

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Support Cable for East Asia Brief 97/084 (4 pages)	04/11/1997	P1/b(1)
002. cable	Re: Okinawa Landlease Law (3 pages)	04/11/1997	P1/b(1)
003. cable	Re: Okinawa Governor's Trip to the U.S. (5 pages)	04/14/1997	P1/b(1)
004. cable	Re: April 10-11 Visit to Tokyo (5 pages)	04/14/1997	P1/b(1)
005. cable	Re: Scenesetter for Visit to Tokyo (14 pages)	04/14/1997	P1/b(1)
006. cable	Re: Okinawa (4 pages)	04/15/1997	P1/b(1)
007. cable	Re: Okinawa (3 pages)	04/15/1997	P1/b(1)
008. cable	Re: Okinawa (3 pages)	04/16/1997	P1/b(1)

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[04/10/1997 - 04/16/1997]

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RESTRICTION CODES

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

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 10

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 10 TOKYO 003066

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 APRIL 10

TOP HEADLINES:

ASAHI: STUDY PANEL FOR REFORM OF DONE TO BE SET UP
PROBABLY WITHIN THE MONTH; SCIENCE AND TECHNOLOGY
AGENCY'S POLICY; TO PICK NON-EXPERTS AS PANEL MEMBERS

NIHON KEIZAI: NCB WILL TIE UP WITH BANKERS CROSS-HOLDING

OF STOCKS; TO PUT OVERALL OVERSEAS OPERATIONS IN THE HANDS OF BANKERS

TOKYO SHIMBUN: "FIRST MOBILIZATION" OF SDF'S BAND FOR A DIET EVENT; 50TH ANNIVERSARY OF THE ESTABLISHMENT OF THE CONSTITUTION; DOES THIS MEAN A CHANGE? CONSTITUTION-DEFENDING DIETMEMBERS PERPLEXED AT LOWER HOUSE'S REQUEST FOR REASON OF "HIGH QUALITY BUT LOW COST"

MAINICHI: INSTRUCTIONS GIVEN TO INSPECT DONEN BY OUTSIDER INSPECTORS; FROM PRIME MINISTER TO SCIENCE AND TECHNOLOGY AGENCY; DUE TO THE FALSE REPORT ON FIRE AT THE NUCLEAR FUEL REPROCESSING PLANT

YOMIURI: NCB WILL JOIN HANDS WITH MAJOR U.S. BANK; TO ENTRUST OVERSEAS BUSINESSES TO BANKERS TRUST; CROSS-HOLDING OF STOCKS; SIGNING TO BE MADE LATE THIS MONTH

SANKEI: TO LEGISLATE FOR PROTECTION OF BORROWERS FROM CONSUMERS LOAN COMPANIES OR CREDIT COMPANIES; FINANCE MINISTRY, MITI WILL UNIFY SECTOR-BY-SECTOR RESTRICTIONS; A DISCUSSION FORUM WILL BE ESTABLISHED ON THE 17TH

DEFENSE SECRETARY COHEN LINKS MAINTAINING OKINAWAN TROOPS TO NEED TO WATCH CHINA (ASAHI - PAGE 2)

IN THE BILATERAL DEFENSE SUMMIT MEETING ON THE 7TH, U.S. DEFENSE SECRETARY COHEN MADE THIS STATEMENT ABOUT THE MILITARY PREPAREDNESS OF THE UNITED STATES FORCES IN JAPAN: "EVEN IF THE KOREAN PENINSULA QUIETS DOWN, THE MARINES ON OKINAWA WILL MAINTAIN THE SAME DETERRENT CAPABILITY AS BEFORE AS LONG AS THE TAIWAN STRAITS ARE AS THEY ARE NOW." THIS WAS REVEALED ON THE 9TH BY AN INFORMED SOURCE. SECRETARY COHEN JUST BEFORE COMING TO JAPAN SAID, "WE WILL NOT REDUCE THE U.S. FORCES IN JAPAN EVEN AFTER UNIFICATION OF THE NORTH KOREAN PENINSULA," AND HE LATER MADE A COURSE CORRECTION, BUT THE REASON FOR HIS BEING NEGATIVE ABOUT REDUCING TROOP STRENGTH IS EXPLAINED BY THIS ASPECT OF WATCHING THE CHINA SITUATION.

THE JAPAN-U.S. DEFENSE SUMMIT MEETING TOOK PLACE ON THE 7TH FOR ABOUT 2 HOURS AT A TOKYO HOTEL. ACCORDING TO A PARTICIPANT, IT WAS AGREED BY THE TWO SIDES NOT TO BRING OUT THE PART ABOUT THE TAIWAN STRAITS SO AS NOT TO EXCITE CHINA.

SECRETARY COHEN ON THE FIFTH IN HAWAII, JUST BEFORE COMING TO JAPAN, TOLD ACCOMPANYING REPORTERS, "EVEN IF THERE IS UNIFICATION ON THE KOREAN PENINSULA, AMERICA CANNOT MAKE ANY MAJOR CHANGE IN ITS LEVEL OF MILITARY COMMITMENT TO THE ASIA-PACIFIC REGION." HIS THINKING SUGGESTED THAT THERE WOULD BE NO REDUCTION OF U.S. TROOP STRENGTH IN JAPAN EVEN AFTER KOREAN UNIFICATION.

HOWEVER, LATER WHEN THERE WAS A REACTION FROM THE JAPANESE SIDE, "IT IS NATURAL TO HAVE CONSULTATIONS" (CHIEF CABINET SECRETARY SEIROKU KAJIYAMA), COHEN MADE A CORRECTION OF THE LINE AT THE DEFENSE MINISTERIAL BY

SAYING, "UNIFICATION OF THE KOREAN PENINSULA IS A LONG WAYS OFF IN THE FUTURE, I WAS SAYING THAT THERE WOULD BE NO REDUCTION OF TROOPS IN THE FORESEEABLE FUTURE."

THE U.S. SIDE HAS CLEARLY LINKED THE PREPAREDNESS OF U.S. FORCES IN JAPAN TO THE SITUATION IN THE TAIWAN STRAITS. AT THE SUMMIT MEETING (BETWEEN PRIME MINISTER HASHIMOTO UNCLAS SECTION 02 OF 10 TOKYO 003066

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 APRIL 10

AND PRESIDENT CLINTON) ON THE 25TH ALSO, IT SEEMS DIFFICULT FOR AN PROSPECT TO BE DEVELOPED FOR LIGHTENING THE BURDEN OF OKINAWA.

FORMER DEFENSE SECRETARY PERRY: POSSIBLE TO REDUCE U.S. TROOPS IF QFORCE 21Q INTRODUCED (SANKEI - PAGE 1)

FORMER U.S. SECRETARY OF DEFENSE PERRY, NOW VISITING JAPAN, RESPONDED TO THE SANKEI SHIMBUN'S INTERVIEW ON THE 9TH, IN WHICH HE SUPPORTED SECRETARY OF DEFENSE COHEN'S REMARKS TO THE EFFECT THAT THE U.S. WILL MAINTAIN THE CURRENT SCALE OF U.S. TROOPS STATIONED IN THE REGION, INCLUDING JAPAN, FOR THE PRESENT. ON THE OTHER HAND, THE U.S. DEPARTMENT OF DEFENSE IS NOW CONTINUING ITS RESEARCH ON MILITARY POWER FOR THE 21ST CENTURY -- WHICH IS CALLED "FORCE 21" -- BASED ON UPDATED TECHNOLOGIES, AND THE ONGOING DOD RESEARCH IS EXPECTED TO BE CONCLUDED NEXT YEAR AT THE EARLIEST. IN THIS CONNECTION, PERRY INDICATED HIS OUTLOOK THAT DEPENDING ON ITS CONCLUSION IT WOULD BE POSSIBLE IN THE FUTURE TO REDUCE THE TROOP STRENGTH OF U.S. ARMED FORCES CURRENTLY DEPLOYED IN THE ASIA-PACIFIC REGION.

PERRY ALSO SAID THAT THE SENKAKU ISLANDS WOULD BE "INCLUDED IN THE SCOPE OF DEFENSE UNDER THE BILATERAL SECURITY TREATY."

MEANWHILE, SECRETARY OF DEFENSE COHEN SAID LAST WEEKEND THAT THE PENTAGON "WILL MAINTAIN THE 100,000 U.S. TROOPS DEPLOYED IN THE ASIA-PACIFIC REGION." REFERRING TO THIS REMARK, FORMER SECRETARY OF DEFENSE PERRY SAID, "THE 100,000 TROOPS ARE NECESSARY SO AS TO MAINTAIN STABILITY IN THE REGION UNDER THE PRESENT ENVIRONMENT SURROUNDING THE REGION. THIS IS A RESULT OF OUR ANALYSIS WITH THE JAPANESE GOVERNMENT, AND I DON'T THINK SUCH AN

ENVIRONMENT WILL CHANGE ON A LARGE SCALE IN THE NEAR FUTURE." SO SAYING, PERRY ENDORSED SECRETARY COHEN'S STATEMENT.

FORMER SECRETARY PERRY, BASED ON THAT VIEW, REMARKED: "WE HAVE BEEN PERIODICALLY REVIEWING THE ADEQUATE SCALE OF OUR FORCES, AND THAT DIFFERS ALSO WITH THE DEVELOPMENT OF MILITARY TECHNOLOGIES." PERRY HAS THUS REVEALED THAT THE PENTAGON HAS BEEN CONTINUING ITS EXPERIMENT AND RESEARCH ON HOW IT WILL BE POSSIBLE TO ENHANCE MILITARY CAPABILITIES AND REDUCE FORCES IN CASE NEW MILITARY TECHNOLOGIES, SUCH AS MODERN INFORMATION TECHNOLOGIES AND COMPUTER TECHNOLOGIES, ARE INTRODUCED ON A FULL SCALE.

THE EXPERIMENT AND RESEARCH PROJECT IS CALLED "FORCE 21" IN THE SENSE OF PROBING MILITARY POWER FOR THE 21ST CENTURY. THE PENTAGON HAS ALREADY CREATED AN EXPERIMENTAL FORCE, WHICH HAS BEEN PROMOTING EXPERIMENT BASED ON UPDATED MILITARY TECHNOLOGIES, PERRY SAYS.

ON THE OTHER HAND, JAPAN HAS BEEN CLAIMING ITS DOMINIUM OVER THE SENKAKU ISLANDS. CONCERNING THE QUESTION OF WHETHER OR NOT THE ISLES WILL BE SUBJECT TO THE JAPAN-U.S. SECURITY TREATY, PERRY STATED: "I AM NOT A SCHOLAR OF INTERNATIONAL LAW, SO I WILL ABSTAIN FROM GIVING ANY CORRECT INTERPRETATION OF THE TREATY. BUT I UNDERSTAND THAT THE SENKAKUS ARE INCLUDED IN THE SCOPE OF DEFENSE UNDER OUR BILATERAL SECURITY TREATY."

JAPAN MAY INCLUDE ITS DEFENSE OF SEA LANES IN REVISED DEFENSE COOPERATION GUIDELINES (SANKEI - PAGE 2)

POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI OF THE LIBERAL DEMOCRATIC PARTY (LDP) AT THE MEETING WITH THE PRESS ON THE 9TH REFERRED TO A REVIEW OF THE "GUIDELINES FOR THE JAPAN-U.S. DEFENSE COOPERATION" WHICH IS NOW BEING CARRIED OUT BY THE GOVERNMENTS OF JAPAN AND UNCLAS SECTION 03 OF 10 TOKYO 003066

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 APRIL 10

THE UNITED STATES. IN IT, HE INDICATED THE VIEW THAT NOT ONLY THE CASE OF AN EMERGENCY ON THE KOREAN PENINSULA BUT ALSO THE CASES OF DEFENSE OF SEA-LANES (MARINE TRANSPORT) FROM THE MIDDLE-EAST AND OTHER AREAS WOULD BE INCLUDED AS AGENDA ITEMS TO BE STUDIED FOR FUTURE DEFENSE COOPERATION

BETWEEN JAPAN AND THE UNITED STATES.

FISCAL REFORM PANEL TO SEEK ONE YEAR FRONTLOADING OF
DEFENSE PLAN REVIEW, STARTING THIS YEAR
(NIHON KEIZAI - PAGE 2)

THE CONFERENCE ON FISCAL STRUCTURAL REFORM (ZAISEI KOZO
KAIKAKU KAIGI) OF THE GOVERNMENT AND RULING PARTIES
DECIDED YESTERDAY TO FRONTLOAD BY ONE YEAR THE WORK TO
REVIEW THE 25 TRILLION YEN-SCALE MID-TERM DEFENSE PROGRAM
(CHUKIBO, FY1996 - FY2000), STARTING IN LATE 1997. THIS
POLICY LINE WAS ADOPTED AT YESTERDAY'S MEETING OF THE
PLANNING COMMITTEE (CHAIRER BY LDP SECRETARY GENERAL
KOICHI KATO).

A DECISION HAS BEEN MADE TO REVIEW THE PRESENT CHUKIBO
THREE YEARS AFTER IT WAS COMPILED AT THE END OF 1995,
FOCUSING ON INTERNATIONAL CONDITIONS, THE DEVELOPMENT OF
TECHNOLOGICAL STANDARDS, ECONOMIC FISCAL CIRCUMSTANCES
AND OTHER FACTORS. ON DEFENSE SPENDING, THE BURDEN OF
DEFERRED PAYMENTS (OF THE PORTION OF ALREADY CONTRACTED
AMOUNTS) WILL BECOME SIGNIFICANTLY HEAVIER IN FY1998 AND
AFTER. IN ADDITION, SINCE A SYSTEMATIC OVERHAUL IS
INDISPENSABLE IN ORDER TO SLASH PERSONNEL AND FOOD COSTS,
WHICH ACCOUNT FOR 41 PERCENT OF THE OVERALL DEFENSE
OUTLAYS, THE COMMITTEE JUDGED IT NECESSARY TO REVIEW THE
CHUKIBO, A PROGRAM THAT SETS STANDARDS ON UNITS AND
EQUIPMENT.

IN THE MEETING, VIEWS WERE EXCHANGED ON CUTBACKS OF
OUTLAYS RELATED TO DEFENSE, OFFICIAL DEVELOPMENT
ASSISTANCE, SMALL TO MEDIUM-SIZED COMPANIES AND ENERGY,
WITH THE PARTICIPATION OF JAPAN DEFENSE AGENCY DIRECTOR
GENERAL FUMIO KYUMA, FOREIGN MINISTER YUKIHISA IKEDA AND
MITI MINISTER SHINJI SATO.

ASAHI POLL SHOWS 61 PERCENT OF OKINAWANS AGAINST REVISING
SPECIAL LAND-LEASE LAW (ASAHI - PAGE 1)

THE DIET'S DELIBERATIONS ARE NOW CLIMAXING OVER A
GOVERNMENT-INTRODUCED BILL TO AMEND THE SPECIAL LAND
LEASE LAW FOR (U.S.) ARMED FORCES STATIONED IN JAPAN (OR
THE SO-CALLED "TOKUSOHO" ACT) IN ORDER FOR THE GOVERNMENT
TO CONTINUE ITS REQUISITIONING OF LAND IN OKINAWA FOR
U.S. MILITARY USE EVEN AFTER THE EXPIRY OF ITS COMPULSORY
LEASE CONTRACTS. THE ASAHI SHIMBUN AND THE OKINAWA TIMES
CONDUCTED A TELEPHONE-BASED JOINT PUBLIC OPINION SURVEY
IN OKINAWA PREFECTURE OVER A PERIOD OF TWO DAYS, APRIL 5-
6, TO PROBE INTO THE PREFECTURAL PEOPLE'S ATTITUDE. THE
RATE OF THOSE "AGAINST THE AMENDMENT BILL" REACHED 61
PERCENT, WHILE THE RATE OF THOSE FOR IT WAS 15 PERCENT.
AMONG THOSE NEGATIVE ABOUT THE BILL, 40 PERCENT TOOK IT
AS A "DISCRIMINATORY AMENDMENT AGAINST OKINAWA." ON THE
OTHER HAND, THOSE WHO GAVE "NO ANSWER" -- OR THOSE WHO
DID NOT CLARIFY THEIR ATTITUDE TOWARD THE AMENDMENT BILL
-- ACCOUNTED FOR 16 PERCENT. OKINAWA PREFECTURE'S
GOVERNOR MASAHIDE OTA IS PLANNING TO VISIT THE U.S. SO AS
TO SEEK A DRAWDOWN OF THE U.S. MARINES IN OKINAWA FOR

BASE REALIGNMENT AND REDUCTION, AND THE RATE OF THOSE IN SUPPORT OF HIS STANCE REACHED 80 PERCENT.

IF A REVISED TOKUSOHO LAW IS LEGISLATED IN THE DIET, OKINAWA PROBABLY CAN'T ESCAPE, IN THE FUTURE AS WELL, FROM THE HEAVY PRESSURE OF U.S. MILITARY BASES CONCENTRATED ON OKINAWA ... SUCH A FEAR IS NOW SPREADING IN OKINAWA PREFECTURE.

UNCLAS SECTION 04 OF 10 TOKYO 003066

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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 10

IN THE POLL, THE TOTAL RATE OF THOSE INTERESTED -- BOTH "GREATLY" AND "SOMEWHAT" -- IN THE ONGOING DEBATES ON THE PROPRIETY OF REVISING THE LAW WAS OVER 85 PERCENT. AS SEEN IN THIS RATE, THE POLL SHOWED THE PREFECTURAL PUBLIC'S HIGH INTEREST IN THE ISSUE.

ARGUMENTS OVER AN AMENDMENT TO THE TOKUSOHO LAW WERE ORIGINALLY TOUCHED OFF BY A LAND LOT OF THE SOBE COMMUNICATION FACILITY SITE (LOCATED IN YOMITANSON VILLAGE) CALLED THE "ELEPHANT CAGE," AND THE GOVERNMENT'S COMPULSORY EXPROPRIATION OF THAT LAND LOT EXPIRED AT THE END OF MARCH LAST YEAR. THE GOVERNMENT'S "ILLEGAL OCCUPATION" OF THE LAND LOT IS NOW IN A SECOND YEAR. CONCERNING THIS FACT, 54 PERCENT ANSWERED IT WAS "PROBLEMATICAL."

INCIDENT TO THE PLANNED RETURN OF THE FUTENMA AIRFIELD SITE, THE GOVERNMENT PLANS TO CONSTRUCT AN ALTERNATIVE HELIPORT IN THE WATERS OFF CAMP SCHWAB IN THE CITY OF NAGO SITUATED IN THE NORTHERN PART OF OKINAWA'S MAIN ISLAND. IN THE POLL, HOWEVER, 64 PERCENT OF RESPONDENTS WERE AGAINST THE CONSTRUCTION PLAN.

IN SEPTEMBER LAST YEAR OKINAWA PREFECTURE HELD A PUBLIC PLEBISCITE ON SUCH ISSUES AS THE PROPRIETY OF REALIGNING AND REDUCING THE U.S. MILITARY BASES THERE. IMMEDIATELY BEFORE THAT VOTING, A SIMILAR TELEPHONE-BASED PUBLIC OPINION SURVEY WAS CONDUCTED IN THE PREFECTURE. IN THAT POLL, 51 PERCENT WERE AGAINST THE PLANNED CONSTRUCTION OF AN ALTERNATIVE HELIPORT IN THE PREFECTURE.

GOVERNOR OTA IS TO LEAVE FOR THE U.S. ON THE 12TH, AND HE WILL AGAIN CALL FOR MILITARY OFFICIALS AND OTHERS OVER

THERE TO REDUCE THE U.S. MARINES IN OKINAWA. ASKED ABOUT SUCH A STANCE OF THE GOVERNOR, 80 PERCENT CLARIFIED THEIR SUPPORT, WHILE THOSE WHO "DON'T SUPPORT" IT ACCOUNTED FOR NO MORE THAN 7 PERCENT.

ON THE OTHER HAND, THE TOTAL RATE OF THOSE WHO "APPRECIATE VERY MUCH" AND "APPRECIATE SOMEWHAT" PRIME MINISTER HASHIMOTO'S EFFORTS FOR THE PROBLEM OF U.S. MILITARY BASES REACHED 42 PERCENT, WHILE THAT OF THOSE WHO "DON'T APPRECIATE VERY MUCH" AND "DON'T APPRECIATE AT ALL" WAS 48 PERCENT. AS SEEN IN THIS, THE PREFECTURAL PUBLIC'S EVALUATION WAS SPLIT.

PRIME MINISTER HOPES TO HAVE ALTERNATE HELIPORT SURVEY DONE BEFORE HIS TRIP TO WASHINGTON
(NIHON KEIZAI - PAGE 2)

PRIOR TO PRIME MINISTER RYUTARO HASHIMOTO'S PLANNED TRIP TO THE UNITED STATES FROM APRIL 24, PROSPECTS ARE NOW COMING INTO SIGHT FOR A PRELIMINARY SURVEY OF THE AREA OFF CAMP SCHWAB, A CANDIDATE PLACE FOR THE CONSTRUCTION OF AN ALTERNATIVE HELIPORT IN RESPONSE TO THE RETURN OF U.S. FORCES' Futenma Air Station. YESTERDAY NAGO CITY COMMENCED LISTENING OPINIONS FROM RESIDENTS. MAYOR TESTUYA HIGA INDICATED HIS NOTION OF ALLOWING SUCH A SURVEY. BUT OKINAWAN GOVERNOR MASAHIRO OTA IS STILL REFUSING TO ACT AS A COORDINATOR TO ADJUST OPINIONS BETWEEN THE CENTRAL GOVERNMENT AND THE LOCAL COMMUNITY, OPPOSING THE RELOCATION PLAN WITHIN HIS PREFECTURE. COMPLICATIONS ARE STILL LIKELY TO BE EXPERIENCED.

LAST NIGHT, NAGO CITY HELD AN EXPLANATORY MEETING FOR RESIDENTS AT BENOKO (?), A PLACE NEAR THE CANDIDATE AREA. IN IT, MAYOR HIGA AND OTHER OFFICIALS EXPLAINED THE HELIPORT PROBLEM AND LISTENED OPINIONS FROM RESIDENTS. MAYOR HIGA SOUGHT THE UNDERSTANDING FROM RESIDENTS, EXPLAINING: "I WOULD LIKE YOU TO AGREE TO START A SURVEY AFTER HOLDING CONSULTATIONS WITH FISHING COOPERATIVES AND THE PREFECTURAL GOVERNMENT. I WILL NEVER BETRAY YOU
UNCLAS SECTION 05 OF 10 TOKYO 003066

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.

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CITIZENS. WHAT I AM NOW SAYING IS NOT TO INVITE (U.S. TROOPS) TO BUILD A BASE BUT TO ALLOW A SURVEY TO BE CARRIED OUT." BUT THE FINAL DECISION WAS CARRIED OVER

BECAUSE THERE WERE ARGUMENTS BOTH FOR AND AGAINST AMONG CITIZENS WHO WERE THERE.

IN JANUARY, MAYOR HIGA REJECTED A REQUEST BY THE CENTRAL GOVERNMENT FOR CARRYING OUT A SURVEY, REASONING ANY OFFICIAL OF THE PREFECTURAL GOVERNMENT WAS NOT PRESENT THERE. GOVERNOR OTA ALSO HAS ASSUMED THE POSITION OF NOT BEING INVOLVED IN THE ADJUSTMENT PROCESS. CONSEQUENTLY, THE HELIPORT PROBLEM HAS BEEN IN A DEADLOCKED SITUATION. THE MAYOR HAS NOW ALLOWED A SURVEY TO BE CARRIED OUT, BUT HE IS STILL SEEKING THAT "THE PREFECTURAL GOVERNMENT MAKE A RESPONSIBLE ACTION."

WHAT LIES BEHIND IS HIS CONCERN THAT AMID THE GROWING ANTIBASE SENTIMENT IN THE PREFECTURE IN THE WAKE OF THE PROBLEM OF AMENDING THE SPECIAL LAND-LEASE LAW FOR STATIONED FORCES, IF HIS CITY TOOK THE INITIATIVE IN ALLOWING A SURVEY, HE WOULD COME UNDER HEAVY FIRE.

GOVERNOR OTA, WHO HOLDS THE KEY, REFUSES TO ACT A COORDINATOR FOR ADJUSTMENT OF VIEWS, NOTING: "CONSTRUCTING A HELIPORT IS NOTHING MORE THAN BUILDING A NEW BASE, SO IT IS INCONSISTENT WITH MY PREFECTURE'S POLICY OF REALIZING AN OKINAWA WITH NO MILITARY BASES." BUT HE MEANWHILE SAID, "I RESPECT THE INTENTION OF THE LOCAL COMMUNITY." HE, TOO, SEEMS TO BE WAVERING. THE GOVERNOR ALSO IS SCHEDULED TO TRAVEL TO THE U.S. FROM THE 12TH THROUGH 26TH. WHETHER THE PREFECTURAL SIDE WILL GIVE APPROVAL BEFORE THE PRIME MINISTER'S U.S. TRIP IS STILL OPEN TO CONJECTURE.

HASHIMOTO IN GOOD MOOD WITH PENDING PASSAGE OF LAND-LEASE BILL; MEETS FRESHMEN DIETMEMBERS (ASAHI - PAGE 7)

"I AM NOW REALLY RELIEVED THE DECISION THAT VOTING IN COMMITTEE ON THE AMENDMENT TO THE SPECIAL LAND-LEASE LAW WILL TAKE PLACE TOMORROW. THANK YOU. THANK YOU." PRIME MINISTER RYUTARO HASHIMOTO LAST NIGHT MET IN A TOKYO HOTEL WITH ABOUT 40 FRESHMEN DIETMEMBERS FROM THE LIBERAL DEMOCRATIC PARTY (LDP). ACCORDING TO THE DIETMEMBERS, HASHIMOTO WAS IN GOOD HUMOR ALL ALONG PARTLY BECAUSE A NUMBER OF POLITICAL PARTIES INCLUDING THE SHINSHINTO (NEW FRONTIER PARTY) HAVE DECIDED TO SUPPORT THE GOVERNMENT PROPOSED BILL AMENDING THE SPECIAL LAND-LEASE LAW FOR UNITED STATES MILITARY BASES IN JAPAN. DURING THE SESSION, HE TALKED ABOUT HIS POLITICAL CAREER, MIXING IN SEVEN OR EIGHT ANECDOTES. THOSE WHO ATTENDED WERE SURPRISED, SAYING, "BEING RELIEVED OF THIS BURDEN, HE MAY FEEL RELAXED INDEED. WE HAVE NEVER SEEN SUCH A (CHEERFUL) PRIME MINISTER."

FOREIGN MINISTRY TO LINK FOOD AID TO NORTH KOREA TO NORTHQS PARTICIPATION IN 4-WAY TALKS (SANKEI - PAGE 1)

REFERRING TO FOOD AID TO NORTH KOREA, A SENIOR OFFICIAL OF THE FOREIGN MINISTRY (MOFA) INDICATED YESTERDAY THAT IN HIS VIEW, NORTH KOREA'S PARTICIPATION IN THE FOUR-PARTY TALKS AMONG THE UNITED STATES, CHINA, THE REPUBLIC

OF KOREA AND NORTH KOREA FOR THE PURPOSE OF BRINGING PEACE TO THE KOREAN PENINSULA WOULD BE ONE OF THE CONDITIONS SET BY THE JAPANESE GOVERNMENT FOR RENDERING FOOD ASSISTANCE TO THE NORTH.

(JUDGING FROM HIS COMMENT), JAPAN SEEMS LIKELY TO ACT IN CONCERT WITH THE U.S. AND THE ROK, BOTH OF WHICH HAVE ALREADY CALLED ON THE NORTH TO PARTICIPATE IN THE FOUR-PARTY TALKS, MAKING SUCH PARTICIPATION A PREREQUISITE FOR IMPLEMENTATION OF GOVERNMENT-LEVEL FOOD ASSISTANCE.

UNCLAS SECTION 06 OF 10 TOKYO 003066

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 APRIL 10

TOUCHING ON THE HITHERTO-ADOPTED APPROACH BY THE JAPANESE GOVERNMENT THAT AN APPEAL BY THE UNITED NATIONS' DEPARTMENT OF HUMANITARIAN AFFAIRS (DHA) FOR FOOD AID TO NORTH KOREA WILL SERVE AS A MATERIAL FOR JAPAN TO MAKE ITS DECISION, THE SENIOR OFFICIAL SAID, "WHETHER IT WILL PARTICIPATE OR NOT IN THE FOUR-PARTY TALKS REMAINS A QUESTION." HE INDICATED THAT IN HIS OPINION, FOOD ASSISTANCE BY THE GOVERNMENT TO NORTH KOREA WOULD NOT BE PROVIDED AT THE EARLIEST NOT BEFORE NORTH KOREA ACTUALLY PARTICIPATES IN THE FOUR-PARTY TALKS.

THE OFFICIAL ADDED, "DISCUSSION IN THE LDP IS SPLIT OVER THE FUNDAMENTAL POINT OF WHY SHOULD WE PROVIDE FOOD AID TO NORTH KOREA." HE STRESSED THAT THE GOVERNMENT AND THE RULING CAMP HAVE YET TO ARRIVE AT A CONSENSUS OF VIEWS REGARDING FOOD ASSISTANCE.

AS THE REASONS, HE CITED A STRONG OBJECTION TO FOOD AID ITSELF VOICED IN THE LIBERAL DEMOCRATIC PARTY (LDP), ADDING, "SOME NOTE THAT EVEN IF FOOD AID IS OFFERED FOR THE PEOPLE OF (NORTH KOREA), SUCH AID SEEMS LIKELY TO END UP SIMPLY HELPING THE EXISTING SYSTEMS (IN THE NORTH) TO BE MAINTAINED" (SENIOR OFFICIAL).

FURTHERMORE, THE SENIOR OFFICIAL EXPLAINED THAT THE JAPANESE GOVERNMENT HAS BEEN IN A DIFFICULT SITUATION TO MAKE A FINAL DECISION ON WHETHER TO OFFER FOOD AID BECAUSE NORTH KOREA IS NOW ALLEGED TO HAVE BEEN INVOLVED IN THE KIDNAPPING CASE OF A JUNIOR HIGH SCHOOL GIRL WHO LIVED IN NIIGATA. FOR THIS REASON, EVEN IF THE NORTH PARTICIPATED IN THE FOUR-WAY TALKS, DEEP-SEATED

OPPOSITION TO PROVIDING FOOD ASSISTANCE TO THE NORTH IS NOT LIKELY TO DISAPPEAR. THE GOVERNMENT IS EXPLORING ALL SORTS OF WAYS TO COME UP WITH THE PROPER TIME TO OFFER FOOD AID.

SHINSHINTO HEAD OZAWA: POSSIBILITY OF PRE-GENERAL ELECTION REALIGNMENT OF POLITICAL WORLD (ASAHI - PAGE 2)

SHINSHINTO (NEW FRONTIER PARTY) PRESIDENT ICHIRO OZAWA IN A PRESS MEETING IN THE DIET YESTERDAY REVEALED A POSITIVE STANCE TOWARD FORMING AN "ALLIANCE BASED ON POLICY" WITH SUCH PARTIES AS THE LIBERAL DEMOCRATIC PARTY (LDP) FOR THE SAKE OF ADMINISTRATIVE REFORM AND OTHER POLICY ISSUES. OZAWA SUGGESTED ANOTHER PHASE OF POLITICAL REALIGNMENT THAT WOULD ALTER PARTY FRAMEWORKS, REMARKING, "IT WOULD BE GOOD FOR VARIOUS MEMBERS TO BOUNCE IDEAS OFF EACH OTHER ON TOUGH ISSUES AND GET TOGETHER (AS PARTIES) AMONG LIKE-MINDED MEMBERS."

IN RELATION TO HIS PET ARGUMENT THAT THE BOUNDARY OF ADMINISTRATION SHOULD BE DETERMINED BY ELECTIONS, OZAWA ADDED: "ONE DAY, WE MAY HAVE TO SEEK THE PEOPLE'S JUDGMENT WHEN THE FRAMEWORK OF GOVERNMENT OR THE PARTIES HAS SHIFTED." HIS COMMENT SUGGESTED THAT THERE MAY BE REALIGNMENT OF POLITICAL PARTIES BEFORE THE NEXT GENERAL ELECTION AND A NATIONAL EXAMINATION OF POLITICAL LEADERSHIP THAT WOULD FOLLOW.

LDP TARGETING MINSHUTO AND TAIYO PARTY FOR QPOLICY-SPECIFIC ALLIANCESQ (ASAHI - PAGE 2)

TRIGGERED BY THE OKINAWA BASE ISSUE, THE APPROACH OF CHANGING PARTNERS TO FORM NEW "POLICY-SPECIFIC ALLIANCES" HAS BEEN SPREADING IN BOTH THE RULING AND OPPOSITION CAMPS. MEANWHILE, IN THE LIBERAL DEMOCRATIC PARTY (LDP), SECRETARY GENERAL KOICHI KATO AND OTHER EXECUTIVE MEMBERS HAVE BEEN SHIFTING WEIGHT TO THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN) AND TAIYO PARTY. KATO, WITH THE MINSHUTO CARD IN HANDS, INTENDS TO SUSTAIN HIS STRONG VOICE IN THE PARTY AS WELL AS TO WEATHER THE POWER STRUGGLE AGAINST HIS OPPONENT CHIEF CABINET SECRETARY SEIROKU KAJIYAMA, UNCLAS SECTION 07 OF 10 TOKYO 003066

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 APRIL 10

WHO IS AIMING TO FORM A CONSERVATIVE-CONSERVATIVE

ALLIANCE (HO-HO RENGO).

KATO IN YESTERDAY'S MEETING OF RESPONSIBLE OFFICERS OF THE RULING CAMP TOLD SECRETARY GENERAL SHIGERU ITO AND OTHER SOCIAL DEMOCRATIC PARTY (SDP) MEMBERS: "WE MUST SEE THROUGH MOVES OF VARIOUS PARTIES AND THEIR POLICY TALKS AND THINK HARD ABOUT THE FUTURE OF THE COALITION." HIS REMARKS, DERIVED FROM THE PARTY'S AGREEMENT REACHED ON THE 8TH WITH THE MINSHUTO AND CENTERING ON FIVE CONDITIONS, IMPLIED THAT THE LDP MIGHT CHANGE ITS PARTNERS.

FOR THE LDP, WHAT WAS AGREED UPON WITH THE MINSHUTO "DOES NOT RUN COUNTER TO THE PRESENT LAW, SO IT IS NATURAL FOR IT TO BE APPROVED BY (OUR PARTY) AS LONG AS IT IS IN LINE WITH THE GOVERNMENT'S POLICY LINE" (KAJIYAMA). THE AGREEMENT WAS REACHED AS THE MOTIVES OF THE LDP LEADERSHIP AND THE MINSHUTO MET, WITH THE FORMER DESPERATELY HOPING TO AVOID TILTING TO THE SHINSHINTO (NEW FRONTIER PARTY) AND THE LATTER NEEDING A NOBLE CAUSE TO APPROVE THE BILL TO AMEND THE SPECIAL LAND LEASE LAW.

THE AGREEMENT -- SIGNED BY KATO INSTEAD OF PRIME MINISTER RYUTARO HASHIMOTO (PRESIDENT OF THE LDP) -- AND KATO'S SELF-PRAISE ABOUT THE MEANING OF THE AGREEMENT REACHED WITH THE MINSHUTO -- WHICH IS, ACCORDING TO KATO, MORE IMPORTANT THAN THAT WITH THE SHINSHINTO -- ALL REVEALED THE LDP'S HEAVY ATTENTION TO THE MINSHUTO.

THE LDP LEADERSHIP INTENDS TO CONCLUDE POLICY AGREEMENTS WITH THE MINSHUTO FROM NOW ON AS WELL AS OCCASION CALLS IN DEALING WITH SUCH ISSUES AS MEDICAL INSURANCE SYSTEM REFORM AND INSTALLING AN ADMINISTRATIVE SURVEILLANCE AGENCY. THE LDP IS COUNTING ON THE MINSHUTO'S COOPERATION IN HANDLING A REVIEW OF THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION, SLATED FOR THE FALL. THE LDP ALSO THINKS THAT "TAIYO PARTY MEMBERS, EXCEPT FOR ITS HEAD TSUTOMU HATA, ARE ALL WISHING TO JOIN THE RULING CAMP" (LDP EXECUTIVE). IN FACT, A KATO AIDE HAS BOASTED, "ONE OF THE MISSIONS OF THE KATO LEADERSHIP IS TO STRENGTHEN TIES WITH THE MINSHUTO AND TAIYO PARTY."

IN HANDLING ADMINISTRATIVE AND FISCAL REFORMS THAT ARE SHIFTING INTO FULL SWING, THE NUMBER OF PUBLIC SERVANTS AND SOCIAL WELFARE SPENDING ARE LIKELY TO BECOME TARGETS OF CUT BACKS. A CONCERN IS FLOATING IN THE LDP LEADERSHIP: "CAN WE REALLY CARRY THEM OUT IF WE TEAM UP WITH THE MINSHUTO, A PARTY BACKED BY MAJOR LABOR UNIONS?"

U.S. LIKELY TO IMPOSE SANCTIONS ON JAPANESE SHIPS APRIL 14 (TOKYO SHIMBUN - PAGE 7)

(WASHINGTON, APRIL 9, NAOFUMI KUCHIKI) THE JAPAN-UNITED STATES MARITIME TALKS OVER JAPAN'S STEVEDORING PROBLEM HAVE RUN INTO A ROAD BLOCK OVER MEASURES TO IMPROVE JAPAN'S "PRIOR CONSULTATIONS SYSTEM" -- THE LARGEST POINT AT ISSUE. THE POSSIBILITY IS NOW HIGH THAT THE TALKS WILL BE DRAWN OUT UNTIL THE 14TH -- THE DEADLINE FOR THE

FEDERAL MARITIME COMMISSION (FMC) TO INVOKE SANCTIONS AGAINST JAPAN'S THREE LEADING SHIPPING LINES, NAMELY NIPPON YUSEN K.K., MITSUI OSK LINES AND KAWASAKI KISEN. THE U.S. IS MAKING AN ISSUE OVER JAPAN'S "AUTHORIZATION SYSTEM" ADOPTED FOR PORT PRACTICES, CITING THAT IT IS "DISCRIMINATORY" AGAINST FOREIGN FIRMS, AS WELL AS ITS PRIOR CONSULTATIONS SYSTEM. WHETHER THE INVOCATION OF THE SANCTIONS CAN BE STAVED OFF IS NOW IN A DELICATE STATE.

THE U.S. HAS CITED THE FOLLOWING POINTS AS THE PROBLEMS OF JAPAN'S WATERFRONT CARGO SERVICES: (1) THE "PRIOR CONSULTATIONS" SYSTEM IS APPLIED TO VIRTUALLY EVERY UNCLAS SECTION 08 OF 10 TOKYO 003066

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 APRIL 10

OPERATIONS PLAN AND ALTERATION TO SUCH, SUCH AS THE LAUNCHING OF NEW CONTAINER SHIPS AND ALTERATIONS TO REPORTED ROUTES AND PORT CALLS, BUT PROCEDURES FOR SUCH ARE COMPLICATED AND NON-TRANSPARENT; (2) JAPAN'S PORT PRACTICES ARE DISCRIMINATORY, AS SEEN IN THAT LICENSES ARE NOT GRANTED TO NEW ENTRANTS TO THAT SECTOR, SUCH AS FOREIGN FIRMS; (3) RESTRICTIONS ON SUNDAY SERVICES; AND (4) MANDATORY MEASUREMENT OF ALL CARGOES, WHETHER IT IS NECESSARY OR NOT.

THE U.S. POINTED OUT THAT SUCH RESTRICTIONS IMPOSED ON HARBOR SERVICES ARE LINKED TO AN INCREASE IN THE COST OF USING HARBOR SERVICES IN JAPAN, WORKING AS A FACTOR FOR CHECK TRADE. IN ADDITION, IT IS ALSO MAKING AN ISSUE OVER THE WAY OF THE TRANSPORT MINISTRY'S (MOT) GUIDANCE AND SURVEILLANCE OF THE INDUSTRY REGARDING THE PRIOR CONSULTATIONS SYSTEM AND THE AUTHORIZATION SYSTEM.

IN THE ONGOING TALKS, JAPAN PROPOSED AN "INTERIM AGREEMENT" AS A MEASURE TO IMPROVE THE SITUATION, BUT THE U.S. SIDE MADE A STRONG REQUEST FOR THE JAPANESE GOVERNMENT'S INVOLVEMENT IN DRAWING UP CONCRETE IMPROVEMENT MEASURES, CITING, "IT IS NECESSARY FOR THE JAPANESE GOVERNMENT TO IMMEDIATELY TAKE CORRECTION MEASURES REGARDING THE PRIOR CONSULTATIONS SYSTEM AND THE AUTHORIZATION SYSTEM IN THE HARBOR SERVICES SECTOR" (STATE DEPARTMENT PRESS SECRETARY BURNS). IF THE PROPOSED SANCTIONS ARE INVOKED, THOSE THREE SHIPPING COMPANIES WILL HAVE TO PAY PUNITIVE CHARGES OF 100,000

DOLLARS FOR EVERY VOYAGE THEIR CONTAINER FREIGHTERS MAKE INTO U.S. PORTS.

JAPANESE SIDE FLOUNDERING FOR BREAKTHROUGH MEASURES

REFERRING TO THE STALEMATED JAPAN-U.S. HARBOR SERVICES TALKS, THE MOT YESTERDAY REVEALED THAT THE U.S.' INTEREST HAS SHIFTED FROM JAPAN'S PRIOR CONSULTATIONS SYSTEM TO ITS AUTHORIZATION SYSTEM ADOPTED FOR THE STEVEDORING BUSINESS AND IS NOW MAKING AN ISSUE OVER THIS SYSTEM, CLAIMING THAT IT IS VIRTUALLY DENYING "MARKET ACCESS." THE MOT'S INTENTION IS, HOWEVER, TO COPE WITH THE ISSUE OF EASING THE AUTHORIZATION SYSTEM IN ITS POLICY LINE OF SCRAPPING SUPPLY-DEMAND ADJUSTMENT IN TRANSPORT ADMINISTRATION IN GENERAL IN THREE TO FIVE YEARS' TIME. THE U.S. IS CALLING FOR THE FRONTLOADING OF SUCH A POLICY LINE, BUT THE MOT HAS NO INTENTION OF MAKING ADDITIONAL PROPOSALS. SUCH BEING THE CIRCUMSTANCES, THE SITUATION NOW IS THAT IT IS DIFFICULT TO AVERT THE SANCTIONS.

ANTICIPATING SANCTIONS, JAPANESE SHIPPERS HAVE GIVEN UP HOPE AS VESSELS SAIL TO U.S. (YOMIURI - PAGE 3)

IN RESPONSE TO THE FEDERAL MARITIME COMMISSION (FMC)'S ADOPTION OF SANCTIONS MEASURES AGAINST JAPAN'S THREE SHIPPING LINES, NEGOTIATIONS ARE NOW UNDER WAY IN WASHINGTON FROM THE 2ND BETWEEN TRANSPORT OFFICIALS OF JAPAN AND THE UNITED STATES. THREE JAPANESE SHIPPING COMPANIES, SUCH AS NIPPON YUSEN K.K., WHICH HAVE BECOME SUBJECT TO THE PROPOSED SANCTIONS, AS OF THE 9TH "PUT OUT THEIR CONTAINER FREIGHTERS" TO THE U.S. "GIVING UP ON WAITING FOR THE OUTCOME OF THE NEGOTIATIONS".

THE FMC, DISSATISFIED WITH JAPAN'S PRIOR CONSULTATIONS SYSTEM AND AUTHORIZATION SYSTEM FOR HARBOR SERVICES -- A PRACTICE EXERCISED BETWEEN WORKERS AND EMPLOYERS IN JAPAN'S HARBOR SERVICE SECTOR, HAD ADOPTED A SANCTIONS MEASURE, UNDER WHICH THOSE JAPANESE SHIPPING LINES, SUCH AS NIPPON YUSEN K.K., PAY A PENALTY OF 100,000 DOLLARS FOR EVERY VOYAGE THEIR CONTAINER FREIGHTERS MAKE INTO U.S. PORTS.

THREE FREIGHTERS OF MITSUI OSK LINES AND ONE FREIGHTER OF UNCLAS SECTION 09 OF 10 TOKYO 003066

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 APRIL 10

KAWASAKI KISEN ARE EXPECTED TO BE IN PORT OR ENTER PORT IN THE U.S. AS OF APRIL 14. IN ADDITION, FOUR MORE SHIPS ALTOGETHER ARE SCHEDULED TO ENTER U.S. PORTS BETWEEN THE 16TH AND THE 20TH.

THOSE EIGHT CONTAINER FREIGHTERS ARE NOW ON THEIR WAY TO THE U.S., WHILE HOW THE SANCTIONS PROBLEM WILL DEVELOP REMAIN OPAQUE, BECAUSE THEY ARE CARRYING LARGE QUANTITIES OF AUTO PARTS DESTINED FOR JAPANESE AUTO MANUFACTURERS' LOCAL PLANTS IN THE U.S. JAPANESE AUTOMAKERS, SUCH AS TOYOTA MOTORS, ARE OPERATING ON THE "JUST-IN-TIME FORMULA," UNDER WHICH MANUFACTURERS DO NOT STOCK PARTS. NIPPON YUSEN K.K. SAYS, "IF WE STOP OPERATING U.S.-BOUND CONTAINER FREIGHTERS, THE OPERATION OF JAPANESE AUTOMAKERS' PLANTS IN THE U.S. WILL BE SUSPENDED."

FOREIGN MINISTRY SETS UP PANEL TO LOOK INTO ODA PLAN REVISION (NIHON KEIZAI - PAGE 5)

THE MINISTRY OF FOREIGN AFFAIRS (MOFA) HAS DECIDED TO ESTABLISH IN THE NEAR FUTURE A PRIVATE ADVISORY PANEL TO THE FOREIGN MINISTER THAT WILL BE TASKED WITH A REVIEW OF THE OFFICIAL DEVELOPMENT ASSISTANCE (ODA) PROGRAM, WITH JUNE AS THE TARGET FOR FINALIZING CONCLUSIONS. THIS PLAN WAS RELEASED BY FOREIGN MINISTER YUKIHIKO IKEDA DURING A PRESS INTERVIEW LAST EVENING. IN THE INTERVIEW, IKEDA STATED THAT GIVEN THE AUSTERITY OF ODA FISCAL RESOURCES, "IT WILL BECOME NECESSARY TO POSSIBLY SHIFT (TO SOURCING) FROM OTHER PUBLIC FUNDS AND TO RESTRUCTURE THE ROLE OF THE JAPAN'S EXPORT - IMPORT BANK, AS WELL AS THE TOKYO CAPITAL MARKET." HE THUS REVEALED THAT THE ROLE OF ODA WOULD BE REVIEWED FROM A BROAD VIEWPOINT.

THE PANEL, TO BE CHAIRED BY INTERNATIONAL DEVELOPMENT CENTER PRESIDENT MIRA (?) KAWAI, WILL BE COMPOSED OF APPROXIMATELY 10 AID SPECIALISTS. THIS GROUP WILL LOOK INTO PRIORITY POLICY TASKS FOR FY1998 AND BEYOND AND HOW TO DEAL WITH A "TARGET" AFTER THE PERIOD FOR THE CURRENT ODA MEDIUM-TERM TARGET (TOTAL AID DISBURSED OF 70 TO 75 BILLION DOLLARS OVER FIVE YEARS) ENDS IN LATE 1997.

THE FOREIGN MINISTER EXPLAINED THIS POLICY APPROACH ALSO IN A MEETING OF THE PLANNING COMMITTEE UNDER THE LIBERAL DEMOCRATIC PARTY'S (LDP) CONFERENCE ON FISCAL POLICY STRUCTURAL REFORM. THE FOCUS WILL BE ON FUTURE OPTIONS FOR THE MEDIUM-TERM TARGET THAT HAS SERVED TO AUGMENT THE ODA BUDGET. BUT A SENIOR MOFA OFFICIAL INDICATED THAT HE WOULD NOT GIVE UP ON THE CURRENT FORMULA, REMARKING, "(AS PART OF FISCAL STRUCTURAL REFORM,) AGREEMENT HAS BEEN REACHED NOT TO SET A FIVE-YEAR PLAN." HE ALSO STATED, "IT MIGHT BE CONSIDERED THAT THE MEDIUM-TERM GOAL IS NOT A FIVE-YEAR PLAN."

REGARDING FUTURE OPTIONS FOR ODA, A STUDY GROUP OF THE ECONOMIC PLANNING AGENCY HAS RELEASED A REPORT. IN MITI AS WELL, THE INDUSTRIAL STRUCTURAL DELIBERATION COUNCIL IS PUTTING ITS EFFORT INTO MAPPING OUT REFORM MEASURES.

KEIDANREN (JAPAN FEDERATION OF ECONOMIC ORGANIZATIONS) AND THE JAPAN FOREIGN TRADE COUNCIL ALSO ARE PREPARING REPORTS. REPORTS OF MAJOR GOVERNMENT AGENCIES AND ORGANIZATIONS INVOLVED ARE EXPECTED TO BE READY BY THE TIME THE LDP COMES UP WITH A PACKAGE OF FISCAL POLICY STRUCTURAL REFORM MEASURES IN MID-JUNE.

CORRECTED COPY FROM APRIL 9 ISSUE: SECDEF COHEN: WILL NOT CHANGE TROOP STRENGTH IN FORESEEABLE FUTURE
(ASAHI - PAGE 2)

U.S. SECRETARY OF DEFENSE COHEN, VISITING JAPAN, HELD TALKS FOR ABOUT TWO HOURS LAST EVENING WITH FOREIGN MINISTER YUKIHIKO IKEDA AT THE FOREIGN MINISTRY'S IIKURA HOUSE. SECRETARY COHEN MADE THIS REMARK REGARDING THE UNCLAS SECTION 10 OF 10 TOKYO 003066

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 APRIL 10

DEPLOYMENT OF 100,000 U.S. TROOPS IN THE ASIA-PACIFIC REGION: "EVEN IF THERE WERE TO BE A UNIFICATION OF THE KOREAN PENINSULA, NO ONE KNOWS HOW LONG IT WOULD TAKE TO COMPLETE THAT PROCESS. I DO NOT ENVISAGE IN THE FORESEEABLE FUTURE THE NEED TO ADJUST THE PRESENCE OF THE U.S. FORCES IN THE REGION, INCLUDING THOSE IN JAPAN AND THE REPUBLIC OF KOREA."

IN ADDITION, SECRETARY COHEN MADE THIS CLEAR STATEMENT ON QDR, THE U.S. DEPARTMENT OF DEFENSE REVIEW OF ITS PLANS EVERY FOUR YEARS: "THERE WILL BE NO CHANGE IN THE 100,000 TROOP LEVEL." HE THEN ADDED, "IF INTERNATIONAL CONDITIONS CHANGE, WE WOULD AS USUAL GO INTO CONSULTATIONS WITH THE JAPANESE GOVERNMENT ON THE U.S. MILITARY FORCE STRUCTURE AND MILITARY POSTURE." FOREIGN MINISTER IKEDA REITERATED THAT AT THIS POINT, JAPAN HAD NO INTENTION OF ASKING FOR A REDUCTION OF U.S. FORCES IN JAPAN.

PRIOR TO THAT MEETING, SECRETARY COHEN HAD MET WITH LIBERAL DEMOCRATIC PARTY SECRETARY GENERAL KOICHI KATO AND POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI IN A TOKYO HOTEL. ASKED BY YAMASAKI ABOUT THE POSSIBILITY OF REVIEWING AMERICAN TROOP STRENGTH IN JAPAN, SECRETARY COHEN REPLIED, "IT WILL BE NECESSARY TO KEEP THE PRESENT LEVEL OF TROOP STRENGTH FOR THE FORESEEABLE FUTURE, BUT IF THERE IS CLEAR AND DRAMATIC

CHANGE (IN THE REGION), WE WOULD CONSULT JAPAN FOR A REVIEW." IN ADDITION, YAMASAKI SAID, "JAPAN IS NOW WRESTLING WITH THE TASK OF REDUCING FISCAL EXPENDITURES, BUT WHEN IT COMES TO OUR SUPPORT FOR THE U.S. FORCES IN JAPAN, WE WILL UPHOLD THE CURRENT LEVEL, BASED ON OUR STANCE OF FIRMLY UPHOLDING THE JAPAN-U.S. SECURITY ARRANGEMENT." HE CLEARLY STATED HIS THINKING THAT HOST NATION SUPPORT EXPENDITURES WOULD NOT BE A TARGET FOR BUDGET CUTS. CRANE

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RHEHAAA/WHITE HOUSE WASHDC
RUCPDOG/USDOD WASHDC
RUEBBEA/USDOT WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 11

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 09 TOKYO 003117

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 APRIL 11

TOP HEADLINES:

ASAHI: GOVERNOR OTA ACQUIESCES TO SURVEY FOR CONSTRUCTION
OF AN ALTERNATIVE SEA-BASED HELIPORT FOR FUTENMA
AIRFIELD; "I RESPECT NAGO CITY'S JUDGMENT" (TRANSLATION
BELOW)

NIHON KEIZAI: FAIR TRADE COMMISSION INSTRUCTS NTT TO

REDUCE RATIO OF CAPITAL INVESTED IN "DOCOMO" TO "10 PERCENT"; FOR PROMOTION OF PORTABLE PHONE SERVICES MARKET

TOKYO SHIMBUN: OKINAWAN GOVERNOR WILL ALLOW (HELIPORT) SURVEY BY CENTRAL GOVERNMENT; STEP FORWARD TOWARD CONSTRUCTING AN OFFSHORE HELIPORT; "RESPECT NAGO CITY'S RESPONSE"

MAINICHI: MITO DISTRICT PUBLIC PROSECUTORS OFFICE TO PROVE THE CASE OF A FALSE REPORT BY DONEN; SUSPICIONS OF VIOLATION OF THE REGULATIONS ON NUCLEAR POWER REACTORS AND OTHER MATTERS

YOMIURI: AMENDMENT TO SPECIAL LAND-LEASE LAW WILL PASS LOWER HOUSE TODAY; A SURVEY FOR CONSTRUCTION OF AN OFFSHORE HELIPORT IN OKINAWA EXPECTED TO BE COMMENCED PROBABLY WITHIN THE MONTH; ENVIRONMENT FOR PM'S U.S. TRIP NOW PREPARED

SANKEI: AMENDMENT TO SPECIAL LAND-LEASE LAW APPROVED AT LOWER HOUSE SPECIAL COMMITTEE; WITH SUPPORT FROM A MAJORITY OF DIETMEMBERS, BEGINNING WITH THE LDP, SHINSHINTO; THE BILL WILL PASS THE LOWER HOUSE TODAY AND BE ADOPTED POSSIBLY ON THE 17TH

GOVERNOR OTA ACQUIESCES TO SURVEY OF ALTERNATE HELIPORT SITE (ASAHI - TOP PLAY)

OKINAWA GOVERNOR MASAHIDE OTA ON THE 10TH MADE HIS PREFECTURAL GOVERNMENT'S POSITION CLEAR THAT IT WOULD VIRTUALLY ACCEPT A FEASIBILITY STUDY TO CONSTRUCT A SEA-BASED HELIPORT AS AN ALTERNATIVE FACILITY FOLLOWING THE RETURN OF THE UNITED STATES FORCES' FUTENMA AIR STATION. OTA STATED, "I WOULD LIKE TO RESPECT THE DECISION BY (NAGO CITY)," DURING A MEETING WITH NAGO MAYOR TETSUYA HIGA WHO HAVE ALREADY REVEALED THE VIEW TO APPROVE THE FEASIBILITY STUDY ON CONDITION OF THE AGREEMENT OF LOCAL RESIDENTS, FISHERMEN AND OTHERS CONCERNED. NAGO CITY PLANS TO EXPLAIN ON THE 11TH OR AFTER THIS ISSUE TO THE RESIDENTS IN THE ADJACENT AREAS IN THE WATERS OFF U.S. CAMP SCHWAB, THE SITE PROPOSED FOR THE CONSTRUCTION OF A HELIPORT. MAYOR HIGA INTENDS TO FORMALLY ANNOUNCE THE APPROVAL OF THE PRELIMINARY SURVEY EVEN BEFORE PRIME MINISTER RYUTARO HASHIMOTO LEAVES FOR THE U.S. ON THE 24TH. BUT THERE HAS REMAINED A STRONG VIEW "OPPOSING THE CONSTRUCTION OF A HELIPORT" AMONG THE LOCAL RESIDENTS. THEREFORE, WHETHER THE APPROVAL FOR THE FEASIBILITY STUDY WILL DIRECTLY LEAD TO AN AGREEMENT OF THE HELIPORT CONSTRUCTION IS A DELICATE QUESTION.

MANY UNCERTAINTIES AHEAD BEFORE FUTENMA BASE TRANSFER CAN BE REALIZED (ASAHI - PAGE 2)

THE GOVERNMENT PLANS TO WASTE NO MORE TIME IN CARRYING OUT ITS FEASIBILITY STUDY FOR CONSTRUCTING AN ALTERNATIVE HELIPORT OFF CAMP SCHWAB FOR REPLACING THE FUTENMA AIR STATION. THE GOVERNMENT'S EXPLANATION TO THE LOCAL COMMUNITY IN THE PAST WAS: "THE STUDY IS NOT BASED ON

THE CONSTRUCTION OF THE HELIPORT." UNDER SUCH CIRCUMSTANCES, MORE COMPLICATIONS ARE EXPECTED BEFORE THE PLAN IS IMPLEMENTED. THE GOVERNMENT PLANS TO COMPILE A BLUEPRINT FOR IMPLEMENTATION BY DECEMBER. HIGH HURDLES LIE AHEAD FOR THE GOVERNMENT, SUCH AS THE DETERMINATION OF THE CONSTRUCTION METHOD.

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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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 11

THE GOVERNMENTS OF JAPAN AND THE UNITED STATES IN LATE JANUARY LAUNCHED WHAT IS CALLED THE FUTENMA IMPLEMENTATION GROUP (FIG), A PANEL COMPOSED OF WORKING-LEVEL MEMBERS (AT THE LEVEL OF COUNCILLOR (SHINGIKAN)). THE GROUP HELD ITS FIRST MEETING IN WASHINGTON IN EARLY MARCH, COINCIDING WITH THE JAPAN-U.S. SECURITY CONSULTATIVE COUNCIL MEETING. SINCE THEN, THE TWO COUNTRIES HAVE EXCHANGED VIEWS THROUGH MEETINGS AT THE DIVISION DIRECTOR LEVEL (KACHOU) REGARDING FUNCTIONS AND FACILITIES NECESSARY FOR THE ALTERNATIVE HELIPORT. BUT WITH NO BREAKTHROUGH IN SIGHT REGARDING THE FEASIBILITY STUDY ISSUE, THE FUTENMA PROGRAM HAS VIRTUALLY REMAINED "CLOSED."

REPORTEDLY, AT PRESENT THREE "FEASIBLE" METHODS ARE AVAILABLE FOR CONSTRUCTING OFFSHORE FACILITIES: A FLOATING-TYPE PIER (QIP) METHOD; PONTOON-TYPE METHOD, AND SEMI-SUB APPROACH. TOUCH TECHNICAL FACTORS STILL REMAIN UNSOLVED BEFORE DETERMINING THE METHOD, SUCH AS THE TECHNOLOGY TO ENSURE STABILITY FOR A 1,500 METER-LONG FLOATING BASE AND COORDINATION OF CONTRACTORS.

PRIME MINISTERQS HOMEWORK NOW TURNS TO U.S. VISIT
(ASAHI - PAGE 2)

THE GOVERNMENT HAS NOW OBTAINED A STRONG PROSPECT TO CARRY OUT A FEASIBILITY STUDY OFF CAMP SCHWAB, THE MOST LIKELY SITE TO REPLACE THE U.S. FUTENMA AIR STATION. PRIME MINISTER RYUTARO HASHIMOTO HAS NOW COMPLETED HIS TWO "HOMEWORKS" -- THE AFORE-MENTIONED FEASIBILITY STUDY AND JAPAN'S OBLIGATION TO SUPPLY LAND TO THE U.S. MILITARY BY MEANS OF AMENDING THE SPECIAL LAND LEASE LAW -- FOR HIS U.S. TRIP THAT WILL START ON APRIL 24. IN CONTRAST TO THE PRIME MINISTER'S TREMENDOUS EFFORTS TO IMPROVE THE OVERALL CONDITION FOR THE U.S., HIS

ADMINISTRATION HAS ACCOMPLISHED LITTLE IN HANDLING OKINAWA'S VOCAL CALL FOR REDUCING U.S. TROOP STRENGTH THERE AND OTHER MEASURES TO LESSEN OKINAWA'S BURDEN. WHETHER OR NOT THE PRIME MINISTER CAN BRING UP POSSIBLE TROOP CUTS WOULD BE A HIGHLIGHT IN THE UPCOMING JAPAN-U.S. SUMMIT MEETING.

OKINAWA'S NAGO CITY THAT HOUSES CAMP SCHWAB HAS VIRTUALLY APPROVED THE GOVERNMENT'S PLAN TO CARRY OUT A FEASIBILITY STUDY FOR CONSTRUCTING AN OFFSHORE HELIPORT IN ORDER TO RELOCATE THE FUTENMA AIR STATION. THE PRIME MINISTER ON THE 10TH EXPRESSED HIS GRATITUDE FOR NAGO CITY'S DECISION, REMARKING TO THE PRESS SPIRITEDLY: "I SIMPLY APPRECIATE THE CITY'S DECISION."

THE OFFSHORE HELIPORT CONSTRUCTION PLAN WAS DEVISED BY THE PRIME MINISTER HIMSELF. ACCORDING TO THE DEFENSE AGENCY, THE U.S. WAS IRRITATED WITH JAPAN'S SLOW PROGRESS IN ITS DOMESTIC COORDINATION, REASONING, "WE HAVE DECIDED TO RETURN IT BECAUSE JAPAN URGED US SO LOUDLY. DESPITE THAT, THE PROJECT IS NOT MAKING ANY PROGRESS." BEING AWARE OF THE U.S. MOOD, THE PRIME MINISTER HAS SENT HIS SPECIAL ASSISTANT YUKIO OKAMOTO TO OKINAWA TO LAY THE GROUNDWORK AND ALSO CALLED DIRECTLY ON GOVERNOR OTA FOR HIS COOPERATION DURING THEIR MEETING IN FEBRUARY AND MARCH.

A SENSE OF RELIEF IS SPREADING IN THE GOVERNMENT NOW THAT A FEASIBILITY STUDY IS LIKELY TO BE CARRIED OUT AS PLANNED, ONE SAYING, "I THINK WE HAVE TAKEN ONE GREAT STEP FORWARD" (CHIEF CABINET SECRETARY SEIROKU KAJIYAMA).

THE U.S. HAS ALWAYS MADE SURE THAT JAPAN SUPPLY MILITARY LAND STABLY THROUGH JAPAN TOURS BY SUCH PROMINENT U.S. FIGURES AS SECRETARY OF STATE ALBRIGHT AND VICE PRESIDENT GORE. A PRIME MINISTER'S AID HAS NOTED: "IF THE GOVERNMENT FAILS TO PASS THE AMENDMENT TO THE LAND LEASE LAW, THE PRIME MINISTER WON'T BE ABLE TO RAISE HIS FACE
UNCLAS SECTION 03 OF 09 TOKYO 003117

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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 11

IN WASHINGTON." BUT NOW, IT IS CERTAIN THAT THE BILL WILL PASS THE DIET BEFORE HIS U.S. TOUR.

NEVERTHELESS, THE ISSUE OF REDUCING THE U.S. FORCES IN

JAPAN IS STILL STALLED. AN AGREEMENT HAS BEEN REACHED BETWEEN THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN) AND THE LIBERAL DEMOCRATIC PARTY (LDP), IN WHICH THEY PLEDGED "TO MAKE EFFORTS TO DISCUSS CLOSELY WHEN THE INTERNATIONAL CONDITION CHANGED." REPORTEDLY, THE U.S. IS NEGATIVE ABOUT DISCUSSING THE ISSUE IN THE UPCOMING SUMMIT MEETING. THE PRIME MINISTER HAS INDICATED IN HIS DIET REPLIES AND MEETINGS WITH SENIOR U.S. OFFICIALS THAT HE WOULD NOT SEEK ANY REDUCTION IN U.S. TROOPS FOR THE PRESENT. HE HAS NOT TOUCHED HIS REMAINING "HOMEWORK."

HASHIMOTO SCORES MAJOR PROGRESS IN RESOLVING OKINAWA ISSUE BEFORE U.S. TRIP (SANKEI - PAGE 2)

ON THE PROBLEM OF FINDING AN ALTERNATE HELIPORT FOR FUTENMA AIR STATION IN OKINAWA PREFECTURE, PRIME MINISTER RYUTARO HASHIMOTO AND OTHERS IN THE PRIME MINISTER'S RESIDENTIAL OFFICE (KANTEI) ARE HIGHLY EVALUATING THE DECISION BY NAGO CITY TO ALLOW THE FEASIBILITY SURVEY AND THE WILLINGNESS OF THE PREFECTURE ALSO TO RESPECT THAT DECISION. CHIEF CABINET SECRETARY SEIROKU KAJIYAMA CALLED IT "A MAJOR STEP." WITH THE BILL TO AMEND THE SPECIAL LAND-LEASE LIKELY TO BE PASSED IN THE DIET BY THE 17TH, ALSO BEFORE THE PRIME MINISTER'S LATE APRIL VISIT TO THE UNITED STATES, THE KANTEI HAS BREATHED A SIGH OF RELIEF, WITH ONE OFFICIAL NOTING, "THE ENVIRONMENT FOR THE TRIP TO THE U.S. IS BEING PREPARED" (KANTEI SOURCE).

CHIEF CABINET SECRETARY KAJIYAMA AT A PRESS CONFERENCE YESTERDAY STATED: "I AM DISTINGUISHING BETWEEN THE PRIOR SURVEY AND A GO-SIGN FOR CONSTRUCTION, BUT TALKS ARE PROGRESSING, AND IT WOULD BE DESIRABLE FOR THE SURVEY TO GO AHEAD AT THE EARLIEST POSSIBLE OPPORTUNITY." HE ADDED: "DURING THE TIME THAT GOVERNOR OTA IS IN THE UNITED STATES STARTING ON THE 11TH, DEPUTY GOVERNOR YOSHIMOTO WILL BE ACTING GOVERNOR, AND SO WHEN NAGO CITY FORMALLY STATES ITS DECISION (TO ACCEPT THE SURVEY), AND TRANSMITS THAT TO THE PREFECTURE, IT WILL MOST LIKELY RESPECT THAT DECISION. ON OUR PART AS THE GOVERNMENT, WE WOULD LIKE TO PUT IN OUR UTMOST EFFORT."

THE KANTEI HAS BEEN DEEPLY IRRITATED UNTIL NOW SINCE ABOUT A YEAR HAD PASSED SINCE PRIME MINISTER HASHIMOTO AND PRESIDENT CLINTON REACHED AGREEMENT ON THE RETURN OF FUTENMA, BUT NOT EVEN THE FEASIBILITY SURVEY HAS BEEN ABLE TO TAKE PLACE. IT ANALYZES THAT REGARDING THE FACT THAT WITH THE VISIT APPROACHING AND THE OUTLOOK NOW FOR SUCH A SURVEY, "SUCH WOULD NOT HAVE BEEN POSSIBLY BUT FOR THE SITUATION OF THE LAND-LEASE BILL BEING PASSED WITH A FIVE OR TEN VOTE DIFFERENCE" (LEADING GOVERNMENT OFFICIAL). IT PERCEIVES THAT THE APPROVAL OF THE REVISION BY AN OVERWHELMING MAJORITY OF BOTH CAMPS INFLUENCED THE DECISION TO ACCEPT THE SURVEY.

JCS CHAIRMAN SEES NO CALL FOR REDUCTION OF U.S. FORCES IN JAPAN (SANKEI - PAGE 2)

U.S. JOINT CHIEFS OF STAFF CHAIRMAN SHALIKASHVILI ARRIVED

IN JAPAN ON THE 10TH AND THEN MET SUCCESSIVELY WITH JAPAN DEFENSE AGENCY DIRECTOR GENERAL FUMIO KYUMA, JOINT STAFF COUNCIL CHAIRMAN SHIGERU SUGIYAMA, AND OTHER JDA OFFICIALS AT JDA. REFERRING TO THE WORK OF REVIEWING THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION, JCS CHAIRMAN SHALIKASHVILI STATED, "I HOPE THOSE TAKING PART IN THE WORK WILL CONTINUE TO MAKE EFFORTS FROM NOW ON AS WELL." THE JCS CHAIRMAN SO RECONFIRMED THE JAPANESE AND U.S. SIDES' RESPECTIVE VIEWS TO EXPEDITE THE WORK FOR AN INTERIM REPORT TO BE RELEASED IN LATE MAY.

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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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 11

JDA DIRECTOR GENERAL KYUMA NOTED, "FOR STABILITY IN THE ASIA-PACIFIC REGION, IT IS IMPORTANT TO MAINTAIN THE COMMITMENT ENDORSED BY THE FORWARD DEPLOYED TROOPS." THE JDA DIRECTOR GENERAL HAS THUS INDICATED HIS HAVING NO INTENTION OF CALLING FOR A DRAWDOWN OF THE U.S. FORCES IN JAPAN. JCS CHAIRMAN SHALIKASHVILI AND JSC CHAIRMAN SUGIYAMA ALSO HAVE CONFIRMED A PLAN TO MAINTAIN CLOSE TIES FOR BILATERAL JOINT TRAINING EXERCISES. THE JCS CHAIRMAN WILL RETURN HOME AFTER VISITING MISAWA AIR FORCE BASE ON THE 11TH.

OZAWA DENIES SECRET MEETING IN FEBRUARY WITH U.S. SECRETARY OF STATE (ASAHI - PAGE 2)

IT WAS LEARNED YESTERDAY THAT IN DEALING WITH THE OKINAWA BASE PROBLEM, ICHIRO OZAWA, PRESIDENT OF THE SHINSHINTO (NEW FRONTIER PARTY), AND HIS AIDES MET WITH HIGH-LEVEL OFFICIALS OF THE UNITED STATES GOVERNMENT. THEN, AFTER ASCERTAINING THE U.S. SIDE'S POSITION, THEY ELABORATED WHAT ACTION THE PARTY WOULD TAKE. SINCE THE U.S. WAS FIRM IN "REFUSING A DRAWDOWN OF MARINE TROOPS," THEY REPORTEDLY CONCLUDED THAT IF THE TROOP REDUCTION ISSUE WERE OBSTINATELY BROUGHT UP, BILATERAL TIES MIGHT BE BADLY SHAKEN. OZAWA, IN THE END, TOGETHER WITH PRIME MINISTER RYUTARO HASHIMOTO, COMPILED A WRITTEN AGREEMENT ON THE BASE PROBLEM THAT WENT, "THE CENTRAL GOVERNMENT IS ULTIMATELY RESPONSIBLE," AND HE DETERMINED TO SUPPORT THE AMENDMENT TO THE SPECIAL LAND-LEASE LAW FOR STATIONED FORCES. BUT HIS DECISION SEEMS TO HAVE BEEN IN NO SMALL WAY INFLUENCED BY THE U.S. GOVERNMENT'S WISHES.

ACCORDING TO AN INSIDER, AROUND FEBRUARY 24, OZAWA MET WITH U.S. SECRETARY OF STATE ALBRIGHT IN TOKYO AND REPORTEDLY BOTH AGREED THAT "THE JAPAN-U.S. SECURITY ARRANGEMENT IS VITAL." OZAWA ALSO GOT THE STRONG IMPRESSION THAT THE U.S. SIDE WOULD NOT ACCEPT A REDUCTION OF MARINES. BUT OZAWA HIMSELF DENIES THERE WAS SUCH A MEETING.

IN A NEWS CONFERENCE ON MARCH 16, OZAWA EMPHASIZED: "THE PRESENCE OF THE U.S. IS BASED ON OUR REQUEST. IT IS THUS UNLIKELY THAT JAPAN, ON OUR OWN INITIATIVE, WILL SAY, 'LEAVE!'" HE CONTINUED, "IT IS A WRONG APPROACH TO DISCUSS THE MATTER BY LINKING IT TO THE HARDSHIPS OKINAWANS HAVE EXPERIENCED." HIS REMARK SEEMED TO REFLECTED WHAT HAD COME UP IN THE ABOVE MEETING (WITH THE SECRETARY).

IN ADDITION, AN AIDE TO OZAWA CONTACTED AMERICAN ACADEMICS FAMILIAR WITH THE WORKINGS OF THE U.S. GOVERNMENT. IN MID-MARCH, HE WAS TOLD BY A FORMER FOREIGN MINISTRY OFFICIAL, "IN WORKING-LEVEL TALKS, THE JAPANESE SIDE BROUGHT UP THE ISSUE OF REDUCING THE MARINES, BUT IT TRIGGERED THE U.S.' ANGER." REPORTEDLY HE LATER TOLD THIS STORY TO OZAWA.

U.S. SPY SATELLITE: NORTH KOREAN MISSILES REDEPLOYED, TARGETING HALF OF JAPAN (SANKEI - PAGE 1)

NORTH KOREA ONCE SUSPENDED ITS PLANNED DEPLOYMENT OF 'NODONG-1' MEDIUM- AND LONG-RANGE MISSILES IN THE FALL OF LAST YEAR, BUT IT BECAME KNOWN THAT NORTH KOREA HAS NOW REDEPLOYED THEM ON THE SEA OF JAPAN SIDE BY THE 10TH AND HAS BEEN READY TO CARRY OUT MISSILE FIRING TESTS. THIS FACT WAS REVEALED BY A KOREAN PENINSULA SOURCE IN TOKYO. NOW THAT JAPAN IS ALMOST ENTIRELY WITHIN THE RANGE OF NODONG 1, SUCH WILL BECOME AN EXTREMELY SERIOUS THREAT TO OUR COUNTRY'S NATIONAL SECURITY. IN RETURN FOR THE INTERNATIONAL COMMUNITY'S ADDITIONAL FOOD AID, NORTH KOREA HAS INDICATED ITS INTENTION TO PARTICIPATE IN FOUR-PARTY TALKS WITH THE U.S. AND THE REPUBLIC OF KOREA, INCLUDING CHINA, AND ALSO TO PARTICIPATE IN MISSILE TALKS WITH THE U.S. ALL THE MORE FOR THIS REASON, NORTH
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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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 11

KOREA'S REDEPLOYMENT OF SUCH MISSILES WILL LIKELY GIVE RISE TO CONJECTURES AS A MOVE BESPEAKING POSSIBLE TURMOIL IN THE NORTH KOREAN LEADERSHIP OR THE NORTH KOREAN MILITARY'S RISE.

ACCORDING TO THE SOURCE, NODONG-1 MISSILES ARE NOW DEPLOYED ALONG THE NORTHEASTERN SHORE OF NORTH KOREA. THE SOURCE SAYS THAT THREE LAUNCHERS HAVE ALREADY BEEN CONSTRUCTED THERE, AND NORTH KOREA IS NOW ABLE TO CARRY OUT LAUNCHING TESTS RIGHT AWAY. FURTHERMORE, THE SOURCE SAYS THAT NORTH KOREA IS GOING TO COMPLETE SHORTLY ITS CONSTRUCTION OF SEVEN MORE MISSILE LAUNCHING PADS AND WILL SET UP A TOTAL OF 10 LAUNCHING PADS IN THE END. THE SOURCE HAS ALSO SAID THAT THIS INFORMATION WAS OBTAINED FROM A U.S. RECONNAISSANCE SATELLITE AS A RESULT OF ITS MONITORING OF THE NORTH KOREAN MILITARY'S MOVES, AND SUCH HAS ALREADY BEEN REPORTED ALSO TO JAPAN AND THE ROK.

ACCORDING TO MILITARY BALANCE, THE NODONG-1, NOW BEING READIED BY NORTH KOREA FOR EXPERIMENTAL LAUNCHING, IS AN IMPROVED MODEL BASED ON THE SCUD MISSILE DEVELOPED IN THE FORMER SOVIET UNION. ITS MAXIMUM RANGE IS OVER 1,000 KILOMETERS. ACCORDINGLY, THE WESTERN PART OF JAPAN IS ENTIRELY WITHIN THE NODONG-1'S RANGE, AND EVEN MORE, THE GREATER PART OF JAPAN IS ALSO WITHIN ITS RANGE, DEPENDING ON WHERE IT IS DEPLOYED.

THE U.S. LAST OCTOBER DETECTED THE FACT THAT A NUMBER OF TANK LORRIES FOR FUEL SUPPLY WERE AT A MISSILE SITE LOCATED IN THE WESTERN PART OF NORTH KOREA AND NODONG-1 LAUNCHING PADS WERE READIED THERE, AND THAT A MONITORING SHIP WAS OUT IN THE SEA OF JAPAN, HEADING FOR AN IMPACT AREA. IN NEW YORK AND OTHER SCENES, THE U.S. CALLED FOR NORTH KOREA'S SELF-CONTROL. ON THE OTHER HAND, THE U.S. NOTIFIED BOTH JAPAN AND THE ROK OF THE FACT. AT THE SAME TIME, THE U.S. STEPPED UP ITS MONITORING ACTIVITIES BY DISPATCHING RC-135S ELECTRONIC RECONNAISSANCE AIRCRAFT FOR MISSILE PURSUIT FROM A U.S. MILITARY BASE IN JAPAN. AGAINST THIS, NORTH KOREA ASSUMED A TOUGH STANCE, CLAIMING: "THIS (MISSILE LAUNCHING TEST) IS A PROBLEM THAT BELONGS TO OUR OWN AUTONOMY. NO ONE HAS THE RIGHT TO INTERVENE." AFTER THAT, HOWEVER, THE U.S. SUCCESSFULLY PERSUADED NORTH KOREA TO SUSPEND ITS EXPERIMENTAL LAUNCHING PLAN. EVENTUALLY, IRANIAN AND SYRIAN MILITARY MISSIONS, WHICH WERE VISITING NORTH KOREA TO INSPECT THE PLANNED LAUNCHING TESTS, RETURNED HOME, AND THEN THE EXPERIMENT WAS AVOIDED FOR A WHILE.

NORTH KOREA, NOW SUFFERING FROM A SHORTAGE OF FOOD, HAS ASKED THE INTERNATIONAL COMMUNITY, INCLUDING JAPAN, FOR FOOD AID SINCE THE YEAR BEFORE LAST. JAPAN AIDED NORTH KOREA WITH RICE TO THE EXTENT OF 500,000 TONS. ADDITIONALLY, VARIOUS COUNTRIES IN THE WORLD PROVIDED NORTH KOREA TWICE WITH MILK FOR BABIES, FOODSTUFFS, AND PHARMACEUTICALS AND OTHER MEDICAL SUPPLIES.

FURTHERMORE, NORTH KOREA THIS YEAR ENTERED INTO A CONTRACT WITH A U.S. FIRM TO IMPORT FOOD AMOUNTING TO

500,000 TONS. IN THE MEANTIME, THE UNITED NATIONS ALSO HAS ISSUED A THIRD APPEAL FOR EMERGENCY AID TOTALING APPROXIMATELY 126 MILLION DOLLARS. THEREFORE, NORTH KOREA IS NOW SHOWING ITS ENTHUSIASM FOR PARTICIPATING IN THE FOUR-PARTY TALKS.

ON THE OTHER HAND, THE U.S. DEPARTMENT OF STATE'S PRESS OFFICER BURNS ON THE 8TH OF THIS MONTH REMARKED, "WE'RE NOW STUDYING WHERE AND WHEN TO HOLD TALKS WITH THEM." THE U.S. HAS JUST INDICATED ITS EXPECTATION OF NORTH KOREA TO ATTEND TALKS ABOUT MISSILES INCLUDING THE NODONG-1, AND SUCH TALKS WERE EXPECTED TO TAKE PLACE THIS MONTH.

UNDER SUCH CIRCUMSTANCES, NORTH KOREA IS NOW BEING READY TO LAUNCH NODONG-1 MISSILES. CONCERNING THIS SITUATION, UNCLAS SECTION 06 OF 09 TOKYO 003117

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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 11

THERE IS ALSO A VIEW TAKING IT AS A BLUFF TO THE JAPANESE GOVERNMENT THAT REMAINS CAUTIOUS OF FOOD AID TO NORTH KOREA. HOWEVER, THE KOREAN PENINSULA SOURCE'S ANALYSIS IS THAT "SOME CONFUSION MIGHT HAVE OCCURRED IN THE NORTH KOREAN LEADERSHIP LED BY THE MILITARY."

GOVERNMENT REMAINS CAUTIOUS ABOUT FOOD AID TO NORTH KOREA; MAY USE AID STRATEGICALLY (TOKYO SHIMBUN - PAGE 2)

THE JAPANESE GOVERNMENT IS STILL CIRCUMSPECT ABOUT OFFERING FOOD AID TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA). SO FAR IT HAS GIVEN WEIGHT TO "HUMANITARIAN ASPECTS" OF AID, BUT NOW IT APPARENTLY IS PLACING EMPHASIS ON "STRATEGIC ASPECTS." WHY DID IT SHIFT ITS POLICY LINE? WE WILL TRY TO FIND OUT WHAT LIES IN THE BACKGROUND OF SUCH A SWITCH.

THE FOOD SHORTAGE IN NORTH KOREA IS BECOMING MORE ACUTE AS THAT COUNTRY ITSELF HAS REVEALED, "AS MANY AS 134 CHILDREN DIED OF MALNUTRITION LAST YEAR ALONE."

IN ORDER FOR THE INTERNATIONAL COMMUNITY TO RESCUE THAT COUNTRY, THE WORLD FOOD PROGRAM (WFP) IN FEBRUARY APPEALED FOR AID WORTH A TOTAL OF 41.6 MILLION DOLLARS. ON APRIL 7, THE UNITED NATIONS' DEPARTMENT OF HUMANITARIAN AFFAIRS (DHA) MADE A REQUEST FOR AID WORTH A TOTAL OF 126 MILLION DOLLARS.

RESPONDING TO THE WFP'S REQUEST, THE UNITED STATES AND THE REPUBLIC OF KOREA (ROK) HAVE ALREADY DECIDED TO OFFER 10 MILLION DOLLARS AND 6 MILLION DOLLARS RESPECTIVELY. THE TWO COUNTRIES ARE ALSO SHOWING SIGNS OF PROVIDING ADDITIONAL AID IN RESPONSE TO THE DHA'S REQUEST. JAPAN SEEMS TO BE PLACED UNDER STRONGER PRESSURE TO OFFER ASSISTANCE.

UNTIL NOW JAPAN, TOO, RESPONDING TO THE UN'S REQUEST, HAS GIVEN ASSISTANCE TO NORTH KOREA -- 500,000 DOLLARS IN LAST SEPTEMBER AND 6 MILLION DOLLARS LAST JUNE. BOTH CASES WERE GIVEN PRIMARILY FROM THE HUMANITARIAN ASPECT.

BUT THIS TIME, (JAPAN) HAS YET TO TAKE ANY ACTION, STRIKINGLY DIFFERENT FROM THE U.S. AND THE ROK, BOTH OF WHICH ARE ACTIVE IN RENDERING ASSISTANCE.

A GOVERNMENT OFFICIAL CITED THE FOLLOWING MAIN REASONS FOR JAPAN'S CAUTIOUS APPROACH:

(1) ALTHOUGH NORTH KOREA HAS COMPLAINED ABOUT THE FOOD SHORTAGE, IT STILL HAS A HUGE MILITARY SPENDING BUDGET;

(2) IT IS QUESTIONABLE WHETHER AID GIVEN BY THE INTERNATIONAL COMMUNITY HAS DEFINITELY REACHED THE MASSES; AND

(3) NO SINCERITY HAS BEEN SHOWN IN HANDLING THE ALLEGED KIDNAPPING CASE OF A JUNIOR HIGH SCHOOL GIRL AND TO JAPAN'S REQUESTS ABOUT WHETHER JAPANESE WIVES LIVING IN THAT COUNTRY ARE DOING WELL, AND WHETHER THOSE WIVES CAN TEMPORARILY VISIT JAPAN.

EXCEPT FOR THE ALLEGED KIDNAPPING OF A JUNIOR HIGH SCHOOL GIRL, ALL OTHER REASONS HAVE BEEN STEADILY VOICED UNTIL NOW. BUT THE GOVERNMENT NONETHELESS HAS GIVEN THESE REASONS (FOR ITS CAUTIOUS APPROACH). THAT IS PROBABLY BECAUSE THERE HAS BEEN A POLICY CHANGE TOWARD OFFERING ASSISTANCE TO NORTH KOREA.

TO GIVE THE DETAILS, SET OFF BY THE DISCLOSURE OF THAT ALLEGED KIDNAPPING CASE, JAPANESE PUBLIC OPINION HAS BECOME INDIFFERENT TO GIVING AID TO THE NORTH. AS A RESULT, THE GOVERNMENT NOW FEELS IT MUST GIVE CONSIDERATION TO THAT ELEMENT. IN ADDITION, THERE SEEMS UNCLAS SECTION 07 OF 09 TOKYO 003117

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 APRIL 11

TO BE A POLITICAL STRATEGY OF TRYING TO BRING THE NORTH TO THE FOUR-WAY TALKS AND SOUTH-NORTH DIALOGUES.

HOWEVER, IN THE RULING PARTIES, SOME POLITICIANS REMAIN POSITIVE ABOUT OFFERING AID TO THE NORTH, VIEWING THAT OFFERING AID WOULD BE MORE USEFUL FOR JAPAN ITSELF. AT A MEETING ON THE 8TH OF THE ASIA-PACIFIC SUB-PANEL UNDER THE LIBERAL DEMOCRATIC PARTY'S RESEARCH COMMISSION ON FOREIGN RELATIONS TO DISCUSS THIS PROBLEM WITH THE PARTICIPATION OF EXPERTS, "THERE WAS THE INTERPLAY OF BOTH (PRO AND CON) ARGUMENTS" (SENIOR FOREIGN MINISTRY OFFICIAL).

THE OUTLOOK IS THAT ALTHOUGH IT MAY TAKE SOME TIME TO REACH A CONCLUSION, JAPAN WILL MOST LIKELY BELATEDLY JOIN INTERNATIONAL RELIEF EFFORTS FOR NORTH KOREA.

FOREIGN MINISTRY PREPARING ODA ACTION PLAN THAT WOULD RAISE AID QUALITY BY YEAR 2000 (NIHON KEIZAI - PAGE 5)

A SENIOR OFFICIAL OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA) YESTERDAY REVEALED A POLICY COURSE OF DRASTICALLY REFORMING JAPAN'S OFFICIAL DEVELOPMENT ASSISTANCE (ODA) PROGRAM IN AN EFFORT TO IMPROVE THE QUALITY OF ASSISTANCE PROGRAMS, WITH THE YEAR 2000 AS THE TARGET FOR FINALIZING ITS CONCLUSIONS. HE STATED, "WE WANT TO STUDY COMING UP WITH SOMETHING SIMILAR TO AN ACTION PLAN OF ABOUT THREE YEARS STARTING FISCAL 1998."

THE OFFICIAL CITED THESE OUTLINE REFORM MEASURES: (1) INCREASED TECHNICAL ASSISTANCE AND FINANCIAL COOPERATION; (2) PLACING MORE EMPHASIS ON COOPERATION IN "SOFT" (TECHNOLOGY) AREAS RATHER THAN CONSTRUCTION PROJECTS; AND (3) STRENGTHENING RELATIONS WITH NON-GOVERNMENTAL ORGANIZATIONS (NGOS) AND LOCAL GOVERNMENTS.

REGARDING THE FACT THAT THE NUMBER OF JAPAN'S ODA STAFF MEMBERS PER PROJECT IS EXTREMELY SMALL DUE TO THE GOVERNMENT'S PROGRAM TO REDUCE THE FIXED NUMBER OF STAFF, MOFA IS EXPECTED TO STUDY THE PROBLEM IN ORDER TO EFFECTIVELY OPERATE AID PROGRAMS BY ENTRUSTING PROJECTS TO OUTSIDE ORGANIZATIONS. SPECIFIC ITEMS WILL BE DISCUSSED IN A PANEL COMPRISING OF EXPERTS ON AID AFFAIRS. THE PANEL WILL BE LAUNCHED AS EARLY AS THIS MONTH.

FINANCE MINISTRY AND BOJ PLAN TO INTERVENE TO STOP FALLING YEN RATE (NIHON KEIZAI - PAGE 1)

IN ORDER TO STOP THE YEN FROM CONTINUING TO RAPIDLY PLUNGE IN THE FOREIGN EXCHANGE MARKET, THE FINANCE MINISTRY (MOF) AND THE BANK OF JAPAN (BOJ) INTEND TO INTERVENE IN THE MARKET BY BUYING YEN AND SELLING DOLLARS SHOULD YEN DEPRECIATION PROCEED FURTHER. REFERRING TO

THE YEN EXCHANGE TUMBLING TO 125 TO THE DOLLAR, FINANCE MINISTER HIROSHI MITSUZUKA IN A SPEECH MADE ON THE 10TH REVEALED HIS INTENTION, "THAT IS OBVIOUSLY EXCESSIVE. THE GOVERNMENT IS FIRMLY DETERMINED TO COPE WITH THE LOWER YEN TREND AT THE PROPER TIME." THE JUDGMENT IS THAT FURTHER PROGRESS IN THE YEN DEPRECIATION MIGHT AGAIN EXPAND JAPAN'S TRADE SURPLUS. IF YEN-BUYING INTERVENTION IS CARRIED OUT, IT WILL BE THE FIRST IN FOUR YEARS AND EIGHT MONTHS SINCE AUGUST, 1992. THE U.S. GOVERNMENT IS EXPECTED TO EXPRESS SUPPORT FOR JAPAN'S MARKET INTERVENTION.

MAKING A SPEECH AT A TRUST CONFERENCE HELD THAT DAY, THE FINANCE MINISTER NOTED THAT THE RECENT SHARP DROP IN THE YEN EXCHANGE IS "OBVIOUSLY AN EXCESSIVE MOVEMENT. WE ARE CONCERNED ABOUT IT." HE THEN PLAYED UP A STANCE OF NOT RULING OUT THE POSSIBILITY OF MARKET INTERVENTION. HIS STATEMENT IS IN LINE WITH THE "AGREEMENT ON THE STABILIZATION OF EXCHANGE RATES" REACHED AT THE SEVEN-UNCLAS SECTION 08 OF 09 TOKYO 003117

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 APRIL 11

NATION FINANCE MINISTERS AND CENTRAL BANK PRESIDENTS CONFERENCE (G-7). IN RESPONSE TO HIS REMARK, THE MOF AND THE BOJ STARTED PREPARATIONS TO CARRY OUT YEN-BUYING INTERVENTION WHEN A FURTHER DROP IN THE VALUE OF THE YEN KICKS IN.

THE PURPOSE OF THE MOF'S AND THE BOJ'S MARKET INTERVENTION POLICY LINE IS TO PREVENT EXPANSION OF JAPAN'S TRADE SURPLUS FROM RECURRING. THE GOVERNMENT HAS ADVOCATED "DOMESTIC DEMAND-DRIVEN ECONOMIC RECOVERY, " BUT THE NATION'S CURRENT ACCOUNT SURPLUS HAS RECENTLY SHOWN AN YEAR-OVER-YEAR INCREASE FOR TWO MONTHS RUNNING. THERE IS FEAR THAT IF THE LOWER YEN TREND BECOMES EXCESSIVE, JAPAN'S TRADE SURPLUS MIGHT GROW AGAIN.

PRIME MINISTER RYUTARO HASHIMOTO IS SCHEDULED TO HOLD TALKS WITH U.S. PRESIDENT CLINTON ON APRIL 25, AND SO, THE PROPOSED MARKET INTERVENTION IS ESPECIALLY DESIGNED TO STABILIZE EXCHANGE RATES BEFORE THE BILATERAL SUMMIT MEETING BY PUTTING A STOP TO THE LOWER YEN TREND, WHICH COULD BECOME A SOURCE OF TROUBLE.

AT A PRESS CONFERENCE HELD THAT DAY, VICE FINANCE

MINISTER OGAWA POINTED OUT, "WE ARE IN CLOSE TOUCH WITH THE U.S." HE THUS HINTED THAT JAPAN HAS OBTAINED U.S. CURRENCY OFFICIALS' PRIOR APPROVAL AND COORDINATION REGARDING JAPAN'S YEN-BUYING/DOLLAR-SELLING INTERVENTION.

SECRETARY RUBIN CONCERNED ABOUT WEAK YEN
(NIHON KEIZAI - PAGE 1)

(WASHINGTON, APRIL 10, RYOSUKE HARADA) REFERRING TO THE CURRENT DEPRECIATION OF THE YEN, U.S. TREASURY SECRETARY RUBIN YESTERDAY EXPRESSED CONCERN ABOUT THE CURRENT VOLATILE YEN EXCHANGE MOVEMENTS, THE FIRST SUCH WAS RAISED BY A U.S. FINANCIAL OFFICIAL. HE NOTED, "THE U.S. SHARES CONCERN OVER THE YEN EXCHANGE, AS EXPRESSED BY THE JAPANESE AUTHORITIES, IN THE SENSE THAT IT WILL HAVE AN EFFECT ON JAPAN'S CURRENT ACCOUNT SURPLUS." HE, HOWEVER, STOPPED SHORT OF REFERRING TO THE POSSIBILITY OF MARKET INTERVENTION, NOTING, "I WILL NOT MAKE ANY COMMENT ON THAT."

PORT SANCTIONS BY U.S. LIKELY TO BE DELAYED
(SANKEI - PAGE 11)

PORT SERVICES TALKS BETWEEN JAPAN AND THE UNITED STATES OVER JAPAN'S CARGO-HANDLING PRACTICES WERE HELD IN WASHINGTON ON THE 9TH (LOCAL TIME). WITH THE DEADLINE FOR SANCTIONS EFFECTIVE ON THE 14TH AS SET BY THE U.S. FEDERAL MARITIME COMMISSION (FMC), BOTH SIDES WORKED HARD TO FIGURE OUT WAYS TO DELAY THE SANCTIONS. TAKING THE VIEW THAT "THERE IS NO MAJOR GAP (BETWEEN JAPAN AND THE U.S.)" (VICE MINISTER MINORU TOYODA), THE MINISTRY OF TRANSPORT (MOT) HAS STARTED PREPARING A PAPER OF AGREEMENT. THE LIKELIHOOD IS THAT BOTH SIDES WILL DECIDE TO POSTPONE THE SANCTIONS DURING THE SESSION ON THE 10TH AT THE EARLIEST.

RESPONDING TO THE U.S.' REQUEST FOR IMPROVING THE JAPANESE "PRIOR CONSULTATIONS SYSTEM," JAPAN HAS ANNOUNCED ITS WILLINGNESS TO FUNDAMENTALLY REVAMP IT BY THE END OF JULY. IT HAS ALREADY OBTAINED UNDERSTANDING FROM THE U.S. BUT THE U.S. HAS BEEN CALLING ALSO FOR FLEXIBLE OPERATION OF JAPAN'S LICENSING SYSTEM FOR CARGO-HANDLING SERVICES TO ALLOW FOREIGN FIRMS TO OBTAIN LICENSES. JAPAN HAS REPLIED TO ITS REQUEST, "JAPAN HAS TREATED JAPANESE AND FOREIGN FIRMS EQUALLY. WE HAVE DECIDED TO ABOLISH THE REGULATION ON SUPPLY-DEMAND ADJUSTMENT." AS SEEN FROM THESE, HEATED NEGOTIATIONS ARE GOING ON BETWEEN THE TWO COUNTRIES.

AT THE ONGOING TALKS, JAPAN PRESENTED NEW PROPOSALS FOR
UNCLAS SECTION 09 OF 09 TOKYO 003117

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 APRIL 11

FLEXIBLE OPERATION OF THE LICENSING SYSTEM UNDER THE
EXISTING LEGISLATION, INCLUDING CLARIFICATION OF THE
SCREENING PERIOD. FOCUSING ON THESE PROPOSALS, FINAL
COORDINATION IS NOW UNDER WAY BETWEEN BOTH SIDES'
REPRESENTATIVES.

WITH AN EYE ON DELAYING SANCTIONS, JAPAN AND THE U.S.
HAVE BEEN PUSHING AHEAD WITH WORK TO COMPILE A PAPER OF
AGREEMENT. THE LIKELIHOOD IS THAT AN AGREEMENT WILL BE
REACHED DURING THE SESSION ON THE 10TH OR ON THE 11TH.
UNDER THESE CIRCUMSTANCES, THE FMC IS EXPECTED TO DELAY
ITS SANCTIONS. WITH THE JAPAN-U.S. SUMMIT MEETING LATE
THIS MONTH COMING CLOSER, JAPAN AND THE U.S. SEEM TO BE
ABLE TO AVERT THE PORT DISPUTE FROM DEVELOPING INTO A TIT-
FOR-TAT BATTLE FOR THE PRESENT.

FOREIGN GROUPS TESTIFY BEFORE ADMINISTRATIVE REFORM
COMMITTEE (SANKEI - PAGE 11)

THE DEREGULATION SUB-COMMITTEE UNDER THE CONFERENCE ON
ADMINISTRATIVE REFORM (GYOSEI KAIKAKU IINKAI) (CHAIRLED BY
ISAMU MIYAZAKI) HELD A MEETING YESTERDAY TO ASK FOR VIEWS
ABOUT THE GOVERNMENT'S "DEREGULATION PROMOTION PROGRAM"
RELEASED ON MARCH 28 FROM FOUR OVERSEAS ORGANIZATIONS,
INCLUDING THE AMERICAN CHAMBER OF COMMERCE IN JAPAN
(ACCJ). THE MEETING WAS ATTENDED BY REPRESENTATIVES FROM
THE AMERICAN EMBASSY IN JAPAN, ACCJ, THE EUROPEAN
BUSINESS CONFERENCE (EBC) AND THE EUROPEAN UNION (EU).
IN THE MEETING, MANY CALLED FOR FURTHER PROMOTING
DEREGULATION AND RESOLVING THE CARGO-HANDLING ISSUE.

U.S. ECONOMIC MINISTER GREENWOOD CRITICIZED THE
GOVERNMENT'S DEREGULATORY REFORM PROGRAM AS INSUFFICIENT,
ASSERTING, "PROGRESS HAS NOT BEEN OBSERVED IN ALL SECTORS
OTHER THAN FINANCIAL SERVICES AND WOODEN HOUSING. A RAFT
OF MEASURES HAVE BEEN PLACED UNDER THE CATEGORY OF OF
'UNDER CONSIDERATION' AND 'TO BE CONSIDERED.' SOME AREAS
HAVE SEEN NO PROGRESS AT ALL, SUCH AS THE LARGE-SCALE
RETAIL STORE LAW, THE ISSUE OF FOREIGN OWNERSHIP OF NTT
AND KDD, AND THE LIBERALIZATION OF PORT SERVICES."

IN ADDITION, EBC CHAIRMAN PETER WOODS REMARKED, "I AM
DISAPPOINTED TO SEE SLOW PROGRESS IN DEREGULATORY STEPS,"
AND FIRST SECRETARY OF THE OFFICE OF EU REPRESENTATIVES
FRANTZ YETSEN (?) SAID, "I HOPE JAPAN WILL TRANSLATE MANY
DEREGULATORY MEASURES INTO ACTION." HARSH VIEWS WERE
HEARD IN SUCCESSION. THE REPRESENTATIVES OF THE FOUR
ORGANIZATIONS REQUESTED THE JAPANESE GOVERNMENT CONTINUE
TO REVIEW ITS DEREGULATION PROMOTION PROGRAM NEXT YEAR
AND AFTER.

REGARDING THE ONGOING CARGO-HANDLING ISSUE, THE ACCJ REPRESENTATIVE STATED, "JAPANESE SHIPPING COMPANIES CAN POSSESS (PROPERTY), OPERATE, AND FREELY CHOOSE LONGSHOREMEN IN AMERICAN PORTS. WE HOPE JAPAN WILL GIVE THE SAME TREATMENT TO AMERICAN COMPANIES IN A MOVE TO DRIVE DOWN TRANSPORTATION COSTS."

CRANE

SECT: SECTION: 01 OF 09

<^SECT>SECTION: 02 OF 09

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<^SECT>SECTION: 05 OF 09

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Support Cable for East Asia Brief 97/084 (4 pages)	04/11/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/10/1997 - 04/16/1997]

2016-0420-F
sb1901

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]

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

RR. Document will be reviewed upon request.

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

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. cable	Re: Okinawa Landlease Law (3 pages)	04/11/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/10/1997 - 04/16/1997]

2016-0420-F
sb1901

RESTRICTION CODES

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

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHKO3147 1010821-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 110821Z APR 97

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 110821Z APR 97

ORIG: AMEMBASSY TOKYO

TO: RUEHC/SECSTATE WASHDC IMMEDIATE 5131

INFO: RUCPDOG/USDOC WASHDC IMMEDIATE

RUEATRS/TREASURY DEPT WASHDC IMMEDIATE

RUEAWJB/DEPT OF JUSTICE WASHDC IMMEDIATE

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RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//

RHHMUNA/USCINCPAC HONOLULU HI

RUALSFJ/COMUSJAPAN YOKOTA AB JA

RUEHOK/AMCONSUL OSAKA KOBE 1490

RUHBBMA/AMCONSUL NAHA 8167

RUEHKON/AMCONSUL NAGOYA 1047

RUEHKOF/AMCONSUL FUKUOKA 4640

RUEHKOS/AMCONSUL SAPPORO 1020

RUESDJ/FBIS OKINAWA JA

RUCWAAB/FBIS RESTON VA

RUAYJAA/COMPATWING ONE KAMI SEYA JA

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

RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA

SUBJ: JAPANESE DAILY PRESS SUMMARY 04/11/97

TEXT:

UNCLAS SECTION 01 OF 08 TOKYO 003147

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 04/11/97

INDEX:

(1) Text of Supplementary Resolution to the Amendment to the Special Land Lease Law (for U.S. Armed Forces Stationed in Japan)

(2) 1997 Political Situation: Looking for Ways for Cooperation with Promotional Measures; Offshore Heliport Plan May Break the Ice for a Settlement

(3) FTC Gives Guidance to NTT to Slash Its Stake in "DOCOMO;" Promotion of Competition in Portable Phones Market Aimed at

(4) FTC Urges Splitting of Mobile and Fixed Phones Sectors through Administrative Guidance on NTT's Capital Subscriptions to DOCOMO

(5) Anti-Organized Crime Bill to Be Carried over to Next Diet Session

(6) Foreign Ministry Picks Katsuyuki Tanaka Director General of the Central and South American Affairs Bureau

ARTICLES:

(1) Text of Supplementary Resolution to the Amendment to the Special Land Lease Law (for U.S. Armed Forces Stationed in Japan)

SANKEI (Page 3) (Full)
April 11, 1997

1. The Government should do its best to ensure the steady and rapid implementation of agreements reached between Japan and the U.S. in the Special Action Committee on Facilities and Areas in Okinawa (SACO). As one of the most important tasks, the Government should continue to deal in every way with the problem of realigning, consolidating, and reducing U.S. military bases and other issues related to Okinawa.

2. The Government should do its best to reduce the excessively heavy burden imposed on Okinawa, since the entire country is obligated under the Japan-U.S. security treaty to fulfill a role.

3. The Government should use its diplomacy for the stability of Asia, and it is also should continue to consult with the U.S. Government regarding its military posture including the force structure of the U.S. armed forces.

4. For U.S. military exercises and construction work in Japan, the Government should make sure the intent of domestic law and ordinances are respected and propose still greater efforts to protect human

rights and to preserve the natural environment.

5. To help Okinawa's economy break away from a pattern of dependency on the bases, the Government
UNCLAS SECTION 02 OF 08 TOKYO 003147

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 04/11/97

is to steadily implement a package of promotional measures which are now being formulated by the Okinawa Policy Consultative Council.

6. The Government is to give particular consideration in its budgetary measures at the time of the realignment, consolidation, and reduction of the U.S. military bases in Okinawa, making effective use of the vacated land of those bases after reversion, and implementing the promotional package and other measures for Okinawa.

(2) 1997 Political Situation: Looking for Ways for Cooperation with Promotional Measures; Offshore Heliport Plan May Break the Ice for a Settlement; Prime Minister Avoids "Steamroller Approach"; But Caught in Between Okinawa and U.S.

TOKYO SHIMBUN (Page 2) (Full)
April 11, 1997

On March 10, the day before the amendment to the special land-lease law for stationed United States forces was to pass the Lower House by an overwhelming majority, the problem of constructing an alternative heliport for the one on Futenma Air Station moved significantly forward toward a settlement. Prime Minister Ryutaro Hashimoto, by adopting a carrot-and-stick approach -- the "force" of his administration as a "stick" and a set of promotional measures as the "carrot" -- convinced Governor Masahide Ota to concede. But the Governor still demands a drawdown of the Marines stationed on Okinawa. The Prime Minister will likely continue to remain sandwiched in between the Governor and the United States.

(Kengo Suganuma and Koki Miura)

Prime Minister

"I am really happy to hear it," the Prime Minister said yesterday, frankly expressing his pleasure toward the fact that Nago City in Okinawa Prefecture had allowed a feasibility survey.

Feeling proud that his leadership had attained the U.S. offer to return Futenma, the Prime Minister next set the goal for obtaining an agreement on such a survey before his U.S. trip on the 24th. But Nago City's stance was rigid, so in dealing with that issue, he constantly sought the cooperation of the Governor, but was always rejected.

The Prime Minister pressed the Governor, noting, "If the Governor were to continue to entirely refuse an alternative plan, Futenma Air Station would remain intact." Behind the Prime Minister's strong pressure on the Governor was his analysis that "it has become hard for the Governor to remain in opposition to ideas from the prime minister's official residence" (aide to the Prime Minister), in view of the current political landscape that
UNCLAS SECTION 03 OF 08 TOKYO 003147

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
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DEPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETER

E.O. 12958: N/A
TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/11/97

allowed the amendment to be adopted by an overwhelming majority.

However, if the Prime Minister pushed his way through by "force," he could not maintain the trust relationship with the Governor. He then instructed the party side to compile a package of Okinawa promotional measures as well as a means to cope with the Social Democratic Party (SDP). Successfully enough, he contrived to reach "an agreement somehow in time" for the day before the amendment passed the Lower House.

In chime with amending the special land-lease law, apparently the Prime Minister has paved the path for a success of the planned Japan-U.S. summit, but the acceptance of conducting a feasibility survey

this time does not necessarily connote a decision on a candidate place for constructing (an alternative heliport). There is no knowing about what will happen sometime in the future. In addition, the Prime Minister has yet to make up his mind as to how to handle the problem of a drawdown in Marine troops in his upcoming summit with President Clinton. In the future as well, "the Okinawa problem" will presumably occupy the most of his attention.

Governor Ota

Faced with the problem of constructing an alternative heliport, the Governor has adopted the "no-intervention principle," for such construction will go against his ideal policy goal of creating an "Okinawa with no military bases." But by reasoning "I respect the judgment of Nago City," the Governor has allowed the acceptance of implementing a feasibility survey. This is to answer the Prime Minister's request for his cooperation.

But the Governor, who is opposed to the amendment to the special land-lease law, is revealing his sense of distrust of national politics, as is seen in his refusal to attend a meeting of the Lower House Special Committee for Security and Land.

However, he keeps in place his trust ties with the Prime Minister, for he does not desire to fall into a simple form of a dispute with the Hashimoto Administration because of his opposition to the amendment to the special land-lease law. The Governor then arrived at a conclusion that it would not be a wise policy to resist any further than this, as the Prime Minister strongly hoped for his acceptance of the survey.

The Governor on his part needs to devote all his energies to the Okinawa promotional package. The Prime Minister's attitude of lending his ear to Okinawa Prefecture's opinions presumably helped the Governor change his previous approach.

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TAGS: PGOV, PINR, JA

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Yet the Governor has no intention of giving way on his request for a reduction in Marines. He is to visit the U.S. starting on the 11th and stay there for 16 days. He will thrust his request at (U.S.) government officials and just before the Japan-U.S. summit, will meet with the Governor of Hawaii, who has declared he would be ready to accept Marine troops now stationed on Okinawa. His intention seems to be to "pressure" the Prime Minister.

- - - - -

The Prime Minister and the Governor, though being unable to find a point of contact between national logic and the "heart" of Okinawa, are both aware of President Clinton before the passage of the amendment to the special land-lease law. They have "stepped" into the next phase.

(3) FTC Gives Guidance to NTT to Slash Its Stake in "DOCOMO;" Promotion of Competition in Portable Phones Market Aimed at

NIHON KEIZAI (Top Play) (Full)
April 11, 1997

The Fair Trade Commission (FTC) yesterday revealed that it has given administrative guidance to Nippon Telegraph and Telephone Corporation (NTT), including asking NTT to reduce the ratio of its capital subscriptions to NTT Mobile Communications Network (DOCOMO) from the current 95 percent to approximately 10 percent. The FTC "intends to resort to legal measures, such as expulsion" (Mergers and Acquisitions Division) in case NTT refuses to follow the guidance. The FTC has judged that NTT, the parent company of DOCOMO, has a monopoly of intracity-calls networks, which "could prove to be a barrier to securing conditions for fair competition in the portable phone market." It will seek a relaxed capital relationship between the two companies in accordance with Article 10 of the Anti-Monopoly Law (AML). The dissemination of portable phones now tops the 20 million unit level. The FTC's decision aims at creating new rules favoring competition in the fast-growing communications sector.

What the FTC is making an issue is the stock-holding relationship among NTT, NTT DOCOMO and NTT Central Personal Communications Networks (President Takeshi Kawauchi, Minato Ward, Tokyo), a core company of the NTT Group's PHS phone business. The FTC considers that "From the perspective of

promoting competition, it would be desirable to lower" the ratio of the stocks of Central Personal Communications Networks held by NTT -- 28 percent - and NTT DOCOMO -- 28 percent.

Until now the prevalent view has been that in the communications sector, demands for conventional fixed-type telephones, for portable phones and for PHS phones are totally different. However the
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situation is now that fixed-type telephones and portable phones are vying with each other with the number of subscriptions for portable phones increasing to 20.87 million units as of the end of March, while subscriptions for fixed-type phones moved into negative growth late last year.

In the light of such a circumstance, the FTC issued administrative guidance, aiming at promoting competition in the communications market. The FTC pointed out: (1) There is the possibility that the combination of the capital of NTT, which is in a dominant position in the intracity calls sector, and of NTT DOCOMO may block competition; and (2) it is not desirable that the fixed-type, portable and PHS phones sectors, which are mutually in a competitive situation, have a strong capital relationship.

DOCOMO had been part of the main structure of NTT, but was made into a separate entity in 1992. At present, it holds a 50-percent share in the portable phone market on a national basis. The FTC notes, "When a portion of a general company becomes a spin-off company, we will give consideration to the past history, but it is a different story for NTT, which already owns public property, namely general telephone networks." An expulsion order by the FTC in compliance with Article 10 of the AML will be the first administrative disposition in 24 years since 1973, if issued.

Some urgent response may be needed, for NTT DOCOMO

plans to open its stocks as early as next fall. Regarding NTT itself, a formal decision is scheduled to be made on its breakup under a holding company to be newly established for that purpose. The view is that the FTC's stance will have an impact on the restructuring of the NTT group, too.

No Intention of Lowering Ratio below 50 Percent

Comment by Kiyoshi Fujita, chief of the NTT Judicial Affairs Investigation Department: We are aware that the FTC thinks that NTT's stake in DOCOMO should be lowered. However, DOCOMO was originally established to make NTT's portable phone section a separate entity. We will lower the ratio of our capital subscriptions to DOCOMO on the occasion of the opening of its stocks, but we have no intention of bringing down the ratio below 50 percent. Under the present circumstance, we have no perception that it is posing a problem in terms of the promotion of fair competition.

(4) FTC Urges Splitting of Mobile and Fixed Phones Sectors through Administrative Guidance on NTT's Capital Subscriptions to DOCOMO; Disadvantageous to NTT

NIHON KEIZAI (Page 13) (Full)
April 11, 1997

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Commentary:

Are portable phones a "rival" of fixed phones or do they have a "relationship of complementarity with each other?" NTT's administrative guidance for a reduction of NTT's capital subscriptions to NTT DOCOMO has brought into bold relief the sea change going on in the competitive environment in the telecommunications sector.

Under the Ministry of Posts' administering of the telecommunications sector, competition policy has

focused on securing fair competition between new long-distance telecom carriers and NTT. New telecom carriers have to compete with NTT's long-distance telephone service sector, while being dependent on intracity calls networks monopolized by it. In the case of the U.S., it quickly recognized the contradiction; it reached for the time being a solution in 1984, by splitting the capital of former AT&T into multiple regional carriers and the long-distance services sector (present AT&T). The proposed break-up of NTT through a holding-company method has its origin in the same perception of the problem.

In the meantime, the guidance the FTC has given this time cuts to the core of the new circumstances that emerged in the 1990's: "competition between fixed phones and portable phones." In the U.S., regional carriers which monopolize intracity calls networks cannot obtain a PCS (next-generation portable phones) service license; such carriers are in principle not allowed to engage in the PCS service business in their own business territories.

During the break-up debate, NTT underscored, "Mobile devices are our competitor." If that is so, the view is bound to arise that it is then necessary to lower the ratio of NTT's capital subscriptions to DOCOMO, which has a little more than 50 percent share in the portable phone market, in order to bring about competition between the two markets.

The reasoning that fixed phones and portable phones have a "complementary relationship" is conceivable. The idea is based on the practice of using fixed telephones, whose rates are lower and communication sensitivity is better, during ordinary times, and using portable phones when one is outside as an alternative means. However, if NTT tries to run counter to the FTC with this logic, some may criticize it, noting, "Such an idea is contradictory to the logic NTT asserted on the occasion when its breakup was decided."

Telecom carriers are bound to vie with one another in the future regarding the providing of comprehensive services in every communications form, including link-ups with the Internet system. The splitting of DOCOMO from NTT, an issue thrust into the fore by the FTC, may work as a major

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disadvantage to it.

The FTC hardly showed its presence during the debate on the breakup of NTT. One might suspect that the FTC has proposed this new issue at a time when the furor over the amendment of the law regarding the NTT breakup had died down in order to boost its image as the standard bearer of competition policy. It is debatable whether it will be skilled enough to cope with NTT, which is strongly resisting it.

(5) Anti-Organized Crime Bill to Be Carried over to Next Diet Session

NIHON KEIZAI (Page 1) (Full)
April 11, 1997

The outlook is that an anti-organized crime bill (tentative name), which the Ministry of Justice (MOJ) has looked to present to the current Diet session, will be carried over to the next Diet session. This is because the members of the Legislative Advisory Council of the MOJ (hoseishingikai) (advisory panel to the Justice Minister) who hail from the Japan Federation of Bar Associations (JFBA) have raised an objection to the part of the bill which allows authorities to "eavesdrop," which is the major point of the bill. They claim that wiretapping is a human rights issue, connected with the protection of "secrecy of communications" provided by the Constitution. Therefore, no prospect for finalization of the bill was in sight yesterday in a meeting of the criminal law subcommittee of MOJ's Legislative Advisory Council.

According to a tentative plan compiled by the council's secretariat, if public prosecutors or judicial police officers can specify a case being involved in a crime, they would be allowed to wiretap with a warrant from a judge. The members from the JFBA, however, insisted that conditions for allowing wiretapping were ambiguous.

The subcommittee is expected to deliberate it as early as on the 23rd. But the circumstance is that compiling a report this month will be difficult following the end of debate on the bill, including

the issue of eavesdropping.

The bill is designed to deal with large-scale organized crimes like drugs and weapons transactions by gangsters, as well as the Aum Shinrikyo cult incident. The Legislative Advisory Council of the Ministry of Justice has been carrying out discussions on the bill.

(6) Foreign Ministry Picks Katsuyuki Tanaka
Director General of the Central and South American
Affairs Bureau

YOMIURI (Page 2) (Full)
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TAGS: PGOV, PINR, JA
SUBJECT: JAPANESE DAILY PRESS SUMMARY 04/11/97

April 11, 19997

The Ministry of Foreign Affairs (MOFA) on the 10th decided to promote to ambassador Central and South American Affairs Bureau Director General Shun'ichi Sato, who has also served as head of the task force in Lima in dealing with the hostage crisis at the Japanese ambassador's residence in Peru. MOFA has designated Katsuyuki Tanaka, currently consul general in Sao Paulo, who has been serving also as deputy head of the task force, to succeed Sato. Tanaka will concurrently serve as chief of the task force in Lima. His assignment will be formally announced within a week.

Tanaka's replacing Sato was informally decided before the hostage crisis occurred in Peru last December, but it had been kept on hold since then. The post of deputy chief of the local task force will be filled by Foreign Policy Bureau Deputy Director General Mutsuyoshi Nishimura. He already left for Lima on the 10th.

Katsuyuki Tanaka:
Graduated from the law faculty at Kyoto University in 1965; served in such posts as counselor of the Central and South American Affairs Bureau, consul general at Toronto, consul general at Sao Paulo

since March 1993; born in Toyama Prefecture; age 55.

DEMING

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RUEKJCS/SECDEF WASHDC//USDA;ISA// PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
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SUBJ: MEDIA REACTION, OKINAWA AND U.S.-JAPAN
SECURITY; TOKYO

LEAD STORIES: NO PAPERS WERE PUBLISHED ON MONDAY
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TEXT:

UNCLAS TOKYO 003197

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, OKINAWA AND U.S.-JAPAN
SECURITY; TOKYO

LEAD STORIES: NO PAPERS WERE PUBLISHED ON MONDAY
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1. "A FIRST STEP TOWARD SETTling THE BASE ISSUE" THE
TOP-CIRCULATION, MODERATE YOMIURI EDITORIALIZED (4/12),
"NAGO MAYOR HIGA AND OKINAWA GOVERNOR OTA HAVE MADE
CLEAR THEY WILL NOT OPPOSE A GOJ FEASIBILITY STUDY OF

WATERS OFF NAGO CITY (NEAR CAMP SCHWAB) FOR CONSTRUCTION OF A USMC HELIPORT TO REPLACE THE ONE AT FUTENMA AIR STATION. DESPITE THEIR TACIT APPROVAL OF THE STUDY, THE GOVERNOR AND THE MAYOR ARE STILL OPPOSED, IN PRINCIPLE, TO THE TRANSFER OF (U.S. MILITARY) FACILITIES WITHIN THE PREFECTURE.

"NONETHELESS, WE WOULD LIKE TO HAIL THIS ACCEPTANCE OF THE FEASIBILITY STUDY AS A STEP FORWARD TOWARD ENDING THE IMPASSE OVER REPLACEMENT OF FUTENMA AIR STATION.

"THE CENTRAL GOVERNMENT SHOULD BOOST EFFORTS TO PERSUADE THE OKINAWAN PEOPLE TO ACCEPT THE (HELIPORT CONSTRUCTION) PLAN BY PRESENTING TO THEM SPECIFIC PROPOSALS ON SAFETY, NOISE AND OTHER ISSUES. THE GOVERNMENT SHOULD ALSO EXPLAIN WHY THE U.S.-JAPAN SECURITY ALLIANCE IS INDISPENSABLE TO JAPAN'S SECURITY AND WHY THE PRESENCE OF U.S. MARINES IS NEEDED ON OKINAWA.

"NOTHING CAN BE SETTLED IF THE PEOPLE IN MAINLAND JAPAN STAND BY AND WATCH AS OKINAWA IS FORCED TO BEAR ALL OF THE BURDEN. IN THIS RESPECT, IT IS EXTREMELY REGRETTABLE THAT THERE HAS BEEN SO LITTLE PROGRESS IN PLANS TO RELOCATE MARINE LIVE ARTILLERY FIRE TRAINING FROM OKINAWA TO THE MAINLAND. ENSURING THE SECURITY OF THE NATION IS THE RESPONSIBILITY OF ALL JAPANESE."
CRANE

SECT: SECTION: 01 OF 01

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Clinton Presidential Records
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Jan 1997-Dec 1998 ([Futenma])
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- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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- b(1) National security classified information [(b)(1) of the FOIA]
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RUEATRS/TREASURY DEPT WASHDC IMMEDIATE
RUEAWJB/DEPT OF JUSTICE WASHDC IMMEDIATE
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RUAYJAA/COMPATWING ONE KAMI SEYA JA

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TEXT:
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TAGS: PGOV, PINR, JA

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- (7) Cabinet Legislation Bureau's View on Right of Collective Self-Defense Puts Hoop on Supplying Intelligence to U.S. Military
- (8) U.S. Marine Corps Commandant Expresses Intention to Maintain Present Level of Marines in Japan into Future, Focusing on Asia and Middle East
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- (11) "Opinion & Commentary" Column: East Asian Security Initiative: Multilateral Dialogue Rather than Military Alliance

ARTICLES:

- (6) With Passage of Special Land-lease Law at Lower House, Environment Now Arranged for Prime Minister's U.S. Trip; Progress Also Seen in Construction of Heliport, but Trade Issues Still Stand in Way

NIHON KEIZAI (Page 2) (Full)
April 12, 1997

With the bill amending the special land-lease law for the United States forces in Japan passed in the Lower House and progress made also in the issue of constructing an alternative heliport to replace the Futenma Air Station, the environment has now been arranged for Prime Minister Ryutaro Hashimoto's U.S. visit that will start on the 24th. Having dealt with the difficult situation successfully by taking such a bold measure as a "partial alliance" with the opposition parties Shinshinto (New Frontier Party) and Minshuto (Democratic Party of Japan), the Prime Minister is going to affirm the significance of cooperation between Japan and the U.S. during the upcoming summit meeting with President Clinton. But with anxiety spreading about an expansion of Japan's trade surplus as the yen value continues plummeting, trade issues have emerged as new tasks. The Prime Minister might be placed under pressure to respond severely.

"We made steps forward gradually. Really, we came up here step by step," said the Prime Minister in response to a question by the press corps about his impression immediately after the amendment to the special measures law was adopted at a plenary
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session of the Lower House on the afternoon of the 11th.

Tidal changes seemed to be arising in the issue of U.S. military bases on Okinawa in the wake of an agreement dramatically reached last year on the reversion of the Futenma Air Station. But because no progress was made in work by the Expropriation Committee of Okinawa Prefecture on how to deal with U.S. military facilities whose lease contracts are to expire soon, the Government found no other way but to take a legal measure. Regarding the planned construction of an alternative heliport to replace the Futenma Air Station as well, the Government faced difficult coordination with local residents over feasibility study.

The Prime Minister had borne in mind a strategy to ensure the continued use by the U.S. military of base facilities and then to report to President Clinton also on progress in the alternative heliport issue. But irritated at no prospects in sight for things to move along this scenario despite his U.S. tour coming to the countdown, the Prime Minister reached the limit.

In a meeting with Shinshinto Head Ichiro Ozawa, however, the curtain rose on a drama for the realization of legislation before his U.S. tour. The approval of the bill by an overwhelming majority including Minshuto members also ended up creating a mood for resolving the deadlocked alternative heliport issue. With prospects coming into sight now, the Prime Minister seems relaxed at last, as seen from his having made a display of singing in high spirits in an informal meeting with

first-term Dietmembers of the Liberal Democratic Party.

The experience of having opened the way to "partial cooperation" in the Okinawa issue "might be used for legislation" (senior government official) also regarding such difficult issues as administrative and fiscal structural reforms.

Straightening himself out, the Prime Minister pointed out that in the coming summit, the focus would also be on trade issues. He stated, "We have certainly not been saddled only with the Okinawa issue. There are ongoing talks on harbor cargo-handling services and the issue of foreign exchange rates as well. Vice President Gore took up mainly trade issues (during his visit to Japan)."

In view of economic policy, "economic recovery led by expanding domestic demand" and the implementation of administrative and fiscal reforms are bound for opposite directions over the short term. After returning home from the U.S. trip, the Prime Minister is likely to be placed in a great quandary over how to deal with these two reverse-directed themes.

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(7) Cabinet Legislation Bureau's View on Right of Collective Self-Defense Puts Hoop on Supplying Intelligence to U.S. Military

ASAHI (Page 2) (Full)

April 12, 1997

The Cabinet Legislation Bureau (CLB) has revealed its view that supplying intelligence to the United States military in emergency is regarded as part of the use of armed force, depending on when it is supplied. Thus, the CLB indicated that supplying intelligence may be a violation of (Japan's principle of not exercising) the right of

collective self-defense. The CLB's view was revealed in written form in response to Shozo Azuma's (Shinshinto (New Frontier Party)) question during the Lower House Security and Land Special Committee meeting on the 10th.

According to the paper, providing intelligence connotes "carrying out intelligence-collecting activities that entail reconnaissance work for directly backing the use of armed force of any specific country, and supplying intelligence itself." The paper also suggested that "such may be judged as part of the use of armed force." The CLB, however, indicated that exchanging information including military intelligence during peacetime is feasible.

The CLB also indicated that the Self-Defense Forces (SDF) should be allowed to escort vessels carrying Japanese nationals in two cases, namely, when: 1) Japan is attacked suddenly and unfairly and when it has no other means to eliminate the danger, Japan should be allowed to use force at the minimum necessary level; and 2) when its action constitutes guard activities under Article 82 in the SDF Law.

(8) U.S. Marine Corps Commandant Expresses Intention to Maintain Present Level of Marines in Japan into Future, Focusing on Asia and Middle East

NIHON KEIZAI (Page 1) (Full)
April 13, 1997

(Washington, April 12, Akihiko Miyamoto)

General Krulak, commandant of the United States Marine Corps, responded to an interview by a Nihon Keizai Shimbun reporter, in which he stated that the U.S. would keep the present level of about 21,000 Marines in Japan, mainly stationed on Okinawa, into the future for the sake of stability in the entirety of Asia and the Middle East and Gulf region. After remarking, "This is a long-term concept," Krulak also expressed hope that training grounds for the Marines in Japan would be expanded into the Asia-Pacific region. He specifically listed the Philippines, Vietnam and Russia, in

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addition to Australia, in which Marines have already been conducting training.

Gen. Krulak's statement clarified that the Marines in Japan were set to deal with emergencies in a wide area, ranging from East Asia, including the Korean Peninsula, to the Middle East, which is deeply linked to East Asia in the political and economic terms.

His statement also indicated that the U.S. was considering the possibility of military cooperation with the Philippines and Vietnam, given the downsizing of training areas on Okinawa in accordance with the Japan-U.S. accord and a recent growing arms-race mood in Southeast Asia based on its remarkable economic strides.

Pointing out uncertainty looming large in the Asia-Pacific region, the commandant emphatically stated: "Japan and the U.S. should take a long-term viewpoint to see what is now going on and what would happen in the future."

(9) U.S. Marine Corps Commandant Points out Gap in Japanese and U.S. Views on U.S. Military in Japan

NIHON KEIZAI (Page 5) (Excerpt)
April 13, 1997

(Analysis)

Senior officials of the United States Government in succession have made remarks emphasizing the need to "maintain the 100,000-strong force" in the Asia-Pacific region. Under such circumstances, General Krulak, commandant of the U.S. Marine Corps, responded to an interview by a Nihon Keizai Shimbun reporter. In the interview, reacting to vocal calls in Japan for reducing U.S. troops, he ruled out the possibility of a drawdown of the Marines stationed in Japan.

As the major reason for maintaining the U.S. Forces in Japan, the Japanese Government has cited a possible contingency on the Korean Peninsula. In addition to this, Gen. Krulak listed an international strategy focusing also on all Asian countries and the Middle East. His view is apparently different from those in Japan calling for a reduction in the number of Marines as a measure to secure public understanding toward

amending the special land-lease law to ensure the continued use of land by forces stationed on Okinawa.

Pointing out, "By the year 2020, eight out of the 10 top-ranking economies in the world would be those in the Asia-Pacific region," Gen. Krulak underscored the need to keep U.S. military forces in Japan for the sake of stability in this region. This remark indicates the perception that as long

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as the Japanese Government welcomes the forward deployment of U.S. forces in Asia, the framework for stationing U.S. troops under the Japan-U.S. Security Treaty apparently should not to be limited to the Far East region.

On the other hand, within Japan, views over a reduction in the number of Marines are divided into those from a legal viewpoint, such as "the deployment of Marines has been deviated from the framework of the Japan-U.S. Security Treaty," and those based on a strategic viewpoint, such as "The Marine units stationed in Okinawa lack capability to immediately respond to a contingency;" or "the deployment of ground troops is unnecessary in the post-cold war period." In addition to these views, there are those asserting "the burden of the Japan-U.S. Security Treaty has been overly imposed only on Okinawa."

As a very timely reason for insisting on the need to maintain the "Japan-U.S. security arrangement," the ruling and opposition parties, which passed a bill to amend the special measures law by an overwhelming majority, has pointed out the tense situation on the Korean Peninsula. Japan thus has set forth the "stability of the Far East," while the U.S. keeps in mind activities by troops in a wider range of areas from Asia to the Middle East. Such an ambiguous positioning of U.S. forces in Japan might sow uncertainty over the Japan-U.S.

security arrangement.

(Akihiko Miyamoto in Washington)

(10) EPA Price Bureau Deputy Director General Ushijima to Become Advisor to Russian Economic Ministry for a Year

NIHON KEIZAI (Page 5) (Full)
April 12, 1997

The Government will send Price Bureau Deputy Director General Ichiro Ushijima (49 years) of the Economic Planning Agency to the Russian Economic Ministry as an advisor for one year starting May. Ushijima's dispatch was decided on the 11th during a meeting between Foreign Minister Yukihiko Ikeda and Russian Minister of State without portfolio Yashin (for macro-economic affairs). Ushijima will advise policy measures to recover Russia's economy, in which production has rapidly dropped due to side-effects of the Russian government's drastic, restrictive fiscal and monetary policy for stepping to curb inflation.

The Russian economy has been in a production-distribution spiral because domestic basic systems cannot catch up with internal and external changes such as market liberalization and globalization. Especially, legislating business accounting-related laws regarding bankruptcy and information
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disclosure, as well as consolidation of the stock market, is a pressing issue. Ushijima, therefore, will advise specific measures for building such institutional infrastructure. He says: "I think Japan's experience itself will not do in Russia. But I would like to advise them measures based on the postwar Japanese economy's recovery process of price stability, production recovery, and growth to be sustained over the long range."

(11) "Opinion & Commentary" Column: East Asian Security Initiative: Multilateral Dialogue Rather than Military Alliance; East Asia Concerned about U.S. Military's Fixed Presence in Region; Negative about China Containment Strategy

ASAH (Page 4) (Full)

April 9, 1997

(Kazuyuki Shimada, Asian Affairs Bureau Chief)

Prime Minister Ryutaro Hashimoto and U.S. Vice President Gore, who recently came to Japan, met on March 24 and agreed not to reduce the structure of 100,000 troops currently deployed by the U.S. in East Asia. The U.S. will sustain the troop strength of its armed forces at this level as long as there is no major change in the Asian situation, and this strategy was reaffirmed at a meeting held on the 7th between U.S. Secretary of Defense Cohen and Japan Defense Agency Director General Fumio Kyuma. For Southeast Asian countries, the U.S. (military) presence in the region is indispensable. On the other hand, however, they apparently hesitate to see the U.S. military alone become a mighty soldier for security in the region. It is of urgent necessity to promote a positive engagement policy toward China and establish a multilateral security mechanism.

When viewed from countries in Southeast Asia, the Japan-U.S. security treaty structure's biggest problem is that it remains a military alliance of the cold-war type, hypothesizing a potential enemy and crisis management in Asia under U.S. military power only.

As a means to settle regional disputes, the Japan-U.S. security arrangement appears as something going against the times in the eyes of Southeast Asian countries. In his January speech in Singapore, Prime Minister Hashimoto explained that "the Japan-U.S. security arrangement is a kind of public property for stability and prosperity in the Asia-Pacific region." Yet, none of the countries in Asia takes it as is.

U.S. giving priority to rights and interests

Prime Minister Hashimoto and U.S. Vice President Gore confirmed the U.S. military presence in Asia in the process of reinforcing the Japan-U.S.
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security treaty structure. Concerning its meaning, Philippine University Professor Walden Bero (TN: phonetic) points out concern floating in the Association of Southeast Asian Nations (ASEAN) from two aspects:

1. Only the U.S. military's 100,000-member troop strength may be fixed as the Asia-Pacific region's stabilizer.
2. As for emergency situations in which the U.S. will actually mobilize its forces, that is only when America's economic rights and interests may be violated. America would not engage in Southeast Asia's security itself.

In other words, the professor's analysis is that the U.S., with its 100,000 troops, is only maintaining its unilateral deterrence to protect its own rights and interests in Asia, and it does not mean to ensure the regional security of Asia as a whole.

When the Strait of Taiwan became strained in March last year, the U.S. mobilized two aircraft carriers at once to protect Taiwan. But the U.S. remains cold toward such issues as the problem of the Spratly Islands -- over which six countries, including China and the Philippines, have been struggling for dominium and which is a major destabilizing factor in the region. This fact also endorses such a view.

The successive U.S. administrations have regarded military strategy and economic policy as one. As for why the Clinton administration is persistently trying to maintain the U.S. military presence in Asia even after the cold war, there is no other reason but its expectation of America's economic rights and interests in the region to increase in the future.

However, East Asian countries are cautious about the case where only the U.S. in East Asia enhances its military functions as the region's stabilizer. If and when the U.S. takes a military initiative in times of emergency in the region and a multilateral

dialogue like the ASEAN Regional Forum (ARF) does not function, the post-cold-war order of security may be undermined.

Mega-game era

Vice President Gore's round of visits to East Asia rapidly created such results as the reinforcement of the Japan-U.S. security treaty structure and the improvement of U.S.-China relations. On the other hand, however, complicated diplomatic relations are emerging, and many experts are saying that such is the beginning of a "mega-game era."

Under the Japan-U.S. security setup, Japan and the
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U.S. cooperate with each other to check China. And
China depends on the U.S. for its check on Japan
... There is such a silent power game in the eyes
of Southeast Asia.

Prime Minister Hashimoto underscored in his
Singapore address that the Japan-U.S. security
arrangement is "not directed at any specific
country." However, Malaysian Prime Minister
Mahathir, when interviewed by the Asahi Shimbun,
issued a warning: "If Japan needs a military
alliance with a country that is outside Asia, it
means that Japan regards some country in Asia as a
hypothetical enemy." A Vietnamese Government
official has noted, "We believe that the Japan-U.S.
security treaty is directing its spearhead on China
against its expansionism as a potential threat in
Asia." This view has now taken root in Southeast
Asia.

However, experts in the various Southeast Asian
countries are unanimously thinking to themselves
that the strategy of containing China would have no
effect.

Stephan Ryong (TN: phonetic), deputy chief of

Malaysia's institute of strategic and international studies, attended an Asia-Pacific security seminar held in Bangkok in late March, and then insisted on the necessity of taking an engagement policy toward China, remarking: "If we are concerned about China on security or political issues, we should positively say so to China, and then we should promote our mutual understanding in our talks with China."

The most fearful scenario to Southeast Asia is U.S.-China relations' worsening. If the U.S. sets about trying to contain China as another 'evil empire' in the place of the Soviet Union, Japan also will have to act in concert with the U.S. China has such a latent feeling of misgivings about the Japan-U.S. security alliance, and the Southeast Asian countries are increasingly frustrated as they cannot hear Japan explain anything that is enough to recover their confidence.

Involving major powers

The Southeast Asian countries need America's presence in Asia. However, they are negative about the idea of maintaining order in the region by depending only on America's military power.

It may safely be said that Southeast Asia's diplomacy is based on the region's traditional consensus-building dialogue. In the case of concluding a bilateral alliance with an extraregional major power, countries in the region are feeling uneasy about their being swayed by that major power's interests.

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Their establishment of the ARF machinery for political dialogues and the Asia-Pacific Economic Cooperation (APEC) forum for economic dialogues also has something to do with such a perception. Involving countries that have a great influence --

such as the U.S., China, and Japan -- is also common to their perspectives.

Professor Bero points out that discussing the U.S. military role of maintaining order in the region in the process of discussing Asia's security under the ARF and other mechanisms will lead to a review of the troop strength of U.S. forces in the region.

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RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUALSEFJ/COMUSJAPAN YOKOTA AB JA
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
RUEAWJB/USDOJ WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEAIIA/CIA WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 16

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 003278

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 APRIL 16

TOP HEADLINES:

ASAHI: DONEN ONCE AGAIN SLOW TO REPORT A SLIGHT NUCLEAR
LEAK FROM "FUGEN" REACTOR; NO REPORT UNTIL 30 HOURS AFTER
ACCIDENT; GOVERNMENT ORDERS SUSPENSION OF OPERATIONS

NIHON KEIZAI: PHS CAPACITY TO BE WIDENED TO FOUR TIMES AS
LARGE; POST AND TELECOMMUNICATIONS MINISTRY'S PLAN; TO

INCREASE TO THE 25 MILLION-UNIT-LEVEL IN THREE YEARS;
FREQUENCY WILL BE ADDED; CHARGES MAY BE LOWERED

TOKYO SHIMBUN: DONEN DELAYS REPORTING AGAIN; NO REPORT ON
LEAKAGE OF RADIOACTIVITY FROM "FUGEN" FOR 30 HOURS;
SCIENCE AND TECHNOLOGY AGENCY GIVES ORDERS FOR SUSPENSION
OF OPERATIONS DUE TO DEPLORABLE ACCIDENT

MAINICHI: DONEN AGAIN SLOW TO REPORT ON LEAKAGE OF
TRITIUM; NO REPORT UNTIL 30 AND A HALF HOURS AFTER
ACCIDENT; "NO EFFECT ON THE ENVIRONMENT"

YOMIURI: SCIENCE AND TECHNOLOGY AGENCY ORDERS DONEN TO
SHUT DOWN OPERATIONS; RADIOACTIVE SUBSTANCES LEAKED
OUTSIDE; NO REPORT UNTIL 30 HOURS AFTER ACCIDENT

SANKEI: DONEN AGAIN SLOW TO REPORT ON ACCIDENT AT "FUGEN"
REACTOR IN FUKUI PREF.; NO REPORT UNTIL 30 HOURS AFTER
ACCIDENT; SCIENCE AND TECHNOLOGY AGENCY ORDERS DONEN TO
SHUT DOWN OPERATIONS

ROK FOREIGN MINISTER: COMPLETION OF NORTH KOREA POWER
TRANSITION LATER THIS YEAR (YOMIURI - PAGE 2)

REPUBLIC OF KOREA'S (ROK) FOREIGN MINISTER YOO CHONG HA
MET YESTERDAY SEPARATELY WITH FORMER PRIME MINISTER
NOBURU TAKESHITA AND SECRETARY GENERAL KOICHI KATO OF THE
LIBERAL DEMOCRATIC PARTY (LDP). IN HIS SESSION WITH
KATO, FOREIGN MINISTER YOO TOUCHED ON THE SITUATION IN
THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA)
AND STATED THAT IN HIS VIEW, "THE TRANSITION OF POWER IN
THAT COUNTRY WILL BE OVER WITHIN THE YEAR. FOR THE
CELEBRATION, THAT COUNTRY WOULD PROBABLY MAKE
PREPARATIONS TO INVITE KEY OFFICIALS FROM OTHER COUNTRIES
OF THE WORLD."

KATO TOLD HIM: "HOW TO EASE TENSIONS ON THE KOREAN
PENINSULA IS AN IMPORTANT THEME FOR OUR COUNTRY IN
OBTAINING A NATIONAL UNDERSTANDING TOWARD OUR COUNTRY'S
CONTRIBUTION TO THE KOREAN ENERGY DEVELOPMENT
ORGANIZATION (KEDO), AS WELL AS TOWARD THE FUTURE COURSE
OF THE TROOP STRENGTH OF THE UNITED STATES FORCES IN
JAPAN (USFJ). WE HOPE THE FOUR-WAY TALKS WILL BEAR FRUIT
AS SOON AS POSSIBLE."

IN RESPONSE, FOREIGN MINISTER YOO INDICATED THERE HIS NOW
A BRIGHTER OUTLOOK FOR THE FOUR-WAY TALKS. AT THE SAME
TIME, HE REQUESTED: "WE WOULD LIKE YOU TO GIVE THOUGHT
AS TO HOW JAPAN, THE U.S. AND THE ROK CAN WORK TOGETHER
TO DEAL WITH THE PROBLEM."

IN HIS MEETING, (FORMER PRIME MINISTER) TAKESHITA STATED
THAT HE HOPED NEGOTIATIONS ON A NEW JAPAN-ROK FISHERIES
AGREEMENT IN RESPONSE TO THE RATIFICATION OF THE UNITED
NATIONS CONVENTION ON THE LAW OF SEA WOULD BE CONCLUDED
AS SOON AS POSSIBLE.

JAPAN-ROK FISHERIES TREATY: UNCLEAR THAT IT WILL BE

RESOLVED BY SUMMER (TOKYO SHIMBUN - PAGE 2)

JAPAN AND THE REPUBLIC OF KOREA (ROK) WILL HOLD TWO-DAY NEGOTIATIONS ON APRIL 30 AND MAY 1 IN TOKYO FOR A NEW FISHERIES ACCORD IN RESPONSE TO THE RATIFICATION OF THE UNITED NATIONS CONVENTION ON THE LAW OF SEA. THIS SCHEDULE WAS SET BY FOREIGN MINISTER YUKIHIKO IKEDA AND UNCLAS SECTION 02 OF 06 TOKYO 003278

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 APRIL 16

VISITING ROK FOREIGN MINISTER YOO CHONG HA DURING THEIR TALKS JUST HELD IN TOKYO. (*jj

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HOWEVER, THE ROK'S POSITION IS TO GIVE THE FIRST PRIORITY TO THE DEMARCATION ISSUE, NOTING: "DEMARCATION IS IMPORTANT (FOREIGN MINISTER YOO). JAPAN AND CHINA ALSO ARE NEGOTIATING A NEW FISHERIES AGREEMENT, AND BETWEEN THE TWO COUNTRIES, THERE IS THE TERRITORIAL ISSUE INVOLVING THE SENKAKU ISLANDS. BUT AT THE BILATERAL FOREIGN MINISTERIAL MEETING HELD IN BEIJING ON MARCH 29, THE TWO COUNTRIES AGREED TO SEPARATE THE DEMARCATION ISSUE FOR SETTING AN EXCLUSIVE ECONOMIC WATER ZONE OFF FROM TALKS FOR A NEW FISHERIES ACCORD, AND THEREBY THEY WERE ABLE TO OPEN THE PATH TOWARD REACHING A CONCLUSION.

THE ROK, HOWEVER, INSISTS ON HANDLING THE DEMARCATION ISSUE FIRST. THAT IS PROBABLY BECAUSE IT WOULD LIKE TO USE THAT TO CHECK CHINA: FOR NEGOTIATIONS TO CONCLUDE A FISHERIES ACCORD ARE UNDERWAY BETWEEN CHINA AND THE ROK. (FISHERIES) NEGOTIATIONS IN THIS WAY ARE INVOLVING, IN A COMPLICATED WAY, THE INTERESTS OF JAPAN, CHINA AND THE ROK. THIS HAS NOW BECOME AN ELEMENT THAT HAS MADE MORE DIFFICULT FOR NEGOTIATIONS TO REACH A CONCLUSION.

(SENIOR STAFF WRITER TADAHIKO NASA)

64 DIETMEMBERS MEET TO DISCUSS NORTH KOREAN KIDNAPPING OF JAPANESE CITIZENS (YOMIURI - PAGE 2)

THE CHARTER MEETING OF THE SUPRA-PARTISAN "PARLIAMENTARIANS LEAGUE TO RESCUE JAPANESE NATIONALS ABDUCTED BY NORTH KOREA" WAS HELD AT THE UPPER HOUSE OFFICE BUILDING YESTERDAY, WITH THE AIM OF RESCUING THE JAPANESE NATIONALS WHO ARE CONSIDERED TO HAVE BEEN KIDNAPPED BY NORTH KOREA. IN THE MEETING, AGREEMENT WAS REACHED TO WORK ON THE GOVERNMENT TO UNCOVER THE DETAILS OF ALLEGED ABDUCTION CASES AND TO ASK THE UNITED NATIONS AND RED CROSS FOR THEIR COOPERATION. THE LEAGUE WILL SELECT ITS CHAIRMAN AND EXECUTIVES NEXT WEEK AND ALSO DISCUSS SPECIFIC FUTURE ACTIVITIES.

PARTICIPATING IN THE MEETING WERE 27 DIETMEMBERS FROM BOTH HOUSES -- 18 SHINSHINTO MEMBERS, INCLUDING FORMER JUSTICE MINISTER SHIGETO NAGANO, SIX FROM THE LIBERAL DEMOCRATIC PARTY, INCLUDING FORMER ENVIRONMENT AGENCY DIRECTOR GENERAL SHIN SAKURAI, AND THREE FROM THE TAIYO PARTY. THE LIST OF MEMBERS INCLUDE 64 DIETMEMBERS FROM BOTH HOUSES.

JAPAN FORMALLY TELLS IRAN IT WILL HALT HIGH-LEVEL BILATERAL CONTACTS (SANKEI - PAGE 2)

THE MINISTRY OF FOREIGN AFFAIRS (MOFA) ON THE 15TH DECIDED TO SUSPEND FOR THE TIME BEING HIGH-LEVEL GOVERNMENT CONTACTS WITH THE IRANIAN GOVERNMENT. THE DECISION WAS MADE IN RESPONSE TO A BERLIN HIGH COURT RULING THAT THE 1992 MURDER OF FOUR KURDISH ANTI-UNCLAS SECTION 03 OF 06 TOKYO 003278

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 APRIL 16

GOVERNMENT ACTIVISTS IN BERLIN (MIKONOS (?) CASE) WAS ORDERED BY THE IRANIAN GOVERNMENT. YESTERDAY CALLING IN IRANIAN AMBASSADOR MOTTAKI TO MOFA, SEIICHIRO NOBORU, DIRECTOR GENERAL OF THE MIDDLE EASTERN AND AFRICAN AFFAIRS BUREAU, CONVEYED JAPAN'S DECISION. BUT MOFA HAS NO PLAN TO RECALL ITS AMBASSADOR TO IRAN.

IRAN BLASTS JAPANQS MOVE TO SANCTION IT OVER TERRORIST ACTIVITIES (TOKYO SHIMBUN - PAGE 3)

SEIICHIRO NOBORU, DIRECTOR GENERAL OF THE FOREIGN MINISTRY'S MIDDLE EASTERN AND AFRICAN AFFAIRS BUREAU, CALLED IN IRANIAN AMBASSADOR MOTTAKI TO THE MINISTRY YESTERDAY. REFERRING TO A GERMAN COURT'S RULING IMPLICATING THE IRANIAN GOVERNMENT IN TERRORIST ACTIVITY, NOBORU INFORMED MOTTAKI OF JAPAN'S DECISION TO HALT ITS DIALOGUE AND CONTACTS WITH IRAN AT THE FOREIGN VICE-MINISTER-LEVEL OR HIGHER. HE STATED: "FOLLOWING THE RULING, THE JAPANESE GOVERNMENT HAS NO CHOICE BUT TO RESPOND CAUTIOUSLY TO ITS HIGH-LEVEL OFFICIALS HAVING EXCHANGES AND MEETINGS WITH COUNTERPARTS IN THE IRANIAN GOVERNMENT FOR THE TIME BEING." AT THE SAME TIME, NOBORU TOLD THAT JAPAN WOULD NOT WITHDRAW ITS AMBASSADOR FROM IRAN: "WE WILL LET THE AMBASSADOR SAY IN IRAN TO MAINTAIN A CHANNEL FOR DIALOGUE WITH THE IRANIAN SIDE."

AMBASSADOR MOTTAKI, HOWEVER, IN EXPLAINING THE IRANIAN GOVERNMENT'S POSITION, REBUTTED THE CHARGES: "THE RELIABILITY OF TESTIMONY BY TERRORISTS IN A GERMAN COURT IS LOW," AND HE ADDED: "THE COURT RULING HAS BEEN MADE AT THE TIME WHEN THE MIDDLE-EAST PROCESS EFFORTS ARE DEADLOCKED. THERE WAS A THIRD COUNTRY'S INTENTIONS (BEHIND THIS)."

FOREIGN MINISTER IKEDA TELLS DIET COMMITTEE TAKESHIMA ISLES NOT UNDER THE SECURITY ARRANGEMENT
(SANKEI - PAGE 3)

REFERRING TO THE TAKESHIMA ISLAND (KOREAN NAME IS TOK-TO) AT A MEETING OF THE UPPER HOUSE SPECIAL COMMITTEE ON THE USE OF LAND UNDER THE JAPAN-UNITED STATES SECURITY TREATY HELD YESTERDAY, FOREIGN MINISTER YUKIHIKO IKEDA NOTED, "IT IS NOT POSSIBLE TO SAY THAT THE TAKESHIMA ISLAND IS UNDER JAPAN'S ADMINISTRATION, AND SO, THE SECURITY TREATY CANNOT BE APPLIED TO THAT ISLAND." HE THUS CATEGORICALLY STATED THAT AT PRESENT, THE TAKESHIMA ISLAND IS BEYOND THE REACH OF JAPAN'S ADMINISTRATION, AND SO, THE JAPAN-U.S. SECURITY TREATY CANNOT BE APPLIED TO THAT ISLAND." HIS STATEMENT WAS MADE IN REPLY TO A QUESTION ASKED BY HIROSHI TAKANO (HEISEIKAI).

IN HIS STATEMENT, FOREIGN MINISTER IKEDA EXPLAINED, "THE JAPAN-U.S. SECURITY TREATY (JAPAN AND THE U.S. MEET EMERGENCY CASES IN JAPAN IN COOPERATION AS SPECIFIED IN ARTICLE 5) IS APPLICABLE TO AREAS THAT ARE UNDER THE ADMINISTRATION OF JAPAN." HE THEN CONTINUED, "IT CANNOT BE SAID THAT THE TAKESHIMA ISLAND, WHICH IS AS A MATTER OF FACT OCCUPIED BY ANOTHER COUNTRY IS UNDER THE ADMINISTRATION OF JAPAN." IN RESPONSE, TAKANO CRITICIZED THE FOREIGN MINISTER'S REMARK, "YOUR STATEMENTS THAT (THE TAKESHIMA ISLAND IS NOT UNDER THE ADMINISTRATION OF JAPAN) AND THAT THE JAPAN-U.S. SECURITY TREATY CANNOT BE APPLIED TO THAT ISLAND WILL INCUR A MISUNDERSTANDING OF THE ROK."

A DIET REPLY ON THE TAKESHIMA ISLAND WAS ONCE MADE IN 1969 AT A MEETING OF THE LOWER HOUSE CABINET COMMITTEE BY

THE FOREIGN MINISTRY TREATY BUREAU DIRECTOR GENERAL, WHO NOTED, "THE TAKESHIMA ISLAND IS AN AREA THAT IS NOT UNDER THE ADMINISTRATION OF JAPAN, AND SO, ARTICLE 5 (OF THE SECURITY TREATY) WILL NOT BE INVOKED FOR THAT ISLAND." THE STANCE THAT THE TAKESHIMA ISLAND IS NOT INCLUDED IN THE AREAS ELIGIBLE FOR JOINT ACTION BETWEEN JAPAN AND THE UNCLAS SECTION 04 OF 06 TOKYO 003278

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 APRIL 16

U.S. AS AN OBLIGATION SET ON THE U.S. UNDER THE SECURITY TREATY HAS BEEN FIRMLY UPHELD ALL THE WAY.

IN NOVEMBER, 1971, FOREIGN MINISTRY TREATY BUREAU DIRECTOR GENERAL KATSUICHI IKAWA AT AN UPPER HOUSE BUDGET COMMITTEE MEETING REPLIED, "IN REALITY, THE TAKESHIMA ISLAND IS NOT UNDER THE ADMINISTRATION OF OUR COUNTRY. IT IS BEYOND THE AREAS COVERED UNDER ARTICLE 5 (OF THE SECURITY TREATY). HE ALSO REPLIED THAT THE NORTHERN TERRITORIES "ARE NOT AREAS THAT ARE UNDER THE ADMINISTRATION OF JAPAN." THE FOREIGN MINISTRY TREATY BUREAU SAYS THAT THE REPLY MADE BY FOREIGN MINISTER IKEDA IS (JAPAN'S) "CONVENTIONAL VIEW."

NAGO MAYOR TO INDICATE FORMAL ACCEPTANCE OF HELIPORT FEASIBILITY STUDY ON THE 18TH (ASAHI - PAGE 1)

ON THE PROBLEM OF CONSTRUCTING A SEA-BASED HELIPORT INCIDENT TO THE PLANNED REVERSION OF THE U.S. FORCES' FUTENMA AIRFIELD IN OKINAWA, AN ALTERNATIVE FACILITY IS NOW BEING PLANNED TO BE CONSTRUCTED IN THE WATERS OFF CAMP SCHWAB LOCATED IN NAGO CITY, OKINAWA PREFECTURE. THE CITY'S MAYOR, TETSUYA HIGA, DECIDED ON THE 15TH TO ANNOUNCE FORMALLY ON THE 18TH THAT HE AS MAYOR WILL ACCEPT THE GOVERNMENT'S PRELIMINARY FEASIBILITY SURVEY OF THE CANDIDATE SITE. LOCAL RESIDENTS LIVING IN OR AROUND NAGO CITY'S EASTERN PART, FACING THE CANDIDATE SITE, ARE STILL STRONGLY CRYING OUT AGAINST THE PLANNED CONSTRUCTION OF A HELIPORT THERE, BUT THE CITY'S FISHERY COOPERATIVE ASSOCIATION HAS ALREADY FIRMED UP ITS INTENTION OF ACCEPTING THE SURVEY.

MAYOR HIGA MADE HIS FINAL DECISION IN HIS TALKS WITH THE MUNICIPAL ASSEMBLY'S RULING PARTY OFFICERS ON THE 15TH. THE NAGO FISHERY COOPERATIVE ASSOCIATION IS EXPECTED TO ANNOUNCE FORMALLY ON THE 17TH THAT IT WILL ACCEPT THE

SURVEY. ON THE AFTERNOON OF THE 18TH, THE CITY'S MUNICIPAL ASSEMBLY WILL HOLD A PLENARY MEETING OF ALL MEMBERS FOR CONSULTATIONS, AND THEN MAYOR HIGA WILL EXPLAIN HIS INTENTION.

ON THE 9TH OF THIS MONTH, MAYOR HIGA HELD AN EXPLANATORY MEETING IN THE CITY'S HENOKO BLOC, FACING THE CAMP SCHWAB WATERS, AND THEN CLARIFIED FOR THE FIRST TIME: "I WOULD LIKE TO ACCEPT THE SURVEY IF UNDERSTANDING IS AVAILABLE FROM THE LOCAL RESIDENTS AND ALSO FROM THE FISHERY COOPERATIVE ASSOCIATION AND THE PREFECTURAL GOVERNMENT." OKINAWA PREFECTURE'S GOVERNOR MASAHIDE OTA ALSO HAS VIRTUALLY ACCEPTED THE LOCAL SURVEY, STATING THAT HE WOULD "RESPECT THE LOCAL MUNICIPALITIES' JUDGMENT."

TEN NAGO CITY DISTRICT HEADMEN REFUSE TO ATTEND BRIEFING ON HELIPORT STUDY (YOMIURI - PAGE 2)

ON THE PROBLEM OF CONSTRUCTING A SEA-BASED HELIPORT AS AN ALTERNATIVE FACILITY FOR THE PLANNED REVERSION OF THE U.S. FORCES' FUTENMA AIR STATION SITE, OKINAWA PREFECTURE'S NAGO CITY MAYOR TETSUYA HIGA INTENDED TO HOLD A MEETING IN THE CITY'S HISASHI (OR KUSHI?) WARD ON THE 15TH WITH THE HEADMEN OF THE CITY'S TEN WARDS TO GIVE EXPLANATIONS. HOWEVER, ALL THE HEADMEN THERE LEFT THEIR SEATS, CLAIMING: "WE'RE AGAINST THE PRELIMINARY FEASIBILITY SURVEY AND CONSTRUCTION OF SUCH A HELIPORT. IF WE ALLOW THE EXPLANATORY MEETING, THAT MAY MEAN WE WILL ACCEPT THE CONSTRUCTION." EVENTUALLY, THE MEETING WAS CALLED OFF.

MAYOR HIGA WAS TO HAVE EXPRESSED HIS INTENTION TO ACCEPT THE (GOVERNMENT-PROPOSED) PRELIMINARY SURVEY IN THE WATERS OFF CAMP SCHWAB WHERE THE HELIPORT IS PLANNED TO BE CONSTRUCTED. THE MAYOR HAD HELD EXPLANATORY MEETINGS IN THREE OTHER WARDS, BUT THERE WAS NO BOYCOTT.

UNCLAS SECTION 05 OF 06 TOKYO 003278

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 APRIL 16

MOREOVER, THE CITY'S FIVE LABOR ORGANIZATIONS -- INCLUDING A COUNCIL OF LABOR UNIONS IN THE CITY'S NORTHERN DISTRICT AND A MUNICIPAL WORKERS' UNION -- HAVE NOW DECIDED AS OF THE 15TH TO HOLD A PROTEST AGAINST MAYOR HIGA'S HAVING CLARIFIED HIS INTENTION TO ACCEPT THE

PRELIMINARY SURVEY FOR THE CONSTRUCTION OF AN ALTERNATIVE HELIPORT FOR THE U.S. FORCES' FUTENMA AIRFIELD, AND THEY HAVE ALSO DECIDED TO START A MOVEMENT FOR A REFERENDUM ON THE PROPRIETY OF CONSTRUCTING A HELIPORT IN THE WATERS OFF CAMP SCHWAB. ON THE 17TH, THEY WILL HOLD A RALLY IN THE CITY AGAINST THE HELIPORT CONSTRUCTION AND FOR A SUCCESSFUL VOTE WITH THE PARTICIPATION OF CITIZENS.

THOUSANDS RALLY IN NAHA CITY AGAINST PASSAGE OF SPECIAL MEASURES FOR BASE LAND USE (YOMIURI - PAGE 2)

WHILE A REVISED SPECIAL LAND LEASE LAW FOR (U.S.) ARMED FORCES STATIONED IN JAPAN (OR THE "TOKUSOHO" AMENDMENT) IS NOW BEING EXPECTED TO COME INTO EFFECT WITHOUT FAIL, THERE WAS A RALLY OF OKINAWA PREFECTURAL PEOPLE IN NAHA CITY ON THE NIGHT OF THE 15TH AGAINST THE AMENDMENT BILL.

THE RALLY WAS HELD BY SIX GROUPS, INCLUDING THE OKINAWA PREFECTURAL FEDERATION OF THE SOCIAL DEMOCRATIC PARTY, WHICH IS ONE OF THE RULING PARTIES IN THE PREFECTURE'S ASSEMBLY, AS A RESULT OF THEIR APPEAL TO 60 ORGANIZATIONS, INCLUDING LABOR ORGANIZATIONS AND PEACE GROUPS. THE NUMBER OF PARTICIPANTS IN THE RALLY WAS ABOUT 7,000 PERSONS ACCORDING TO THEIR ANNOUNCEMENT, OR ABOUT 3,200 PERSONS ACCORDING TO THE MUNICIPAL POLICE OF NAHA CITY.

THE CHAIRMAN OF THE RALLY EXECUTIVE COMMITTEE, SEIICHI SAKUKAWA, A PROFESSOR AT THE UNIVERSITY OF OKINAWA, GAVE A LEAD-OFF SPEECH: "I HOPE THE UPPER HOUSE WILL PRUDENTLY DELIBERATE ON THE AMENDMENT BILL AND WILL REJECT IT AS THE HOUSE OF GOOD SENSE. THE AMENDMENT BILL IS A LAW-GOVERNED STATE'S DENIAL OF ITSELF. IT WILL LEAD ALSO TO INCAPACITATING THE PREFECTURE'S EXPROPRIATION COMMISSION."

MITI PANEL TO START REVIEW OF LARGE STORE LAW NEXT MONTH (YOMIURI - PAGE 11)

THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) YESTERDAY REVEALED ITS PLAN TO START THIS MAY THE SPECIFIC WORK OF REVIEWING THE LARGE-SCALE RETAIL STORE LAW, WHICH SETS REGULATIONS RELATED TO OPENING OF LARGE-SCALE COMMERCIAL FACILITIES. A JOINT MEETING WILL BE HELD ONCE A MONTH BY THE DISTRIBUTION SUBCOMMITTEES OF THE INDUSTRIAL STRUCTURE COUNCIL AND THE SMALL AND MEDIUM-SIZED ENTERPRISE POLICY COUNCIL, WITH THE TARGET DATE OF FINALIZING CONCLUSIONS WITHIN THIS YEAR AND SUBMITTING A BILL TO AMEND THE LAW AT THE REGULAR DIET SESSION NEXT YEAR.

REGULATIONS UNDER THE LARGE-SCALE RETAIL STORE LAW HAVE BEEN GRADUALLY EASED SINCE 1992. IN ITS ECONOMIC STRUCTURAL REFORM PROGRAM RELEASED AT THE END OF LAST YEAR, THE GOVERNMENT SET A REVIEW OF THE LAW WITHIN FISCAL 1997. REGARDING SUCH A REVIEW, VIEWS REMAIN SPLIT BETWEEN BUSINESS LEADERS AND THE LARGE RETAIL STORE INDUSTRY CALLING FOR BOLD DEREGULATION MEASURES,

INCLUDING THE OPTION OF SCRAPPING THE LAW IN THE NEAR FUTURE, AND SMALL TO MEDIUM-SIZED RETAILERS' ASSOCIATIONS STRONGLY OBJECTING TO FURTHER DEREGULATION EFFORTS.

THE FOCUS OF DISCUSSION AT JOINT SESSIONS ARE EXPECTED TO BE ON REGULATIONS RELATED TO BUSINESS CONDITIONS, INCLUDING CLOSING HOURS AND THE NUMBER OF STORE HOLIDAYS, AS DEMANDED BY THE LARGE-SCALE STORE INDUSTRY, AS WELL AS HOW TO DEAL WITH LOCAL GOVERNMENT'S OWN REGULATIONS. GIVING CONSIDERATION TO THE NEGATIVE EFFECT OF UNCLAS SECTION 06 OF 06 TOKYO 003278

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 APRIL 16

DEREGULATION, SUCH AS DECLINING DOWNTOWN SHOPKEEPERS ROWS (SHOTENGAI), DUE TO THE ADVANCEMENT OF LARGE-SCALE STORES IN SUBURBS, THE MINISTRY INTENDS TO DISCUSS "MEASURES TO PROMOTE SMALL TO MEDIUM-SIZED RETAILERS, KEEPING AN EYE ON DOWNTOWN DEVELOPMENT," TOO (MITI).

IN THE COURSE OF DELIBERATIONS, THE STUDY GROUP IS EXPECTED TO LISTEN TO VIEWS FROM TENANTS IN LARGE-SCALE STORES, SMALL TO MEDIUM-SIZE RETAILERS AND CONSUMER GROUPS. IT IS ALSO PLANNING TO CONDUCT A SURVEY ON OVERSEAS SYSTEMS.

GOVERNMENT REBUTS USTRQS TRADE BARRIER REPORT
(NIHON KEIZAI - PAGE 5)

THE GOVERNMENT YESTERDAY COMPILED A REBUTTAL TO THE OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE'S (USTR) NATIONAL TRADE ESTIMATE REPORT ON FOREIGN TRADE BARRIERS, WHICH CHARGES THAT JAPAN'S COMMUNICATIONS MARKET HAS A CLOSED NATURE. IN THE REBUTTAL, BRINGING UP THE AGREEMENT ON NIPPON TELEGRAPH AND TELEPHONE CORPORATION'S (NTT) PROCUREMENT, WHICH EXPIRES IN SEPTEMBER THIS YEAR, THE GOVERNMENT CRITICIZED THE USTR AS TAKING UP THE NTT'S PROCUREMENT ISSUE AS PART OF GOVERNMENT PROCUREMENT AND POINTED OUT, "THIS ISSUE SHOULD BE FULLY DISCUSSED BETWEEN NTT AND THE U.S. INDUSTRY CIRCLES BEFORE THE GOVERNMENT OF THE TWO COUNTRIES DEAL WITH IT."

IN CONNECTION WITH NTT'S PROCUREMENT, THE USTR ALSO POINTED OUT THAT NTT IS FAVORABLY TREATING "MEMBER COMPANIES OF ITS GROUP" AND THE DISTRIBUTION OF SHARES IS UNCLEAR, BUT THE GOVERNMENT OFFERED COUNTERARGUMENTS,

"SINCE THE PROBLEM HAS BEEN RAISED IN NO CONCRETE MANNER, WE CANNOT CONTRIVE ANY REMEDIAL MEASURES FOR THAT."

AS TO THE ISSUE OF THE U.S. FEDERAL COMMUNICATIONS COMMISSION'S WITHHOLDING INVESTIGATION FOR GRANTING LICENSES TO THE U.S. SUBSIDIARIES OF NTT AND KDD (KOKUSAI DENSHIN DENWA), CALLING ON THEM TO SCRAP THEIR FOREIGN CAPITAL RESTRICTIONS, THE REBUTTAL SEEKS THE UNFREEZING OF THE LICENSES, NOTING, "AN APPROACH THAT LINKS THE ISSUE TO A TOTALLY DIFFERENT PROBLEM IS NOT CONSTRUCTIVE."

THE USTR REPORT CRITICIZED THAT IN JAPAN'S PAPER AND PAPER PRODUCTS MARKET, THE SHARE OF IMPORTED GOODS IS SMALL, BUT THE GOVERNMENT REBUTTED THE U.S. CLAIM, ITS ARGUMENT BEING, "THERE IS NO JUSTIFIABLE REASON FOR THE U.S. GOVERNMENT'S INCLUDING THIS SECTOR IN ITEMS THAT NEED MONITORING UNDER SUPER-301" IT SPELLED OUT THE FOLLOWING POINTS AS A VENUE FOR ARGUMENTS: (1) AMONG WESTERN COUNTRIES, TOO, THE RATIO OF CROSS-ATLANTIC TRADE IS SMALL, SHOWING NO MAJOR DIFFERENCE FROM THE CASE OF JAPAN; AND (2) IMPORTS FROM EUROPE AND ASIA ARE INCREASING. CRANE

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