GRANT AID TO CHINA. IN ORDER TO IMPLEMENT AID FROM FISCAL 1997, IT DECIDED TO START PREPARATIONS FOR IT AT THIS TIME. FOLLOWING THIS, FOREIGN MINISTER IKEDA IS EXPECTED TO CONVEY THIS DECISION TO THE CHINESE FOREIGN MINISTER IN THEIR MEETING TO BE HELD ON 14TH IN SINGAPORE.

IN THE MEETING OF THE LDP'S SPECIAL COMMITTEE ON OVERSEAS ECONOMIC COOPERATION THAT DAY, HOWEVER, THE VIEW WAS RAISED THAT SINCE THE FIRST HALF OF THE FOURTH YEN-LOAN PACKAGE TOTALS 580 BILLION YEN, "TAKING JAPAN'S INTERESTS INTO ACCOUNT, THE FUTURE PROSPECTS OF JAPAN'S CHINA POLICY SHOULD BE CONSIDERED." AS A RESULT, THE LDP, CENTERING ON ITS FOREIGN POLICY RESEARCH COUNCIL, HAS DECIDED TO LOOK INTO HOW THE JAPANESE GOVERNMENT OFFICIAL DEVELOPMENT ASSISTANCE (ODA) SHOULD BE.

SDPS UEHARA BLASTS GOVERNMENT RESPONSE TO ACCIDENTAL FIRING ON OKINAWA; EVEN CALLS FOR OKINAWAN INDEPENDENCE (TOKYO SHIMBUN - PAGE 3)

"THIS IS MERELY A HYPOTHETICAL QUESTION, BUT IF OKINAWA WANTS TO BECOME INDEPENDENT (OF JAPAN), WHAT SORT OF LEGAL STEPS ARE NECESSARY?" KOSUKE UEHARA (SOCIAL DEMOCRATIC PARTY (SDP)), ELECTED FROM THE OKINAWA 3RD DISTRICT, IN THE LOWER HOUSE BUDGET COMMITTEE SESSION YESTERDAY PLAYED UP HIS "OKINAWA INDEPENDENCE" ARGUMENT AS A GESTURE TO REVEAL HIS DISSATISFACTION TOWARD THE GOVERNMENT'S U.S. BASE POLICY.

UEHARA POINTED OUT A LACK OF ZEAL IN THE GOVERNMENT'S INITIATIVE TOWARD SUCH OKINAWA ISSUES AS THE PLANNED RETURN OF FUTENMA AIR STATION, LAND LEASES FOR U.S. BASE FACILITIES, AND REVITALIZING THE LOCAL ECONOMY. HE

CRITICIZED THE GOVERNMENT'S STANCE SHARPLY, GOING, "AND NOW, THIS ACCIDENTAL FIRING OF DEPLETED-URANIUM BULLETS. I AM SIMPLY ASTOUNDED. YOUR EXPLANATION IS NOT GOOD ENOUGH TO CONVINCE ME."

HE THEN WENT ON TO SPELL OUT HIS "OKINAWA INDEPENDENCE THEORY." CABINET LEGISLATION BUREAU DIRECTOR GENERAL MASASUKE OMORI REPLIED THAT SUCH IS NOT POSSIBLE LEGALLY, SUGGESTING, "THE PRESENT CONSTITUTION DOES NOT HAVE ANY STIPULATION ON SUCH A CASE BECAUSE (INDEPENDENCE) IS JUST NOT HYPOTHEZIZED." UEHARA PRESSED FURTHER, ARGUING, "I THINK ONE POSSIBLE WAY IS TO CARRY OUT A PREFECTURAL REFERENDUM TO ADOPT SUCH AN ORDINANCE." DIRECTOR GENERAL OMORI DISMISSED THE SUGGESTING, "EVEN IF THE PREFECTURE ADOPTS LEGISLATION INDEPENDENTLY, SUCH WOULD NOT PROVIDE INDEPENDENCE."

UEHARA DID NOT QUIT THERE. HE WENT ON FOR TWO HOURS BASHING THE GOVERNMENT BY BROACHING INDIVIDUAL BASE PROBLEMS, ARGUING, "I MULLED OVER THIS PROBLEM AGAIN AND AGAIN, AND I AM NOW DESPERATE. I JUST DON'T THINK WE CAN GO ON LIKE THIS FOREVER."

FOREIGN MINISTRY COOLLY TAKES IN CRITICISM OF ITS HANDLING OF OKINAWA FIRING INCIDENT
(TOKYO SHIMBUN - PAGE 3)

CHIEF CABINET SECRETARY SEIROKU KAJIYAMA HAS CALLED IT "INSENSITIVE" REGARDING THE FOREIGN MINISTRY'S (MOFA) DELAY IN LETTING OKINAWA KNOW ABOUT THE ACCIDENTAL FIRING OF DEPLETED-URANIUM BULLETS BY U.S. MARINE FIGHTERS. IN THIS CONNECTION, FOREIGN MINISTRY PRESS SECRETARY HIROSHI HASHIMOTO IN HIS PRESS MEETING LATE YESTERDAY ADMITTED UNCLAS SECTION 05 OF 08 TOKYO 001342

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 14

MOFA'S MISHANDLING, REMARKING, "WE DESERVE SOME CRITICISM." IT APPEARS THAT MOFA HAS ADMITTED ITS FAULT WITHOUT REBUTTING KAJIYAMA'S SOUR COMMENTS IN AN EFFORT TO SETTLE THE PROBLEM, JUDGING THAT ITS CONTINUING A TUG-OF-WAR WITH THE PRIME MINISTER'S RESIDENTIAL OFFICE WOULD NOT BE WISE.

SPECIAL PRIME MINISTER ASSISTANT TO OKINAWA EXPRESSED DISPLEASURE AT FIRING INCIDENT (ASAHI - PAGE 2)

YUKIO OKAMOTO, PRIME MINISTERIAL ASSISTANT FOR THE OKINAWA PROBLEM, ATTENDED A MEETING HELD IN NAHA CITY YESTERDAY WITH HEADS OF MUNICIPALITIES THAT HOUSE MILITARY BASES AND WITH THE NAHA DEFENSE FACILITIES ADMINISTRATIVE AGENCY. REGARDING THE ACCIDENTAL FIRING OF DEPLETED-URANIUM BULLET BY UNITED STATES MARINES' ATTACKER PLANES, HE EXPRESSED HIS REGRETS, NOTING: "IT IS A SHAMEFUL EVENT. I AM QUITE UNHAPPY ABOUT IT, ESPECIALLY BECAUSE THIS IS A TIME WHEN THE TRUST RELATIONSHIP, WHICH HAS SO FAR BEEN BUILT, IS ABOUT TO FUNCTION SMOOTHLY."

FOREIGN MINISTER POSITIVE ABOUT REVEALING RESULTS OF ENVIRONMENTAL INSPECTION (TOKYO SHIMBUN - PAGE 3)

FOREIGN MINISTER YUKIHIKO IKEDA IN A LOWER HOUSE BUDGET COMMITTEE SESSION YESTERDAY AFTERNOON ADOPTED A FORWARD-LOOKING TANCE TOWARD DISCLOSING THE RESULTS OF U.S. FORCS' ENVIRONMENTAL STUDY CARRIED OUT AFTER THE ACCIDENTAL FIRING OF DEPLETED-URANIUM BULLETS (OFF A EMOTE ISLAND IN OKINAWA). HE STATED, "WE WOULD LIE TO DISCLOSE AS MUCH INFORMATION AS POSSIBLE." HE WAS REPLYING TO KOSUKE UEHARA (SOCIAL DEMOCRATIC PARTY (SDP)), WHO HAD URGED PUBLIC DISCLOSURE.

IN ADDITION, PRIME MINISTER RYUTARO HASHIMOTO RESPONDED POSITIVELY TOWARD OKINAWA'S FREE TRADE AREA CONCEPT, REMARKING, "IF WE GET A SPECIFIC PLAN FROM OKINAWA, WE WILL LOOK INTO IT SERIOUSLY." AT THE SAME TIME, THE PRIME MINISTER EXPRESSED STRONG HOPE FOR SPEEDY DELIBERATIONS BY THE OKINAWA LAND EXPROPRIATION COMMISSION ON LAND LEASES FOR THE U.S. ARMED FORCES THAT WILL EXPIRE IN MAY.

UEHARA URGED THE PRIME MINISTER TO REQUEST PRESIDENT CLINTON TO REDUCE THE SCALE OF U.S. MARINES STATIONED IN OKINAWA DURING THE JAPAN-U.S. SUMMIT MEETING, SCHEDULED FOR LATE APRIL IN WASHINGTON. IN RESPONSE, THE PRIME MINISTER REMARKED: "MY PERCEPTION IS DIFFERENT (FROM UEHARA'S) WHEN IT COMES TO THAT QUESTION: IS THIS THE RIGHT TIME TO DISCUSS SHIFTING THE COMPOSITION OF (U.S. FORCES IN JAPAN) IN VIEW OF THE ENVIRONMENT IN THE SURROUNDING ASIA-PACIFIC REGION?" HE THUS INDICATED THAT HE HAD NO INTENTION OF REQUESTING ANY REDUCTION AT THIS POINT.

CHIEF CABINET SECRETARY: REVISION OF LAW POSSIBLE TO AVOID ILLEGAL OCCUPATION OF BASE LAND
(NIHON KEIZAI - PAGE 1)

CHIEF CABINET SECRETARY SEIROKU KAJIYAMA AT A PRESS CONFERENCE HELD ON THE EVENING OF THE 13TH REFERRED TO THE PROBLEM THAT THE GOVERNMENT'S CURRENT REQUISITIONING OF ABOUT 3,000 PERSONS' LAND LOTS -- NOW USED BY 12 U.S. MILITARY FACILITIES IN OKINAWA INCLUDING KADENA AIR FORCE BASE -- IS DUE TO EXPIRE ON MAY 14. HE STATED: "THE GOVERNMENT CONFIRMED LAST YEAR THAT JAPAN, AS A LAW-GOVERNED COUNTRY, MUST ABSOLUTELY AVOID BEING IN A STATE

OF HAVING NO TITLES TO THE USE OF THE LAND. WHATEVER MAY HAPPEN, THE GOVERNMENT WILL NEVER LOSE SUCH USE-AUTHORITY."

UNCLAS SECTION 06 OF 08 TOKYO 001342

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 14

THE GOVERNMENT IS GOING TO FILE AN APPLICATION WITH THE EXPROPRIATION COMMISSION OF OKINAWA PREFECTURE LATE THIS MONTH AT THE EARLIEST FOR SIX MONTHS' EMERGENCY USE OF THOSE LAND LOTS. CHIEF CABINET SECRETARY KAJIYAMA'S REMARKS MEAN THE GOVERNMENT'S CLARIFICATION OF ITS INTENTION TO COPE WITH THE CASE WHERE IT IS NOT GRANTED, WHILE ENVISIONING EVEN A COURSE OF ACTION TO AMEND THE SPECIAL LAND LEASE LAW FOR THE U.S. FORCES STATIONED IN JAPAN, WHICH STIPULATES PROCEDURES FOR THE GOVERNMENT'S REQUISITIONING OF LAND FOR U.S. MILITARY BASES.

ABOUT THE IDEA OF REVISING THE LAW, CHIEF CABINET SECRETARY KAJIYAMA STRESSED: "I HOPE WE WILL NOT HAVE TO DO SO, BUT THE GOVERNMENT MUST CONSIDER SOMETHING AT LEAST." AT THE SAME TIME, HE ALSO STATED, "THE GOVERNMENT WILL TAKE MEASURES SO AS TO AVOID BEING IN A STATE OF HAVING NO TITLE TO USE THE LAND, AND WE WILL MAKE UTMOST EFFORTS TO ACHIEVE AN UNDERSTANDING."

OKINAWA PREFECTURE'S EXPROPRIATION COMMISSION IS SCHEDULED TO START ON THE 21ST ITS OPEN EXAMINATION OF THE 12 FACILITIES' LAND LOTS. IN THE PAST, HOWEVER, ITS EXAMINATIONS USED TO TAKE ABOUT 10 MONTHS ON AVERAGE. SO, IT WOULD BE EXTREMELY DIFFICULT TO EXPECT IT TO REACH A CONCLUSION BY MAY. MOREOVER, THE BOARD HAS NOT GRANTED THE GOVERNMENT'S APPLICATION FOR ITS EMERGENCY USE OF A LAND LOT AT THE SOBE RADIO STATION SITE WHOSE LEASE EXPIRED IN APRIL LAST YEAR. THEREFORE, THE GOVERNMENT HAS NOW FIRMED UP ITS INTENTION OF SETTING ABOUT THE WORK OF AMENDING THE LAW AS A "SECOND BEST MEASURE."

SDP COMES OUT AGAINST AMENDING SPECIAL MEASURES LAW FOR USE OF LAND BY U.S. FORCES (NIHON KEIZAI - PAGE 2)

THE SOCIAL DEMOCRATIC PARTY HELD A MEETING OF ITS STANDING SECRETARIES ON FEBRUARY 13 TO DISCUSS HOW TO DEAL WITH THE PROBLEM OF REVISING THE SPECIAL LAND LEASE LAW FOR ARMED FORCES STATIONED IN JAPAN, WHICH STIPULATES

PROCEDURES FOR THE GOVERNMENT'S EXPROPRIATION OF LAND FOR U.S. MILITARY BASES. IN THE SESSION, THE SDP ADOPTED A POSITION THAT THE PARTY "CANNOT APPROVE AMENDING THE LAW AT THE PRESENT STAGE."

INTERIM REPORT POSSIBLY IN MAY ON REVISING DEFENSE COOPERATION GUIDELINES (ASAHI - PAGE 2)

RECONSIDERATION OF JAPAN-UNITED STATES DEFENSE COOPERATION GUIDELINES IS NOW BEING DISCUSSED BETWEEN JAPAN AND THE U.S. REFERRING TO IT, JAPAN DEFENSE AGENCY ADMINISTRATIVE VICE MINISTER NAOAKI MURATA REVEALED IN A PRESS BRIEFING ON THE 13TH THAT AN INTERIM REPORT WOULD BE RELEASED BEFORE A FINAL REPORT THAT WILL BE ISSUED IN THE COMING FALL. IT IS SAID THAT THE TIMING WILL BE SET AT A MIDDLE POINT FROM NOW TO (THE FALL), SO IT IS EXPECTED TO BE IN MAY.

FOREIGN MINISTER IN DIET SAYS THAT ACSA MAY EVENTUALLY BE APPLIED TO EMERGENCIES (YOMIURI - PAGE 2)

FOREIGN MINISTER IKEDA AT A LOWER HOUSE BUDGET COMMITTEE MEETING ON THE 13TH REFERRED TO THE JAPAN-U.S. ACQUISITION AND CROSS-SERVICING AGREEMENT (ACSA), WHICH STIPULATES MUTUAL REAR SUPPORT BETWEEN THE SELF-DEFENSE FORCES AND U.S. ARMED FORCES, AND STATED: "IT WON'T BE APPLIED TO EMERGENCY SITUATIONS, BUT AFTER SEEING THE RESULTS OF STUDIES ON THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION, AND DEPENDING ON THE CIRCUMSTANCES, THERE IS ALSO THE POSSIBILITY OF ASKING THE DIET TO DISCUSS THAT MATTER." THE FOREIGN MINISTER THUS IMPLIED A COURSE OF ACTION TO EXPAND THE APPLICABLE SCOPE OF ACSA TO EMERGENCIES AS WELL IN THE FUTURE.

UNCLAS SECTION 07 OF 08 TOKYO 001342

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 14

ALSO, PRIME MINISTER HASHIMOTO, TOUCHING ON THE TROOP STRENGTH OF THE U.S. FORCES IN JAPAN, CLARIFIED THE GOVERNMENT'S INTENTION OF DISCUSSING IT BETWEEN JAPAN AND THE U.S., STATING: "IF AND WHEN THERE IS A CHANGE IN THE SITUATION (OF SECURITY IN THE ASIA-PACIFIC REGION), WE WILL THEN HAVE TO AFFIRM (WITH THE U.S. SIDE) THAT THERE WILL BE A CHANGE IN TROOP STRENGTH AND MILITARY READINESS."

THEIR DIET REPLIES WERE GIVEN IN REPLY TO QUESTIONS ASKED BY KOSUKE UEHARA (SOCIAL DEMOCRATIC PARTY) AND SHIGERU ISHIBA (NIJUISSEIKI (21ST CENTURY)).

WTO MEDIATION OF LIQUOR TAX DISPUTE: WILL THE U.S. CONTINUE TO HANG TOUGH? (YOMIURI - PAGE 3)

THE GOVERNMENT IS PERTURBED BY AMERICA'S MOVE REGARDING THE CORRECTION OF THE DISPARITY IN THE LIQUOR TAX IMPOSED ON JAPAN'S SHOCHU (LOW-CLASS DISTILLED SPIRITS) AND WHISKY. THE WORLD TRADE ORGANIZATION (WTO) PLANS TO ARBITRATE THE ISSUE TODAY, SINCE BILATERAL JAPAN-UNITED STATES NEGOTIATIONS HAVE FALLEN THROUGH. THE U.S. IS TAKING A TOUGH STANCE, AS SEEN IN THAT IT HAS RECENTLY ASKED JAPAN TO FRONTLOAD THE IMPLEMENTATION OF THE PLANNED HIKE IN THE TAX IMPOSED ON SHOCHU TO APRIL. IT WAS EUROPE WHICH HAD ORIGINALLY RAISED THE PROBLEM OF JAPAN'S LIQUOR TAX, BUT NOW IT HAS LAID DOWN ITS ARMS, POSITIVELY EVALUATING JAPAN'S CORRECTION OF ITS LIQUOR TAX. WHAT IS THE REAL INTENTION OF THE U.S., WHICH HAS BELATEDLY "JOINED THE BATTLE"? (ECONOMIC NEWS SECTION REPORTER TAKAMITSU SAITO AND TETSURO KYOYA)

CALLS FOR FRONTLOADING TO APRIL

USTR (UNITED STATES TRADE REPRESENTATIVE) JAPAN DESK DIRECTOR RALPH SIGEL (TN: SIC) AND SEVERAL OTHER OFFICERS BROACHED THE FOLLOWING TO THE JAPANESE DELEGATION, INCLUDING AMBASSADOR TO GENEVA NOBUTOSHI AKAO, IN A WTO HEADQUARTERS CONFERENCE ROOM: "THE PRINCIPLE SHOULD BE THAT IF THE WTO RECOGNIZES JAPAN AS GUILTY, IT SHOULD IMPLEMENT THE PLANNED HIKE IN ITS LIQUOR TAX IMMEDIATELY. JAPAN SHOULD REVISE THE LIQUOR TAX RATES FROM APRIL."

ACCORDING TO THE SCHEDULE JAPAN HAS SET FOR CORRECTING ITS LIQUOR TAX AT A CABINET MEETING IN LATE JANUARY, THE INCREASE IN THE LIQUOR TAX LEVIED ON SHOCHU WILL BE COMPLETED IN FIVE YEARS' TIME, STARTING FROM NOVEMBER, 1996, WHEN JAPAN LOST THE CASE AT THE HIGHER WTO COMMISSION.

THE U.S. HAD ORIGINALLY SOUGHT CORRECTION OF THIS JAPANESE PLAN IN LIGHT OF THE WTO GUIDELINES, WHICH LAY DOWN THAT CORRECTION OF SUCH SHOULD BE WITHIN "15 MONTHS." IF THE PLANNED HIKE IS FRONTLOADED TO APRIL, SUCH A CORRECTION WILL HAVE BEEN MADE IN ONLY FIVE MONTHS SINCE THE WTO'S RECOGNITION OF JAPAN'S GUILT.

VARIOUS OBSERVATIONS ARE BEING HEARD ABOUT THE U.S.' HIGH-HANDED STANCE.

FIRST, SINCE THE VIEW IS THAT CHANCES ARE SLIM THAT JAPAN'S ASSERTIONS ARE RECOGNIZED IN THE MEDIATION SCHEDULED TO BE FORMED ON THE 14TH, THE U.S. IS TRYING TO CHECK JAPAN BY USING "THE USTR'S OLD METHOD OF WRINGING OUT CONCESSIONS BY THROWING A PICK-OFF PITCH -- MEDIATION BY THE WTO" (INFORMED SOURCES).

OTHERS SAID THAT ACTING USTR CHARLENE BARSHEFSKY IS TRYING TO WIN THE ATTENTION OF CONGRESS ON HER PROMOTION TO THE POST OF TRADE REPRESENTATIVE -- AN ISSUE WHICH CONGRESS HAS PUT OFF GIVING A FINAL APPROVAL.

UNCLAS SECTION 08 OF 08 TOKYO 001342

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 14

THERE IS ALSO A VIEW THAT SUCH A STANCE IS A MEASURE TO DEAL WITH THE DOMESTIC INDUSTRY, THAT IS, THE U.S. CANNOT POSSIBLY ACCEPT JAPAN'S PROPOSAL DUE TO THE PAST CIRCUMSTANCES THAT IT LAST YEAR LOST THE CASE OF VENEZUELA AND BRAZIL ADOPTING IMPORT RESTRICTIONS ON PETROL AND THEN WAS MADE TO ACCEPT THE PROMISE FOR A 15-MONTH CORRECTION.

EUROPE, WHICH HAD STARTED ROW, COMPOSED

EUROPE HAS HIGHLY EVALUATED THE FINAL AGREEMENT REACHED BETWEEN JAPAN AND THE EUROPEAN UNION OVER THE LIQUOR TAX ROW, OUTPACING JAPAN AND THE U.S., WHOSE RELATIONS HAVE GONE SOUR OVER THE LIQUOR TAX PROBLEM. IN EARLY FEBRUARY ONE BRITISH NEWSPAPER RAN AN ARTICLE ON THE AGREEMENT AS A TOP PLAY IN ITS BUSINESS PAGE WITH A HEADLINE "VICTORY IN 30-YEAR WAR."

THE U.S. HAS TAKEN PART IN THE LIQUOR TAX NEGOTIATIONS STARTED BY EUROPE FROM JULY, 1995. THE FINANCE MINISTRY'S STATISTICS INDICATE THAT WHEREAS IMPORTS OF WHISKY FROM THE UNITED KINGDOM APPROXIMATELY 40,000 KILOLITERS, THOSE FROM THE U.S. ARE ABOUT 40 PERCENT OF SUCH OR APPROXIMATELY 15,000 KILOLITERS. JAPAN HAS COME UP WITH A COMPENSATORY MEASURE OF LOWERING TARIFFS ON BOURBON WHISKY, WHICH IS THE U.S.' MAIN (WHISKY) EXPORT, BUT THE U.S. TURNED IT DOWN. EUROPE, WHICH HAD BEEN THE OTHER PARTY OF THE DISPUTE, HAS CONSENTED TO THE AGREEMENT. THE JAPANESE GOVERNMENT IS NOW BEING RATTLED BY THE U.S. WHICH HAS ARRIVED AT THE SCENE, RIDING ON EUROPE'S BANDWAGON.

IT IS, HOWEVER, TRUE THAT THE PERIOD OF CORRECTION PROPOSED IN JAPAN'S PLAN IS WELL ABOVE THE STANDARD PERIOD SET BY THE WTO. IF JAPAN TAKES NO NOTICE OF WTO RULES JAPAN'S STANCE OF ADVOCATING THE AGE OF THE WTO

IGHT BE QUESTIONED. THE FINANCE MINISTER'S QUALM S
INCREASINGLY DEEPENING. CRANE

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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS FEBRUARY 18
TEXT: UNCLAS SECTION 01 OF 07 TOKYO 001412

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 18

TOP HEADLINES:

ASAHI: FIVE OR SIX JAPAN RED ARMY MEMBERS INCLUDING
SUSPECT KOZO OKAMOTO PLACED IN CUSTODY IN LEBANON; MAY
REFLECT POLICY SWITCHOVER; NATIONAL POLICE AGENCY
REQUESTS FOR HANDING THEM OVER

NIHON KEIZAI: 9.8 PERCENT INCREASE IN GOVERNMENTAL
FUNDING TO SPECIAL PUBLIC CORPORATIONS IN FISCAL 1997
BUDGET BILL; THREE TIMES INCREASE FOR JAPAN HIGHWAY

PUBLIC CORPORATION IN TWO YEAR; NO STOP TO EXPANSION

TOKYO SHIMBUN: FY1998 BUDGET WILL CUT 4 TRILLION YEN IN GENERAL EXPENDITURES; LARGEST SCALE EVER; PRIME MINISTER WILL CONVEY HIS INTENTION TO FINANCIAL STRUCTURAL REFORM PANEL MEETING ON THE 20TH; AIMING AT REINFORCING COOPERATION WITH THE MINSHUTO (TRANSLATION BELOW)

MAINICHI: NORTH KOREAN FOREIGN MINISTRY TOLERATE SECRETARY HWANG'S DEFECTION; "WE DON'T CARE WHERE THE TURNCOAT GOES"; HE MAY FINALLY GO TO ROK

YOMIURI: FIVE JAPAN RED ARMY MEMBERS, INCLUDING OKAMOTO AND TODAIRA, NOW IN CUSTODY OF LEBANESE AUTHORITIES; CONCEALMENT NO LONGER ALLOWABLE WITH PEACE PROCESS PROGRESSING; JAPAN REQUEST FOR HANDING THEM OVER (ARTICLE IN ENGLISH ED.)

SANKEI: EIGHT JAPAN RED ARMY MEMBERS PLACED BY LEBANESE AUTHORITIES IN CUSTODY; SUSPECT SHIGENOBU -- INTERNATIONALLY WANTED RED ARMY MEMBER -- MAY BE INCLUDED? UNKNOWN WHETHER DIALOGUE CAN BE CARRIED OUT AT AN EARLY DATE

PRIME MINISTER NEGATIVE ABOUT GOVERNOR OTAS REQUEST FOR CUT IN MARINES ON OKINAWA (MAINICHI - PAGE 1)

PRIME MINISTER RYUTARO HASHIMOTO HELD A ONE-ON-ONE MEETING WITH OKINAWA PREFECTURE'S GOVERNOR MASAHIDE OTA FOR AN HOUR AT HIS OFFICIAL RESIDENCE ON THE NIGHT OF THE 17TH. GOVERNOR OTA CALLED FOR THE GOVERNMENT'S COOPERATION TO REDUCE THE U.S. MARINES (IN OKINAWA PREFECTURE), BUT THE PRIME MINISTER INDICATED HIS VIEW THAT IT WOULD BE DIFFICULT TO MAKE AN IN-DEPTH REQUEST TO THE U.S. SIDE FOR REASONS OF THE KOREAN PENINSULA SITUATION NOW GROWING TENSE DUE TO THE DEFECTION OF KOREAN WORKERS PARTY SECRETARY HWANG JANG YOP FROM THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA). THE PRIME MINISTER ALSO APOLOGIZED FOR THE DELAY IN THE GOVERNMENT'S NOTIFICATION (OF OKINAWA) ABOUT THE INCIDENT OF U.S. MILITARY AIRCRAFT'S MISTAKEN FIRING OF DEPLETED-URANIUM BULLETS. IN THIS CONNECTION, THE PRIME MINISTER STATED: (1) THE U.S. FORCES WILL AGAIN TRY TO SEARCH FOR AND RECOVER THE DUDS AND WILL ISSUE A REPORT BY THE END OF MARCH; AND (2) JAPANESE EXPERTS ALSO WILL JOIN IN THE U.S. MILITARY SIDE'S SEARCH ACTIVITIES, AND A REPRESENTATIVE OF OKINAWA PREFECTURE ALSO WILL BE ADDED TO THE ACTIVITIES. THE PRIME MINISTER THEN SHOWED A POSITIVE STANCE ABOUT MAKING PUBLIC THE "MAY 15 MEMORANDUM" WHICH WAS EXCHANGED AT A JAPAN-U.S. JOINT COMMITTEE MEETING AT THE TIME OF OKINAWA'S REVERSION TO JAPAN IN MAY 1972 REGARDING SUCH MATTERS AS CONDITIONS FOR THE U.S. FORCES' USE OF FACILITIES.

NEXT MEETING BETWEEN HASHIMOTO AND OTA IN MARCH
(NIHON KEIZAI - PAGE 2)

(COMMENTARY)

IN HIS MEETING WITH OKINAWAN GOVERNOR MASAHIDE OTA ON THE 17TH, PRIME MINISTER HASHIMOTO PROPOSED TO MEET AGAIN IN MID-MARCH INSTEAD OF TOUCHING ON THE PENDING PROBLEM OF FORCED USE OF LAND BY UNITED STATES MILITARY BASES. LYING BEHIND THIS MOVE IS THE PRIME MINISTER'S INTENTION UNCLAS SECTION 02 OF 07 TOKYO 001412

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 18

TO GIVE THE IMPRESSION THAT HE IS DOING HIS BEST TO AVOID ADOPTING ANY FORCED ACTION TO THE LAST MOMENT AND THEN TO ALLEVIATE, THOUGH SLIGHTLY, OPPOSITION FROM THE PREFECTURAL PEOPLE AND THE SOCIAL DEMOCRATIC PARTY (SDP).

HOWEVER, AS THE TERM OF LAND USE EXPIRES ON MAY 14, IT IS NECESSARY TO GIVE A NOTIFICATION TO LANDOWNERS IN MID-APRIL, AND IF NO PROSPECTS CAME INTO SIGHT FOR THE PREFECTURAL EXPROPRIATION COMMITTEE TO ALLOW CONTINUED USE OF LAND, (THE PRIME MINISTER) HAS TO MAKE UP HIS MIND IN MID-MARCH ABOUT WHETHER TO AMEND THE SPECIAL MEASURES LAW FOR LAND USED BY THE U.S. FORCES STATIONED IN JAPAN. THE PRIME MINISTER WOULD LIKE TO SEE A BREAKTHROUGH IN THE PROBLEM OF CONTINUED USE OF LAND FOR BASES BY THE TIME U.S. VICE PRESIDENT GORE COMES TO JAPAN ON MARCH 23. TAKING THOSE FACTORS INTO CONSIDERATION, THE PRIME MINISTER HAS CONCLUDED THAT MID-MARCH WOULD BE THE TIMING FOR HIM TO MAKE A FINAL DECISION.

BUT GOVERNOR OTA IN A PRESS CONFERENCE AFTER HIS MEETING WITH THE PRIME MINISTER EMPHASIZED, "I DO NOT DESIRE ANYTHING THAT MAY BE TAKEN BY OUR PREFECTURAL RESIDENTS AS DISCRIMINATORY TREATMENT." EVEN IF THE PRIME MINISTER PUTS OFF THE TIMING FOR HIM TO MAKE A FINAL DECISION FOR A MONTH, THE POSSIBILITY OF HIS OBTAINING AN UNDERSTANDING FROM THE GOVERNOR IS STILL BLEAK.

HASHIMOTO POSITIVE ABOUT REVEALING 5.15 REVERSION MEMO, BUT HOW MUCH IS UNCLEAR (MAINICHI - PAGE 3)

IN RESPONSE TO THE FACT THAT PRIME MINISTER RYUTARO HASHIMOTO IN HIS MEETING WITH OKINAWA PREFECTURE'S GOVERNOR MASAHIDE OTA ON THE NIGHT OF THE 17TH SHOWED A POSITIVE STANCE ABOUT DISCLOSING THE "MAY 15 MEMORANDUM" THAT WAS EXCHANGED AT THE TIME OF THE REVERSION OF OKINAWA TO JAPAN ON MAY 15, 1972, THE MINISTRY OF FOREIGN AFFAIRS HAS DECIDED TO GO AHEAD WITH THE WORK OF MAKING

PUBLIC THE MEMORANDUM. HOWEVER, THE MEMORANDUM CONTAINS A PART REGARDING MILITARY OPERATIONS. SO, MOFA WILL LIKELY HAVE TO GO THROUGH COORDINATION WITH THE U.S. AS TO WHETHER OR NOT THE JAPANESE GOVERNMENT CAN GO SO FAR AS ALL-OUT DISCLOSURE AS DEMANDED BY OKINAWA PREFECTURE.

MOFA'S ADMINISTRATIVE VICE MINISTER SADAYUKI HAYASHI AT A PRESS CONFERENCE ON THE EVENING OF THE 17TH STATED THAT THE GOVERNMENT WOULD POSITIVELY LOOK INTO THE POSSIBILITY OF MAKING PUBLIC THE MEMORANDUM. VICE MINISTER HAYASHI STRESSED THE FACT THAT THE JAPAN-U.S. JOINT COMMITTEE AT ITS MEETING ON MARCH 28 LAST YEAR DECIDED TO DISCLOSE THE CONTENTS OF AGREEMENTS AT ITS MEETINGS TO BE HELD AFTER THAT DAY, AND THEN ALSO AGREED TO REVIEW THE MODALITY OF DISCLOSING AGREEMENTS REACHED IN THE PAST AS WELL. HAYASHI REMARKED: "IN THE CASE OF THE MAY 15 MEMORANDUM AS WELL, WE'D LIKE TO STUDY IT WELL WHILE BEING BASED ON THAT POLICY LINE."

OKINAWA PREFECTURE, IN THE PAST AS WELL, HAD REPEATEDLY CALLED FOR THE GOVERNMENT TO DISCLOSE THE CONTENTS OF THE MAY 15 MEMORANDUM. RESPONDING TO THAT CALL, THE GOVERNMENT DISCLOSED A PORTION OF THE DOCUMENT IN THE 1970S. YET, THE GREATER PART OF IT HAS NOT BEEN MADE PUBLIC. THE GOVERNMENT JUDGES THAT DISCLOSING THE MEMORANDUM WILL BE HELPFUL IN IMPROVING ITS AWKWARD RELATIONSHIP WITH OKINAWA OVER SUCH ISSUES AS THE PROBLEM OF CONSTRUCTING AN ALTERNATIVE HELIPORT FOR FUTENMA AIR STATION AND THE PROBLEM OF THE MISTAKEN FIRING OF DEPLETED-URANIUM BULLETS. BASED ON THAT JAPAN-U.S. JOINT COMMITTEE AGREEMENT, THE GOVERNMENT IS GOING TO DEAL FLEXIBLY WITH THE CALL FOR DISCLOSURE.

WITHIN THE GOVERNMENT, HOWEVER, THERE IS ALSO A VOICE SAYING THAT "IT MAY BE DIFFICULT TO DISCLOSE ANYTHING ABOUT MILITARY OPERATIONS" (ACCORDING TO A MOFA SOURCE). UNCLAS SECTION 03 OF 07 TOKYO 001412

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 18

THEREFORE, THE GOVERNMENT WOULD TAKE THE U.S. GOVERNMENT'S VIEW INTO CONSIDERATION AND WOULD THEN MAKE A JUDGMENT AS TO WHETHER OR NOT THE DOCUMENT CAN BE ENTIRELY DISCLOSED.

ON THE OTHER HAND, THE GOVERNMENT -- PRIOR TO THE

HASHIMOTO-OTA MEETING -- HELD AN 8TH MEETING OF ITS CONSULTATIVE COUNCIL ON U.S. MILITARY BASES IN OKINAWA AT THE PRIME MINISTER'S OFFICIAL RESIDENCE, WHERE OKINAWA PREFECTURE'S LIEUTENANT GOVERNOR MASANORI YOSHIMOTO CALLED FOR THE GOVERNMENT TO DISCLOSE THE MAY 15 MEMORANDUM ENTIRELY. IN REPLY, MOFA'S NORTH AMERICAN AFFAIRS BUREAU DEPUTY DIRECTOR GENERAL HITOSHI TANAKA SHOWED A POSITIVE POSTURE, REMARKING: "WE'D LIKE TO STUDY WHAT TO DO FROM NOW ON."

IN ADDITION TO THAT CALL, LIEUTENANT GOVERNOR YOSHIMOTO, IN HIS SUGGESTION OF EFFORTS TO PREVENT ANY MORE OCCURRENCE OF PROBLEMS LIKE THE MISTAKEN FIRING OF DEPLETED-URANIUM BULLETS, REQUESTED THE GOVERNMENT TO REPORT ACCIDENTS TO OKINAWA PREFECTURE IMMEDIATELY EVEN THOUGH THE GOVERNMENT DOES NOT HAVE CONVINCING DATA ABOUT SUCH ACCIDENTS. FURTHERMORE, THE LIEUTENANT GOVERNOR HAS ALSO REQUESTED THE GOVERNMENT TO CONSIDER APPLYING THE INTERNAL LAW TO SUCH EVENTS EVEN WITHIN THE U.S. MILITARY'S TRAINING AREAS.

MOFA REFERRED ALSO TO A U.S. MILITARY SURVEY SCHEDULED TO BE CARRIED OUT AT TORISHIMA ISLAND AND IN THE AREAS AROUND THE ISLAND BY THE END OF MARCH. IN THIS CONNECTION, MOFA ASKED THE OKINAWA PREFECTURE SIDE TO HAVE SOMEONE PARTICIPATE IN THE JAPANESE GOVERNMENT'S MONITORING WORK THERE. THE OKINAWA SIDE HAS AGREED TO THAT PROPOSAL. (HIROSHI KOMATSU, TOSHIKI HASHIMOTO)

AGREEMENT REACHED ON ENVIRONMENTAL SURVEY OF ISLAND HIT BY RADIOACTIVE BULLETS (NIHON KEIZAI - PAGE 2)

THE CENTRAL GOVERNMENT AND OKINAWA PREFECTURE HELD A SECRETARIES MEETING YESTERDAY OF THE OKINAWA UNITED STATES BASES PROBLEM COUNCIL AT THE PRIME MINISTER'S RESIDENTIAL OFFICE, AND IN IT, BOTH SIDES EXCHANGED VIEWS ON THE MISTAKEN FIRING OF DEPLETED-URANIUM ROUNDS BY U.S. FORCES. THE CENTRAL GOVERNMENT SIDE EXPRESSED ITS PLAN TO ACTIVATE A THREE-PARTY COUNCIL OF THE CENTRAL GOVERNMENT, OKINAWA PREFECTURE AND U.S. FORCES WITH HARAJIMA ARRIVING IN HIS NEW POST FOR OKINAWA AND TO MAKE COMMUNICATIONS MORE SMOOTH. THE PREFECTURAL SIDE AGREED TO JOIN A GOVERNMENT-SPONSORED ENVIRONMENTAL SURVEY -- TO START NEXT WEEK -- ON THE AREA IN WHICH DEPLETED-URANIUM BULLETS WERE FIRED.

IN THE ABOVE MEETING, NORTH AMERICAN AFFAIRS BUREAU COUNCILOR TANAKA REFERRED TO RESPONSES THE CENTRAL GOVERNMENT WILL MAKE FOR NOW AND EXPLAINED THE FOLLOWING SCHEDULE:

1. THE U.S. SURVEY TEAM'S REPORT WILL BE HANDED TO OKINAWA PREFECTURE;

2. THE JAPANESE GOVERNMENT ALSO WILL LAUNCH A SURVEY OF THE AIR, WATER, FISH ON TORISHIMA ISLAND AND ITS ENVIRONMENT, BUT IT DESIRES THE PREFECTURAL SIDE TO JOIN THE SURVEY;

3. U.S. FORCES HAVE PROMISED TO COLLECT DEPLETED-URANIUM ROUNDS IN MARCH; THE FOREIGN MINISTER WILL MONITOR THEIR SUCH EFFORTS; AND

4. REGARDING INCIDENTS AND ACCIDENTS THAT OCCUR WITHIN LIMITED WATERS, A SPECIFIC FORMAT FOR REPORTING SUCH CASES WILL BE LAID OUT AND ANNOUNCED IN MARCH.

UNCLAS SECTION 04 OF 07 TOKYO 001412

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 18

OKINAWA VICE GOVERNOR YOSHIMOTO STATED HIS PREFECTURE WOULD PARTICIPATE IN SUCH A GOVERNMENTAL SURVEY AND ALSO STRESSED, "WE DESIRE EVERY ACTION WILL BE TAKEN TO AVOID WHAT HAPPENS TWICE WILL HAPPEN THREE TIMES." HE ALSO REQUESTED THAT PUNITIVE MEASURES, SUCH AS RESTRICTIONS ON EXERCISES, BE IMPOSED IF AN INCIDENT OR AN ACCIDENT OCCURS IN THE FUTURE.

GOVERNOR OTA ASKS SHINSHINTO TO COOPERATE IN EFFORT TO REDUCE U.S. FORCES ON OKINAWA
(MAINICHI - PAGE 2, FEB, 17 EDITION)

OKINAWA PREFECTURAL GOVERNOR MASAhide OTA MET WITH THE OPPOSITION SHINSHINTO'S OKINAWA FACT-FINDING MISSION (HEADED BY DEPUTY SECRETARY GENERAL HAJIME ISHII) AT HIS OFFICE ON THE 16TH. IN THE MEETING, GOVERNOR OTA SOUGHT THE PARTY'S COOPERATION, SAYING, "WE WOULD LIKE THE CENTRAL GOVERNMENT TO SPECIFICALLY ASK THE UNITED STATES TO REDUCE ITS TROOP STRENGTH." IN RESPONSE, ISHII REVEALED THE PARTY WOULD ADOPT IN A PARTY CONVENTION SCHEDULED FOR RELEASE ON THE 16TH A RESOLUTION CALLING FOR THE NECESSITY TO REDUCE THE U.S. MARINES STRENGTH (ON OKINAWA).

IN THE MEETING, VICE GOVERNOR MASANORI YOSHIMOTO EXPLAINED, "IT WOULD BE MEANINGLESS TO RELOCATE THE MILITARY FACILITIES TO OTHER SITES IN OKINAWA. AS THE NEXT STEP, WE HAVE DECIDED TO CALL FOR A REDUCTION IN TROOP STRENGTH." BEARING IN MIND THE RECENT MOVES TO REVIEW THE U.S. DEFENSE PROGRAM, YOSHIMOTO REMARKED: "OF IMPORTANCE IS THE POINT OF WHETHER THE GOVERNMENT WILL IMPLEMENT ONE MEASURE AFTER ANOTHER, AS WELL AS WHETHER THE PRIME MINISTER WILL STATE (JAPAN'S) STANCE CLEARLY."

TWO UPPER-HOUSE DIETMEMBERS OWN MINI-PLOTS OF LAND USED BY U.S. BASES ON OKINAWA (SANKEI - PAGE 3)

I CONNECTION WITH LAND LEASES FOR U.S. FORCES' KADENA AIR BASE AND SOME OTHER FACILITIES EXPIRING IN MAY, DEFENSE FACILITIES ADMINISTRATION AGENCY DIRECTOR GENERAL MASUO MOROTOMI AT A MEETING OF THE LOWER HOUSE BUDGET COMMITTEE HELD ON THE 17TH REVEALED THAT TWO UPPER HOUSE MEMBERS, NAMELY KANTOKU TERUYA (SOCIAL DEMOCRATIC PARTY, PRO-CONSTITUTION LEAGUE) AND SOKO SHIMABUKURO (NIIN CLUB), ARE INCLUDED AMONG THE 2,968 ONE-TSUBO (3.954 SQ. YARDS) LANDOWNERS, WHO ARE OPPOSING THE FORCED USE OF LAND (AS U.S. MILITARY BASES) AND ADVOCATE AN "ANTI-WAR" STANCE. THE STATEMENT WAS MADE IN REPLY TO A QUESTION ASKED BY KAZUO AICHI (SHINSHINTO EQUAL NEW FRONTIER PARTY).

AICHI, AFTER COMMENTING THAT IN CASE THOSE LEASES EXPIRE IN MAY WITHOUT THE GOVERNMENT HAVING OBTAINED AUTHORITY TO USE THOSE SITES, "JAPAN-UNITED STATES RELATIONS WILL GO OFF TRACK. JAPAN'S EXISTENCE WILL BECOME UNSTABLE." HE STATED THAT IN CASE THE GOVERNMENT PROPOSES AMENDING THE SPECIAL MEASURES LAW, "I PERSONALLY AND AS A MEMBER OF THE SHINSHINTO WILL NOT COOPERATE WITH SUCH A PROPOSAL."

JDA AND U.S. EXCHANGING INTELLIGENCE ON NORTH KOREAN TERRORISM (NIHON KEIZAI - PAGE 2)

BECAUSE OF THE DEFECTION PROBLEM OF HWANG JANG YOP, SECRETARY OF THE KOREAN WORKERS PARTY OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA), THE GOVERNMENT IS WATCHING CAREFULLY WHAT ACTION NORTH KOREA WILL TAKE, EVEN WHILE NOTING, "THERE HAS BEEN NO CHANGE IN MILITARY MOVEMENTS ON THE KOREAN PENINSULA" (VICE FOREIGN MINISTER HAYASHI). BUT SINCE A NEPHEW OF SECRETARY KIM JONG IL'S EX-WIFE WAS SHOT IN SEOUL IN THE REPUBLIC OF KOREA (ROK), A SENIOR (MOFA) OFFICIAL VOICED YESTERDAY, "THERE IS CONCERN ABOUT TERRORISM (BY NORTH KOREA)." THE JAPAN UNCLAS SECTION 05 OF 07 TOKYO 001412

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 18

DEFENSE AGENCY (JDA) INTENDS TO KEEP A WATCHFUL EYE ON THE KOREAN PENINSULA SITUATION TO SEE HOW THE SITUATION

WILL DEVELOP WHILE IN CLOSE CONTACT WITH THE UNITED STATES DEPARTMENT OF DEFENSE FOR EXCHANGE OF INTELLIGENCE ON THE KOREAN PENINSULA SITUATION.

ACCORDING TO A JDA SOURCE, U.S. FORCES STATIONED IN THE ROK HAVE NOT YET RAISED THE LEVEL OF WATCH CONDITION OR DEFENSE CONDITION TOWARD THE DEMILITARIZED ZONE ON THE KOREAN PENINSULA. THEREFORE, THE GOVERNMENT HAS CONCLUDED THAT AT THIS POINT, NO SPECIAL MOVEMENT HAS BEEN SEEN ON THE SIDE OF NORTH KOREAN FORCES, SO MILITARY TENSION HAS NOT MOUNTED.

ON THE OTHER HAND, REFERRING TO A GROWING POSSIBILITY THAT THE SHOOTING INCIDENT THAT JUST OCCURRED IN THE ROK MIGHT HAVE BEEN COMMITTED BY A NORTH KOREAN AGENT, A JDA SOURCE POINTS OUT THE FEAR OF NORTH KOREA ACTIVATING TERRORIST ACTIVITIES, NOTING: "IT IS LIKELY THAT TERRORISM MAY OCCUR IN THE ROK, BUT PROBABLY NOT IN JAPAN."

PKO TRAINING IN MALAYSIA TO START POSSIBLY THIS SUMMER
(MAINICHI - PAGE 1, FEB. 17 EDITION)

THE OUTLOOK IS THAT UNIFORMED OFFICERS OF THE SELF-DEFENSE FORCES (SDF) WITH THIS SUMMER OR FALL IN MIND WILL JOIN TRAINING TO BE OFFERED AT THE MALAYSIAN PKO (PEACE-KEEPING OPERATIONS) TRAINING CENTER. THIS WAS REVEALED BY AN OFFICIAL SOURCE AROUND THE 16TH. IT WOULD BE THE FIRST TIME FOR THE GOVERNMENT TO DISPATCH SDF PERSONNEL TO AN ASIA COUNTRY FOR THE PURPOSE OF PKO TRAINING. THE GOVERNMENT WANTS TO MAKE EFFORTS TO BUILD TRUST RELATIONS WITH ASIAN COUNTRIES THROUGH SUCCESSIVE EXCHANGES REGARDING PKO COOPERATION.

SINCE THE PKO COOPERATION LAW WAS ESTABLISHED IN JUNE, 1992, THE GOVERNMENT HAS ANNUALLY BEGUN TO SEND DOZENS OF UNIFORMED SDF AND ADMINISTRATIVE OFFICERS TO PKO TRAINING CENTERS TO VARIOUS COUNTRIES AROUND THE WORLD TO LET THEM LEARN OTHER COUNTRIES' COMMUNICATION SYSTEMS WITH THE UNITED NATIONS HEADQUARTERS, AS WELL AS HOW TO USE ARMS IN AN EMERGENCY. THE GOVERNMENT, HOWEVER, HAS SO FAR SENT SDF PERSONNEL TO SUCH (WESTERN) COUNTRIES AS SWEDEN, NORWAY, FINLAND, CANADA AND AUSTRALIA. IT ONCE DISPATCHED SDF PERSONNEL TO THE UN TRANSITIONAL AUTHORITY IN CAMBODIA (UNTAC) AS CEASE-FIRE MONITORING STAFF AND FACILITIES UNITS. BUT IT HAS NEVER SENT THEM TO JOIN PKO TRAINING.

THE MALAYSIAN PKO TRAINING CENTER BEGAN FULL OPERATION THIS YEAR. THE GOVERNMENTS OF JAPAN AND MALAYSIA HAVE REACHED AGREEMENT IN PRINCIPLE THAT JAPAN WILL SEND RELATED OFFICIALS TO MALAYSIA STARTING FISCAL 1998. THE JAPANESE GOVERNMENT INTENDS TO ERASE ASIAN PEOPLE'S ILL FEELINGS AGAINST JAPAN FOR ITS PAST ACTS BY DEEPENING MILITARY EXCHANGES THROUGH UNIFORMED SDF OFFICERS PARTICIPATING IN PKO TRAINING. THE ASIAN REGIONAL FORUM (ARF) OF THE ASSOCIATION OF SOUTHEAST ASIAN (ASEAN) WILL HOLD A PKO COOPERATION SEMINAR IN KUALA LUMPUR STARTING

MARCH 10. THIS SEMINAR AS AN OCCASION, THE JAPANESE GOVERNMENT WILL START FULL-FLEDGED CONSULTATIONS WITH THE MALAYSIAN GOVERNMENT.

IF CONSULTATIONS GO SMOOTHLY, SEVERAL UNIFORMED SDF OFFICERS WILL RECEIVE TRAINING TOGETHER WITH MALAYSIAN MILITARY OFFICERS AS EARLY AS THE LATTER HALF OF THIS YEAR. (HIROSHI KOMATSU)

GOVERNMENT DECIDES FOR TIME BEING TO FREEZE ANY PLAN FOR PROVIDING FOOD AID TO NORTH KOREA
(SANKEI - PAGE 4, FEB. 15 EDITION)

UNCLAS SECTION 06 OF 07 TOKYO 001412

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 18

REFLECTING NORTH KOREAN SECRETARY HWANG JANG YOP'S SEEKING POLITICAL ASYLUM TO THE REPUBLIC OF KOREA (ROK) AND OTHER ISSUES, THE GOVERNMENT ON THE 14TH DECIDED TO FREEZE ITS EMERGENCY AID ASSISTANCE TO NORTH KOREA FOR A WHILE, DESPITE THE CALL OF THE WORLD FOOD PROGRAM (WFP). THE GOVERNMENT MADE THE DECISION, KEEPING IN MIND NORTH KOREA'S REACTION TO THE DEFECTION CASE BEING AMBIGUOUS, AND THE CASE OF ALLEGED ABDUCTION BY NORTH KOREA OF A JUNIOR HIGH SCHOOL GIRL REMAINING UNSETTLED BETWEEN JAPAN AND NORTH KOREA.

THE WFP ON THE 12TH ANNOUNCED A CALL FOR EMERGENCY FOOD AID WORTH OF 100,000 TONS (EQUIVALENT TO 41.6 MILLION DOLLARS) FOR NORTH KOREA. FOLLOWING SUIT WITH THE POSITIVE STANCE OF THE U.S. FOR THE ASSISTANCE, JAPAN INTENDED TO APPROPRIATE ABOUT 6 MILLION DOLLARS, THE SAME AMOUNT AS THAT LAST YEAR, AS SEEN FROM THE REMARK OF AN LIBERAL DEMOCRATIC PARTY SOURCE: "JAPAN WILL OFFER ASSISTANCE, IN THE END."

BUT WITH HWANG'S DEFECTION CASE, SENIOR OFFICIALS OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA) BEGAN TO INDICATE ON THE SAME DAY THAT JAPAN NEEDED TO MAKE A CAUTIOUS RESPONSE, A SENIOR OFFICIAL SAYING "JAPAN WILL NOT NECESSARILY RESPOND IMMEDIATELY TO THE (WFP) CALL." ON THE 14TH, THE POSSIBILITY BECAME HIGH THAT THE ISSUE OF HWANG'S DEFECTION TO THE ROK WOULD BE PROTRACTED. FOLLOWING THIS, THE GOVERNMENT IS NOW WILLING TO POSTPONE ITS ASSISTANCE.

REGARDING ALSO THE INCIDENT OF MEGUMI YOKOTA (13 YEARS OLD WHEN SHE DISAPPEARED IN 1977), WHOM NORTH KOREA IS SUSPECTED TO HAVE ABDUCTED, HER PARENTS CALLED ON MOFA ASIAN AFFAIRS BUREAU' DIRECTOR GENERAL RYOZO KATO AT THE MINISTRY ON THE 14TH. ON THAT OCCASION, KATO STATED, "SINCE SUCH A CASE REMAINS UNRESOLVED, NO PROGRESS (IN RICE ASSISTANCE FOR NORTH KOREA) WILL BE MADE," INDICATING FOR THE FIRST TIME THE MOFA'S STANCE OF NOT GRANTING RICE ASSISTANCE FOR NORTH KOREA BEFORE THE ALLEGED ABDUCTION CASE IS SETTLED. STEMMING FROM THE JUDGMENT CONSIDERABLE TIME WILL BE NEEDED TO CLARIFY THE TRUTH OF THE ABDUCTION CASE DUE TO HWANG'S DEFECTION CASE, THE GOVERNMENT IS GOING TO GROPE FOR THE TIMING FOR REMOVING THE FREEZE UPON CAREFULLY SEEING THROUGH THE MOVES OF THE ROK AND OTHER COUNTRIES.

GOVERNMENTQS FISCAL 1998 GENERAL ACCOUNT BUDGET TO HAVE RECORD 4 TRILLION YEN CUT (TOKYO SHIMBUN - TOP PLAY)

PRIME MINISTER RYUTARO HASHIMOTO YESTERDAY DECIDED TO SET A TARGET OF A REDUCTION IN THE GENERAL ACCOUNT PORTION OF THE NATIONAL BUDGET -- POLICY EXPENSES -- A 4-TRILLION-YEN SCALE IN THE FY1998 BUDGET. HE PLANS TO CONVEY SUCH AN INTENTION TO THE SECOND ROUND OF A MEETING OF THE GOVERNMENT AND COALITION-SPONSORED COUNCIL OF FISCAL STRUCTURE REFORM (CHAIRER BY PRIME MINISTER HASHIMTO) TO BE HELD ON THE 20TH. HE HOPES TO EMBARK ON FULL-FLEDGED WORK IMMEDIATELY AFTER THAT. THE FIGURE -- 4 TRILLION YEN -- IS EQUIVALENT TO APPROXIMATELY 5 PERCENT OF THE FY1997 STATE BUDGET. IT IS THE LARGEST SCALE EVER.

COOPERATION WITH MINSHUTO AIMED AT

THE PRIME MINISTER WILL STRESS HIS UNSWERVING DETERMINATION TO TACKLE THE RECONSTRUCTION OF THE NATION'S CRITICAL FISCAL SITUATION, BY COMING UP WITH A DRASTIC SPENDING CUT. AT THE SAME TIME, HE HOPES TO LEAD THAT POLICY LINE TO STRENGTHENED COOPERATION WITH THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN), WHICH IS SEEKING A DRASTIC CUT IN EXPENDITURES, PROMPT PASSAGE OF THE FY1997 BUDGET AND STABILIZATION OF HIS ADMINISTRATION.

THE GOVERNMENT HAS ALREADY SET A TARGET FOR IMPROVING THE UNCLAS SECTION 07 OF 07 TOKYO 001412

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 18

NATION'S FISCAL CONDITION BY THE YEAR 2005, BY
"CONSTRAINING" FISCAL DEFICITS OF BOTH THE STATE AND
LOCAL GOVERNMENTS "WITHIN 3 PERCENT OF GDP (GROSS
DOMESTIC PRODUCT)."

THE FINANCE MINISTRY HAS MADE TENTATIVE CALCULATIONS: IN
CASE THE ISSUANCE OF DEFICIT-COVERING GOVERNMENT BONDS IS
CUT BY 1 TRILLION YEN IN EACH YEAR IN ORDER TO REALIZE
SUCH A FISCAL IMPROVEMENT PLAN, REVENUES IN THE FY1998
BUDGET WILL BE 82.68 TRILLION YEN, WHILE EXPENDITURES
REACH 78.64 TRILLION YEN, ON THE ASSUMPTION THAT NOMINAL
ECONOMIC GROWTH IS 3.5 PERCENT, PRODUCING A REVENUE SHORT-
FALL OF MORE THAN 4 TRILLION YEN.

SUCH BEING THE ESTIMATE, THE PRIME MINISTER HAS JUDGED
THAT IN ORDER TO ATTAIN THE TARGET, IT WOULD FIRST BE
NECESSARY NOT TO CREATE THIS REVENUE SHORT-FALL OF 4
TRILLION YEN. FROM A POLITICAL PERSPECTIVE IT IS
IMPOSSIBLE TO RESORT TO A TAX HIKE, AND SO, THE SOLUTION
WAS FOUND IN CUTTING 4 TRILLION YEN FROM THE FY1998
BUDGET.

IT COMES OUT THAT IF SUCH A MEASURE IS TAKEN IN THE
FY1998 BUDGET, IT WILL ENABLE TO CURB THE FISCAL DEFICITS
WITHIN 3 PERCENT OF GDP BY THE YEAR 2005 WITH AN ANNUAL
SPENDING CUT OF APPROXIMATELY 1.5 TRILLION STARTING NEXT
YEAR.

GOVERNMENT AND LDP TO MEET ON THE 20TH TO START CUTTING
THE LONG-RANGE PUBLIC WORKS PLAN (YOMIURI - PAGE 2)

THE GOVERNMENT AND THE LIBERAL DEMOCRATIC PARTY (LDP) ON
THE 14TH DECIDED TO HOLD A SECOND MEETING OF THE FISCAL
STRUCTURAL REFORM COUNCIL TO DISCUSS A PLAN FOR SLASHING
THE NATION'S BASIC PUBLIC WORKS PROJECTS PLAN, WHICH NOW
TOTALS 630 TRILLION YEN. THE VIEW IS TO CUT EXPENDITURES
IN A CONCRETE WAY, BY CURTAILING THE TOTAL AMOUNT OF THE
PLAN, WHICH IS THE BASIS OF THE PUBLIC WORKS PROJECTS
BUDGET. THEY ALSO HOPE THAT SUCH A REDUCTION WILL
CONTRIBUTE TO PUTTING LOCAL GOVERNMENTS' FISCAL SITUATION
IN ORDER. THEIR SPENDING-CUT EFFORTS ALSO COVER OUTLAYS
FOR AGRICULTURAL COUNTERMEASURES TOTALING 6.01 TRILLION
YEN ADOPTED IN THE WAKE OF THE AGRICULTURAL AGREEMENT
REACHED IN THE URUGUAY ROUND. THE PLAN IS TO COMPRESS
SINGLE-YEAR FISCAL SPENDING, BY EXTENDING THE SIX-YEAR
PLAN BY SEVERAL YEARS.

SINCE RESISTANCE IS EXPECTED TO COME FROM THE LDP'S
POLICY CLIQUES IN THE DIET (TN: ZOKU) AGAINST A
REDUCTION IN PUBLIC WORKS PROJECTS AND AGRICULTURAL
BUDGETARY FUNDS, PRIME MINISTER RYUTARO HASHIMOTO WILL
SHORTLY ASK THE LDP'S TOP OFFICERS' MEETINGS AND THE
GENERAL COUNCIL TO COOPERATE FOR FISCAL RECONSTRUCTION.
YAMAUCHI, ACTING

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RUATJHU/CGUSARJ CAMP ZAMA JA//IX CORPS G5//

SUBJ: JAPANESE DAILY PRESS SUMMARY 02/18/97

TEXT:

UNCLAS SECTION 01 OF 13 TOKYO 001434

DEPT FOR E, P, PM, EB, EAP/J AND S/AL
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E.O. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 02/18/97

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Let's Find a Way to Reduce the Marines

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May Rally Forces for Policy in Preparation for
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ARTICLES:

(1) EDITORIAL: U.S. Military Bases on Okinawa:
Let's Find a Way to Reduce the Marines

MAINICHI (Page 5) (Full)
February 16, 1997

The issue of the forced use of land by the United
States military facilities in Okinawa Prefecture
has become a heavy weight for the Japanese
Government.

The Government has already fallen into a state of
illegally authorizing the use of a plot of land
inside the Sobe facility, not being able to obtain
permission from the landowner there. In addition,
the term of validity will expire on May 14 for land-
lease contracts on 12 facilities, including Kadena
Airfield, which have such plots of land owned by
3000 persons.

The question of whether the continuous use of such
facilities would become possible depends on the
Okinawa Prefectural Expropriation Committee.

This committee will open public hearings on
February 21. In the past, it took at least five
months to completely screen a case. Most observers
believe that a ruling is unlikely to come before
the expiration date. If that is the case, the
plots on the facilities owned by those 3000 persons
would fall into a state of illegal occupation.

As a measure to avoid such a situation, the
Government is now studying the possibility of
calling for six-month emergency use of the sites

and amending the special measures law for land use by U.S. forces to enable the Government to continuously use them, even after the contracts expire. But there is no certainty whether this UNCLAS SECTION 02 OF 13 TOKYO 001434

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"two-stage" approach would prove successful. It is still unknown whether the Okinawa Prefectural Expropriation Committee will approve emergency use. As for amending the special measures law, the Social Democratic Party (SDP) is likely to take an opposing stance.

"Even if Prime Minister Ryutaro Hashimoto deals with the March crisis successfully, a May and then a June crisis lie ahead." Such a prediction is prevailing in the capitol district of Nagata-cho, based on the anticipation that should the SDP secede from the current framework of offering cooperation from outside the Cabinet over the issue of amending the special measures law, the Hashimoto Administration would be weakened. An additional blow might be dealt it from anxiety over the monetary system.

Regarding the Okinawa issue, there are more high hurdles to overcome: the issue of the construction of an alternate heliport off Camp Schwab in exchange for the return of Futenma Airfield and the relocation of live-artillery firing training across Route 104 to mainland Japan locations. In both cases, the local governments and residents concerned have fiercely reacted.

If these issues, including the forced use of land, strike a snag, such might shake the very foundation of the Japan-U.S. security arrangement and hurt the entire bilateral relationship. If such a worst-case scenario, which the Government fears the most, is to be avoided, the Japanese and U.S. Governments had better put their brains together.

Over the mistaken firing of depleted-uranium bullets by U.S. jets, Okinawa Prefectural Governor

Masayoshi Ota stated, "The U.S. Marines should return to the U.S." Both governments should consider that he made this remark seriously.

The U.S. Defense Department is pushing ahead with the quadrennial work to review U.S. military forces' strength and strategy. Even among U.S. experts engaging in this work, some have begun to view a cutback in the Marines troop presence on Okinawa as possible, although attaching some conditions, such as progress in military technology.

But Prime Minister Hashimoto and officials of the Ministry of Foreign Affairs (MOFA) have been unwilling to request the U.S. to reduce its Marines troop strength. In particular, as seen in its handling of the depleted-uranium bullet issue, MOFA's stance of tilting toward the U.S. Defense Department has been excessive.

The Japanese Government, while making an effort to maintain stability in the East Asia situation, should also seek a reduction in the scale of the U.S. Marines. It might do so on such occasions as
UNCLAS SECTION 03 OF 13 TOKYO 001434

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SUBJECT: JAPANESE DAILY PRESS SUMMARY 02/18/97

U.S. Secretary of State Albright's visit to Japan scheduled for late February and Prime Minister Hashimoto's visit to the U.S. in April.

Although it might be difficult to carry out a large-scale cutback at once, it must be possible to systematically and gradually reduce U.S. troop strength, including an option of transferring some to Hawaii or Guam. We believe such specific action would help reconstruct a relationship of trust between the Japanese and U.S. Governments and the Okinawa Prefecture, leading to a complete settlement of the Okinawa issue.

(2) Okinawa Bases: Pending Issues Shelved until Next Meeting; Problem of U.S. Military's Accidental Firing Casting Shadow; Prime Minister in a Fix

before U.S. Visit

YOMIURI (Page 2) (Full)
February 18, 1997

Prime Minister Hashimoto and Okinawa Prefecture's Governor Masahide Ota met on the night of the 17th, but they ended up carrying over a number of pending issues to their next meeting set for mid-March, including the problem of the May 14th deadline when the Government's current requisitioning of land for 12 U.S. military facilities runs out. Their meeting failed to attain its objectives since it was overshadowed by the problem of the U.S. military's mistaken firing of depleted-uranium bullets. However, it may safely be said that the Prime Minister gave first consideration to recovering a relationship of trust with Okinawa Prefecture, and it also seems that the Prime Minister is now prudently probing into (the timing to settle the problem of the Government's expropriation of land for U.S. military use before his scheduled visit to the U.S. in late April.

Depleted-uranium bullets

"Did the Government conclude an agreement at the time of Okinawa's reversion to Japan (in 1972) to allow the U.S. forces to do anything (military exercises) freely?"

At the meeting, Governor Ota again grilled the Prime Minister, calling again for the Government to make public the "May 15 memorandum" (partially disclosed in 1978) -- a secret document exchanged at a Japan-U.S. Joint Committee meeting in 1972 regarding the U.S. military's use of land for its bases. Behind this is the governor's strong dissatisfaction over the Government's having abstained from unveiling anything about the actual facts of the U.S. military's use of land for its bases.

In fact, the accidental firing, since it became known, has given rise to strong calls from Okinawa Prefecture for the Government to reveal the truth
UNCLAS SECTION 04 OF 13 TOKYO 001434

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about military exercises and the storage of ordnance and ammunition there. It would appear that the Prime Minister also had no choice but to show a positive stance about disclosing the memorandum in order to wipe away the prefectural side's feeling of distrust. Also, at a top-level liaison conference of the Government and ruling parties on the afternoon of the 17th, the Social Democratic Party's head Doi posed a question over the Government's stance.

Forcible use

Prime Minister Hashimoto has made a proposal to Governor Ota for discussing the problem of the Government's continued requisitioning of land for 12 U.S. military facilities in their next meeting set for mid-March.

Around that time, Okinawa Prefecture's land expropriation commission will have ended its second open hearing, and the expiry of the Government's current land expropriation will be definite. The Prime Minister is expected to ask again for the governor's understanding for the Government's course of action after seeing the future developments of the problem until then.

The Government has said that it "will not create any state of having no title to the use of land whatever may happen" (according to Chief Cabinet Secretary Kajiyama). So, the Government is going to file an application with the prefecture's expropriation commission in late February at the earliest for "emergency use" so that the Government will be allowed to continue its expropriation of land lots for an extended period of six months as the current forcible use of those land lots is due to expire soon.

In order to provide for the case where the Government cannot expect the board to grant emergency use before the time limit, the Government has now firmed up its judgment that it will have no other choice but to proceed with amending the special land lease law for armed forces stationed in Japan so as to make it possible to make provisional use of those land lots while its application is under the board's examination.

Helipoint

On the other hand, the Prime Minister and the governor are said to have discussed nothing during

the meeting about the problem of constructing an alternative heliport in Okinawa Prefecture for the planned reversion of the Futenma Air Station site.

Behind that is a "three-cornered" deadlock of the Government, Okinawa Prefecture, and Nago City, according to an SDP executive officer. The Government has requested Nago City to cooperate on a feasibility study in the waters off Camp Schwab, UNCLAS SECTION 05 OF 13 TOKYO 001434

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but the city's municipal office has rejected the Government's request because "no agreement has yet to be reached on the local side," while pointing out the prefectural government's participation as a condition.

The problem is expected to be discussed at a Japan-U.S. summit meeting scheduled for late April. One in the Government stresses, "If the Government can't enter into even a survey, the Prime Minister can't save his face."

Future Political Schedule over Okinawa

February 21:
Okinawa Prefecture's expropriation commission holds its first open hearing.

February 22:
Foreign Minister Ikeda attends the opening ceremony of the Foreign Ministry's Okinawa office.
In late February: The Government may apply to Okinawa Prefecture's expropriation commission for emergency use.

March 12:
Okinawa Prefecture's expropriation commission holds its second open hearing.

March 23:
U.S. Vice President Gore arrives in Japan.
In mid-April: Okinawa Prefecture's Governor Masahide visits the U.S.

In late April:

A Japan-U.S. summit meeting is to be in Washington.

May 14:

Time limit for the Government's requisitioning of land for 12 U.S. military facilities including Kadena Air Force Base.

May 15:

25th anniversary of Okinawa's reversion to Japan. The U.S. Defense Department is to submit a Quadrennial Defense Review (QDR) report to the U.S. Congress.

This fall:

Time limit for a review of the Guidelines for Japan-U.S. Defense Cooperation.

In late December:

The Government is to adopt a plan for constructing an alternative heliport for the Futenma airfield.

(3) Government Walking a Tight Rope on the Okinawa Base Problem; Focus on Reducing the Presence of the Marines

NIHON KEIZAI (Page 2) (Full)
February 16, 1997

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SUBJECT: JAPANESE DAILY PRESS SUMMARY 02/18/97

The problem of American military bases on Okinawa has again become a tense situation. The prefecture's expropriation committee will start its open hearings on the 21st regarding the forced use of land on 12 U.S. base facilities, including Kadena Air Base, which term of lease ends in May. But the Government assumes the case of there not being enough time for procedures to be completed within the deadline, and has started to consider legal steps that would make continued use of the base land possible. In case the prefecture and its sympathizer, the Social Democratic Party (SDP),

should strongly oppose such steps, it could adversely affect the resolution of the issue of finding an alternate heliport for the one on Futenma Air Station, and even the framework of the Hashimoto Government itself. Local residents are even more upset now with the incident of the U.S. forces having mistakenly fired depleted-uranium bullets (on a remote isle off Okinawa), and the spotlight is now turning to how the Government will deal with the request of the prefecture for a reduction or removal of the U.S. Marines from Okinawa.

Forced Use of the Land: SDP Objects to Legal Revisions

Discussions centering on the base problem will start in earnest next week. Prime Minister Ryutaro Hashimoto will meet with Okinawa Governor Mitsuhide Ota on the 17th, and Foreign Minister Yukihiko Ikeda will visit the prefecture on the 21st and 22nd. The Government and the Liberal Democratic Party (LDP) have started to consider legal measures, with Chief Cabinet Secretary Seiroku Kajiyama on the 13th hinting at the possibility of amending the special measures law for the forced use of land by the U.S. forces, which gives the American military the authority to use the land. In order to avoid "illegal occupation," the Government has adopted a two staged policy approach: (1) ask the expropriation committee for six-months emergency use of the land; and (2) if the prospect for emergency use of the land does not pan out, to amend the special measures law so that continued use of the property would be feasible while the committee deliberates.

However, in April last year, the expropriation committee issued a judgment of not approving emergency use of a plot on the Sobe communications site whose lease had expired. It is an open question whether the panel will allow emergency use this time.

If it comes to amending the law, the attitude of the SDP has to be watched carefully. At a meeting of its permanent secretaries council on the 13th, the party adopted the policy line: "At this juncture, we cannot approve such." However, Secretary General Shigeru Ito and others have hinted of the possibility of accepting an amendment

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to the law if the Government takes a stance of actively making an effort toward the reduction or withdrawal of the Marines. Reducing or removing the Marines is the strong desire of the Okinawan Prefecture, and when Governor Ota visits the United States in April, he plans to make a direct appeal for such to relevant officials in the U.S. Government.

The Prime Minister in the Lower House Budget Committee expressed his own view that as a future topic, the structure of American forces in the Far East should be re-evaluated. But to this reply, even those SDP members who are flexible about amending the law were dissatisfied, stating, "It did not go far enough." If the law is revised forcefully, the prospect of internal coordination in the ruling camp being uncertain, there is a possibility that the framework of the Hashimoto Administration could collapse.

Alternate Heliport Site: Time for Starting Survey Approaches

Although a candidate site for an alternate heliport to the one at Futenma Air Station has been narrowed down to the waters off Camp Schwab (Nago City, etc.), concurrence has not been obtained from the local community and not even a preliminary survey has been initiated. The Government's approach has been to put all of its efforts into working on the prefecture to "sit down at the same table" as a premise for talks with Nago City. The outlook is that the Prime Minister in his February 17 meeting with the Governor will once again ask for such cooperation.

But the prefecture, which insists it is "against any transfer within the prefecture,, will not abandon its stance of distancing itself from what it says is "a problem between the central government and the city from the start." Since the public hearing is about to start for the prefectural assembly and Expropriation Committee, most in the Government take the view that "For the prefecture as well this is a delicate time; it would be difficult for it to change its policy course at once" (Defense Agency source).

However, Japan and the United States have inked an agreement to draft an implementing plan by the end of the year for the construction of an alternate heliport. If the drafting of that plan slips to the latter half of the year, the implementation of the bilateral agreement to "revert Futenma Air Station within 5 to 7 years" will be in peril. The thinking in the Government is to have the survey start by the time the Prime Minister makes his trip to the U.S. in late April. The plan is to continue to work to persuade the local community, by "separating the carrying out of a survey from the decision to construct." At one time, there were flexible views at the local level regarding

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acceptance of the land fill at Camp Schwab from the standpoint of economic development, but the Prime Minister himself was considered to be fussy about the heliport proposal, having himself dismissed that option. And even in the Government itself there seems to be confusion over which plan, the floating or the stationary heliport, is better.

Okinawa Development Plan: Prefecture also
Bargaining, Aiming at Acquiring More "Fruits"

Bargaining between the Government and the prefecture over the Okinawa development package has become active. The Government has presented an eighty-eight item development proposal but the prefecture, stating that "it lacks anything that is implementable," has asked for the setting up of a consultative organ to study measure for drastic easing of restrictions, taking the position of seeking the enactment of special legislation.

A panel on economic policy toward Okinawa set up between the Government and the prefecture will discuss on the 17th and 18th how to allocate the special adjustment account of 5 billion yen in the fiscal 1996 supplementary budget for individual projects. But almost all that the Government can accomplish in fiscal 1996 will be survey projects;

the outlook is that most of the specific projects will be put off until after fiscal 1997.

The prefecture has tried to use the base issue as a launching point to draw out a development policy, and has strengthened its stance of taking any extra fruit it can. Deputy Governor Masanori Yoshimoto has stated his view that not only should there be an easing of regulations by a special law, but that he would like to see public funds set up to be used for the (reverted) base sites.

In that context, Chief Cabinet Secretary Seiroku Kajiyama has repeatedly referred to an economic zone concept based on his idea of expanding Okinawa's free trade district (approximately 3 hectares) into one that could serve as a large trading depot with China's Fukien province and Taiwan. However, central agencies refuse to give up their cautious posture, one ministry stating, "We cannot allow one country to have two systems, such as a no-visa arrangement" (Foreign Ministry). As a result, the future course of this concept is unclear.

(4) Continued Requisitioning of Land for U.S. Military Use: Okinawa Prefecture's Governor Hints at Tolerance for Law Revision; Conditioned on Troop Reduction and Other Measures

NIHON KEIZAI (Page 2) (Full)
February 11, 1997

Okinawa Prefecture's Governor Masahide Ota is now deeply agonized over the Government's looking into
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the possibility of revising a special land lease law for the (U.S.) forces stationed in Japan for its current requisitioning of land lots (in Okinawa Prefecture), now used by 12 U.S. military facilities, is due to expire this May. The Governor at a press conference held on February 10 expressed his intention of opposing the

Government's plan to revise the land-lease law. On the other hand, however, the governor has also stated, "The Government is in the position to firmly maintain the Japan-U.S. security arrangement, so even if we make a request to the Government, there is also a case where the Government won't listen to us. Reducing the troops here will lead to a solution of the problem." The governor has thus implied the likelihood of tolerating the planned revision of the law while making it a condition to take such measures as reducing the troop strength (of U.S. forces) in Okinawa.

On the problem of constructing an alternative heliport for the Futenma air station site's reversion, the governor is now in a difficult position between his public commitment to "abolish all the bases" (in Okinawa Prefecture) and the realities of "base relocation within the same prefecture" -- as seen from such facts as his having been taking a stance of not taking part in the role of coordination between the central government and the city of Nago. One close to the governor is now saying: "If the Government comes out to take a strong means, the governor can rather maintain an appearance worthy of his position, and Okinawa's promotional policy and its call for troop reductions would be easily acceptable."

The Government is now planning to amend the law in a moderate way to allow the Government to continue its requisitioning of land that is under a prefectural land expropriation commission's examination. A senior official at the government of Okinawa Prefecture points out: "Even though the governor accepts the revision of the law, he won't be seriously hurt." The governor, however, complied last September with the central government's request for his execution of an official posting and public review (of the Government-filed application for continued land use). On that occasion, the governor explained that it was "for the purpose of preventing the Government from making a special law." So, the governor will unavoidably be in a fix.

(5) When Will SDP Defect from the Ruling Camp?
May Rally Forces for Policy in Preparation for
Upper-House Election, But a Cautious View also
Exists in the Party

NIHON KEIZAI (Page S 39) (Full)
February 17, 1997

The Social Democratic Party (SDP) is in the "ruling
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camp but not sending anyone of its members to the present administration as ministers and parliamentary vice ministers." But it now finds itself holding the key to future developments in the political situation. The "fragile" arrangement (Secretary General Koichi Kato of the Liberal Democratic Party (LDP)) among the LDP, the SDP and the Sakigake Party will likely continue for awhile, with such problems as the United States military bases on Okinawa, the review work of "Japan-U.S. defense cooperation guidelines," and reform of the health insurance system lying ahead for resolution. With brisk moves for forming a "conservative-conservative alliance" or for reorganizing opposition parties going on, when will the SDP decide to leave the ruling camp? We probe into several possibilities on the exact timing of when the SDP might bolt the ruling camp.

(Kuraichi Yoshino of the Political Department)

"The more the LDP spreads its wings, the more the SDP and the Sakigake lose their strength over that portion," complained SDP Secretary General Shigeru Ito to Kato at a thank-you party held at a Korean barbecue restaurant in Tokyo on the night of January 29th.

After maneuvering to secure a majority in the Lower House without relying on the SDP and the Sakigake, the LDP has now succeeded in doing so by winning over conservative but independent lawmakers just before the vote on the supplementary budget bill. In addition, by stepping up its relations with labor unions, it is trying to undermine the support base of the SDP.

Meanwhile, the SDP is alert to the LDP's "possible abandoning our party." It is staking its survival on a tactic to reorganize non-LDP and non-Shinshinto (New Frontier Party) forces by rallying with the support of labor unions, former Democratic Social Party (DSP)-affiliated lawmakers of the Minshuto (Democratic Party) and the Shinshinto, the

Taiyo Party and other parties. Ito's concern is: "If non-LDP forces have to fight the upper-house election of 1998 without being able to join hands, the LDP could win a landslide victory." Believing that there is no time to spare to form a new party, he suggests forming an alliance for election and policy, envisaging the upper-house election.

But his idea has not progressed as he expected. In his party, members advocating defection from the ruling camp at an early date are on the increase, and in fact one member noted, "It is a poor policy to wait for the SDP to be cut off from the ruling camp without making any move." But many in the SDP executive are cautious, stating, "It would lead to our destruction if our party broke away from the ruling camp without no prospect at hand." Now that the "March crisis" that the SDP might leave the ruling camp at the time of the vote on the fiscal

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1997 budget bill has ceased to be viable, the following three scenarios are conceivable:

Scenario 1 -- Likely: Will Declare Itself as Opposition Party in April in Dealing with the Okinawa Problem

Scenario 2 -- Most Likely: Will Tie up with the Minshuto and Other Parties Even as Early as This Summer

Scenario 3 -- Likely: Will Remain in Ruling Camp until the Upper-House Election in the Summer of 1998

Scenario 1

Will Declare Itself as an Opposition Party in April in Dealing with the Okinawa Problem

In handling the problem of forced use of land -- plots owned by about 3,000 landowners on 12 U.S. military facilities on Okinawa, including Kadena

Air Base -- prior to the expiration on May 14 of the term of their leases, the central government is looking into the possibility of amending the special measures law for land used by United States force in order to make the central government's forced use of land legally possible even after the deadline passes. More efforts will be made after the budget bill is approved.

Meanwhile, the SDP since its foundation has called for realignment and reduction of U.S. military bases in Japan, and partly because it holds the first ruling party position in the Okinawa Prefectural Assembly, it has been opposed to amending the law. Some hard-liners in the party advocate their party should issue "a declaration of turning an opposition party" at the time the Government and the LDP tap the party about amending the law.

Yet many senior members of the SDP are cautious about leaving the ruling camp before this summer, believing, "It would be hard to gain prospects for reorganization of non-LDP and non-Shinshinto forces in two months or so to come." Considering this situation, Ito, Kosuke Uehara who has been elected from Okinawa and some other members are groping for a possibility of adopting a breakthrough measure: that "the SDP will agree to amend the law on the conditions that the central government will display its efforts to tackle (the Okinawa problem) by taking up reduction of U.S. troops in Japan that include Marines as an agenda for Japan-U.S. consultations.

Scenario 2

Will Tie up with the Minshuto and Other Parties as Early as This Summer over the Problem of Reviewing the Defense Guidelines

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The SDP executives have viewed the review work of

"Japan-U.S. defense cooperation guidelines" as a more critical turning point than the Okinawa military base issue, although both are categorized as a security problem. It is considered that in view of possible contingencies near Japan, like the Korean Peninsula, bilateral cooperation in peace time will come up for discussion, and the likelihood is strong that it will set off a constitutional debate as to the propriety of exercising the right to collective self-defense. An advocate for leaving the ruling camp in the party gives an analysis: "The Okinawa problem is in a way seen as a local issue, but the review work of defense cooperation would make a nation-wide debate. It could be perfect as a noble cause for our party to defect from the ruling camp."

In addition, in June or afterwards when the regular Diet session is over, there will be more time to contact senior members of other parties. In July or after, preparing for the upper-house election just one year henceforth, labor unions will most likely step up their move to resolve the now-split situation of their organizations with one group supporting the SDP while another favoring the Minshuto. Under this circumstance, some prospect of reorganizing political forces, if gained, would make it possible to "draw up a blueprint after breaking away from the ruling camp." The SDP is scheduled to compile a party view on the review of defense cooperation in the coming summer, and in that process, it is likely the party will make a decision as to whether to secede from the ruling coalition.

Scenario 3

Will Remain in the Ruling Camp until the Upper-House Election of 1998, Missing a Chance

However, in dealing with those security issues, it is imagined that the LDP, hypothesizing a revolt by the SDP, will try to plot the forming of a "conservative-conservative alliance" by winning to its side portions of the Shinshinto, the Minshuto and the Taiyo Party. Some in the SDP think that "a growing move for forming a conservative-conservative alliance would be the best chance to break away from the ruling coalition" (person close to SDP President Takako Doi). But if the whole Minshuto were to join hands with the LDP, the SDP's plan for "rallying non-LDP and non-Shinshinto forces) would have to shrink widely.

The SDP would be pressed to make an ultimate choice as to whether to remain in the ruling camp and prepare for its raison d'etre to collapse, or to break with the ruling camp to become an opposition

party with no blueprint for rallying forces. In this case, the Upper-House SDP will likely incline toward remaining in the ruling camp in
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consideration of the upper-house election, calculating that "it would be advantageous to emphasizing our performance in policy aspects while remaining in the ruling camp." Those who advocate remaining in the ruling camp would gain strength in one gulp.

- - - - -

When the decisive day will come depends on the result of (the SDP's) strategy for political realignment. If the party is unable to make a decision by the summer, a time-limit in view of the upper-house election, it will likely opt for remaining in the ruling camp. At this point, the probability of Scenario 1 is 20 percent; 50 percent for Scenario 2 and 30 percent for Scenario 3.

Major Political Schedules Linked to SDP's D Day

End of March?
FY1997 budget bill approved.

Early April
SDP Regular Convention.

May 14
The term of land use by the central government for U.S. forces on Okinawa will expire.

Mid-May?
An interim report will be released on the review of Japan-U.S. defense cooperation guidelines.

June 18
The regular Diet session will end.

June 20 - 22
G7 Summit (Denver Summit).

Mid-September?

New guidelines for Japan-U.S. defense cooperation
will be determined.

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

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[02/12/1997 - 02/20/1997]

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RESTRICTION CODES

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

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- (1) EDITORIAL: Minimum Amending of the "Okinawa" Law Is Unavoidable

NIHON KEIZAI (Page 2) (Full)
February 19, 1997

The Okinawa Prefecture Expropriation Committee will start its public hearings on the 21st regarding the problem of the forced use of land by United States military bases on Okinawa, the leases of which expire on May 14. The outlook is slim that a judgment will be reached before the deadline, and the Government, in order to avoid a "state of loss of rights," is considering revising the special measures law for the use of land by stationed forces in Japan. We think that a minimum amount of legal revision is unavoidable. Our reason is that we are worried about the confused state that would result from the government's loss of rights (to the land) and the impact that would have on Japan's bilateral security treaty relationship with the United States.

There is a somewhat different feeling in Okinawa regarding war and the bases than in other parts of Japan. The Battle of Okinawa in 1945 was part of war of attrition planned by the central command to delay a decisive battle on mainland Japan. Even today, there are signs of that tragedy here and there on the island. On the mainland, many of the U.S. bases were transferred from the defeated Japanese military forces, but on Okinawa, there is a history of private land being borrowed by force and bulldozers.

In addition, if one thinks about the current situation in which approximately 18 percent of

Okinawa's main island is taken up by U.S. bases, it is only natural for the Government to seek some reduction of those facilities and to grapple with local development that would free the island from a UNCLAS SECTION 02 OF 10 TOKYO 001535

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base economy. Amending the law on forced use of land would not contradict such efforts.

Of the some 32,000 owners of land located on the bases, approximately 29,000 have signed leases under civil law. Of the some 3,000 who refused to do so, approximately 2,900 are the so-called one-tsubo (three square meters) anti-war owners. Of that group, approximately 1,400 reportedly live outside the prefecture. In the case of Futenma Air Station, the average size of land for the anti-war owners is 0.1 square meters, so small they have been called "(Japanese) cushion owners" and "handkerchief owners."

The Government is said to be studying an amendment to the law that would include the possibility of continued use of the land until the Expropriation Committee made its judgment. Such a minimum change in the law seems unavoidable if there is to be avoided clashes between anti-war owners seeking to enter the bases after the leases run out, and the riot police trying to stop them in order to avoid turmoil in administering the bases.

Governor Masahide Ota has not framed it as a condition for accepting legal revision, but he has been seeking a reduction of the U.S. Marines on Okinawa. Even in the United States there have been suggestions to reduce the Marines, but they have been conditioned on: 1) stability on the Korean Peninsula; and 2) enhanced defense cooperation between Japan and the U.S., such as Japan deciding to exercise the right to the use of collective self-defense. The first conditions has yet to be filled, and the second one, if it is to be fulfilled, will need to see the formation of an agreement that will be much more difficult than

amending the special measures law.

Prime Minister Ryutaro Hashimoto, needless to say, has to make an effort to persuade Okinawa. The Social Democratic Party, must cooperate on this if it is to avoid a state of turmoil.

(2) Shinshinto's Action Plan: Clear Stance of "Confrontation with the Government" but No Specific Strategy Shown

YOMIURI (Page 2) (Full)
February 13, 1997

The Shinshinto's (New Frontier Party) action plan for 1997, which is expected to be adopted at the party convention on the 26th, was revealed on the 13th. In it, the party clearly shows its stance of confrontation with the Hashimoto Government, stressing "We will do our best to unseat the Hashimoto Cabinet as early as possible." The party also strongly called for the need to rally together the forces of reform. The party reflected seriously on the Orange Kyosai mutual benefit society scandal involving upper house member Tatsuo

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Tomobe (formerly a Shinshinto member), who has been arrested, as well as on a succession of bolters from the party, and it expressed its determination to grapple with the reform of the party itself. But it was unable to spell out concrete measures for recapturing the reins of government. So it is uncertain whether it will be able to stop the weakening cohesion of the party under Ozawa's leadership.

The action plan points out that since the Hashimoto Cabinet is a interests-ridden government, it is clear that the people cannot expect the Hashimoto Government to implement reform. Characterizing the Shinshinto as party that can realize the reform of Japan, the action plan underscores the party will put its energy into allying the many forces that

support reform, while expressing its determination to plunge a scalpel into the government's cozy ties with industries and organizations.

In particular, the action plan plays up the Shinshinto's reform policy line in its budget draft plan for fiscal 1997, arguing, "(the government's budget) is a conventional pork-barrel budget."

But it does not spell out any specific measures for a "grand alliance" of non-Liberal Democratic Party forces that would include the Social Democratic Party (SDP) and the Sakigake Party. In fact, even forming an "alliance of opposition parties" is difficult because the Minshuto (Democratic Party of Japan) has taken a cautious stance toward the Shinshinto's budget proposal that calls for a 20 trillion yen tax cut.

The party's prediction that the Hashimoto Government will become deadlocked internally this year and at some point collapse is not rooted in any clear political strategy.

Moreover, since there are no specific measures for reforming the party, junior members have complained that the contents are insufficient.

Major Points of the Action Plan

The gist of the Shinshinto's action plan for 1997 is as follows:

We must take seriously the fact that we could not recapture the reins of government with our failure to obtain a majority of seats in the lower-house election last year. Based on the result of the general election, we must make efforts to recapture the political reins by mapping out administrative visions and election strategy.

Enlisting all party members, we will carry out a restructuring of our party aiming at capturing political power. Returning to our original purpose, we will solidify our unity and serve the country and the people with all our might.

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1. Nature of a Japan Crisis and Political Responsibility

It is crystal clear that Japan will be in serious trouble unless structural reform is implemented. We believe there will be no future for Japan unless we transcend the "Japan crisis" of the Heisei period, which is similar to the ones Japan experienced in the late Edo period and after the defeat in the past war.

2. No Prospects for Hashimoto Government's Stance for Reform (Omitted)

3. Scenario for Reconstruction of Japan (Omitted)

4. Rallying Together the Forces Calling for Reform and the Formation of a New Government

We cannot at all see the Hashimoto Cabinet's will and vision for building a new Japan by making the pain of reform its own pain. We will topple the Hashimoto Cabinet as soon as possible.

It is certain that the Hashimoto Government will reach its limit even in the year and will collapse sooner or later. The Shinshinto, however, will steadily promote a grand alliance of reform forces and obtain support from the people so that it can form a new Shinshinto-led administration.

5. Consolidation of the Party Organization and Development of National Movement

This year as the initial year, the Shinshinto will exert all its powers in establishing local organizations within five years.

6. Various Bureaus' Activities (omitted)

(3) U.S.-North Korea Nuclear Agreement Overshadowed; Clinton Administration Suspends Its Political Involvement in the North; Now Facing Serious Dilemma

SANKEI (Page 4) (Full)
February 19, 1997

(Washington, February 18, Yoshihisa Komori)

The incident of North Korean Workers' Party Secretary Hwang Jang Yop seeking asylum has begun to subtly rock the base of the United States'

policy toward the Korean Peninsula. In particular, the shooting of a defector from the North living in the Republic of Korea, which occurred after the Hwang's defection, has made the U.S. pause in its engagement in North Korean affairs for a while and has cast a dark cloud over the future development in the agreement between the two countries on (North Korea's discontinuation of its) nuclear programs.

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Secretary Hwang's seeking asylum has impacted greatly on the Clinton Administration. The case has become a "golden opportunity" for U.S. Government's intelligence agencies, which are putting their energies into gathering secret intelligence on North Korea. But such government agencies as the Department of State, which is responsible for political and foreign affairs, have expressed their perplexity and shock.

That is because the above incidents have occurred at a time when the Clinton Administration, which has adopted a policy line of "the engagement of North Korea," has been expanding exchanges with that country, and was about to start a cooperative approach to bring the North into the international community. By seeking asylum in the ROK, Hwang, who represents North Korea's top political elite, has unveiled the peculiarity and unfairness of the fundamental part of his government.

The U.S. Government was scheduled to convene a meeting with North Korea in late January to promote the U.S.-North Korea agreement and to provide a three-party briefing among the U.S., ROK and North Korea. In addition to the three countries, the U.S. Government was preparing to ask China to participate in the talks. It also intended to take advantage of the three-party talks for its own bilateral discussions.

The series of approaches by the Clinton

Administration had as its purpose to bring the North, whose economy has become increasingly critical under absolutism, into the international community.

According to a U.S. Government source connected with Korean affairs, the Clinton Government has briefly halted its North Korea engagement policy' due to Secretary Hwang's defection. The reason is because it has confirmed from Hwang's statements that there is a severe clash of views within the highest levels of Kim Jong Il government. It also reconfirmed that the government of North Korea is an extremely odd political organization.

In other words, a view has emerged in the U.S. Government that it is too risky to award a certain level of recognition to such a North Korea. As a result, the Clinton Administration now faces a serious dilemma over what to do with its North Korea policy.

Meanwhile, the U.S. Government has been trying to promote its engagement policy with the North by asking private-sector companies to cooperate with it. As part of such efforts, the Clinton Administration has supported a proposal for Cargill, a leading U.S. grain company, to offer 500,000 tons of grain to North Korea in a barter deal. But when the representative of Cargill

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visited Pyongyang in late January, the North Korean side did not present the list of goods to be exchanged. As a result, negotiations ended in failure. This has perplexed the Clinton Administration.

Against that backdrop, Lee Han Yong, a defector from the North, was shot by a person who was perhaps a North Korean agent. The U.S., therefore, cannot avoid putting off all proposed talks -- the four-way-talks, three-way-talks and bilateral talks -- for the time being.

The outlook is that the present situation, together with the ROK's hard-line stance, has made it difficult to implement the agreement on the nuclear program. It has been decided that there will be constructed two light-water reactors for nuclear power energy in North Korea. If the possibility of turmoil and even collapse of the Kim regime becomes more likely, reconsideration will be needed for the political appropriateness of the initial phase of construction work.

(4) Will Brakes Be Applied to Japan-U.S. Dispute?;
Transport Ministry Officials to Meet U.S. Officials
to Discuss Important Maintenance Auto Parts; Aiming
to Obtain Understanding, with Deregulatory Measures
Including Establishment of Specialty-Approval
System

NIKKAN JIDOSHA (Page 1) (Full)
February 17, 1997

Senior officials of the Ministry of Transport (MOT) will visit the United States from February 17th through 21st. They will meet U.S. officials in charge and auto parts company executives to discuss the issue over removal of brakes from the ministry's list of important maintenance auto parts. In the meetings, the MOT officials are expected to spell out the ministry's plan to implement by February 23 of the deregulatory package that the ministry worked out in accordance with the agreement reached in the Japan-U.S. automobile and auto parts talks in August, 1995. The package includes as an eye-catcher measure the establishment of a "specialty-approval system" designed to enable the exclusive handling of brakes and other auto parts. With such measures, the ministry hopes to obtain understanding from the U.S. Government and other related persons.

Road Transport Bureau Maintenance Service Division Chief Seiichi Kume and two other senior officials will visit the U.S. The purpose of their trip is to give explanations to officials of the Commerce Department and the USTR Office and executives of auto parts companies about connection between the definition of overhaul service and brakes.

Early this year, four auto parts-related organizations, including U.S. Motors Equipment Manufacturers Association (MEMA), filed a request
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with the Transport Ministry that brakes be erased from the definition of overhaul service. The MOT on February 5 send to the four organizations letters rejecting the request, on the grounds: "There will be problems in view of safety."

Reacting to the MOT's reply, MEMA issued a statement that went: "We are very disappointed at Japan's decision." It also lashed out at Japan for its response, an executive remarking "the Japanese Ministry of Transport declined the technology we has developed in the international market." The Commerce Department and the USTR Office as well released a statement in which they criticized Japan's response. A senior U.S. Government official implied that the U.S. would be ready to pressure Japan to accept the request, saying "after receiving full explanations from Japan, we will look into what action we should take next."

Such reactions were far severer than the ministry had expected. In particular, the reaction of the U.S. Government, which has joined hands with the auto parts industry, somewhat amazed the MOF, which has repeated a stereotyped response in compliance with due procedures as stipulated in the note of agreement in the Japan-U.S. talks that went: "A reply should be given to the party concerned (auto parts industry) that made a request in line with the request."

Reflecting such U.S. responses, the MOT seemingly decided to dispatch its senior officials to the U.S., although "the ministry has received no formal contact from the U.S. Government since it sent the reply" (Road Transport Bureau Director General Yoshiaki Araya).

Such a background is manifested by their planned meets with officials of the Commerce Department and USTR Office.

The MOT in its reply referred to the implementation of new deregulatory measures by the 23rd, noting "With the introduction of the specialty-approval system, the establishment of authorized garages exclusively handling brakes will be approved." Observers considered this explanation as a material to have the U.S. understand that Japan cannot

accept the U.S. request.

The contents of the deregulatory package is expected to be released around February 20. Keeping this also in mind, the likelihood is that the three MOT official will spell out the contents of the package to U.S. Government officials and auto parts companies' executives.

What reaction will the U.S. side make to the deregulation package? Will the issue of brakes turn into a seed for a new bilateral political dispute? Public attention is now set on this issue.

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(5) Japan's ODA Program Slow in Changing; Need to Consolidate Assistance that Has Visibility, as Well as to Address Such Challenges as Nurturing NGOs

NIHON KEIZAI (Page 7) (Full)
February 5, 1997

Japanese Corporations Overshadowed

Seishiro Eto, who is acting chairman of the Liberal Democratic Party's Special Committee on External Economic Cooperation, is concerned about the present situation in the Japanese government's official development assistance (ODA) program, in which outlays alone have swollen. He argues: "There is no visibility unless ODA projects are carried out by Japanese hands."

Japanese companies receive less than 30 percent of the total orders for carrying out ODA projects. Because of the introduction of untied ODA programs, Japanese trading companies have moved away from ODA projects now that there is no guarantee they will get contracts. As a result, Japan is being overshadowed.

Vice Chairman Osao Yanagisawa suggests that the

Ministry of Foreign Affairs (MOFA) should find suitable projects through discussions. He plans to send a group of private sector specialists to developing countries to give advice for their efforts in privatization. Yanagisawa stresses: "The medium-term plan that aims at only increasing ODA outlays is obsolete."

The Ministry of Finance (MOF) has now dispatched Deputy Director General Kitamura of the Institute of Fiscal and Monetary Policy to Uzbekistan for a lengthy-stay. While giving advice to the Uzbekistan government on the banking system, Kitamura also is teaching the banking business on his own initiative.

Judging that Japan should support (Uzbekistan's efforts) to establish a new system in place of the division of labor system under the former Soviet Union, Nomura Research Institute Executive Director Tadao Chino, who was busily engaged in the former Soviet Union's debt problem when he served as Finance Ministry official, has made himself a contact point. This is the right time for Japan to consider what kind of ODA projects are really needed by developing countries by selling its intellectual assistance.

Shortage of Lack of Staff Members Is Problem

The problem is a "lack of specialists who can talk about their specialties in English" (MOFA informed source). With the officials being useless, there are also few companies that have developed consulting services overseas in the soft sectors. The reality is that European and American companies

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are going way ahead of Japanese firms, even in Central Asia which Japan regards as an important region for its ODA programs.

The consulting business is like a gene for transferring Japan's experiences. The Engineering Consulting Firms Association (ECFA) last summer

called on the Government to give favorable treatment to Japanese companies in such areas as designing, project control, and management guidance, not only for yen loan projects but for grant aid ones as well.

Another reason for the lack of visibility of Japan's ODA stems from three distressing problems: the yen's appreciation, introduction of untied yen loans, and widespread giving of priority to local companies in Asia. An American connected to foreign assistance was critical of the Japanese industry's defensive stance, saying, "The targets of assistance have changed from civil engineering to such basic areas of life as medical care. Taking advantage of foreign consulting firms that have many AIDS specialists is one option."

Fostering non-governmental organizations (NGOs), which are the main players in the assistance programs of the United States and Europe, will take some time.

Volunteer Activities Indispensable

The U.S. Agency for International Development (USAID) created an office to assist private volunteer organizations in 1974. The Japanese Foreign Ministry however set up its office to support the NGOs only two years ago. The U.S. Government allocates a budget of one billion dollars for the NGOs, while Japan's Foreign Ministry provides a budget of a mere six billion yen (or about 50 million dollars) for (NGO-)related projects.

OISCA (Industrial Development Body) International, Japan's leading NGO, was established 35 years ago. With its 20 training centers overseas, it provides training to more than 1,000 persons annually. It gives agricultural training to people from Papua New Guinea in the Philippines rather than in Japan. It does this "in order to expand mutual training among developing countries" (Executive Director Michiyasu Shin'yashiki).

An NGO's strength is that it is able to carry out projects more freely than the government, but its annual operational funds may total only several billion yen including membership fees, donations, and governmental subsidies. Without volunteer help, an NGO's operations cannot function. Executive Director Shin'yashiki noted:

"Although the number of NGOs has increased, there are quite a few that are unable to raise funds by

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themselves due to their weak bases. Since the importance of experience is paramount, even if the government subsidies are increased, the number of projects going to NGOs would not immediately increase."

Fiscal authorities are not the only ones who think that the budget for NGOs should be increased only after they build up their system.

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