

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Japan-U.S. / Security Relationship (4 pages)	04/22/1997	P1/b(1)
002. cable	Re: FBIS Foreign Media Note - Hashimoto Summit [partial] (1 page)	04/23/1997	P3/b(3)
003. cable	Re: Digest Executive Edition (12 pages)	04/24/1997	P1/b(1)
004. cable	Re: Okinawa Artillery Training (4 pages)	04/24/1997	P1/b(1)
005. cable	Re: Background - U.S./Japan Summit (4 pages)	04/24/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/18/1997 - 04/24/1997]

2016-0420-F

sb1902

RESTRICTION CODES

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

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

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

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

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

RR. Document will be reviewed upon request.

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

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO A3387 1080341-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 180341Z APR 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 180341Z APR 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 5428
RUEHIA/USIA WASHDC IMMEDIATE 4428
INFO: RHEHAAA/WHITE HOUSE WASHDC
RUCPDO/USDOC WASHDC
RUEBBA/USDOT WASHDC
RUEAWJB/USDOJ WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
RUEAIIA/CIA WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 18

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 09 TOKYO 003387

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 18

TOP HEADLINES:

ASAHI: SPECIAL LAND-LEASE AMENDMENT APPROVED; TO ALLOW
PROVISIONAL USE OF LAND PLOTS AS U.S. MILITARY BASE SITES
ON OKINAWA; LAW TO GO INTO EFFECT ON THE 23RD; "SOBE"
CASE ALSO WILL BE LEGALIZED

NIHON KEIZAI: FINANCIAL REFORM PANEL OUTLINES A STATE

BUDGET CUT PLAN: PROPOSAL FOR CUTTING PUBLIC WORKS PROJECTS BY 10 PERCENT IN FY1998; NO HIKE IN THE PENSION PREMIUMS AND NATIONAL TREASURY'S BURDEN (TRANSLATION BELOW)

TOKYO SHIMBUN: SPECIAL LAND-LEASE AMENDMENT ADOPTED; AVOIDANCE OF "ILLEGAL OCCUPATION"; APPROVAL ALSO GIVEN BY UPPER HOUSE; ADMINISTRATIVE REFORM, HEALTH INSURANCE REFORM NOW COMING INTO FOCUS

MAINICHI: THREE RULING PARTIES AGREE TO REVISE LAW DURING THE DIET SESSION; "MINI-UNIFIED ELECTIONS" TWICE A YEAR; TO AIM TO RAISE THE VOTING RATE; IN APRIL, OCTOBER, INCLUDING THE "CURRENT UNIFIED ELECTIONS"

YOMIURI: SPECIAL LAND-LEASE BILL APPROVED; TO ALLOW PROVISIONAL USE OF LAND LOTS AS U.S. MILITARY BASES ON OKINAWA; APPROVAL ALSO GIVEN BY UPPER HOUSE; GOVERNMENT TO DEVOTE ALL ITS ENERGIES TO FORMULATE PROMOTIONAL MEASURES

SANKEI: AMENDMENT TO SPECIAL LAND-LEASE LAW APPROVED; REVIEW OF BILATERAL DEFENSE GUIDELINES NOW BECOMING THE CENTER OF "EMERGENCY" DEBATES; COALITION GOVERNMENT ARRANGEMENT MAY FLUCTUATE

GOVERNOR OTA: QI HAVE NO WORDS FOR ITQ
(MAINICHI - PAGE 2)

(WASHINGTON, APRIL 17, SHIN'ICHI KANZAKI) OKINAWA PREFECTURE'S GOVERNOR OTA, WHO HAS BEEN CRITICIZING THE IDEA OF PUTTING AN AMENDMENT TO THE SPECIAL LAND LEASE LAW FOR (U.S.) ARMED FORCES STATIONED IN JAPAN ("TOKUSOHO" ACT) WHILE CLAIMING THAT IT "DISCRIMINATES AGAINST OKINAWA," DISCLOSED HIS FEELING OF DISAPPOINTMENT ON LEARNING OF THE DIET'S LEGISLATION OF THE REVISED LAW IN A HOTEL IN WASHINGTON. HOWEVER, THE LEGAL PROBLEM ALSO IS A POINT OF TRANSITION FOR BASE ISSUES IN OKINAWA. THERE IS NO RECOURSE BUT TO CONTINUE MAKING EFFORTS, AS A MATTER OF FACT.

"I HAVE NO WORDS TO SAY. I FEEL HEAVY ..." GOVERNOR OTA SPENT HIS LAST MORNING IN WASHINGTON LISTENING TO THE BAD NEWS. HE WAS STILL ACTIVELY SEEKING PETITIONS CONCERNING THE PROBLEM OF U.S. MILITARY BASES IN HIS PREFECTURE. THE AMENDMENT BILL PASSED THE LOWER HOUSE ON THE DAY HE LEFT OKINAWA. THE GOVERNOR SAYS HE ALWAYS HAS A HEAVY FEELING DURING HIS VISITS TO THE U.S. THE GOVERNOR HAD BEEN PREPARED FOR THE LEGISLATION OF A REVISED LAW. YET, HE CONFESSED, "I BELIEVED THE UPPER HOUSE WOULD SETTLE DOWN TO DELIBERATE ON THE BILL IN AN EVEN MORE THOROUGHGOING WAY. THEY PROBABLY GAVE FIRST CONSIDERATION TO THE TIME LIMIT (UNTIL PRIME MINISTER HASHIMOTO'S U.S. VISIT), BUT ..."

POLITICAL LEADERS COMMENT ON PASSAGE OF LAND-LEASE BILL
(ASAHI - PAGE 7)

VARIOUS POLITICAL PARTIES RELEASED THE FOLLOWING STATEMENTS ON THE 17TH REGARDING THE PASSAGE OF THE BILL AMENDING THE SPECIAL LAND LEASE LAW FOR THE U.S. FORCES IN JAPAN:

LIBERAL DEMOCRATIC PARTY (LDP) (SECRETARY GENERAL KOICHI KATO): WE ARE RELIEVED THAT THE BILL PASSED. THE DIET
UNCLAS SECTION 02 OF 09 TOKYO 003387

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 18

WITH SUPPORT BY A GREAT MAJORITY. IT WAS REGRETTABLE THAT THERE WAS SOME DISCORD AMONG THE THREE RULING PARTIES. HOWEVER, WE ARE IN ACCORD TO DO OUR BEST IN MAPPING OUT AN OKINAWA REVITALIZATION PACKAGE AND IN DEALING WITH THE BASE ISSUE. WE ARE DETERMINED TO SUSTAIN THE PRESENT TRIPARTITE ARRANGEMENT TO CONTINUE TO TACKLE POLICY ISSUES.

SHINSHINTO (NEW FRONTIER PARTY) (SECRETARY GENERAL TAKEO NISHIOKA): WE HOPE FOR THE SMOOTH IMPLEMENTATION OF AN AGREEMENT REACHED BETWEEN THE LDP AND OUR PARTY TO "BUILD A SYSTEM THAT WILL MAKE THE CENTRAL GOVERNMENT RESPONSIBLE" IN ORDER TO REALIZE THE REALIGNMENT, REDUCTION, AND RELOCATION OF THE BASES ON OKINAWA. THE GOVERNMENT SHOULD TAKE THE INITIATIVE IN (PERSUADING LOCALITIES FOR THE RELOCATION OF LIVE ARTILLERY FIRING RANGES TO MAINLAND JAPAN).

MINSHUTO (DEMOCRATIC PARTY OF JAPAN) (CO-LEADERS YUKIO HATOYAMA, NAOTO KAN): WE HAVE DECIDED TO SUPPORT THE BILL FROM THE JUDGMENT THAT WE SHOULD AVERT CREATING A LEGAL VACUUM THAT WOULD HINDER THE SMOOTH OPERATION OF THE U.S.-JAPAN SECURITY TREATY. WE WOULD LIKE TO DO OUR BEST TO MATERIALIZE OKINAWA'S LONG-CHERISHED GOAL OF REALIGNING AND REDUCING U.S. BASES, ESPECIALLY THE GRADUAL REDUCTION AND WITHDRAWAL OF THE MARINES.

JAPAN COMMUNIST PARTY (JCP) (CHIEF OF THE SECRETARIAT KAZUO SHII): THE (GOVERNMENT) FORCIBLY PASSED THE BILL DESPITE THE GROWING CRITICISM FROM THE GENERAL PUBLIC, PARTICULARLY FROM THE PEOPLE OF OKINAWA. THIS IS AN ACT THAT VIOLATES THE PEOPLE'S RIGHT TO OWN PROPERTY THAT IS GUARANTEED IN THE CONSTITUTION AND THE BASIC PRINCIPLE OF "CONSTITUTIONALISM." THE DECISION IS DESIGNED TO TIE OKINAWA TO THE BASES INTO THE 21ST CENTURY. WE STRONGLY

PROTEST AGAINST SUCH AN OUTRAGEOUS ACT.

SOCIAL DEMOCRATIC PARTY (SDP): THE SDP HAS BEEN KEEPING STRONG TIES FOR DECADES WITH THE PEOPLE OF OKINAWA. CHERISHING THOSE TIES, WE HAVE RENEWED OUR RESOLVE TO UPGRADE OKINAWA'S ACTION PROGRAM TO COMPLETELY REMOVE BASES THERE BY THE YEAR 2015 INTO A NATIONAL PROGRAM AT AN EARLY TIME. OUR PARTY IS DETERMINED TO MAKE UTMOST EFFORT TO REDUCE BASES AND HAMMER OUT A SOUND OKINAWA REVITALIZATION PACKAGE.

TAIYO PARTY (SECRETARY GENERAL EIJIRO HATA): WE HAD TO SUPPORT THE BILL FROM THE STANDPOINT OF THE JAPAN-U.S. SECURITY ARRANGEMENT AND FOR THE SAKE OF SUSTAINING GOOD BILATERAL RELATIONS. BUT WHEN THINKING OF THE SENTIMENT OF THE PEOPLE OF OKINAWA, WE FEEL SOME REGRETS TOWARD THEM. FROM NOW ON, WE WOULD LIKE TO CONCENTRATE OUR ENERGY ON THE REALIGNMENT, INTEGRATION, AND REDUCTION OF BASES, AS WELL AS ON MAPPING OUT AN OKINAWA PROMOTION PROGRAM WITH AN EYE ON THE INTERNATIONAL SITUATION.

SDP POLICY CHAIRMAN VOTES APPROVAL FOR LAND-LEASE BILL THEN QUILTS (ASAHI - PAGE 7)

SOCIAL DEMOCRATIC PARTY (SDP) POLICY DELIBERATION COUNCIL CHAIRMAN KAZUO OIKAWA, WHO IS AN UPPER-HOUSE MEMBER, IN A PRESS CONFERENCE IN THE DIET ON THE 17TH REVEALED HIS INTENTION TO STEP DOWN FROM HIS PARTY POST. HE INDICATED THAT HE WOULD DO SO TO TAKE RESPONSIBILITY FOR HIS CASTING A VOTE IN FAVOR OF THE BILL TO AMEND THE SPECIAL LAND LEASE LAW IN YESTERDAY'S PLENARY SESSION, GOING AGAINST THE PARTY'S POLICY DECISION TO OPPOSE THE BILL. HE IS EXPECTED TO SUBMIT HIS RESIGNATION TO PARTY HEAD TAKAKO DOI AS EARLY AS THE 18TH. THE PARTY LEADERSHIP IS LIKELY TO DISSUADE HIM FROM RESIGNING.

MEANWHILE, LIBERAL DEMOCRATIC PARTY (LDP) POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI, REFERRING TO UNCLAS SECTION 03 OF 09 TOKYO 003387

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 18

OIKAWA'S CASE, REMARKED IN A SPEECH IN TOKYO LATE YESTERDAY: "MR. OIKAWA ARRIVED AT SUCH A DECISION IN CONSIDERATION OF THE PRESENT COALITION ARRANGEMENT AND THE PEACE AND STABILITY OF JAPAN. I TOLD SDP SECRETARY

GENERAL SHIGERU ITO THAT IF THE PARTY ACCEPTS HIS RESIGNATION, THE TIES BETWEEN THE LDP AND THE SDP WOULD BREAK AND SUCH WOULD HAVE A SERIOUS IMPACT ON THE FUTURE OF POLITICS."

GOVERNMENT EXPLANATION OF NEED FOR MAINTAINING CURRENT TROOP STRENGTH SEEN AS INSUFFICIENT (MAINICHI - PAGE 2)

THE PROBLEM OF U.S. MILITARY BASES ON OKINAWA OVER THE YEAR BEFORE LAST HAS NOW REACHED A CONCLUSION IN THE FORM OF REVISING THE SPECIAL LAND LEASE LAW FOR (U.S.) ARMED FORCES STATIONED IN JAPAN ("TOKUSOHO" ACT) -- WHICH INITIALLY HAD NOT BEEN EXPECTED BY THE GOVERNMENT OR OKINAWA PREFECTURE. DURING THAT TIME THE GOVERNMENT HAS OBTAINED SUCH RESULTS AS A FINAL REPORT ISSUED BY THE JAPAN-U.S. SPECIAL ACTION COMMITTEE (ON FACILITIES AND AREAS IN OKINAWA) (SACO) RECOMMENDING A REDUCTION OF MORE THAN 20 PERCENT IN THE TOTAL ACREAGE OF THOSE MILITARY BASES. HOWEVER, THE REVISED LAW HAS NOW CLOSED THE WAY TO OKINAWA'S 'WORK-TO-RULE STRUGGLE' THROUGH LAND-USE PROCEDURES, AND 'PREFECTURAL INTERESTS' ARE NOW PLACED UNDER 'NATIONAL INTERESTS.' THE PRIMARY PROBLEM IS THE GOVERNMENT'S LACK OF ACCOUNTABILITY, AS THE GOVERNMENT HAS FAILED TO PROVIDE THE NATION'S PEOPLE WITH SUFFICIENT EXPLANATIONS ABOUT THE NECESSITY OF U.S. FORCES AND ABOUT THE LEVEL OF TROOP STRENGTH -- EVEN WHILE REFERRING TO THE NATION'S FAIR BURDEN SHARING OF MILITARY BASES. THE OKINAWA PROBLEM, WHICH WAS TOUCHED OFF BY THE INCIDENT OF U.S. SERVICEMEN'S RAPE OF A SCHOOLGIRL IN SEPTEMBER 1995, SYMBOLIZES A TURNING POINT FOR OUR COUNTRY'S SECURITY AND DEFENSE POLICIES.

ALREADY AT THAT TIME DISCUSSIONS WERE CLIMAXING OVER THE QUESTION OF WHERE TO SEEK THE SIGNIFICANCE OF THE JAPAN-U.S. SECURITY ARRANGEMENT'S EXISTENCE AFTER THE COLD WAR STRUCTURE'S COLLAPSE. IN NOVEMBER OF THE SAME YEAR, A NEW CHARTER OF JAPAN'S NATIONAL DEFENSE PROGRAM OUTLINE WAS FORMULATED. IN APRIL OF THE FOLLOWING YEAR, PRIME MINISTER RYUTARO HASHIMOTO AND PRESIDENT CLINTON ANNOUNCED A JAPAN-U.S. JOINT DECLARATION ON SECURITY. THE TWO GOVERNMENTS THEN AGREED ON THE REVERSION OF THE FUTENMA AIRFIELD -- A PIVOTAL BASE FOR THE MARINE TROOPS STATIONED ON OKINAWA. AS SEEN IN SUCH FACTS, SIMULTANEOUS PROGRESS WAS SEEN IN THE LIGHTENING OF OKINAWA'S BURDEN AND IN THE STRENGTHENING OF SECURITY TIES.

IN OTHER WORDS, JAPAN WAS IN TRANSITION, AND THEN FOR THE FIRST TIME PEOPLE BECAME AWARE OF "OKINAWA'S SUFFERING THAT TOKYO HAD FORGOTTEN SINCE OKINAWA'S RETURN TO JAPAN," SAYS A SENIOR OFFICIAL OF THE JAPAN DEFENSE AGENCY. ANOTHER FOCUS IS NOW ON THE ISSUE OF REVIEWING THE TROOP STRENGTH OF U.S. FORCES IN JAPAN. THIS IS AN ARGUMENT IGNITED BY "CLOSE CONSULTATIONS" INCORPORATED IN THE JOINT SECURITY DECLARATION. AN OFFICIAL FOR SECURITY SAYS, "THE WORDS WOULD NOT HAVE BEEN INCORPORATED IN THE DECLARATION IF THE PROBLEM OF OKINAWA HAD NOT TAKEN PLACE."

THE GOVERNMENT IS NOW BEING SHOULDERED WITH A BIG BURDEN AS IT IS OBLIGED TO CARRY OUT SACO-RELATED PROJECTS, SUCH AS THE PLANNED CONSTRUCTION OF AN ALTERNATIVE HELIPORT FOR FUTENMA. NOTHING CAN MAKE HEADWAY WITHOUT OKINAWA PREFECTURE'S COOPERATION, AND SMOOTH IMPLEMENTATION CANNOT BE EXPECTED WITHOUT THE ENTIRE NATION'S UNDERSTANDING AND SUPPORT FOR SECURITY AS IN THE CASE OF TRANSFERRING LIVE-SHELL FIRING DRILLS FROM OKINAWA TO MAINLAND PREFECTURES.

UNCLAS SECTION 04 OF 09 TOKYO 003387

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 18

THE GOVERNMENT HAS MORE WORK TO DO THAT REFLECTS THIS TRANSITION PERIOD IN THE BILATERAL SECURITY RELATIONSHIP: HOLDING CONSULTATIONS ON MILITARY POSTURES AND REINFORCING DEFENSE COOPERATION BETWEEN JAPAN AND THE U.S, FOR EXAMPLE. HOWEVER, HOW IT PROPOSES TO GUARANTEE TRANSPARENCY TO THE PEOPLE IS AN INDISPENSABLE ELEMENT IF IT WISHES TO SECURE PUBLIC TRUST IN THE SECURITY TREATY.

ANTI-WAR LANDOWNERS ARRESTED PROTESTING PASSAGE OF LAW (MAINICHI - PAGE 27)

"ARE YOU NOW BECOMING LAND THIEVES?" "WE OPPOSE THIS DISCRIMINATION AGAINST OKINAWA." SUCH CRIES ERUPTED FROM THE SPECTATORS IN THE HOUSE OF COUNCILLORS YESTERDAY AFTERNOON AS THE FULL UPPER-HOUSE ASSEMBLY, DESPITE THE COMMOTION, VOTED AND PASSED THE BILL AMENDING THE SPECIAL MEASURES LAW FOR LAND USED BY THE U.S. FORCES IN JAPAN. THE DELIBERATIONS WERE HALTED FOR A WHILE WHEN 21 OF THE SPECTATORS, INCLUDING SHOICHI CHIBANA (48), WHO OWNS 236 SQUARE METERS OF LAND AT THE SOBE COMMUNICATIONS SITE (OKINAWA'S YOMITAN VILLAGE), AND HIDENOBU TERAYA (59), CHAIRMAN OF THE ANTI-WAR LANDOWNERS ASSOCIATION, DISRUPTED THE PROCEEDINGS. CRIES FROM THEIR SUPPORTERS ERUPTED THAT THEIR ARRESTS WERE IMPROPER, BUT THE VOICES OF THE ANTI-WAR LANDOWNERS HAD BEEN STIFLED AND THE AMENDED LEGISLATION THEN PASSED.

7,000 RALLY IN SHIBA PARK AGAINST LAND-LEASE BILLS PASSAGE (MAINICHI- PAGE 27)

FIVE ASSOCIATIONS REPRESENTING LANDOWNERS AND CITIZENS OF

OKINAWA ASSEMBLED LAST NIGHT IN SHIBA PARK IN TOKYO'S MINATO WARD TO PROTEST THE DIET'S PASSAGE OF THE SPECIAL LAND-LEASE BILL: "OKINAWA DENOUNCES! THE EVIL REVISION OF THE SPECIAL LAND-LEASE LAW FOR THE U.S. FORCES IS UNACCEPTABLE."

APPROXIMATELY 7,000 PERSONS (SPONSORS' ANNOUNCEMENT) PARTICIPATED IN THE RALLY. ONE AFTER THE OTHER, THE ANTIWAR LANDOWNERS, DIETMEMBERS FROM OKINAWA, AND OTHERS TOOK THE SPEAKER'S STAND TO PROTEST: "REVISION OF THE LAW DISCRIMINATES AGAINST OKINAWA. IT IS AN EVIL LAW THAT TRAMPLES ON DEMOCRACY. IT IS A RECKLESS ACT TO FIX THE AMERICAN BASES PERMANENTLY IN OKINAWA."

FUJIYOSHIDA CITY MAYOR TO ACCEPT U.S. MILITARYQS LIVE FIRE DRILL NEAR MT. FUJI (MAINICHI - PAGE 1)

THE (GROUND SELF-DEFENSE FORCE'S) KITAFUJI FIRING RANGE, LOCATED IN FUJIYOSHIDA CITY, YAMANASHI PREFECTURE, IS ONE OF THE CANDIDATE SITES FOR THE PLANNED TRANSFERAL OF U.S. MILITARY LIVE-FIRE ARTILLERY TRAINING FROM OKINAWA. THE CITY'S MAYOR, MASATOMO KURIHARA, EXPRESSED HIS INTENTION OF ACCEPTING IT (AS THE CITY'S MAYOR) IN A MEETING HELD ON THE 15TH BY THE CITY'S MUNICIPAL ASSEMBLY SPECIAL COMMITTEE ON FIRING RANGE COUNTERMEASURES, STATING: "SINCE THE GOVERNMENT SHOWED ITS COURSE OF ACTION TO TRANSFER THE TRAINING, WE HAVE HELD DISCUSSIONS WITH THE MUNICIPAL ASSEMBLY. THE JAPAN-U.S. SECURITY ARRANGEMENT IS INDISPENSABLE, SO I WOULD LIKE TO MAKE A DECISION, DEPENDING ON OUR JUDGMENT OF THE SITUATION. THE SPECIAL COMMITTEE CITED A SUMMARY OF ITS MEMBERS' OPINIONS TO THE EFFECT THAT "THE TRANSFERAL PLAN DOES NOT DEVIATE FROM THE FIRING-RANGE USE AGREEMENT CONCLUDED BETWEEN THE GOVERNMENT AND LOCAL MUNICIPALITIES." ONE OF THOSE LOCAL MUNICIPALITIES, YAMANAKA-KO VILLAGE, WILL CONVENE A SPECIAL MEETING OF ITS ASSEMBLY ON THE 18TH TO RESOLVE ON ACCEPTANCE. IN THE VILLAGE, ITS HEADMAN, ASATSUGU KOMURA (OR TAKAMURA ?), CLARIFIED HIS INTENTION OF ACCEPTING IT IN HIS FIRST VILLAGE HEADMAN ELECTION CAMPAIGN SPEECH IN NOVEMBER LAST YEAR.

NOW THAT TWO OF THE THREE LOCAL MUNICIPALITIES HAVE
UNCLAS SECTION 05 OF 09 TOKYO 003387

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 18

FIRMED UP THEIR ACCEPTANCE, THE PROBLEM OF TRANSFERRING U.S. MILITARY EXERCISES TO KITAFUJI IS GOING TO BE STEERED MARKEDLY FOR A SWITCHOVER FROM THE USUAL STANCE OF OPPOSING THE TRANSFERAL PLAN. FROM NOW ON, THE FOCUS WILL BE ON FUTURE DEVELOPMENTS IN THE GOVERNMENT'S NEGOTIATIONS WITH A CONSULTATIVE COUNCIL ON FIRING RANGE COUNTERMEASURES -- CONSISTING OF THE YAMANASHI PREFECTURAL GOVERNMENT, WHICH SERVES AS A POINT OF CONTACT WITH THE CENTRAL GOVERNMENT, AND SOME OTHER PARTIES CONCERNED, SUCH AS THE LOCAL MUNICIPALITIES AND INTEREST GROUPS.

RULING PARTIES DELEGATION TO VISIT NORTH KOREA AND OTHER ASIAN COUNTRIES (NIHON KEIZAI - PAGE 2)

THE THREE RULING PARTIES REACHED A NEW AGREEMENT ON THE 17TH REGARDING THE OKINAWA PROBLEM, BUT BEHIND THE SCENES, PSYCHOLOGICAL WARFARE WAS UNFOLDING BETWEEN THE LIBERAL DEMOCRATIC PARTY (LDP) AND THE SOCIAL DEMOCRATIC PARTY (SDP). THE TWO PARTIES, UNDER THE BANNER OF "MAINTAINING THE COALITION ARRANGEMENT," QUICKLY MOVED TO REACH AN AGREEMENT, BUT THE REALITY IS THAT BOTH SIDES' MOTIVES CAME TO THE SURFACE, WITH AN EYE ON THE COALITION FRAMEWORK. THE KEY WORDS IN THE SKIRMISH WERE "A VISIT TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA) AND "A TRIP TO THE UNITED STATES."

THE OFFICERS RESPONSIBLE FOR POLICY-MAKING IN THE THREE PARTIES COORDINATED VIEWS UNTIL LATE INTO THE NIGHT OF THE 16TH. THE LDP'S PROPOSAL WAS OUTLINED AS: (1) STRIVING TO REALIGN, CONSOLIDATE AND REDUCE U.S. MILITARY BASES ON OKINAWA; (2) ASKING THE GOVERNMENT TO PROMOTE JAPAN-U.S. CONSULTATIONS ON OPTIONS FOR THE DEPLOYMENT OF U.S. TROOPS IN THE ASIA-PACIFIC REGION; AND (3) SENDING A THREE-PARTY DELEGATION TO NEIGHBORING COUNTRIES, AIMING AT EAST ASIAN STABILITY. IT REVEALED ITS CONSIDERATION FOR THE SDP, IN VIEW OF THE VOTE ON THE SPECIAL LAND-LEASE BILL THAT HAD JUST TAKEN PLACE IN THE UPPER HOUSE.

HOWEVER, SUBTLE GAPS EMERGED BETWEEN THE LDP AND THE SDP OVER "A TOUR OF NEIGHBORING COUNTRIES." LDP POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI CITED NORTH KOREA AS THE FIRST ON THE LIST OF "NEIGHBORING COUNTRIES," BUT SDP POLICY DELIBERATION COUNCIL CHAIRMAN KAZUO OIKAWA ASKED HIM: "PRIOR TO A VISIT TO THE NORTH, I WOULD LIKE YOU TO CONSIDER SENDING A THREE-PARTY DELEGATION TO THE U.S." BEFORE THIS COORDINATION PROCESS, OIKAWA DISCUSSED THE MATTER WITH SDP SECRETARY GENERAL SHIGERU ITO OVER THE PHONE, AND ON THAT OCCASION, HE RECEIVED INSTRUCTIONS FROM ITO, WHO SAID: "SENDING A MISSION TO THE NORTH IS NOT BAD, BUT YOU SHOULD BRING UP A PLAN FOR SENDING A MISSION TO THE U.S."

OIKAWA TOLD YAMASAKI, "THE QUICKEST WAY TO SOLVE THE PROBLEM OF U.S. TROOPS STATIONED IN JAPAN IS TO SEEK AN UNDERSTANDING OF AMERICAN PUBLIC OPINION." BUT HIS REAL AIM WAS DIFFERENT. DOUBTS WERE GROWING IN THE SDP THAT ALTHOUGH THE LDP SUGGESTED SENDING A THREE-PARTY

DELEGATION TO NORTH KOREA, IT MAY CONSIDER SENDING A MISSION TO THE U.S., SEPARATELY FROM THE PRESENT LDP-SDP-SAKIGAKE STRUCTURE. WHAT LIES BEHIND IS THE SDP'S SENSE OF CRISIS OVER A POSSIBLE CASE THAT THE LDP WOULD PREFER TO MOVE AWAY FROM THE CURRENT COALITION FRAMEWORK IN DEALING WITH THE PROBLEM OF RECONSIDERING THE JAPAN-U.S. DEFENSE COOPERATION GUIDELINES.

THE SDP THEREFORE URGED THE LDP, AS IF TO "PRESSURE IT, TO AGREE TO SEND A THREE-PARTY MISSION TO THE U.S. THE SDP'S AIM WAS SENSED BY THE LDP. OIKAWA ALSO ASKED (THE LDP) TO INCLUDE THE U.S. IN THE LIST OF "NEIGHBORING COUNTRIES," BUT CITING AS SUCH COUNTRIES NORTH KOREA, THE REPUBLIC OF KOREA, CHINA AND RUSSIA, YAMASAKI WOULD NOT YIELD TO HIM. SHOWING ANOTHER ITEM, HE ONLY MENTIONED: UNCLAS SECTION 06 OF 09 TOKYO 003387

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 18

"ON THE QUESTIONS OF JAPAN-U.S. SECURITY TIES AND OKINAWA, DEBATE WILL BE VIGOROUSLY PROMOTED BETWEEN JAPANESE AND AMERICAN PARLIAMENTARIANS." ON THE ISSUE OF SENDING A MISSION TO THE U.S., YAMASAKI RETAINED A FREE HAND NOT SHACKLED BY THE "THREE-PARTY FRAMEWORK."

AGREEMENT WAS FINALLY REACHED AMONG THE THREE RULING PARTIES TO DISPATCH A DELEGATION TO NORTH KOREA, BUT WHEN TO SEND IT HAS YET TO BE FIXED. THE SDP WAS ONCE FORWARD-LOOKING ABOUT IT, NOTING, "IT IS A MEANS TO MAINTAIN THE LDP-SDP-SAKIGAKE STRUCTURE," BUT RECENTLY IT HAS TURNED CAUTIOUS, SAYING, "SINCE THE KOREAN PENINSULA IS IN A TENSE SITUATION, WE PROBABLY CANNOT DO ANY OTHER THAN JUST CONFIRMING WE ARE NOT IN A SITUATION TO REDUCE U.S. TROOPS DEPLOYED IN JAPAN." IN THE LDP AS WELL, SOME ARE ADMITTING: "(WE HAVE AGREED TO SEND A MISSION TO THE NORTH) OUT OF CONSIDERATION FOR THE MAINTENANCE OF THE COALITION FRAMEWORK, BUT FRANKLY SPEAKING, WE DON'T WANT TO GO."

FOREIGN MINISTER IKEDA TELLS CUBAN COUNTERPART THAT GRANT AID IS COMING (MAINICHI - PAGE 3)

CUBAN FOREIGN MINISTER ROBAINA YESTERDAY ARRIVED IN JAPAN CARRYING A LETTER FROM PRESIDENT CASTRO. HE MET WITH PRIME MINISTER RYUTARO HASHIMOTO AND THEN WITH ROBAINA'S COUNTERPART, FOREIGN MINISTER YUKIHIKO IKEDA. IN THE

SESSION WITH IKEDA, THE FOREIGN MINISTER EXPLAINED TO HIM JAPAN'S PLAN TO EXTEND GRANT AID TO CUBA, FOR THE FIRST TIME.

CUBA HAS ANNOUNCED IT WOULD ACCEPT THE MRTA (TUPAC AMARU REVOLUTIONARY MOVEMENT) HOSTAGE-TAKERS AT THE CONCLUSION OF AN AGREEMENT BETWEEN THE PERUVIAN GOVERNMENT AND THE MRTA REGARDING THE OCCUPATION OF THE JAPANESE AMBASSADOR'S RESIDENCE IN PERU. RECEIVING PRESIDENT CASTRO'S LETTER AT HIS RESIDENTIAL OFFICE FROM FOREIGN MINISTER ROBAINA, PRIME MINISTER HASHIMOTO AGAIN EXPRESSED APPRECIATION FOR CUBA'S COOPERATION. ROBAINA TOLD HASHIMOTO: "CUBA HAS DECIDED TO ACCEPT THE REBELS ON HUMANITARIAN GROUNDS. WE HOPE THE STANDOFF WILL END AS SOON AS POSSIBLE. WE WOULD LIKE TO COOPERATE AS MUCH AS POSSIBLE IN THE FUTURE AS WELL."

FISCAL REFORM PANEL FINISHES COST CUTTING PROPOSALS, INCLUDING 10 PERCENT FROM PUBLIC WORKS (NIHON KEIZAI - TOP PLAY)

THE GOVERNMENT AND RULING CAMP-SPONSORED FISCAL STRUCTURAL REFORM PANEL/PLANNING COMMITTEE (CHAIRER BY LIBERAL DEMOCRATIC PARTY (LDP) SECRETARY GENERAL KOICHI KATO) REVEALED YESTERDAY A DRAFT PLAN FOR CONSIDERING SECTOR-SPECIFIC SPENDING-CUT MEASURES. THE DRAFT INDICATES A DIRECTION OF ACROSS-THE-BOARD PUBLIC SPENDING CUT FOR THE NEXT THREE YEARS. THE PANEL INTENDS TO MAKE ADJUSTMENT ALONG A 10-PERCENT REDUCTION FROM THIS YEAR'S LEVEL AND CONTINUE TO MAKE A REDUCTION IN THE FOLLOWING YEARS, TOO. A SIZABLE NATURAL RISE IN SOCIAL SECURITY EXPENSES IS ANTICIPATED TO TAKE PLACE. THE DRAFT PROPOSES THAT EFFORTS BE MADE TO CONSTRAIN PAYMENTS IN THAT SECTOR THROUGH REFORMS OF THE MEDICAL AND PENSION SYSTEMS. DIFFERENTIALS WILL BE MADE OVER THE MARGIN OF INCREMENT AND DECREMENT IN ALLOWANCES, ACCORDING TO SECTOR. A PROPOSAL FOR PLUNGING A SCALPEL INTO SPECIAL FUNDING RESOURCES, SUCH AS SUBSIDIES TO LOCAL GOVERNMENTS AND SPECIFIC DUTIES LEVIED ON AUTOS HAS ALSO BEEN INCLUDED IN THE DRAFT. THE PANEL WILL MAP OUT THE OUTLINE OF A FISCAL REFORM BILL (TENTATIVE NAME) TO AIM AT PASSAGE DURING THE EXTRAORDINARY DIET SESSION TO CONVENE IN THE FALL.

REFORM MEASURES IN KEY SECTORS AS PROPOSED IN "DRAFT PLAN" OUTLINED BY FISCAL REFORM PANEL
UNCLAS SECTION 07 OF 09 TOKYO 003387

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 18

- PUBLIC WORKS PROJECTS -

CURTAIN THE BASIC PUBLIC WORKS PROJECTS PLAN AND THE FIVE-YEAR PLAN. SUBSIDIES TO HOUSING, AGRICULTURE AND DRAINAGE SEWER SYSTEMS. OF ROAD-RELATED SPECIAL FUNDING RESOURCES, REVIEW THE HANDLING OF SPECIFIC DUTIES LEVIED ON AUTOS.

- SOCIAL SECURITY -

A LARGE SUM OF A NATURAL INCREASE IS TO BE DRASTICALLY REDUCED THROUGH SYSTEMATIC REFORMS. REVIEW PENSION-PAYMENT LEVELS, THE AGE AT WHICH RETIREES BEGIN RECEIVING PENSION PAYMENTS AND UNIFICATION OF SOCIAL SECURITY PAYMENTS IN PRICE-BASED SLIDE SCALE. A BOLD REVIEW OF STANDARDS FOR MEDICINE PRICES AND EXPANSION OF ACCESS TO THE WELFARE SECTOR BY THE PRIVATE SECTOR.

- EDUCATION -

CALL OFF EXTRA RECRUITING OF SCHOOL PERSONNEL AT PUBLIC ELEMENTARY AND JUNIOR HIGH SCHOOLS. REVIEW TUITION FEES FOR NATIONAL SCHOOLS AND SUBSIDIES FOR PRIVATE SCHOOLS.

- DEFENSE -

SCALE DOWN THE MEDIUM-TERM DEFENSE POWER CONSOLIDATION PLAN (CHUKIBO) AND LENGTHEN ITS TERM.

- AGRICULTURE AND FORESTRY -

TRIM APPROPRIATIONS FOR URUGUAY-ROUND COUNTERMEASURES AND LENGTHEN THE TERM FOR SUCH COUNTERMEASURES. CURTAIL EXPENSES FOR RICE CONTROL BY THE GOVERNMENT AND SUBSIDIES FOR PRODUCTION ADJUSTMENT.

- DEBTS CARRIED OVER FROM FORMER JAPANESE NATIONAL RAILWAYS -

AVOID DEFERRING THE PROBLEM TO A LATER DATE. EVERY MEASURE SHOULD BE CONSIDERED.

- SCIENCE AND TECHNOLOGY -

STRICTLY REVIEW LARGE-SCALE PROJECTS, SUCH AS "MONJU" FAST NUCLEAR REACTOR. CONSOLIDATE NATIONAL RESEARCH ORGANS.

- ODA -

STOP RENEWING THE MEDIUM-TERM TARGET.

- ENERGY -

TAKE A SECOND LOOK AT SPECIAL FUNDING RESOURCES, SUCH AS THE PETROLEUM TAX AND THE ELECTRIC SOURCE DEVELOPMENT AND PROMOTION TAX.

- SUBSIDIES -

UNIFORM CUT IN INCENTIVE SUBSIDIES. REDUCE SUBSIDIES FOR SPECIAL PUBLIC CORPORATIONS (TOKUSHU HOJIN) AND PUBLIC UTILITIES CORPORATIONS.

- PERSONNEL EXPENSES AND STAFF QUOTAS -

CONSTRAIN WAGES FOR PUBLIC SERVANTS. STRICT STANCE TOWARD AN INCREASE IN NEW RECRUITING.

BIG THREE U.S. AUTOMAKERS WORRIED ABOUT GROWING JAPANESE TRADE SURPLUS WITH U.S. (NIHON KEIZAI - PAGE 3)

UNCLAS SECTION 08 OF 09 TOKYO 003387

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 18

(WASHINGTON, APRIL 17, RYOSUKE HARADA) AS ITS TRADE DEFICITS EXPAND DUE TO THE STRONG DOLLAR VALUE, DISSATISFACTION OVER THE CLINTON ADMINISTRATION'S TRADE POLICY HAS BEEN GROWING IN THE UNITED STATES MAINLY AMONG BUSINESS LEADERS IN THE AUTOMOBILE AND OTHER INDUSTRIES AND INFLUENTIAL U.S. CONGRESSMEN, INCLUDING DEMOCRATIC PARTY MEMBERS.

THE FOLLOW-UP REPORT ON THE JAPAN-U.S. AUTOMOBILE ACCORD TO BE RELEASED BY THE U.S. GOVERNMENT ON THE 18TH IS ALSO EXPECTED TO UNDERSCORE ITS "APPREHENSION" GIVEN THE SIGNIFICANTLY INCREASING IMPORTS OF JAPANESE VEHICLES. DURING THE JAPAN-U.S. SUMMIT SCHEDULED FOR NEXT WEEK AS WELL, THE FOCUS OF DISCUSSION IS LIKELY TO BE ON MEASURES TO PREVENT THE BILATERAL TRADE IMBALANCE FROM EXPANDING AGAIN UNDER THE LOW-YEN AND HIGH-DOLLAR TREND. THE CLINTON ADMINISTRATION, PERSISTING WITH THE PRINCIPLE OF "BACKING A STRONG DOLLAR," FACES DIFFICULTY OVER ITS TRADE POLICY, INCLUDING THE PROBLEM OF A SWELLING DEFICIT WITH CHINA.

DURING A MEETING WITH THE EXECUTIVES OF THE BIG THREE AUTOMOBILE COMPANIES IN DETROIT ON THE 16TH, VICE

PRESIDENT GORE FACED THEIR DEEP CONCERN ABOUT THEIR DECLINING COMPETITIVENESS, AS SEEN FROM THE REMARK OF FORD MOTOR CHAIRMAN TROTMAN: "WE BELIEVE YOU ARE FULLY AWARE OF OUR ANXIETY."

THE BIG THREE AUTOMAKERS -- GENERAL MOTORS (GM), FORD AND CHRYSLER -- ALL ACHIEVED GOOD BUSINESS RESULTS IN THE JANUARY - MARCH QUARTER. BUT NOW THEY HAVE EXPRESSED THEIR CONCERN, KEEPING IN MIND MOST OF THEIR PROFITS STEMMING FROM THEIR EFFORTS TO REDUCE COSTS. THE SHARE OF SALES OF JAPANESE CARS IN THE U.S. AUTO MARKET HAS RISEN RAPIDLY AS THE PRICES HAVE DROPPED.

JAPANESE AUTO MANUFACTURERS, INCLUDING TOYOTA MOTOR, HAD HELD DOWN EXPORTS TO THE U.S., REFLECTING RUSH-IN DEMAND BEFORE THE CONSUMPTION TAX HIKE STARTING FROM APRIL 1, BUT THEIR EXPORTS SEEM TO BE PICKING UP AGAIN IN APRIL, GIVEN THE CURRENT WEAK YEN TREND. THE RATIO OF AUTOMOBILES TO JAPAN'S OVERALL EXPORTS TO THE U.S. SLIPPED DOWN FROM 26 PERCENT IN 1991 TO 18 PERCENT IN 1995. IN 1996, THE RATIO STAYED AT 18 PERCENT, BUT IN THE 1997, THEIR EXPORTS ARE BOUND TO BE ON AN UPSWING.

THE JAPANESE AFFILIATES OF THE U.S. BIG THREE COMPANIES, WHICH HAD ENJOYED THE SURGE OF SALES IN THE JAPANESE MARKET AT THE TIME OF THE YEN'S APPRECIATION, HAVE SUFFERED FROM DETERIORATING BUSINESS PERFORMANCE AS THE YEN PLUMMETED. UNDER SUCH A SITUATION, THEY DECIDED TO RAISE SOME MODELS' PRICES.

IN THE SEMIANNUAL FOLLOW-UP REPORT IN WHICH THE U.S. GOVERNMENT EVALUATES THE DEGREE OF OPENNESS OF THE JAPANESE AUTOMOBILE MARKET, THE ONE LAST YEAR UNDERLINED "TRACK RECORDS" BASED ON THE BIG THREE COMPANY EXECUTIVES' DISCONTENTMENT, BUT THIS YEAR, EMPHASIS IS LIKELY TO BE PLACED ON "APPREHENSION."

IN THE PERSONAL COMPUTER INDUSTRY AS WELL, THE JAPANESE AFFILIATES OF U.S. COMPAC COMPUTER AND DELL COMPUTER, WHICH BOOSTED SALES BY TAKING A DRASTIC LOW-PRICE STRATEGY DURING THE YEN'S APPRECIATION, ARE NO LONGER TAKEN SUCH A STRATEGY. THERE IS THE FEAR THAT FURTHER PROGRESS IN YEN DEPRECIATION AGAINST THE DOLLAR WILL WORSEN THEIR PROFIT MARGINS WITH IMPORT COSTS SHOOTING UP.

HARBOR ASSOCIATION CHIEF LAUDS U.S.-JAPAN AGREEMENT IN MARITIME TALKS (NIHON KEIZAI - PAGE 11)

REFERRING TO THE AGREEMENT REACHED IN THE JAPAN-U.S. UNCLAS SECTION 09 OF 09 TOKYO 003387

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 18

MARITIME TALKS OVER HARBOR TRANSPORTATION, CHAIRMAN SHIRO
TAKASHIMA OF THE JAPAN HARBOR TRANSPORTATION ASSOCIATION
(NIKKOKYO) (1,842 MEMBER COMPANIES), AN INDUSTRY
ORGANIZATION FOR THE STEVEDORING COMPANIES, AT A STANDING
DIRECTORS' MEETING HELD YESTERDAY NOTED, "RESULTS WORKED
OUT IN THEIR OWN WAY OVER THE TEN-DAY PERIOD. I WOULD
LIKE TO HIGHLY PRAISE THE EFFORT MADE BY THE TRANSPORT
MINISTRY (MOT)." UNTIL NOW CHAIRMAN TAKASHIMA HAS
PRONOUNCEDLY MADE CRITICAL STATEMENTS OF MOT. AT THE
SAME TIME, HE WITHDREW HIS STOCK ARGUMENT OBJECTING TO
DEREGULATION, REMARKING, "STEVEDORING COMPANIES HAVE BEEN
CONTENT, PROTECTED BY TIGHT REGULATORY CONTROLS.
DEREGULATION IS A GLOBAL TREND. WE CAN NO LONGER REJECT
IT."

FOLLOWING THE INTERIM AGREEMENT REACHED ON MARCH 18,
DISCUSSION ON IMPROVEMENT OF A PRIOR CONSULTATIONS SYSTEM
FOR APPOINTING CARGO HANDLERS IS SCHEDULED TO BE HELD
AMONG FOUR PARTIES CONCERNED -- THE MOT, NIKKOKYO, THE
JAPAN SHIPOWNERS ASSOCIATION AND THE JAPAN FOREIGN
STEAMSHIP ASSOCIATION. CHAIRMAN TAKASHIMA SOUNDED UPBEAT
ON THE TACKLING OF THE ISSUE, WHICH IS TO BE CARRIED OUT
BEFORE THE END OF JULY, NOTING, "THE U.S. HAS ITS OWN
ENVIRONMENT AND CUSTOMARY PRACTICES. SO DOES JAPAN. IF
(THE U.S.) HAS SOME MISUNDERSTANDING ON THAT POINT, I
WOULD LIKE TO DISPEL THAT." THE NIKKOKYO PLANS TO BOIL
DOWN PROBLEM AREAS, BY FREQUENTLY HOLDING MEETINGS
BETWEEN THE CHAIRMAN AND THE VICE CHAIRMAN AND STANDING
DIRECTORS' MEETINGS.

IN ADDITION, CHAIRMAN TAKASHIMA REVEALED A POLICY LINE OF
REDUCING MEMBERSHIP FEES TO THE NIKKOKYO BY 5 PERCENT AND
URGED, "WE WANT CARGO HANDLING COMPANIES TO MAKE EFFORTS
FOR INDUSTRIAL RESTRUCTURING." CRANE

SECT: SECTION: 01 OF 09

<^SECT>SECTION: 02 OF 09
<^SECT>SECTION: 03 OF 09
<^SECT>SECTION: 04 OF 09
<^SECT>SECTION: 05 OF 09
<^SECT>SECTION: 06 OF 09
<^SECT>SECTION: 07 OF 09
<^SECT>SECTION: 08 OF 09
<^SECT>SECTION: 09 OF 09

SSN: 3387

<^SSN>3387
<^SSN>3387
<^SSN>3387
<^SSN>3387
<^SSN>3387
<^SSN>3387

<^SSN>3387

<^SSN>3387

TOR: 970418003343 M2720608

<^TOR>970418003358 M2720609

<^TOR>970418003448 M2720610

<^TOR>970418003503 M2720611

<^TOR>970418003623 M2720612

<^TOR>970418003638 M2720613

<^TOR>970418003700 M2720614

<^TOR>970418003749 M2720615

<^TOR>970418003804 M2720616

DIST:

SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO3444 1110412-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 210412Z APR 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 210412Z APR 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 5492
RUEHIA/USIA WASHDC IMMEDIATE 4463
INFO: RUCPDOG/USDOC WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEAWJB/USDOJ WASHDC
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHEHAAA/WHITE HOUSE WASHDC
RUEAIIA/CIA WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEBBEA/USDOT WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 21

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 09 TOKYO 003444

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 21

TOP HEADLINES:

ASAHI: "BID-RIGGING" OR DANGO FOUND IN CONSTRUCTION WORKS
AT U.S. ATSUGI BASE AS WE THOUGHT; "COORDINATOR'S"
TESTIMONY SUBMITTED AS EVIDENCE BY U.S.; FROM 1984 -
1989; PRECOORDINATION MADE IN 80 CONSTRUCTION PROJECTS
TOWARD 100 FIRMS (TRANSLATION BELOW)

NIHON KEIZAI: SURVEY BY NIHON KEIZAI SHIMBUN ON 100 COMPANY PRESIDENTS: 60 PERCENT SAY, ECONOMIC RECOVERY WILL "GAIN SPEED AGAIN IN MIDDLE OF THIS YEAR"; NO EXPECTATIONS OF PUBLIC INVESTMENT; CRITICAL EYE ON FISCAL RECONSTRUCTION

TOKYO SHIMBUN: FORMER NORTH KOREAN SECRETARY HWANG ARRIVES IN SOUTH KOREA; (AUTHORITIES) REFUSES REFORM DESPITE STARVATION; DENOUNCES "NORTH'S" SYSTEMS

MAINICHI: SHINSHINTO-BACKED TERADA WINS AKITA GUBERNATORIAL RACE; STRESSES THE NEED FOR REFORM IN CONNECTION WITH "FOOD EXPENSES"; DEFEATS LDP-BACKED SATAKE (TRANSLATION BELOW)

YOMIURI: FORMER SECRETARY HWANG ARRIVES AT SOUTH KOREA; DEFECTION CASE COMES TO CONCLUSION IN 67 YEARS; HE STATES: "NORTH KOREA IS IN A STATE OF PARALYSIS"

SANKEI: FORMER SECRETARY HWANG ARRIVES AT SOUTH KOREA; HE CRITICIZES NORTH KOREA: "THE NORTH IS A COUNTRY OF FEUDAL DICTATORSHIP"

U.S.-JAPAN SUMMIT MEETING TO FOCUS ON SECURITY ISSUES, INCLUDING DEFENSE GUIDELINES (NIHON KEIZAI - PAGE 2, APRIL 14QS EDITION)

PRIME MINISTER RYUTARO HASHIMOTO AND U.S. PRESIDENT CLINTON WILL MEET IN WASHINGTON ON THE 25TH. AT THEIR JAPAN-U.S. SUMMIT MEETING, THE PRIME MINISTER AND THE PRESIDENT ARE EXPECTED TO DISCUSS THE PROBLEM OF U.S. MILITARY BASES ON OKINAWA AND THE JAPAN-U.S. SECURITY ARRANGEMENTS, AND THEY ARE ALSO EXPECTED TO TALK ABOUT THE ASIA-PACIFIC SITUATION INCLUDING THE KOREAN PENINSULA. IN CONSIDERATION OF THE DIET'S RECENT AMENDMENT TO THE SPECIAL LAND LEASE LAW FOR (U.S.) ARMED FORCES STATIONED IN JAPAN (OR THE REVISED "TOKUSOHO" ACT), THE TWO LEADERS WILL CONFIRM THEIR INTENTION OF CONTINUING EFFORTS TO REDUCE THE BURDEN ON OKINAWA. THE TWO LEADERS WILL ALSO CONFIRM THEIR INTENTION TO ACCELERATE THE REVIEW OF GUIDELINES FOR DEFENSE COOPERATION BETWEEN JAPAN AND THE U.S., SEEKING GREATER BILATERAL COOPERATION. IN THE U.S., HOWEVER, THERE ARE NOW MOVES SPOTLIGHTING ECONOMIC ISSUES, SUCH AS JAPAN'S TRADE SURPLUS WITH THE U.S., WHICH MAY INTERJECT SOME TROUBLESOME FACTORS INTO THE DISCUSSION.

THIS WILL BE THE SIXTH TIME FOR PRIME MINISTER HASHIMOTO TO MEET PRESIDENT CLINTON, BUT WILL BE HIS FIRST OFFICIAL VISIT TO WASHINGTON. THE PRIME MINISTER WILL MEET WITH THE PRESIDENT AT THE WHITE HOUSE ON THE MORNING OF THE 25TH, AND WILL THEN ATTEND A LUNCHEON MEETING. AFTER THAT, THE TWO LEADERS WILL HOLD A JOINT PRESS CONFERENCE.

SINCE FEBRUARY, A NUMBER OF PROMINENT U.S. OFFICIALS HAVE VISITED JAPAN, INCLUDING SECRETARY OF STATE ALBRIGHT (WHO CAME FIRST), VICE PRESIDENT GORE, HOUSE SPEAKER GINGRICH, SECRETARY OF THE TREASURY RUBIN, AND SECRETARY OF DEFENSE

COHEN. THE PRIME MINISTER WILL MEET WITH THE PRESIDENT TO "WRAP UP" THIS SERIES OF MEETINGS, AND TO ARTICULATE A COURSE OF ACTION FOR CLOSE TIES WITH THE CLINTON ADMINISTRATION IN ITS SECOND TERM.

THE PRIME MINISTER, IN HIS MEETING WITH THE PRESIDENT, WILL REFER TO THE OKINAWA PROBLEM WHICH HAS BEEN AN UNCLAS SECTION 02 OF 09 TOKYO 003444

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 21

ONGOING ISSUE SINCE LAST YEAR. CONCERNING THIS MATTER, THE PRIME MINISTER WILL TELL THE PRESIDENT THAT IT HAS NOW BECOME POSSIBLE FOR THE JAPANESE GOVERNMENT TO CONTINUE ITS EXPROPRIATION OF LAND FOR (U.S.) MILITARY BASES THROUGH THE REVISED TOKUSOHO LAW. FURTHERMORE, THE PRIME MINISTER IS ALSO GOING TO TOUCH ON THE PROBLEM OF CONSTRUCTING AN ALTERNATIVE HELIPORT INCIDENT TO THE PLANNED REVERSION OF THE FUTENMA AIRFIELD. IN THIS REGARD, THE PRIME MINISTER INTENDS TO EXPLAIN THAT THE JAPANESE GOVERNMENT MAY SOON BE ABLE TO BEGIN A PRELIMINARY FEASIBILITY SURVEY OF THE WATERS OFF CAMP SCHWAB (LOCATED IN NAGO CITY) WHERE HELIPORT CONSTRUCTION IS PLANNED.

BASED ON THESE MATTERS, THE TWO LEADERS ARE EXPECTED TO AGREE TO SUCH POINTS AS: (1) THE U.S. WILL SUSTAIN THE CURRENT TROOP LEVELS IN JAPAN FOR THE TIME BEING; (2) THE TWO GOVERNMENTS WILL STEADILY IMPLEMENT THE FINAL REPORT ISSUED BY THE JAPAN-U.S. SPECIAL ACTION COMMITTEE (ON FACILITIES AND AREAS IN OKINAWA) (SACO), AND ARE ALSO TO CONTINUE THEIR EFFORTS TO REALIGN, CONSOLIDATE, AND DOWNSCALE BASES IN ORDER TO LESSEN THE BURDEN ON OKINAWA; AND (3) REGARDING THE ONGOING WORK OF REVIEWING THE GUIDELINES (FOR JAPAN-U.S. DEFENSE COOPERATION) CENTERING ON JAPAN'S READINESS FOR EMERGENCIES IN THE AREAS SURROUNDING JAPAN, THE TWO GOVERNMENTS WILL ACCELERATE BILATERAL COORDINATION TO COMPLETE THE WORK IN THE FALL OF THIS YEAR.

ON THE SITUATION IN EAST ASIA, THE PRIME MINISTER WILL EXCHANGE VIEWS WITH THE PRESIDENT ABOUT THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA), WHOSE PARTICIPATION IN FOUR-PARTY TALKS FOR STABILITY ON THE KOREAN PENINSULA IS NOW AN OBJECT OF ATTENTION, AND ALSO ABOUT THE SITUATION BETWEEN CHINA AND TAIWAN.

THE PRIME MINISTER ALSO WOULD LIKE TO PREARRANGE U.S.- JAPAN BILATERAL COOPERATION AT THE DENVER SUMMIT (G-7 SUMMIT MEETING) SLATED FOR JUNE. IN THE MEANTIME, THE PROBLEM OF RUSSIA'S PARTICIPATION IN THE G-7 SUMMIT HAS COME UP, AND THE PRIME MINISTER WILL RELAY HIS CAUTIOUS VIEW ABOUT AN OVERALL SWITCH TO A G-8 SUMMIT, ASSERTING THAT IT IS PREMATURE (FOR RUSSIA) TO PARTICIPATE IN SUCH AREAS AS INTERNATIONAL FINANCE AND INTERNATIONAL ECONOMIC AFFAIRS. ALSO, THE PRIME MINISTER AND THE PRESIDENT WILL CONSULT ON HOW TO DEAL WITH THE HOSTAGE-TAKING INCIDENT AT THE JAPANESE AMBASSADOR'S RESIDENCE IN PERU.

ON THE OTHER HAND, THERE IS A RENEWED FOCUS ON ECONOMIC ISSUES. LITTLE WEIGHT IS EXPECTED TO BE GIVEN TO BILATERAL CONSULTATIONS ON SPECIFIC ECONOMIC ISSUES AS WAS OFTEN THE CASE BEFORE. BUT JAPAN'S TRADE SURPLUS WITH THE U.S. HAS BEEN INCREASING DUE TO SUCH FACTORS AS THE LOWER YEN. THEREFORE, THE U.S. NOW FEELS STRONGLY ABOUT MAKING REQUESTS TO JAPAN ON ITS MACRO-ECONOMIC MANAGEMENT, EMPHASIZING THAT "DOMESTIC DEMAND-LED GROWTH IS ESSENTIAL SO AS TO AVOID FRICTION" (ACCORDING TO DEPUTY SECRETARY OF THE TREASURY SUMMERS).

THE PRIME MINISTER WILL PRESUMABLY NOTE THAT JAPAN WILL BE ABLE TO SUSTAIN ITS ECONOMY WITH THE LAST FISCAL YEAR'S SUPPLEMENTARY BUDGET AND PASSAGE OF THE CURRENT FISCAL YEAR BUDGET, AND IS EXPECTED TO TELL THE PRESIDENT THAT JAPAN IS GOING TO BREAK AWAY FROM THE CONVENTIONAL BUREAUCRACY-LED ECONOMIC SYSTEM BY CARRYING OUT FISCAL RESTRUCTURING AND DEREGULATION.

CLINTON-HASHIMOTO SUMMIT TO FOCUS ALSO ON JAPAN'S TRADE SURPLUS AND AUTOS (MAINICHI -PAGE 11, APRIL 19QS EDITION)

JAPAN-U.S. SUMMIT TALKS ARE SCHEDULED TO BE HELD IN WASHINGTON ON THE 25TH BETWEEN PRIME MINISTER RYUTARO HASHIMOTO AND U.S. PRESIDENT CLINTON. THE EXPECTATION IS UNCLAS SECTION 03 OF 09 TOKYO 003444

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 21

THAT MAJOR AGENDA ITEMS WILL BE SECURITY-RELATED ISSUES, SUCH AS THE OKINAWA PROBLEM, AND SO THE PRIORITY GIVEN TO ECONOMIC ISSUES COULD BE LOW. HOWEVER, THERE ARE SOME DIFFICULT ECONOMIC FACTORS, SUCH AS CONCERNS OVER AN

INCREASE IN JAPAN'S TRADE SURPLUS AND THE U.S. AUTO INDUSTRY'S DISSATISFACTION WITH CURRENT TRENDS. THE JAPANESE SIDE PREDICTS THAT "BILATERAL RELATIONS OVER ECONOMIC ISSUES HAVE MATURED, AND SO, ONLY GENERAL ARGUMENTS ON THE MACRO FRONT WILL BE DISCUSSED AT THE SUMMIT TALKS" (GOVERNMENT SOURCE), BUT SOME HAVE POINTED OUT THAT SPECIFIC SECTORS, SUCH AS AUTOS, MAY ARISE, MOTIVATED BY THE POLITICAL DESIRES OF THE U.S. ADMINISTRATION, WITH THE NEXT PRESIDENTIAL ELECTION IN MIND.

THE U.S. AUTO SUPPLY ADVISORY PANEL COMPOSED OF THE BIG THREE AND 33 AUTO PARTS MANUFACTURERS ON THE 17TH SENT A LETTER TO SECRETARY OF COMMERCE DALEY, CITING THE UPWARD TREND OF THE TRADE DEFICIT WITH JAPAN IN THE AUTO SECTOR. IT REQUESTED THAT THE GOVERNMENT ASK JAPAN AT THE SUMMIT TO PROMOTE DEREGULATION AND ENSURE THOROUGH IMPLEMENTATION OF THE JUNE, 1995 AUTO PACT.

UNITED STATES TRADE REPRESENTATIVE (USTR) BARSHEFSKY SAID, "JAPAN'S TRADE SURPLUS WITH THE U.S. WILL BE PLACED ON THE AGENDA AT THE SUMMIT TALKS." IN ADDITION, TREASURY SECRETARY RUBIN AND DEPUTY TREASURY SECRETARY SUMMERS HAVE REPEATEDLY URGED JAPAN TO GENERATE DOMESTIC DEMAND-DRIVEN ECONOMIC GROWTH AND TO PREVENT A RE-EXPANSION OF ITS CURRENT ACCOUNT SURPLUS.

"POST-CLINTON" CONSIDERATIONS IN THE U.S. CANNOT BE IGNORED, EITHER. IN THE DEMOCRATIC PARTY, HOUSE LEADER GEPHARDT, WHO IS KNOWN AS BEING TOUGH TOWARD JAPAN, IS VIEWED AS A LIKELY RIVAL TO VICE PRESIDENT GORE'S PRESIDENTIAL CANDIDACY. THE SERIES OF REMARKS MADE BY HIGH-RANKING U.S. OFFICIALS PARTIALLY REFLECTS PERCEPTIONS OF POWER BALANCES IN THE NEXT ADMINISTRATION, BUT THE SITUATION CANNOT BE TAKEN AT FACE VALUE.

JAPAN'S OPTIMISTIC VIEW IS BASED ON THE READING: "THE GREATEST MATTER OF CONCERN FOR RUBIN AND SUMMERS IS AVOIDING U.S. STOCKS FROM PLUNGING DEEPLY" (INTERNATIONAL MONETARY SOURCE). THAT IS BECAUSE OVERHEATED JAPAN-U.S. ECONOMIC ISSUES MIGHT HAVE AN ADVERSE EFFECT ON STOCK PRICES, CAUSING HIGH VOLATILITY TO THE FOREIGN EXCHANGE MARKET. JAPAN WANTS THE SUMMIT TALKS NOT TO GO BEYOND AN "EXCHANGE OF POLICY PLATFORMS (SLOGANS)," IN WHICH JAPAN UNDERSCORES ITS EFFORTS TOWARD DEREGULATION AND REFORM OF THE FINANCIAL MARKET AND THE U.S. FORMALLY URGES JAPAN TO EXPAND DOMESTIC DEMAND. (CHIEI ITO)

PRIME MINISTER TO ATTEMPT TO CHECK U.S. STANCE BY SUMMIT DIPLOMACY (ASAHI - PAGE 2, APRIL 20QS EDITION)

PRIME MINISTER RYUTARO HASHIMOTO WILL VISIT THE UNITED STATES STARTING FROM THE 24TH. ENGAGING IN JAPAN-U.S. AUTOMOBILE TALKS DURING HIS DAYS AS MITI MINISTER, THE PRIME MINISTER WAS DUBBED A (TOUGH) NEGOTIATOR UNLIKE OTHER JAPANESE POLITICIANS, BUT SOME CRITICIZED HIM AS "SIMPLY RESPONDING TO U.S. DESIRES" CONCERNING JAPAN'S NINE-BILLION DOLLAR CONTRIBUTION TO THE GULF WAR EFFORT

WHEN HE WAS FINANCE MINISTER. HOW WILL THE PRIME MINISTER NEGOTIATE WITH PRESIDENT CLINTON OVER BILATERAL DEFENSE COOPERATION AS WELL AS THE ISSUE OF U.S. MILITARY BASES ON OKINAWA? THIS NEWSPAPER LOOKS INTO THE PRIME MINISTER'S STANCE TOWARD THE U.S. WITH THE SUMMIT MEETING JUST AROUND THE CORNER.

IN HIS DAYS AS CABINET MINISTER

"I EXCHANGED RECRIMINATIONS WITH MICKEY. IN MOST CASES, THE OTHER SIDE WAS AT FAULT ...," THE PRIME MINISTER SAID
UNCLAS SECTION 04 OF 09 TOKYO 003444

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 21

JOKINGLY AT A DINNER PARTY TO CELEBRATE THE 80TH ANNIVERSARY OF THE JAPAN-AMERICA SOCIETY IN TOKYO ON THE 15TH. THERE IS NO DOUBT THAT THE EXPERIENCE OF NEGOTIATIONS WITH U.S. TRADE REPRESENTATIVE (USTR) MICKEY KANTOR IN AUTOMOBILE TALKS IN 1995 GAINED HIM CONSIDERABLE CONFIDENCE.

HE CLEARLY SAYS WHAT HE SHOULD SAY, EVEN TO THE U.S. A MITI MINISTER WHO ATTENDED THE SERIES OF TRADE TALKS WITH (THEN) MITI MINISTER HASHIMOTO STATED THAT THE PRIME MINISTER'S STANCE WAS "BASED ON THE PRINCIPLE OF BEING FAIR AND JUST." A SECRETARY TO THE PRIME MINISTER SAID: "FORMER PRIME MINISTER (KIICHI) MIYAZAWA IS AN EXPERT ON AMERICAN AFFAIRS BUT OVERLY COLORED (TAINTED) BY THE U.S. PRIME MINISTER HASHIMOTO'S STRONG ASSET IS THAT HE CAN PERSIST WITH HIS ASSERTIONS WHILE KEEPING AT ARM'S LENGTH FROM THE U.S."

BUT LOOKING AT HIS NEGOTIATING STANCE TOWARD THE U.S. AFTER HAVING ASSUMED THE POST OF PRIME MINISTER, A QUESTION ARISES ABOUT HOW FAR HE WOULD PUSH THE PRINCIPLES OF FAIRNESS AND JUSTICE. THE PRIME MINISTER, FULLY AWARE OF OKINAWANS' LOUD OPPOSITION, WAS HUNG UP ON THE PASSAGE OF A BILL AMENDING EXISTING LEGISLATION TO ALLOW THE CONTINUED FORCED LEASING OF LAND IN OKINAWA PREFECTURE. SUCH A POSTURE CAME OUT OF CONSIDERATION FOR THE U.S.

THE PRIME MINISTER REMEMBERS A BITTER EXPERIENCE OF HAVING MISSED AN OPPORTUNITY TO "CLEARLY SPEAK" TO THE U.S. ON THE OCCASION OF THE GULF WAR IN 1991, HASHIMOTO

AS FINANCE MINISTER PROMISED DURING A MEETING WITH (THEN) U.S. SECRETARY OF THE TREASURY BRADY TO OFFER NINE-BILLION DOLLARS TO THE MULTILATERAL FORCE, BUT SINCE HE DID NOT MAKE SURE WHETHER THE AMOUNT WOULD BE ON A DOLLAR OR YEN BASIS, JAPAN WAS PRESSED TO OFFER ADDITIONAL MONEY. ADVISOR TO THE FOREIGN MINISTER RYOHEI MURATA, WHO WAS AMBASSADOR TO THE U.S. AT THE TIME, STATED: "JAPAN OFFERED THE AMOUNT ASKED FOR BY THE U.S. AS JAPAN SENT NO TROOPS TO THE MULTILATERAL FORCE, JAPAN HAD FALLEN INTO DISCREDIT. BARGAINING NEGOTIATIONS WERE UNTHINKABLE."

INTENTION OF GOVERNMENT AGENCIES

THE PRIME MINISTER WAS ABLE TO ATTEND TRADE TALKS WITH THE U.S. IN A BULLISH MANNER GREATLY OWING TO THE INTENTION OF GOVERNMENT AGENCIES.

IN THE AUTOMOBILE TALKS, MITI, BEARING IN MIND THE ESTABLISHMENT OF THE WORLD TRADE ORGANIZATION (WTO), WAS AIMING AT FREEING ITSELF FROM THE POSTURE OF FOLLOWING U.S. DESIRES. LOOKING BACK OVER THOSE DAYS, A FORMER SENIOR OFFICIAL STATED, "WHEN WE TOLD HIM THAT WE COULD NOT ACCEPT THE REQUEST BY THE U.S., MR. HASHIMOTO, NODDING IN AGREEMENT, SAID 'YOU MEAN LET'S BREAK OFF THE TALKS, DIDN'T YOU?' MITI AND MR. HASHIMOTO WERE WORKING AS ONE." SOME EX-MITI OFFICIALS TAKE THE VIEW; "THE PRIME MINISTER TAKES A LOGICAL APPROACH ALSO TO THE U.S. IN A COOL-HEADED MANNER. HE COULD TAKE THIS APPROACH IN THE AUTO TALKS BECAUSE THEY ARE RELATED TO BUSINESS, BUT HE MIGHT FIND IT DIFFICULT TO EMPLOY IT IN THE SENSITIVE OKINAWA ISSUE."

OTA ENCOUNTERS. COOL RECEPTION TO HIS SPEECHMAKING
(SANKEI - PAGE 1, APRIL 19QS EDITION)

THE UNITED STATES GOVERNMENT AND CONGRESS SHOWED A COOLER ATTITUDE THAN EXPECTED TOWARD OKINAWAN GOVERNOR MASAHIDE OTA DURING HIS STAY IN THE U.S. THAT IS BECAUSE THE U.S. SIDE IS AWARE OF THE DANGER OF BEING DRAWN INTO THE GOVERNOR'S UNREALISTIC VIEW THAT "ANY MILITARY ALLIANCE IS NO LONGER NECESSARY," AS WELL AS THE DANGER OF BEING
UNCLAS SECTION 05 OF 09 TOKYO 003444

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 21

DRAWN INTO DIPLOMATIC INTERCOURSE WITH A LOCAL GOVERNMENT OVER THE HEAD OF THE JAPANESE GOVERNMENT.

(HIROSHI YUASA IN WASHINGTON) THROUGH SEVERAL SPEECHES, GOVERNOR OTA GAVE AMERICANS THE IMPRESSION THAT HE WAS NEGATIVE ABOUT THE JAPAN-U.S. ALLIANCE. ALTHOUGH HE EXPLAINED HIS DREAM THAT AN AFFLUENT, INTERNATIONAL CITY WOULD COME ONLY IF HE STRESSES INDEPENDENCE OF OKINAWA AND CALLS FOR PEACE, AMERICANS WHO KNOW THE GOVERNOR'S SKEPTICAL STANCE TOWARD THE JAPAN-U.S. ALLIANCE DID NOT SHOW ANY ENTHUSIASTIC INTEREST IN HIM.

IN HIS FIRST-DAY SPEECH HELD AT THE ECONOMIC STRATEGIC RESEARCH INSTITUTE, ONLY 10 OR SO AMERICANS ATTENDED TO HEAR HIM, ASIDE FROM OKINAWA PREFECTURAL GOVERNMENT OFFICIALS, A GROUP OF REPORTERS ACCOMPANYING THE GOVERNOR, AND EMPLOYEES OF JAPANESE FIRMS POSTED TO WASHINGTON. HE ALSO GAVE A SPEECH AT A MEETING HOSTED BY THE U.S. BAR ASSOCIATION BUT TO AN AUDIENCE OF ONLY SIX, THOUGH SUCH LECTURES USUALLY HAVE AN AUDIENCE OF NEARLY 100. WHEN THE GOVERNOR CALLED ON CHAIRMAN THOMAS OF THE EAST ASIAN AND PACIFIC AFFAIRS SUB-COMMITTEE (OF THE SENATE FOREIGN RELATIONS COMMITTEE), CHAIRMAN THOMAS STATED, "I FEEL SYMPATHY FOR YOU," BUT HE JUST DISMISSED GOVERNOR OTA'S REQUEST CALLING FOR A CUTBACK IN U.S. TROOP STRENGTH.

ONE REASON WHY THE U.S. SIDE WAS COLD TOWARD THE GOVERNOR IS FOUND IN HIS FANCIFUL PACIFISM. THE GOVERNOR'S ASSERTION IS: "NOW THAT THE COLD WAR IS OVER, THERE IS NO NEED FOR COUNTRIES TO CONCLUDE A MILITARY ALLIANCE AGAINST AN ENEMY NATION WHICH NO LONGER EXISTS."

HIS VIEW IS SIMILAR TO THE IDEALISM THAT HAS LONG PLAYED A LEADING ROLE IN JAPANESE DISCOURSE. SAD TO SAY, HOWEVER, HISTORY TELLS US THAT ARMED FORCE IS A DECISIVE FACTOR IN DIPLOMACY.

DAN BOB, A STAFFER OF THE U.S. CONGRESS (TN: SENATOR ROTH'S STAFF), POINTED OUT AFTER LISTENING TO THE GOVERNOR'S SPEECH: "HE PAYS NO ATTENTION TO THE FACT THAT THE JAPAN-U.S. ALLIANCE IS IN A PIVOTAL POSITION IN DEBATING CHINA, WHICH IS RUSHING FOR THE PATH TO BECOME A SUPERPOWER."

GOVERNOR OTA FAILS TO REALIZE THE FACT THAT CHINA, WHICH IS INCREASING ARMAMENTS, STILL HAS PLANS OF INVADING TAIWAN BY ARMED FORCE. NORTH KOREA HAS NUCLEAR WEAPONS AND BIOLOGICAL WEAPONS, AND ALTHOUGH IT IS FACING A FOOD CRISIS, ITS MILITARY STRENGTH RANKS FOURTH IN THE WORLD.

THE SECOND REASON WHY THE U.S. WAS COLD TOWARD THE GOVERNOR WAS DUE TO THE GOVERNOR'S UNREASONABLE APPROACH OF TRYING TO FINALIZE, WITH ONE PREFECTURAL GOVERNMENT'S OWN NEGOTIATIONS, AN ISSUE THAT SHOULD BE DISCUSSED BETWEEN THE JAPANESE AND (U.S.) GOVERNMENTS AND AMONG DIPLOMATIC OFFICIALS OF THE TWO COUNTRIES.

GOVERNOR OTA TRAVELED TO THE U.S. RIGHT AFTER THE JAPANESE GOVERNMENT UNAVOIDABLY DETERMINED TO AMEND THE SPECIAL LAND-LEASE LAW TO SETTLE THE PROBLEM OF THE CONTINUED LAND-USE BY U.S. MILITARY FORCES STATIONED ON OKINAWA, AND SUBMITTED THE AMENDMENT TO THE DIET.

AROUND THAT TIME, GOVERNOR OTA VISITED THE U.S. HIS SPEECH AT THE ECONOMIC STRATEGY RESEARCH INSTITUTE AT FIRST CARRIED A RADICAL TITLE, "YANKEE GO HOME!" BUT, SURPRISED AT THE U.S. SIDE'S RESPONSE TO THAT TITLE, THE OKINAWA PREFECTURAL SIDE REPORTEDLY ASKED FOR A SUDDEN CHANGE OF THAT TITLE. EXPLANATIONS BY THE OKINAWA PREFECTURAL SIDE ARE: "THE RESEARCH INSTITUTE AT ITS DISCRETION PUT THAT TITLE ON THE SPEECH." BUT THE RESEARCH INSTITUTE STATED, "THE TITLE WE ASSIGNED HAD THE UNCLAS SECTION 06 OF 09 TOKYO 003444

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 21

CONSENT OF THE OKINAWA PREFECTURAL SIDE."

THE RESEARCH INSTITUTE THEN CHANGED THAT TITLE INTO "WE CALL FOR A REDUCTION IN U.S. TROOPS." BUT MANY WERE NOT AWARE OF THIS CHANGE, AND AT THE SPEECH MEETING SPONSORED BY THE U.S. BAR ASSOCIATION, CHAIRMAN PAUL STEVENS (PHONETIC) GAVE AN INTRODUCTORY REMARK AT THE OUTSET OF THE MEETING: "GOVERNOR OTA IS A PERSON WHO SPEAKS FRANKLY, WHICH GIVES ME A BETTER IMPRESSION OF HIM." HE GAVE THIS REMARK IN A POLITE MANNER, BUT APPARENTLY IT LEFT A SARCASTIC IMPRESSION.

IF THE ECONOMIC STRATEGY RESEARCH INSTITUTE HAD DECIDED ON THE TITLE OF THE SPEECH BASED ON ITS OWN JUDGMENT, AS CLAIMED BY THE OKINAWA PREFECTURAL SIDE, THAT WOULD HAVE BEEN REGARDED AS A CARELESS ACT. BUT FROM ANOTHER ANGLE, GOVERNOR OTA'S STANCE HAS GIVEN SUCH AN IMPRESSION TO THE U.S. SIDE.

WHAT GOVERNOR OTA SHOULD CALL FOR IS NOT PACIFISM, BUT HE SHOULD ASK THE U.S. SIDE TO IMPROVE LIVING CONDITIONS AFFECTED BY MILITARY BASES ON OKINAWA. WHAT HE SHOULD DO IS NOT ENGAGE IN DIPLOMATIC INITIATIVES OVER THE HEAD OF THE JAPANESE GOVERNMENT BUT HE SHOULD MAKE REQUESTS FOR IMPROVEMENT TO THE JAPANESE GOVERNMENT. THOUGHTLESS WORDS AND DEEDS, A TABOO IN DIPLOMACY, MAY GIVE RISE TO OPPOSITION AND MUTUAL DISTRUST, GENERATING ONLY NEGATIVE

EFFECTS.

GOVERNOR OTAQS WHITE BEECH PROPOSAL PRODUCES EVEN DEEPER
JAPANESE GOVERNMENT DISTRUST
(SANKEI - PAGE 2, APRIL 19QS EDITION)

OKINAWAN GOVERNOR MASAHIDE OTA, NOW IN THE UNITED STATES,
SUGGESTED IN HIS TALKS WITH A SENIOR OFFICIAL OF THE
UNITED STATES DEPARTMENT OF DEFENSE HELD ON THE 17TH THAT
WHITE BEACH, LOCATED ON THE EAST COAST OF OKINAWA'S MAIN
ISLAND, WOULD BE A CANDIDATE SITE FOR RELOCATION OF U.S.
FORCES' NAHA PORT FACILITIES. BUT HIS PROPOSAL IS
CREATING A STIR. ONE REASON IS THAT THE GOVERNOR, FOR
HIS POSITION OF "OPPOSING THE RELOCATION OF SUCH
FACILITIES WITHIN HIS PREFECTURE," HAD CONSISTENTLY
REFUSED UNTIL NOW TO BE INVOLVED IN THE CONSTRUCTION OF
AN ALTERNATE HELIPORT FOR FUTENMA AIR STATION. BUT HIS
PROPOSAL THIS TIME IS NOT TAKEN AS MEANING THE GOVERNOR
MADE AN ABOUT-FACE IN HIS POLICY COURSE. THE GOVERNOR'S
AMBIGUOUS POSTURE WILL LIKELY GIVE RISE TO A STRONG SENSE
OF DISTRUST TOWARD HIM IN THE CENTRAL GOVERNMENT AND IN
OKINAWA PREFECTURE.

REFERRING TO THE GOVERNOR'S PROPOSAL, THE CENTRAL
GOVERNMENT NOTES: "WE DON'T KNOW WHETHER IT IS A
SUGGESTION IN REAL TERMS" (CHIEF CABINET SECRETARY
SEIROKU KAJIYAMA." BUT IT APPRECIATED THE GOVERNOR FOR
SHOWING A FORWARD-LOOKING STANCE TOWARD TACKLING THE
RELOCATION PROBLEM WITHIN THE PREFECTURE. THE JAPANESE
GOVERNMENT ADDS: "IF LOCAL RESIDENTS UNANIMOUSLY CITE
WHITE BEACH AS A CANDIDATE PLACE, WE WILL CONDUCT A
FEASIBILITY STUDY" (HIGH-LEVEL OFFICIAL OF THE JAPAN
DEFENSE AGENCY (JDA)).

HOWEVER, PRIME MINISTER RYUTARO HASHIMOTO REPORTEDLY
"HARBORS A SENSE OF DISPLEASURE AT THE GOVERNOR, WHO HAS
BEEN RELUCTANT TO ACTIVELY MOVE TO SETTLE THE PROBLEM OF
CONSTRUCTING AN ALTERNATE HELIPORT" (GOVERNMENT SOURCE),
ALTHOUGH IN THE PAST THE PRIME MINISTER, OUT OF RESPECT
FOR THE GOVERNOR'S REQUEST, MANAGED TO REACH AN AGREEMENT
ON THE RETURN OF FUTENMA AIRFIELD." CHANCES ARE DIM THAT
THE GOVERNOR'S SUGGESTION WILL COME UP AS AN AGENDA ITEM
FOR DISCUSSION BETWEEN JAPAN AND THE U.S.

ON THE OTHER HAND, AS THE REASON FOR HIS PROPOSAL, THE
GOVERNOR GAVE THE EXPLANATION THAT AN EARLY RETURN OF THE
UNCLAS SECTION 07 OF 09 TOKYO 003444

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 21

SITE NOW USED AS NAHA PORT FACILITIES WOULD BE NECESSARY IN ORDER TO EXPAND A FREE TRADE ZONE, BUT HE ADDED: "IT IS A HYPOTHETICAL OPTION, SO IT DOES NOT MEAN WE ASK FOR (FOLDING THEM INTO WHITE BEACH)." VICE GOVERNOR MASANORI YOSHIMOTO ALSO STRESSED THE PREFECTURAL GOVERNMENT'S POSITION OF OPPOSING RELOCATION WITHIN THE PREFECTURE ON THE 18TH.

UNDER THESE CIRCUMSTANCES, THE DOMINANT VIEW IN THE PREFECTURE IS: "IT IS TOO EARLY TO CONCLUDE THAT THE GOVERNOR ALTERED HIS PREVIOUS STANCE TO ALLOW SUCH RELOCATION WITHIN HIS PREFECTURE" (SENIOR OFFICIAL OF THE NAHA DEFENSE FACILITIES ADMINISTRATIVE BUREAU). RATHER, SOME CRITICIZE HIM, NOTING: "HIS SUGGESTION DOES NOT MAKE ANY CLEAR EVALUATION OF THE AGREEMENT ON THE RETURN OF FUTENMA AIRFIELD AND MAY CAUSE HIM TO LOSE THE CENTRAL GOVERNMENT'S AND PREFECTURAL RESIDENTS' TRUST" (SENIOR OFFICIAL OF THE PREFECTURAL GOVERNMENT).

ON NAHA PORT FACILITIES, IN 1973, THE GOVERNMENTS OF JAPAN AND THE U.S. REACHED AN AGREEMENT TO RETURN SUCH FACILITIES ON THE CONDITION THAT THEY BE TRANSFERRED TO URASOE CITY BORDERING NAHA CITY. BUT THE TRANSFER HAS BEEN DEADLOCKED DUE TO OPPOSITION FROM URASOE CITY.

MINSHUTO HEAD HAToyAMA FAVORS FOOD AID TO NORTH KOREA
(NIHON KEIZAI - PAGE 2, APRIL 20QS EDITION)

DEMOCRATIC PARTY OF JAPAN (MINSHUTO) CO-LEADER YUKIO HAToyAMA IN A SPEECH IN MAEBASHI CITY ON THE 19TH INDICATED THAT FOOD AID SHOULD BE OFFERED TO NORTH KOREA FROM A HUMANITARIAN STANDPOINT. HE STATED, "DESPITE (THE OTHER SIDE) BEING IN A (FOOD) CRISIS, JAPAN HAS INSISTED THAT IT CANNOT OFFER AID BEFORE THE SUSPECTED ABDUCTION BY THE NORTH OF JAPANESE CITIZENS IS SETTLED. SUCH A STANCE WOULD NOT HELP ASSUAGE THEIR FEELINGS."

U.S. SUBMITS PROOF OF BID-RIGGING CONSTRUCTION AT ATSUGIO AIR BASE (ASAHI - TOP PLAY)

THE U.S. GOVERNMENT HAS FILED A DAMAGES SUIT WITH THE TOKYO DISTRICT COURT, CLAIMING, "THE COST" OF CONSTRUCTION WORK WITHIN U.S. BASES ATSUGI NAVAL AIR STATION IN KANAGAWA PREFECTURE "WAS PUSHED UP AS A RESULT OF DANGO (RIGGED BIDDING)." IN THIS CONNECTION, IT WAS LEARNED YESTERDAY THAT A FORMER EXECUTIVE OFFICER OF A CONSTRUCTION COMPANY IN KANAGAWA PREFECTURE -- ONE OF THE DEFENDANT COMPANIES -- HAS GIVEN TESTIMONY OF INSIDER INFORMATION ON DANGO ACTIVITY IN DETAIL. ACCORDING TO THE TESTIMONY, ABOUT 100 CONSTRUCTION COMPANIES, INCLUDING GENERAL CONSTRUCTION COMPANIES FORMED A DANGO ORGANIZATION AND ADJUSTED ORDER-RECEIVING AMONG THE PARTICIPANT COMPANIES, BY DECIDING SUCCESSFUL BIDDERS IN ADVANCE IN ABOUT 80 OPEN PUBLIC BIDDINGS HELD OVER A

PERIOD OF FIVE YEARS FROM 1984 THROUGH 1989. VIEWING THIS TESTIMONY WITH MUCH CONCERN, THE U.S. HAS SUBMITTED IT AS EVIDENCE TO THE TOKYO DISTRICT COURT. THE TESTIMONY IS BOUND TO DEAL A SEVERE BLOW TO THE JAPANESE COMPANIES, WHICH HAVE BRUSHED ASIDE THE ALLEGED DANGO PRACTICES. THE CASE IS LIKELY TO HAVE AN IMPACT NOT ONLY ON THE TRIAL BUT ALSO BILATERAL NEGOTIATIONS OVER THE OPENING OF JAPAN'S CONSTRUCTION MARKET.

MIYAGI PREFECTURE LIKELY TO ACCEPT LIVE-FIRE DRILLS FROM OKINAWA (NIHON KEIZAI - PAGE 2)

JAPAN DEFENSE AGENCY (JDA) DIRECTOR GENERAL FUMIO KYUMA YESTERDAY VISITED MIYAGI PREFECTURE, WHICH IS HOME TO THE GROUND SELF-DEFENSE FORCES' OJOJIHARA TRAINING AREA, IN CONNECTION WITH THE ISSUE OF RELOCATING U.S. FORCES' ARTILLERY FIRING RANGE ACROSS PREFECTURAL ROAD 104 ON OKINAWA, AND MET WITH GOVERNOR SHIRO ASANO AND THREE RELEVANT TOWN CHIEFS IN SENDAI CITY. JDA DIRECTOR UNCLAS SECTION 08 OF 09 TOKYO 003444

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 21

GENERAL KYUMA REPORTED TO THEM THE GOVERNMENT'S DECISION TO RELOCATE THE FIRING RANGE TO OJOJIHARA: "WE HAVE REACHED THIS CONCLUSION BEARING THE RESPONSIBILITY OF THE CENTRAL GOVERNMENT." THE THREE TOWN CHIEFS INDICATED THAT THEY WOULD FOLLOW THE DECISION, REMARKING, "WE ARE NOT HAPPY WITH THE DECISION BUT WE WILL FOLLOW THE DECISION, FEELING IT CANNOT BE HELPED."

JDA DIRECTOR GENERAL KYUMA REMARKED IN A PRESS CONFERENCE AFTER THE MEETING: "WE WERE ABLE TO OBTAIN A CERTAIN DEGREE OF UNDERSTANDING. WE WOULD LIKE TO IMPLEMENT THE PLAN AS SOON AS POSSIBLE." THE THREE LOCAL CHIEFS -- TSUNEO KOHATA OF DAIWA TOWN, TAKUYA ITO OF SHIKAMA TOWN, AND MASAHIRO ATOBE OF OOHIRA VILLAGE -- REMARKED: "THE CENTRAL GOVERNMENT'S STANCE WAS STRONG AND WE TOOK IT AS AN ULTIMATUM."

SHINSHINTO CANDIDATE WINS AKITA GOVERNOR RACE
(MAINICHI - TOP PLAY)

THE AKITA GUBERNATORIAL ELECTION TOOK PLACE YESTERDAY AND BALLOTS WERE COUNTED THE SAME DAY. THE ELECTION WAS HELD BECAUSE THE FORMER GOVERNOR HAD RESIGNED, TAKING

RESPONSIBILITY FOR THE PROBLEM OF ILLEGAL FOOD EXPENDITURES. SUKESHIRO TERADA (56 YEARS OLD), THE FORMER YOKOTE MAYOR, WAS ELECTED FOR THE FIRST TIME AS GOVERNOR OF AKITA, BACKED BY THE SHINSHINTO (NEW FRONTIER PARTY), SOCIAL DEMOCRATIC PARTY (SDP), TAIYO PARTY, AND KOMEI, DEFEATING OTHER THREE CANDIDATES: SATAKE (49), FORMER DEPUTY CHIEF OF THE PREFECTURE'S GENERAL AFFAIRS DEPARTMENT, WHO WAS BACKED BY THE LIBERAL DEMOCRATIC PARTY (LDP), FORMER ASAHI SHIMBUN CORRESPONDENT TATSURO NAKAJIMA (56), WHO RECEIVED SUPPORT FROM THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN), AND JUICHI SAITO (65), FORMER PREFECTURAL HIGH-SCHOOL TEACHERS' COMMITTEE CHAIRMAN, WHO WAS BACKED BY THE JAPAN COMMUNIST PARTY (JCP). FOLLOWING IWATE AND AOMORI, SHINSHINTO BACKED GOVERNORS HAVE BEEN BORN IN THREE PREFECTURES IN THE TOHOKU AREA. AS RESULT, THE LDP HAS NOW LOST ITS INFLUENCE AS THE RULING PARTY WHICH IT HAD HELD SINCE 1955. THE NUMBER OF VOTERS WAS 956,960, BUT THE VOTER TURNOUT WAS 69.52 PERCENT, THE LOWEST EVER.

LDP CANDIDATE LOSES AKITA GUBERNATORIAL, HANDING HASHIMTO ADMINISTRATION FIRST DEFEAT (MAINICHI - PAGE 2)

SUKESHIRO TERADA WAS ELECTED AS GOVERNOR OF AKITA PREFECTURE YESTERDAY, COLLECTING VOTES BY STRONGLY CRITICIZING THE PROBLEM INVOLVING THE PREFECTURAL GOVERNMENT'S FOOD EXPENSES. TERADA WAS BACKED BY THE SHINSHINTO (NEW FRONTIER PARTY), SOCIAL DEMOCRATIC PARTY (SDP), TAIYO PARTY, AND KOMEI. WITH THIS, THE HASHIMOTO-LED LIBERAL DEMOCRATIC PARTY (LDP), WHICH HAD DEFEATED THE SHINSHINTO IN RECENT MAJOR ELECTIONS, MET DEFEAT FOR THE FIRST TIME. LDP EXECUTIVES INCLUDING SECRETARY GENERAL KOICHI KATO ANALYZED THE DEFEAT BY CITING A WEAKENING SENSE OF CONFRONTATION BETWEEN THE LDP AND SHINSHINTO AS A RESULT OF A MOOD CALLING FOR A "CONSERVATIVE-CONSERVATIVE ALLIANCE (HO-HO RENGO)" SINCE (RESOLVING) THE OKINAWA PROBLEM. THE OUTLOOK IS THAT DISCORD BETWEEN THE POLICY STANCES OF THOSE IN THE LDP CALLING FOR MAINTAINING THE LDP-SDP-SAKIGAKE ALLIANCE AND THOSE INSISTING ON THE FORMATION OF A "CONSERVATIVE-CONSERVATIVE ALLIANCE" WILL INCREASE FURTHER. MEANWHILE, THE SHINSHINTO, WHICH HAS SUFFERED A SHARP DECREASE IN ITS INFLUENCE DUE TO THE ORANGE KYOSAI MUTUAL BENEFIT SOCIETY SCANDAL, HAS WON IN THREE GUBERNATORIAL ELECTIONS IN THE TOHOKU REGION. THOSE SUCCESSFUL RESULTS WILL SERVE AS LEVERAGE FOR PRESIDENT ICHIRO OZAWA TO RIDE THROUGH THE PARTY CONVENTION ON THE 23RD.

SDP DECIDES TO REMAIN IN RULING CAMP FOR THE TIME BEING (ASAHI - PAGE 2)

UNCLAS SECTION 09 OF 09 TOKYO 003444

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 21

THE SOCIAL DEMOCRATIC PARTY'S (SDP) TWO-DAY CONVENTION
ENDED YESTERDAY AFTER THE PARTY ADOPTED ITS 1997 ACTION
PROGRAM. THE PARTY ALSO REAFFIRMED ITS POLICY DIRECTION
OF CONTINUING TO SUPPORT THE HASHIMOTO ADMINISTRATION FOR
THE TIME BEING IN LINE WITH ITS ACTION PROGRAM THAT
SPELLS OUT: "WE WILL PROPOSE POLICY MEASURES AS A PARTY
EXTENDING COOPERATION FROM OUTSIDE THE CABINET AND DO OUR
BEST TO REALIZE THEM." THE PARTY ADOPTED ANOTHER GOAL OF
LOOKING FOR WAYS TO FORM "ELECTION ALLIANCES" WITH SUCH
PARTIES AS THE SAKIGAKE AND THE MINSHUTO (DEMOCRATIC
PARTY OF JAPAN) TO CONSOLIDATE SOCIAL DEMOCRATIC,
LIBERAL, CIVIC ACTIVIST AND OTHER PROGRESSIVE FORCES IN
ORDER TO COUNTER CONSERVATIVE FORCES, WITH AN EYE TOWARD
THE UPPER-HOUSE ELECTION NEXT SUMMER.

IN RELATION TO RALLYING VARIOUS FORCES, THE SDP CLEARLY
DENIED ITS FORMER "NEW-PARTY INITIATIVE" (OF LAST YEAR),
DECLARING, "WE WILL MAKE A FRESH START BY LETTING EACH
PARTY AND EACH POLITICAL FORCE DISPLAY THEIR LEADERSHIP
INDEPENDENTLY INSTEAD OF DISSOLVING THE SDP TO FORM A NEW
PARTY." THE SDP SKETCHED HOPES OF TRANSCENDING
RULING/OPPOSITION PARTY DISTINCTIONS AND MOVING FROM
"POLICY ALLIANCES" TO "ELECTION ALLIANCES," KEEPING IN
MIND THE POTENTIAL FOR AN "ALLIED ADMINISTRATION." AS
FOR IMMEDIATE GOALS IN POLICY TALKS, THE PARTY POINTED
OUT THE NURSING CARE INSURANCE PLAN AND THE ESTABLISHMENT
OF AN ADMINISTRATIVE SURVEILLANCE AGENCY (TN: LIKE GAO).

FOR THE SDP, WHICH HAS BEEN DISPIRITED SINCE SUFFERING A
CRUSHING DEFEAT IN LAST YEAR'S GENERAL ELECTION, THE
PARTY CONVENTION THAT ENDED ON THE 20TH WAS AN
"INVIGORATING EVENT" (CHAIRPERSON TAKAKO DOI). THE
CONVENTION SERVED TO STRENGTHEN PARTY UNITY OWING LARGELY
TO ITS STRICT ADHERENCE TO THE PRINCIPLE OF OPPOSING THE
BILL TO AMEND THE SPECIAL LAND LEASE LAW THAT "GRABBED
SUPPORTERS' HEARTS" (LOWER-HOUSE MEMBER FROM EHIME
PREFECTURE). NEVERTHELESS, THE PARTY DEBATE ON
CONSOLIDATING PROGRESSIVE FORCES LACKED ZEAL.
UNCERTAINTY WAS EVIDENT REGARDING WHETHER OR NOT THE
PARTY CAN REALLY "MAKE A FRESH START" LIKE DOI DECLARED.

IN THE SESSION, MOST OF THE MEMBERS SPOKE HIGHLY OF THE
LEADERSHIP'S ACHIEVEMENT IN DEALING WITH THE LAND LEASE
ISSUE, ONE REMARKING, "OUR PARTY WAS ABLE TO DISPLAY ITS
OVERTONES. WE CAN SENSE VIGOR IN LOCAL AREAS AS WELL"
(SAITAMA) CRANE

SECT: SECTION: 01 OF 09

<^SECT>SECTION: 02 OF 09

<^SECT>SECTION: 03 OF 09

<^SECT>SECTION: 04 OF 09
<^SECT>SECTION: 05 OF 09
<^SECT>SECTION: 06 OF 09
<^SECT>SECTION: 07 OF 09
<^SECT>SECTION: 08 OF 09
<^SECT>SECTION: 09 OF 09

SSN: 3444

<^SSN>3444
<^SSN>3444
<^SSN>3444
<^SSN>3444
<^SSN>3444
<^SSN>3444
<^SSN>3444

TOR: 970421010619 M2723168

<^TOR>970421010635 M2723169
<^TOR>970421010657 M2723170
<^TOR>970421010748 M2723173
<^TOR>970421010831 M2723174
<^TOR>970421010914 M2723175
<^TOR>970421010929 M2723177
<^TOR>970421011049 M2723178
<^TOR>970421011105 M2723179

DIST:

SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO3472 1110833-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 210833Z APR 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 210833Z APR 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 5514
INFO: RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE
RUCPDOG/USDOC WASHDC IMMEDIATE
RUEATRS/TREASURY DEPT WASHDC IMMEDIATE
RUEAWJB/DEPT OF JUSTICE WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 4480
RUEAIIA/CIA WASHDC IMMEDIATE
RUEKDIA/DIA WASHDC IMMEDIATE
RUCWAAB/FBIS RESTON VA
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUATJHU/CGUSARJ CAMP ZAMA JA//IX CORPS G5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHHMUNA/USCINCPAC HONOLULU HI
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUEHOK/AMCONSUL OSAKA KOBE 1638
RUHBBMA/AMCONSUL NAHA 8314
RUEHKON/AMCONSUL NAGOYA 1178
RUEHKOF/AMCONSUL FUKUOKA 4787
RUEHKOS/AMCONSUL SAPPORO 1163
RUESDJ/FBIS OKINAWA JA
SUBJ: JAPANESE DAILY PRESS SUMMARY 04/21/97
TEXT:
UNCLAS SECTION 01 OF 11 TOKYO 003472

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 04/21/97

INDEX:

(1) LDP's Diplomatic Policy Guidelines: Post-Cold-War Philosophy Lacks Freshness

(2) Politics of Ryutaro Hashimoto (Part 2); Coexistence with "Bureaucracy" A Double-Edged Sword

(3) Keizai Kyoshitsu (Economic Classroom) Article by Nobuo Matsunaga (President, Japan Institute of International Affairs)

(4) MAGAZINE ARTICLE: MITI: Large-scale Changes of Senior Officials Likely; "Drastic Decision" for Post of Deputy Vice Minister?

(5) MAGAZINE ARTICLE: Finance Ministry: Launches Counterattack, with Reform Laid to Rest Now; May Retaliate against Other Ministries by Assuming Initiative for Administrative Reform

ARTICLES:

(1) LDP's Diplomatic Policy Guidelines: Post-Cold-War Philosophy Lacks Freshness

YOMIURI (Page 21) (Full)
April 17, 1997

On the 16th, the Liberal Democratic Party (LDP) released "diplomatic policy guidelines" for the Asia-Pacific region, which clearly characterize China as a new "nucleus" of the region. The guidelines fail to clarify a basic philosophy on the nature of diplomacy, although they include new areas of interest such as energy policy.

(Keiko Iizuka of the Political Department)

The LDP's policy toward each country and each area in the Asia-Pacific region is detailed in "diplomatic policy guidelines," compiled over two years by the LDP Foreign Affairs Research Commission (chaired by former foreign minister Taro Nakayama).

A First Since the Formation of the Party

Until now the party's diplomatic policy had been indicated in action plans adopted by party conventions, but the just-unveiled guidelines are comprehensive and contain details which represent "a first since the formation of the party" (Nakayama). Citing the rationale for this compilation, Nakayama notes: "Our party had to articulate its basic policy stance, since Japan's future course remains unclear after the collapse of the cold-war structure." The guidelines were released to the Japan Foreign Correspondents' Club

on the same day, presumably since the LDP as a ruling party wants to make its foreign policy known to other countries.

UNCLAS SECTION 02 OF 11 TOKYO 003472

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 04/21/97

Eight specific pillars noted in the guidelines include (1) firmly upholding and strengthening the Japan-United States alliance, (2) promoting multilateral security, (3) establishing a free trade system, (4) improving the supply structure for resources and energy, and (5) promoting economic cooperation. The latter part of the guidelines indicate policies country-by-country or region-by-region -- for instance, toward Russia, China, the Korean Peninsula and Southeast Asia.

Many unique suggestions are made in the guidelines, perhaps because the LDP "did not consult at all with the Ministry of Foreign Affairs (MOFA)" (Nakayama). Drawing particular attention are such ideas as "holding a 'Japan-U.S.-China summit' for the peace and stability of the region" and "proposing to add China in the future to the industrialized nations summit (G-7)." These are put forward for the purpose of "vigorously bringing China out onto the diplomatic stage, which will gain more weight in Asia in the future" (senior member of the said party commission). If government officials attempted to suggest such ideas, they would face difficulties due to diplomatic considerations" (source related to MOFA).

Energy Also Listed as Pillar

Another feature in the guidelines is an emphasis on energy policy. Listing energy as the fourth important pillar is explained in this way: "If the supply of resources and energy is not smooth, that might cause disputes between nations." Specifically, paying attention to rich oil and natural gas deposits in the Siberia district, the guidelines suggest establishing an "Asia energy

community" consisting of Asian and European countries centering on Russia, and recommend laying a natural gas pipeline running through the East Asian region. In addition, they point out a need to turn our eyes to Southeast Asia, "although this has not necessarily drawn our attention thoroughly until now."

Lack of Three Key Elements

These "guidelines" as a whole, however, lack three key elements.

Firstly, they hardly touch, in specific terms, on how to firmly uphold and strengthen the U.S.-Japan security arrangement. Strangely enough, there is hardly any mention of the Okinawa problem, which the Hashimoto Administration is tackling with its utmost effort and which has given rise to a debate between the ruling and opposition parties. It would be desirable to include a reference to the linkage between U.S.-Japan Security Treaty and multilateral security.

As for the second point, there is hardly any
UNCLAS SECTION 03 OF 11 TOKYO 003472

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 04/21/97

reference to how our country, which upholds a "United Nations-centered" principle, will associate with the UN in the future.

Lastly, although the position of attaching importance to China is indicated, the guidelines make no mention of the national defense systems of that country, such as deployment of nuclear missiles by China. This point leaves us with some doubt.

The research commission plans to compile similar guidelines concerning Europe, the U.S. and the Middle East in the future. We hope it will show more clearly a diplomatic philosophy useful in the post-cold-war period.

(2) Politics of Ryutaro Hashimoto (Part 2);
Coexistence with "Bureaucracy" A Double-Edged Sword

YOMIURI (Page 4) (Excerpts)
April 2, 1997

Open-Door Policy

There is a connecting door between the Prime Minister's administrative office in the Prime Minister's official residence (Kantei) and his secretaries' office.

Shortly after his assumption of office as the chief of the Management and Coordination Agency, Kabun Muto called on Prime Minister Ryutaro Hashimoto at his office. Muto was surprised to see Hashimoto began talking with the door open.

Politicians value privacy highly. Privacy is particularly important for the prime minister.

"Is your office always open like this?" asked Muto.
"Yes, because I don't like a suffocating atmosphere," replied Hashimoto.

Many other cabinet ministers share a similar experience, one saying, "I was amazed to see the Prime Minister's private secretaries coming into his office matter-of-factly and observing our conversation."

Another episode took place on March 10 that can illustrate close ties between the Prime Minister and his secretaries. That day, in the Upper House Budget Committee session, the Prime Minister offered his response about the relationship between clone technology and bioethics: "I have discussed this issue with my secretaries. But neither my secretaries nor myself was able to come up with any clear conclusion." Has there been any prime minister who revealed what he discussed with his secretaries in his Diet reply?

The presence of his private secretaries is vital for Prime Minister Hashimoto.

UNCLAS SECTION 04 OF 11 TOKYO 003472

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 04/21/97

Specifically, his secretaries include: Hiroyasu Ando (from the Ministry of Foreign Affairs (MOFA) who entered MOFA in 1970); Atsuo Saka (Ministry of Finance, 1970); Hirokazu Hayashi (Ministry of International Trade and Industry (MITI), 1971); Takaharu Ando (National Police Agency, 1972); and Kenji Eda (MITI, 1979).

A Major Role Played by Secretaries

Of the team, what is most unique is the presence of Eda who is responsible for policy affairs. The post of policy affairs secretary, which entails making contact with politicians and handling political fund, is usually awarded to a senior secretary with the prime minister's personal office.

Prime Minister Hashimoto gave such a post to Eda, who is relatively younger than the rest of the members, because he puts faith in Eda, who has served as Hashimoto's secretary when he was MITI minister. In fact, when some Cabinet ministers and senior Liberal Democratic Party (LDP) members have tried to reach Prime Minister Hashimoto, they were told by the Prime Minister to contact Eda first.

Hashimoto's secretaries group has been drawing on its wisdom in an effort to generate clear Hashimoto overtones.

For instance, in constructing a heliport to replace the one in the U.S. Futenma Air Station, Eda early last September was instructed by the Prime Minister to carry out feasibility studies on cost for constructing an offshore heliport. Eda soon listened to opinions from various private-sector companies and experts and reported back to the Prime Minister. What Eda recommended was adopted.

It was not rare for past prime ministers to give a major role to their secretaries in policy-making.

But in the case of Prime Minister Hashimoto, his secretaries and himself are working as a policy-making team, and that is what makes his administration unique.

Prime Minister Hashimoto, a lone soul in the political community, has close personal ties with senior officials of various government agencies as well.

Hashimoto does not mind taking the trouble to lend his ears to government officials. Says a MITI official who has worked under Hashimoto: "Mr. Hashimoto knows how to present requests and how to deal with bureaucrats."

But such a domineering approach is not well-received by some government officials.

UNCLAS SECTION 05 OF 11 TOKYO 003472

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 04/21/97

Short Temper

The following episode occurred during a Lower House Budget Committee session in February. Prime Minister Hashimoto, who did not like a Defense Agency executive's response, thrust a set of reports under his nose as he was returning to his seat, as if to say, "Do your homework more thoroughly!"

Hashimoto's peppery nature is well-known in Kasumigaseki (government office area).

Despite his touchy nature, everybody agrees to the observation: "Of all the politicians, Mr. Hashimoto knows the best about how the bureaucracy works and its rules" (former deputy chief cabinet secretary Nobuo Ishihara).

"Coexistence with Bureaucracy" a Drawback for Reform?

"Coexistence with the bureaucracy" can be Hashimoto's strength as well as his weakness.

Says Fukashi Horie, a professor at Keio University: "The Prime Minister has been relying heavily on junior bureaucrats in implementing his policy programs. His approach has evoked heavy criticism from elite bureaucrats because they are the ones who have to go through restructuring despite their being the Prime Minister's braintrust."

Gregory Clark, the president of Tama Institute of Management and Information Sciences, offers a severe observation: "Prime Minister Hashimoto is not a leader; he is a manager. He can be a competent bureaucrat, but he cannot reform Japan's bureaucracy."

(3) Keizai Kyoshitsu (Economic Classroom) Article by Nobuo Matsunaga (President, Japan Institute of International Affairs)

NIHON KEIZAI (Page 31) (Excerpt)
April 11, 1997

Advice to Japan and the U.S.: Strengthen Ties with China and Russia; Japan Needs to Revitalize Its Economy; Security Arrangements Indispensable for Stability in the Asia-Pacific Region

1. Japan-United States summit will be held on April 25. In light of the major impact of Japan-U.S. relations on the international community, it is necessary for the two top leaders to keep in close contact with each other.

2. Economic friction has been quelled for the present, but once Japan's exports to the U.S. swell, bilateral trade friction might rekindle. Japan needs to promote liberalization steps further, including deregulation, and to restructure its fiscal and monetary systems, in a move to
UNCLAS SECTION 06 OF 11 TOKYO 003472

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 04/21/97

revitalize its economy.

3. Japan-U.S. security arrangement is indispensable for stability in the Asia-Pacific region. Particular significance should be attached by Japan and the U.S. to strengthening their ties with China and Russia as major regional powers.

Close Top-Level Communications Becoming More Important

One year after President Clinton came to Japan last

April, Prime Minister Hashimoto will visit the U.S. During the year, the two leaders met together at the Nuclear Power Safety Summit in Moscow, the G-7 Summit in Lyon, France, and the summit of the Asia-Pacific Economic Conference (APEC) in Manila. In addition, they have held teleconferences, as well as exchanged letters and messages.

But looking at the major impact the Japan-U.S. relationship has not only on the two countries but on the Asia-Pacific region and the entire global community, it is desirable for these two leaders to directly contact each other once a week or at least once a month.

The picture of the world is significantly changing as the 21st century approaches. The pace has speeded up far more than expected following the end of the cold war, as seen in the course of events from the collapse of the Berlin Wall to the unification of East and West Germany and from the outbreak of the Gulf War. The areas that cannot keep up with this pace have been left behind.

This trend is becoming more prominent with the advancement of computerized information services. Accordingly, close communications at the highest levels are becoming indispensable. All the more for this reason, the upcoming Prime Minister's visit to the U.S. has great significance. At the same time, we hope the visit will set the tone to realize frequent and smooth "communications" between the two leaders.

Looking back over the past several years of Japan-U.S. relations, the auto issue and other trade disputes which were prominently taken up in the daily newspapers and on television, have calmed down owing to both sides' efforts. But some problems are still in place. When thought is given to the deep-seated isolationism in the U.S., Japan should continue to devote itself to resolving bilateral pending issues.

During the past several years, with the trade imbalance between Japan and the U.S. exceptionally improved, Japan's trade surplus with the U.S. sharply dropped, serving to put the U.S.' sense of alarm toward Japan at ease. But once the U.S. deficit with Japan again picks up as Japan's exports to the U.S. increase due to the recent

UNCLAS SECTION 07 OF 11 TOKYO 003472

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 04/21/97

weakening of the yen against the U.S. dollar, the relaxed situation might be in jeopardy. To be sure, the American market is widely open to the world. Japan is urged to take more deregulatory measures and other steps to open its market, without depending on the raging waves from trade friction, that is, foreign pressure.

In addition, Japan needs to resuscitate its economy by reforming its fiscal and financial systems. If the U.S. economy stays on a growth track and the Japanese economy remains in the doldrums, the U.S.' role would expand and Japan's duties could reduce. In this case, Japan would move in the direction of a retrenched balance.

As everyone knows, it is not easy to put the nation's fiscal and monetary systems back on a sound footing, but the work must be done as soon as possible because one-days delay would bring about national losses to Japan for that portion.

Revitalization of Japanese Economy Necessary

Among recent economic comments in the U.S., we find a number of Japan-bashing arguments based on a disappointment with the Japanese economy's fundamentals. Yet, a raft of sensible persons in the U.S. consider it absolutely necessary for Japan and the U.S. to join hands to support the world economy. To that end, they have placed expectations on a revitalized, powerful Japanese economy.

America is not everything for the Japanese economy, but it is vital to seek mature economic ties with the U.S. under competitive market mechanisms. In order to resuscitate the Japanese economy, Japan should carry out necessary administrative reform measures without hesitation.

Turning to Japan-U.S. political relations, although the East-West confrontation has ended now, unstable factors are still left in various countries and the embers of dispute and row remain also in the Asia-Pacific region. Under such circumstances, the Japan-U.S. security arrangement is undoubtedly indispensable. Such a perception was announced to the world audience in the joint statement the

Japanese and U.S. top leaders issued in Tokyo last April. In this sense, the statement was significant. Reacting to this, China has expressed concern, but Japan and the U.S. need to cooperate to brush away such concern.

It is wrong to interpret Japan-U.S. negotiations on U.S. military bases on Okinawa as bilateral dispute over the issue of reducing bases and troops in Japan. But consideration should be given to Okinawans' sentiments stemming from the rape incidents caused by U.S. military servicemen and their accumulated discontentment at the government's offering of bases and response to

UNCLAS SECTION 08 OF 11 TOKYO 003472

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 04/21/97

their burden.

I think this issue must be dealt with separately from the movements and assertions against the Security Treaty and U.S. military bases. The Okinawa base issue involves the problem of how to obtain Okinawan people's support and at the same time how to secure America's understanding and cooperation. There are U.S. military bases also in Germany. When U.S. servicemen return home after completing their term, local residents reportedly hold farewell parties for them. Such scenes are desired also in Okinawa. If such a relationship established, the base issue would be settled more easily.

What I would like to emphasize here is the importance of Japan-U.S. relations for other countries. The U.S. is a military power which can carry out military operations in any region in the world, and its economy is also far and away powerful, compared with Japan's. But Japan has also performed an important role and responsibility in Asia, Europe, the Middle East, Africa and Latin America, reflecting its economic growth,.

Have Courage to Correct U.S.' Mistake

The future of the Asia-Pacific region will apparently be affected by the moves of the U.S., China and Russia. With Japan-U.S. relations as the basis, how Japan should strengthen ties with China and Russia its major challenge, and such efforts by Japan is extremely vital also to the U.S.

Japan-China relations faced some wrangling last year, but moves to improve ties are afoot at last. We would like to see more progress in Japan-China relations. But what we should keep in mind here is that when U.S.-China ties deepen, we should not have a victim's mentality, feeling that Japan is being left behind.

On the other hand, with a decision to have Russia join the Summit and make it a G-8, Russia's interest in Asia has been growing rapidly. In a trilateral forum joined by the governments and private sectors of Japan, the U.S. and Russia in Moscow in late March, agreement was reached on the need to remarkably improve Japan-Russian relations, which have largely lagged behind those between Japan and the U.S. and between U.S. and Russia.

For Japan and the U.S., it is essential for Russia to bring about democratization and a market economy for the sake of peace and stability in the region, but at the same time, it is also necessary to completely normalize Japan-Russia relations and settle the territorial issue. In the upcoming Japan-U.S. summit, the territorial issue is unlikely to be discussed, but on such issues, holding frank discussions between Japan and the U.S. is desired.

UNCLAS SECTION 09 OF 11 TOKYO 003472

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 04/21/97

Whether Japan-U.S. relations would be able to continue to play global-scale parts while keeping their close ties, without losing sight of an overall viewpoint, hinges on both sides' efforts. To that end, leaders in various circles of both countries, including politicians, need to direct

their eyes outward, instead of following an inward-looking trend.

It is not correct to think that what the U.S. says is always right. Although it is true that the U.S.'s assistance and support contributed to Japan's current economic growth and Japan needs to set great value on cooperation with the U.S., when Japan finds some mistakes in U.S. assertions, it should point out them in a statelike way. That does not mean that Japan say simply "no" to the U.S.

(4) MAGAZINE ARTICLE: MITI: Large-scale Changes of Senior Officials Likely; "Drastic Decision" for Post of Deputy Vice Minister?

ECONOMIST (Page 14) (Full)
April 8, 1997

A number of articles focusing on expected changes of senior officials at government offices in Kasumigaseki will soon appear in newspapers and magazines. At the Ministry of International Trade and Industry (MITI), which was shaken by the Izui scandal, a sweeping reshuffle is expected, including the administrative vice minister.

There is a strong possibility that Administrative Vice Minister Tsutomu Makino (joined the ministry in 1963) will voluntarily retire from his post. Makino assumed office as successor to administrative vice minister Tsutsumi, undertaking the role of settling the strife in the ministry centered around the so-called "gang of four." But after his assuming the post, scandals occurred in succession, including alleged excessive entertainment of MITI senior officials by business executives, a mysterious document case, and the Izui scandal. A former official said, "Serving out his term would be the farthest he can go." MITI Minister Shinji Sato, who stands at the foremost front of the "gang of four," backed Makino.

The voluntary retirement of Deputy Vice Minister Hisashi Hosokawa (1964) is also certain. As his successor, calls for installing Natural Resources and Energy Agency Director General Tadashi Ezaki (1995) are growing.

Industrial Policy Bureau Director General Osamu Watanabe (1964) is expected to take over the post of administrative vice minister. If these appointments are decided, the arrangement of the vice minister being the deputy vice minister's senior by one year will continue for two years.

UNCLAS SECTION 10 OF 11 TOKYO 003472

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 04/21/97

Some officials label Director General Watanabe as the type who is everybody's friend, but he is optimistic and has well-balanced thinking. He has a good reputation within and outside the ministry. The problem is the appointment of Ezaki as another "leader" in MITI. Ezaki is the most likely candidate as the successor deputy vice minister of Hosokawa, but some ex-officials express "apprehension about the installation of him in view of his capability." They fear that his careless remarks might come a fatal wound in trade negotiations.

There are calls for appointing International Trade Policy Bureau Director General Yasuo Hayashi (196). In such a case, the likelihood is Hayashi will have served as deputy vice minister for two years. It is doubtful that MITI Minister Sato will make such a drastic decision.

(5) MAGAZINE ARTICLE: Finance Ministry: Launches Counterattack, with Reform Laid to Rest Now; May Retaliate against Other Ministries by Assuming Initiative for Administrative Reform

ECONOMIST (Page 15) (Full)
April 8, 1997

The year-long major shakeup in the Ministry of Finance (MOF) has calmed down for the present as two bills related to financial reform -- "the bill on establishment of a financial surveillance agency" and "the bill amending the Bank of Japan Law" -- have now been submitted to the Diet. An increasing number of officials in the Kasumigaseki government office area now harbor a sense of alarm toward the possibility of MOF now making an about-face to counterattack after a year of devoting itself to protecting its functions.

Kasumigaseki officials are even more closely watching the work on reorganization of central government ministries and agencies which is now under study by the Conference on Administrative

Reform, (gyosei kaikaku kaigi) the panel directly under Prime Minister Hashimoto's control. Officials are focusing on what response MOF will take to the work by the panel, which was set up at the strong request of Prime Minister Hashimoto. The scheme of restructuring government agencies is based on the "Hashimoto Administrative Reform Vision," which was released before the general election last year. In the vision, Hashimoto indicated the idea of breaking up the MOF and shifting the MOF's monetary administrative function to an "economic industry ministry" to be established under the wing of the Ministry of International Trade and Industry (MITI). With the rumor spreading that this vision was drawn up under the leadership of MITI, MOF officials were dismayed. It has been reported that they visited the Prime Minister's Office to vocally protest, with the determination of "absolutely avoiding

UNCLAS SECTION 11 OF 11 TOKYO 003472

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 04/21/97

having the financial surveillance agency go over to MITI" (senior MOF official).

Debate on reorganization of government agencies by the Conference on Administrative Reform has been significantly geared down. The role of MITI has been downplayed as well. It also appears MOF has begun to assume leadership within the conference. One official was overheard saying, "(MOF) might retaliate against other government agencies that wildly criticized it in chorus."

DEMING

SECT: SECTION: 01 OF 11
<^SECT>SECTION: 02 OF 11
<^SECT>SECTION: 03 OF 11
<^SECT>SECTION: 04 OF 11
<^SECT>SECTION: 05 OF 11
<^SECT>SECTION: 06 OF 11
<^SECT>SECTION: 07 OF 11
<^SECT>SECTION: 08 OF 11
<^SECT>SECTION: 09 OF 11

<^SECT>SECTION: 10 OF 11

<^SECT>SECTION: 11 OF 11

SSN: 3472

<^SSN>3472

<^SSN>3472

<^SSN>3472

<^SSN>3472

<^SSN>3472

<^SSN>3472

<^SSN>3472

<^SSN>3472

<^SSN>3472

<^SSN>3472

TOR: 970421052731 M2723412

<^TOR>970421052746 M2723413

<^TOR>970421052808 M2723415

<^TOR>970421052858 M2723416

<^TOR>970421052912 M2723417

<^TOR>970421053032 M2723418

<^TOR>970421053048 M2723419

<^TOR>970421053110 M2723420

<^TOR>970421053200 M2723421

<^TOR>970421053214 M2723422

<^TOR>970421053304 M2723423

DIST:

SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO3489 1120513-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 220513Z APR 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 220513Z APR 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 5534
RUEHIA/USIA WASHDC IMMEDIATE 4491
INFO: RUCPDOG/USDOC WASHDC
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHEHAAA/WHITE HOUSE WASHDC
RUEAWJB/USDOJ WASHDC
RUEBBEA/USDOT WASHDC
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUEAIIA/CIA WASHDC
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 22

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 003489

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 22

TOP HEADLINES:

ASAHI: FISCAL REFORM CONFERENCE LAUNCHES STUDY ON 20
PERCENT CUT IN 10-YEAR 630 TRILLION-YEN PUBLIC WORKS
PROGRAM BY DELAYING THREE YEARS; STARTING WITH 10 PERCENT
CUT IN FY1998

MAINICHI: MASS INFECTION OF CREUTZFELT-JAKOB DISEASE

CAUSED BY EPIDURAL TRANSPLANTS: MINISTRY OF HEALTH AND WELFARE TAKES NO MEASURE FOR SEVEN MONTH, IGNORING STUDY GROUP'S REPORT AND ACCEPTING IMPORTER'S EXPLANATIONS; HURRIEDLY RETRIEVE PRODUCTS WITH INSTRUCTION BY WTO

YOMIURI: GOVERNMENT'S DRAFT PLAN TO DISBAND AND REORGANIZE DONEN; TO TRANSFER "MONJU" TO NEW INSTITUTION, DOWNGRADING OF THE REACTOR FOR RESEARCH USE; TO SCRAP "FUGEN" AND CLOSE DOWN TOKAI REPROCESSING PLANT SIX YEARS LATER

NIHON KEIZAI: GOVERNMENT TO LIFT BAN ON SALES OF FINANCIAL INSTITUTIONS' LOAN CLAIM TO INDIVIDUAL INVESTORS; AIMS TO SHRINK BANKS' ASSETS, WITH FY1998 AS TARGET YEAR; NEW LEGISLATION PREPARED TO PROTECT INVESTORS (TRANSLATION BELOW)

SANKEI: DIET TO VOTE ON ORGAN TRANSPLANTS BILLS ON 24TH; DIETMEMBERS AT LOSS OVER ISSUE DIRECTLY CONNECTED WITH VIEW OF DEATH; CONCERN ABOUT "ABSTENTION"

TOKYO SHIMBUN: FISCAL STRUCTURAL REFORM CONFERENCE AGREE NOT TO INCLUDE TARGET FOR SPENDING CUT IN MAY REPORT; TO DELAY UNTIL COMPILATION OF BILL IN JUNE; FEARING OBJECTION BY GOVERNMENT AGENCIES AND POLICY CLIQUES

U.S.-JAPAN SUMMIT: TWO LEADERS TO DISCUSS 4 SUBJECT MATTERS, INCLUDING SECURITY AFFAIRS (YOMIURI - PAGE 2)

THE GOVERNMENTS OF JAPAN AND THE UNITED STATES AGREED TO BRING UP THE FOLLOWING FOUR ITEMS AS MAJOR THEMES FOR THE BILATERAL SUMMIT TALKS SCHEDULED TO BE HELD IN WASHINGTON ON THE 25TH: (1) SECURITY ISSUES, INCLUDING THE OKINAWA PROBLEM; (2) ECONOMIC ISSUES; (3) THE SITUATION IN ASIA AND THE-PACIFIC; AND (4) BILATERAL COOPERATION TOWARD GLOBAL-SCALE ISSUES. THE DETAILS WERE REVEALED YESTERDAY BY A GOVERNMENT SOURCE. ON THE KEY ISSUE OF SECURITY, PRIME MINISTER HASHIMOTO WILL SEEK FURTHER UNDERSTANDING AND COOPERATION FROM THE U.S. IN AN EFFORT TO LIGHTEN THE BURDEN OF OKINAWA, WHERE U.S. MILITARY BASES ARE CONCENTRATED. AS FOR THE PROBLEM OF JAPAN'S TRADE SURPLUS WITH THE U.S., THE PRIME MINISTER INTENDS TO EXPLAIN JAPAN'S POLICY OF REFORMING THE ECONOMIC STRUCTURE, CENTERED ON DEREGULATION, INSTEAD OF PURSUING EXPANSION OF DOMESTIC-DEMAND THROUGH PUBLIC WORKS PROJECTS.

ECONOMIC ISSUES WILL FOCUS ON THE MACRO ECONOMY. THE U.S. PRESIDENT IS EXPECTED TO BRING UP THE PROBLEM OF JAPAN'S TRADE SURPLUS WITH THE U.S. THE PRIME MINISTER PLANS TO SEEK UNDERSTANDING FROM THE U.S., EMPHASIZING HIS INTENTION TO CUT THE NATION'S TRADE SURPLUS BY PROMOTING A DOMESTIC-DEMAND-DRIVEN ECONOMIC RECOVERY THROUGH DEREGULATORY STEPS AND ADMINISTRATIVE/FISCAL REFORMS. HE WILL ALSO EXPLAIN THE JAPANESE VERSION OF THE BIG BANG SCHEME (DRASTIC REFORM OF THE FINANCIAL SYSTEM) TO BE COMPLETED BY THE YEAR 2001.

DISCUSSION ON THE SITUATION IN ASIA AND THE PACIFIC WILL BE CENTERED ON THE KOREAN PENINSULA AND CHINA. THE TOP LEADERS OF THE TWO COUNTRIES ARE EXPECTED TO CONFIRM THAT JAPAN, THE U.S. AND THE ROK WILL WORK IN CONCERT WITH ONE ANOTHER TO REALIZE FOUR-PARTY TALKS DESIGNED TO BRING ABOUT RECONCILIATION ON THE KOREAN PENINSULA. THEY WILL ALSO ATTEMPT TO COORDINATE THE TWO COUNTRIES' DIVERGENT UNCLAS SECTION 02 OF 08 TOKYO 003489

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 22

VIEWS ON THE ISSUE OF FOOD AID TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA).

PRIME MINISTER HASHIMOTO IS NOT GOING TO TOUCH ON TROOP CUTS (SANKEI - PAGE 3)

PRIME MINISTER RYUTARO HASHIMOTO IS SCHEDULED TO MEET WITH U.S. PRESIDENT CLINTON IN WASHINGTON ON THE 25TH (ON THE 26TH, JAPAN TIME). FOR THE UPCOMING SUMMIT MEETING, THE PRIME MINISTER HAS DETERMINED TO CONFIRM HIS INTENTION OF MAKING FURTHER EFFORTS TO REINFORCE JAPAN-U.S. SECURITY ARRANGEMENTS. ADDITIONALLY, THE PRIME MINISTER WILL AFFIRM THAT JAPAN AND THE U.S. WILL WORK TOGETHER TO TACKLE GLOBAL ISSUES, SUCH AS STABILITY ON THE KOREAN PENINSULA, PEACE IN THE MIDDLE EAST, AND TAKE MEASURES TO ALLEVIATE POVERTY IN AFRICA. THE PRIME MINISTER DOES NOT INTEND TO TOUCH AT ALL UPON A DRAWDOWN OF (U.S.) TROOPS STATIONED ON OKINAWA.

PRIME MINISTER HASHIMOTO WILL DEPART HANEDA ON THE 24TH. DURING HIS STAY IN WASHINGTON UNTIL APRIL 26 (APRIL 27, JAPAN TIME), THE PRIME MINISTER WILL MEET WITH PRESIDENT CLINTON AND VICE PRESIDENT GORE, AND WILL ALSO MEET WITH REPUBLICAN HOUSE SPEAKER GINGRICH AND OTHER CONGRESSIONAL LEADERS TO EXCHANGE VIEWS.

THIS WILL BE THE PRIME MINISTER'S FIRST VISIT TO WASHINGTON SINCE HIS INAUGURATION. THE SUMMIT MEETING IS SCHEDULED TO BE HELD AT THE WHITE HOUSE FOR ABOUT TWO HOURS WITH LUNCH IN BETWEEN. THE TWO LEADERS WILL PRESUMABLY SPARE MUCH OF THEIR TIME TO DISCUSS SECURITY ISSUES, INCLUDING THE PROBLEM OF U.S. MILITARY BASES ON OKINAWA.

THE PRIME MINISTER WILL EXPLAIN THE DIET'S PASSAGE OF A

BILL TO AMEND THE SPECIAL LAND LEASE LAW FOR (U.S.) FORCES STATIONED IN JAPAN ("TOKUSOHO"), AND WILL ALSO EXPLAIN THE PRESENT STATE OF AFFAIRS PERTAINING TO THE PROBLEM OF RELOCATING FUTENMA AIRFIELD'S FUNCTIONS, WHICH IS NOW MOVING TOWARD A SETTLEMENT. ON THE OTHER HAND, IT SEEMS THAT PRESIDENT CLINTON WILL EXPRESS HIS GRATITUDE AND WILL CLARIFY HIS INTENTION TO SINCERELY IMPLEMENT THE AGREEMENT REACHED BY THE JAPAN-U.S. SPECIAL ACTION COMMITTEE (ON FACILITIES AND AREAS IN OKINAWA) (SACO).

AFTER HIS VISIT TO THE U.S., PRIME MINISTER HASHIMOTO WILL VISIT CANBERRA, AUSTRALIA, WHERE HE WILL MEET WITH PRIME MINISTER HOWARD ON APRIL 29. AFTER THAT, THE PRIME MINISTER WILL FLY TO WELLINGTON, NEW ZEALAND, AND WILL MEET WITH PRIME MINISTER BOLGER. THE PRIME MINISTER WILL RETURN HOME ON THE MORNING OF MAY 1.

BILATERAL SUMMITRY: FROM ECONOMIC ISSUES TO SECURITY AFFAIRS (ASAHI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO AND U.S. PRESIDENT CLINTON WILL MEET IN WASHINGTON ON THE 25TH. THE TWO LEADERS ARE EXPECTED TO FOCUS THEIR ATTENTION ON SUCH SECURITY-RELATED ISSUES AS U.S. TROOP STRENGTH IN JAPAN AND A REVIEW OF THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION. UNTIL RECENTLY, THE FOCUS IN SUMMIT MEETINGS HAS BEEN PLACED MOSTLY ON ECONOMIC ISSUES, BUT IT HAS BEEN SHIFTING RAPIDLY TO SECURITY ISSUES. THE FOLLOWING IS A SUMMARY OF THE TREND OF JAPAN-U.S. SUMMIT MEETINGS SINCE 1990, AFTER THE END OF THE COLD WAR.

- - JAPAN-AS-A-THREAT ARGUMENT

"I WOULD LIKE TO EXCHANGE VIEWS FRANKLY AT AN EARLY TIME ON VARIOUS PENDING PROBLEMS BETWEEN JAPAN AND THE UNITED STATES." IN FEBRUARY 1990, U.S. PRESIDENT BUSH SO SUGGESTED TO PRIME MINISTER TOSHIKI KAIFU IN THEIR TELEPHONE CONFERENCE TO HOLD A SUMMIT ONE WEEK LATER.
UNCLAS SECTION 03 OF 08 TOKYO 003489

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 22

WHAT WAS BEHIND AMERICA'S ABRUPT PROPOSAL WAS ITS IRRITATION TOWARD THE SERIOUS TRADE IMBALANCE WITH JAPAN AND THE CLOSED NATURE OF THE JAPANESE MARKET. AT THE TIME, THE U.S. TRADE DEFICIT WITH JAPAN STOOD AT 49

BILLION DOLLARS. IN THE TELEPHONE CONFERENCE, PRESIDENT BUSH CALLED FOR "PRIME MINISTER KAIFU'S POLITICAL DECISION ON THE STRUCTURAL IMPEDIMENTS INITIATIVE" BY BRANDISHING THE POSSIBLE INVOCATION OF SECTION 301.

AKIHIKO TANAKA, AN ASSISTANT PROFESSOR AT TOKYO UNIVERSITY, ANALYZES AS FOLLOWS: "IN THE U.S., THE PREVALENT VIEW IN THOSE DAYS WAS THAT 'THE COLD WAR IS NOW OVER, AND THE VICTOR WAS JAPAN.' THE JAPAN-AS-A-THREAT THEORY REPLACED THE ONE PERCEIVING THE SOVIET UNION AS A THREAT. JAPAN-U.S. SUMMIT MEETINGS UP TO THE FIRST HALF OF 1995 IN THE POST-COLD WAR PERIOD HAD BEEN SYNONYMOUS WITH ECONOMIC TALKS."

PRESIDENT BUSH, HOWEVER, WAS DEFEATED IN THE PRESIDENTIAL RACE AND GAVE WAY TO PRESIDENT CLINTON. TOKYO UNIVERSITY PROFESSOR TAKESHI IGARASHI'S ANALYSIS SUGGESTS THAT "CLINTON WON HEARTS OF MIDDLE-CLASS VOTERS WHO WERE UNEASY ABOUT THEIR JOB SECURITY AND WHO HAD A STRONG SENSE OF ALARM TOWARD JAPAN. IN DEALING WITH THE TRADE IMBALANCE WITH JAPAN, CLINTON ASSUMED A MORE SEVERE STANCE THAN THAT OF BUSH AND EMPLOYED A "RESULTS-ORIENTED POLICY" THAT COULD BE TERMED MANAGED TRADE."

PRESIDENT CLINTON AIMED AT SETTING "NUMERICAL TARGETS" IN THE GOVERNMENT PROCUREMENT, AUTO AND INSURANCE SECTORS. PRESIDENT CLINTON EXCHANGED RECRIMINATIONS WITH HIS EVER-CHANGING JAPANESE COUNTERPARTS -- MIYAZAWA, HOSOKAWA, AND MURAYAMA -- OVER ADOPTING "OBJECTIVE CRITERIA" INSTEAD.

- - ARGUMENT CALLING FOR ENHANCING JAPAN-U.S. ALLIANCE

THIS TREND WAS TURNED AROUND BY THE SCHOOLGIRL RAPE INCIDENT THAT OCCURRED IN OKINAWA IN SEPTEMBER 1995. EVEN BEFORE THE UNFORTUNATE RAPE CASE HIT THE TWO COUNTRIES, THERE WAS AN ARGUMENT CALLING FOR THE STRENGTHENING OF BILATERAL TIES THROUGH THE WORK OF REAFFIRMING JAPAN-U.S. SECURITY ARRANGEMENTS, MANY REASONING THAT "MUTUAL TRUST HAS WORSENERED DUE TO VARIOUS BUSINESS ISSUES. A CRACK MAY OCCUR IN THE OVERALL JAPAN-U.S. ALLIANCE" (JAPAN DEFENSE AGENCY). IN ADDITION, WITH THE OPTION OF REDUCING OKINAWA'S BURDEN, THE SITUATION ON THE KOREAN PENINSULA, AND THE SITUATION IN EAST ASIA ALL INTERTWINING, THE SECURITY DEBATE WAS BOOSTED ALL AT ONCE.

IN ADDITION, WITH THE COLLAPSE OF THE BUBBLE ECONOMY, JAPAN'S TRADE SURPLUS WITH THE U.S. DROPPED TO ABOUT 33 BILLION DOLLARS (AT THE END OF 1996). THE TIMING OVERLAPPED WITH THE SETTLEMENT OF VARIOUS TRADE ISSUES, INCLUDING THE AUTO TALKS WHICH ENDED IN JUNE 1995.

IN APRIL 1996, PRIME MINISTER HASHIMOTO AND PRESIDENT CLINTON ISSUED A JAPAN-U.S. JOINT SECURITY DECLARATION. THE TWO LEADERS ALSO AGREED TO COMPLETE THE WORK OF REVIEWING DEFENSE GUIDELINES IN ONE YEAR. ONE OF THE GOALS FOR THE UPCOMING SUMMIT MEETING IS TO REAFFIRM THAT POLICY DIRECTION. A SENIOR FOREIGN MINISTRY OFFICIAL

THINKS THAT "THE HASHIMOTO ADMINISTRATION, LED BY THE LIBERAL DEMOCRATIC PARTY (LDP), IS NOW ALLOWING THE PRIME MINISTER TO DO A FULL-SCALE RECONSTRUCTION OF THE BILATERAL SECURITY ARRANGEMENT." SOME OTHERS ARE APPREHENSIVE, SUSPECTING THAT ECONOMIC ISSUES MAY FLARE UP AGAIN. ONE IS SAYING, "THE U.S. IS WATCHING CLOSELY JAPAN'S ADMINISTRATIVE AND FISCAL REFORMS AND THE TREND OF ITS TRADE BALANCE WITH THE U.S."

CABINET SUPPORT RATE RISES TO 38.6 PERCENT
(TOKYO SHIMBUN - PAGE 2)
UNCLAS SECTION 04 OF 08 TOKYO 003489

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 22

THE PUBLIC APPROVAL RATING OF THE HASHIMOTO CABINET ROSE 1.7 POINTS FROM LAST MONTH TO 38.6 PERCENT, ACCORDING TO A POLL BY JIJI PRESS ON THE 21ST. THIS IS THE FIRST SURGE AFTER A LAPSE OF FIVE MONTHS. THE RISE APPARENTLY IS ATTRIBUTABLE TO THE GOVERNMENT'S SUCCESS IN THE PASSAGE WITH OPPOSITION PARTIES' COOPERATION OF THE BILL AMENDING TO THE SPECIAL LAND-LEASE LAW TO ALLOW THE CONTINUED USE OF LAND ON OKINAWA BY THE UNITED STATES MILITARY. THE DISAPPROVAL RATING ALSO INCREASED 0.5 POINTS TO 40.2 PERCENT.

THE APPROVAL RATE OF THE LIBERAL DEMOCRATIC PARTY EXCEEDED THE FIGURE REGISTERED IN THE SURVEY IN NOVEMBER, 1996, IMMEDIATELY AFTER THE SECOND HASHIMOTO CABINET WAS INAUGURATED, MARKING 26.7 PERCENT -- THE HIGHEST LEVEL SINCE A HIATUS OF THREE YEARS AND TEN MONTHS SINCE JUNE 1993.

THOSE WHO RATED THE CABINET FAVORABLY GAVE THE FOLLOWING REASONS: "THERE IS NO OTHER APPROPRIATE PERSON" (14.6 PERCENT); AND "THE PRIME MINISTER IS TRUSTWORTHY" (10.1 PERCENT). OF RESPONDENTS WHO SUPPORTED THE CABINET, THE NUMBER OF THOSE IN THEIR 40'S AND 50'S INCREASED SIGNIFICANTLY FROM LAST MONTH. BY OCCUPATION, THOSE IN MANAGERIAL POSITIONS AND THE INDEPENDENTLY EMPLOYED SHOWED A SIMILAR INCREASE. RESPONDENTS WHO RATED THE CABINET UNFAVORABLY LISTED REASONS FOR THEIR DISAPPROVAL AS FOLLOWS: "EXPECTATIONS CANNOT BE PLACED ON THE CABINET" (22.2 PERCENT); "ITS POLICIES DO NOT MERIT APPRECIATION" (12.8 PERCENT); AND "THE PRIME MINISTER IS

UNTRUSTWORTHY" (10.1 PERCENT). ASKED ABOUT POLITICAL PARTIES, THOSE WHO SUPPORTED THE LDP WERE UP 3.4 POINTS FROM THE PREVIOUS MONTH. THE SOCIAL DEMOCRATIC PARTY (SDP) ALSO GAINED 0.9 POINTS FROM LAST MONTH. THOSE WHO SAID THEY SUPPORTED THE DEMOCRATIC PARTY OF JAPAN (MINSHUTO) EDGED UP, BUT THE SUPPORT RATES FOR THE OPPOSITION SHINSHINTO, THE JAPAN COMMUNIST PARTY AND THE TAIYO PARTY ALL DROPPED SLIGHTLY. THE POLL WAS CONDUCTED APRIL 10 THROUGH 13.

COLLECTIVE SECURITY: 65 PERCENT OF BUSINESS EXECUTIVES IN FAVOR OF QREVIEWQ (ASAHI - PAGE 2)

THE JAPANESE ASSOCIATION OF CORPORATE EXECUTIVES (KEIZAI DOYUKAI) YESTERDAY RELEASED THE RESULTS OF ITS SURVEY OF ITS MEMBERS' VIEWS ABOUT SECURITY. THE SURVEY WAS AIMED TO CAPTURE MEMBERS' THINKING TOWARD THE "REPORT BY THE STUDY GROUP ON THE SECURITY ISSUE" THAT THE ASSOCIATION COMPILED LAST APRIL. THIS REPORT STEPPED INTO THE ISSUE OF "EXERCISE OF THE RIGHT OF COLLECTIVE SELF-DEFENSE," WHICH IS PROHIBITED IN THE GOVERNMENT'S INTERPRETATION, AND WHICH IS DRAWING PUBLIC ATTENTION. AMONG THE RESPONDENTS, 64.8 PERCENT REPLIED, "IT IS TIME TO REVIEW."

THE RESPONSE "IT IS NECESSARY TO REVIEW BUT IT IS STILL TOO EARLY" ACCOUNTED FOR 26.7 PERCENT, AND 5.0 PERCENT SAID, "THERE IS NO NEED TO REVIEW."

THE REPORT OFFERED THE OPINION THAT JAPAN'S "THREE PRINCIPLES OF ARMS EXPORTS" SHOULD BE ENFORCED FLEXIBLY TOWARDS TRUSTWORTHY COUNTRIES. RESPONDING TO THIS ASSERTION, 47.5 PERCENT SAID, "IT IS BETTER TO ADHERE FIRMLY TO THE PRINCIPLES," MAKING UP THE FAVORED RESPONSE. ANOTHER 45.6 PERCENT AGREED TO THE VIEW IN THE REPORT.

VIEWS WERE SPLIT ON THE OKINAWA BASE ISSUE, WITH 44.0 PERCENT OF RESPONDENTS SUGGESTING "THE U.S. FORCES ON JAPAN SHOULD BE SCALED DOWN AND SOME BASES ON OKINAWA SHOULD BE TRANSFERRED TO MAINLAND JAPAN;" 28.5 PERCENT SAYING "WITH THE PRESENT LEVEL OF U.S. FORCES ON JAPAN UNCLAS SECTION 05 OF 08 TOKYO 003489

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 22

MAINTAINED, SOME OF BASES ON OKINAWA SHOULD BE RELOCATED TO MAINLAND JAPAN;" 11.7 PERCENT REPLYING "BASES ON OKINAWA, WITHOUT BEING RELOCATED TO THE MAINLAND JAPAN, SHOULD BE DOWNSIZED;" AND 10.0 PERCENT SAYING, "THERE IS NO ALTERNATIVE BUT TO KEEP THE STATUS QUO."

THE SURVEY (BY QUESTIONNAIRE) WAS CONDUCTED ON APRIL 1, QUERYING 1,597 MEMBERS OF THE ASSOCIATION. REPLIES WERE COLLECTED FROM 421 MEMBERS. THE RESPONSE RATE WAS 26.4 PERCENT.

LOWER HOUSE TO ADOPT OKINAWA RESOLUTION TODAY
(NIHON KEIZAI - PAGE 2)

THE LOWER HOUSE STEERING COMMITTEE, IN ITS DIRECTORS MEETING YESTERDAY, DECIDED TO ADOPT TODAY A RESOLUTION ON THE OKINAWA BASES PROBLEM, AS WELL AS ON AN OKINAWA REVITALIZATION PACKAGE. THE DECISION WAS MADE AS A RESULT OF THE PASSAGE OF THE BILL TO AMEND THE SPECIAL LAND-LEASE LAW FOR U.S. FORCES IN JAPAN. THE RESOLUTION SPELLS OUT THAT WE WILL "DO OUR BEST" TO REALIGN, REDUCE, AND RELOCATE U.S. MILITARY BASES (ON OKINAWA). IT ALSO SEEKS TO PRESS THE JAPANESE AND U.S. GOVERNMENTS TO PROCEED WITH CONSULTATIONS ON THE MILITARY ARRANGEMENT, INCLUDING U.S. TROOP STRENGTH IN THE ASIA-PACIFIC REGION, BASED ON THE JAPAN-U.S. JOINT SECURITY DECLARATION.

YAMANASHI PREFECTUREQS LOCAL MUNICIPALITIES TO ACCEPT U.S. ARTILLERY DRILLS AT KITAFUJI RANGE
(NIHON KEIZAI - PAGE 2)

THE KITAFUJI TASK FORCE COUNCIL, WHICH IS COMPOSED OF SUCH LOCAL GOVERNMENTS AS YAMANASHI PREFECTURE AND FUJIYOSHIDA CITY, ON THE 21ST FINALLY APPROVED THE RELOCATION OF UNITED STATES FORCES' ARTILLERY FIRING TRAINING CONDUCTED ACROSS PREFECTURAL ROAD 104 ON OKINAWA TO THEIR LOCAL FIRING RANGE. THEY HAVE REACHED A CONCLUSION THAT THE PARTIAL RELOCATION OF THE TRAINING FROM OKINAWA TO MAINLAND JAPAN IS IMPORTANT TO RECONCILE JAPAN'S SECURITY AND THE EASING OF OKINAWA'S BURDEN, AND THAT THE RELOCATION IS BASICALLY UNDERSTANDABLE. FROM NOW ON, YAMANASHI PREFECTURE WILL ASK THE CENTRAL GOVERNMENT FOR MEASURES SUCH AS ANTI-NOISE POLLUTION MEASURES FOR THE RESIDENTS IN THE ADJACENT AREAS, AS WELL AS SUBSIDIES FOR PREPARATION OF FACILITIES.

HOKKAIDOQS LOCAL TOWN ALSO TO ACCEPT U.S. ARTILLERY TRAINING FROM OKINAWA (NIHON KEIZAI - PAGE 2)

REGARDING THE ISSUE OF RELOCATING UNITED STATES FORCES' ARTILLERY FIRING RANGE FROM OKINAWA TO THE GROUND SELF-DEFENSE FORCE'S YAUSUBETSU TRAINING FIELD, LOCATED ON THE EASTERN PART OF HOKKAIDO, HAMANAKA TOWN HEAD AKIRA KOBAYASHI, WHO HAD BEEN OPPOSED TO ACCEPTING THE RELOCATION TO YAUSUBETSU, IN AN EMERGENCY MEETING OF HIS TOWN ASSEMBLY ON THE 21ST STATED: "THE OBJECTIVE SITUATION HAS GREATLY CHANGED. I WOULD LIKE TO DISCUSS THE ISSUE WITH GOVERNOR TATSUYA HORI.'" SO SAYING, HE HAS

REVISED HIS POLICY STANCE OF MERELY OPPOSING THE PROPOSAL.

REVISED SPECIAL MEASURES LAW COMING INTO EFFECT TOMORROW (YOMIURI - PAGE 2)

THE REVISED SPECIAL LAND LEASE LAW FOR (U.S.) ARMED FORCES STATIONED IN JAPAN (OR THE SO-CALLED "KAISEI-TOKUSOHO" ACT), WHICH HAS BEEN PASSED FOR THE GOVERNMENT'S CONTINUED EXPROPRIATION OF LAND LOTS FOR U.S. MILITARY FACILITIES ON OKINAWA, WILL BE PROMULGATED IN THE OFFICIAL GAZETTE DATED APRIL 23, AND WILL COME INTO EFFECT. IN RESPONSE TO THIS, THE DEFENSE FACILITIES ADMINISTRATION AGENCY IS GOING TO CONDUCT COMPENSATORY DEPOSITION PROCEDURES ON THE 24TH FOR THE LANDOWNERS OF UNCLAS SECTION 06 OF 08 TOKYO 003489

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 22

THE SOBE COMMUNICATION FACILITY SITE, WHICH HAS BEEN USED WITHOUT TITLE SINCE APRIL 1 OF LAST YEAR. FOR THE SOBE SITE, THE GOVERNMENT IS EXPECTED TO RECOVER ITS TITLE ON THE 25TH.

OKINAWA PREFECTUREQS LT. GOV. DENIES NAHA MILITARY PORT INTERGRATION (ASAHI - PAGE 2, APRIL 21QS EVENING EDITION)

OKINAWA PREFECTURE'S GOVERNOR MASAhide OTA, NOW VISITING THE U.S., HAS SOUNDED OUT THE U.S. SIDE ON HIS IDEA OF INTEGRATING THE NAHA MILITARY PORT'S FUNCTIONS INTO WHITE BEACH. ON THIS PROBLEM, THE PREFECTURE'S LIEUTENANT GOVERNOR, MASANORI YOSHIMOTO, STATED ON THE 21ST, "THAT CAME UP IN THEIR TALKS ABOUT CONSOLIDATING U.S. MILITARY FACILITIES. THE GOVERNOR DIDN'T MEAN TO SAY THAT HE WANTS IT TO BE RELOCATED TO THAT PLACE." SO REMARKING, LIEUTENANT GOVERNOR YOSHIMOTO CLARIFIED THAT THE PREFECTURAL GOVERNMENT OF OKINAWA HAD NOT BEEN CONSIDERING THE IDEA. THE LIEUTENANT GOVERNOR MADE THIS REMARK IN AN INFORMAL DISCUSSION WITH MEMBERS OF A LOWER HOUSE FACT-FINDING DELEGATION (LED BY HIROMU NONAKA) VISITING OKINAWA FOR SUCH PURPOSES AS SEEING U.S. MILITARY BASES THERE.

SDP POLICY BOARD CHAIRMAN OKINAWA RETRACTS HIS RESIGNATION (NIHON KEIZAI - PAGE 2)

IN A PRESS MEETING YESTERDAY, SOCIAL DEMOCRATIC PARTY (SDP) POLICY DELIBERATION COUNCIL CHAIRMAN KAZUO OIKAWA REVEALED HIS INTENTION TO STAY IN HIS PRESENT POST, ACCEPTING THE PARTY LEADERSHIP'S REQUEST. OIKAWA HAD ANNOUNCED HIS INTENTION TO RESIGN FROM THE POST, TAKING RESPONSIBILITY FOR VOTING IN FAVOR OF THE BILL AMENDING THE SPECIAL LAND-LEASE LAW FOR UNITED STATES FORCES ON JAPAN, AGAINST HIS PARTY'S POSITION.

OZAWA GOES TO AMERICA AND ENGLAND (NIHON KEIZAI - PAGE 2)

SHINSHINTO (NEW FRONTIER PARTY) PRESIDENT ICHIRO OZAWA WILL MAKE A TRIP TO THE UNITED STATES AND THE UNITED KINGDOM FOR ABOUT A WEEK FROM THE 27TH. REPORTEDLY, HE WILL NOT VISIT WASHINGTON SINCE "THE TRIP WILL BE PRIVATE" (PERSON CLOSE TO OZAWA). HE WILL GIVE A LECTURE AT THE "FOREIGN AFFAIRS COUNCIL" IN NEW YORK ON THE 28TH. AFTER THAT, HE WILL FLY TO THE U.K. FOR SIGHTSEEING.

PUBLIC INVESTMENTS: FISCAL RESTRUCTURING PANEL AGREES TO 3 YEARSQ EXTENSION OF BASIC PLAN (NIHON KEIZAI - PAGE 5)

THE PLANNING COMMITTEE (CHAIRERD BY LIBERAL DEMOCRATIC PARTY (LDP) SECRETARY GENERAL KOICHI KATO) UNDER THE FISCAL STRUCTURAL REFORM COUNCIL YESTERDAY LAUNCHED THOROUGH DISCUSSIONS ON SPENDING-CUT MEASURES. THE MEETING ALMOST UNANIMOUSLY AGREED TO LENGTHEN THE TERM OF THE BASIC PUBLIC WORKS PROJECTS PLAN, UNDER WHICH A TOTAL OF 630 TRILLION YEN IS TO BE INVESTED DURING THE PERIOD FROM FISCAL 1995 TO FISCAL 2004, BY ABOUT THREE YEARS. THE GOVERNMENT HAS ALREADY ADOPTED THE POLICY DIRECTION OF CUTTING THE AMOUNTS OF PUBLIC WORKS PROJECTS FOR A SINGLE YEAR, EITHER BY LENGTHENING THE TERM OF THE PLAN OR BY SLASHING THE TOTAL AMOUNT OF INVESTMENTS. THIS IS THE FIRST INDICATION OF A CONCRETE DIRECTION REGARDING THE NUMBER OF YEARS TO BE EXTENDED.

AT THE OUTSET OF THE MEETING, THE PLANNING COMMITTEE ADOPTED A MEMORANDUM THAT SORTS OUT THE POINTS OF DISCUSSIONS COVERING 13 AREAS. THE COMMITTEE YESTERDAY DISCUSSED SUCH AREAS AS PUBLIC WORKS PROJECTS, AGRICULTURE, FISHERIES AND TRANSPORT. IT WILL CONTINUE THOROUGH DISCUSSIONS ALSO ON THE 23RD AND THE 24TH THIS WEEK AND BOIL DOWN ITS FINDINGS AFTER THE END OF THE (GOLDEN WEEK) HOLIDAYS IN MAY SO THAT IT CAN REACH A CONCLUSION BY MID-MAY.

UNCLAS SECTION 07 OF 08 TOKYO 003489

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 22

IN THE DISCUSSION, FINANCE MINISTER MITSUZUKA REMARKED, "IN ORDER TO CUT THE GENERAL ACCOUNT PORTION OF THE NATIONAL BUDGET, A CUT IN OR EXTENSION OF THE PUBLIC WORKS PROJECTS PLAN IS UNAVOIDABLE."

AS TO THE LONG-TERM PLAN COVERING 16 AREAS THAT STIPULATES PUBLIC WORKS PROJECTS SECTOR BY SECTOR, SUCH AS FORESTRY CONSERVANCY, RIVER IMPROVEMENT AND PORTS AND HARBORS, THE PANEL RECONFIRMED THE POLICY OF REDUCING THE AMOUNT OF INVESTMENTS TO BE MADE IN A SINGLE YEAR, BY LENGTHENING THE TERM OF THE PLAN.

HOWEVER, MANY PARTICIPANTS SHOWED DISAPPROVAL TOWARD A REDUCTION OF THE FUNDING LEVEL OF THE PLAN, NOTING, "IT WOULD BE DIFFICULT TO DO SO FROM A POLITICAL PERSPECTIVE."

MAJOR OPINIONS HEARD AT MEETING OF FISCAL STRUCTURAL REFORM COUNCIL HELD ON THE 21ST

(PUBLIC WORKS PROJECTS)

- TWO-STAGE CUT THROUGH COST-CUTTING AND A REVIEW OF THE LONG-TERM PLAN
- LENGTHEN THE TERM OF THE BASIC PUBLIC WORKS PROJECTS PLAN BY ABOUT THREE YEARS
- IT IS APPROPRIATE TO EXTEND THE TERM OF THE LONG-TERM PLAN COVERING 16 SECTORS BY TWO TO THREE YEARS
- SPECIAL FUNDING RESOURCES FRAMEWORK SHOULD BE SCRAPPED

(AGRICULTURE)

- EXPENSES FOR URUGUAY ROUND COUNTERMEASURES SHOULD BE COVERED, BY EXTENDING THE TERM OF IMPLEMENTATION OF SUCH COUNTERMEASURES, INSTEAD OF EARMARKING SUCH FUNDS IN THE SUPPLEMENTARY BUDGET
- USE THE WATER SERVICE USE TAX TO DISPOSE OF DEBTS CARRIED BY STATE FOREST PROJECTS
- CUT SUBSIDIES FOR RICE-RELATED PROJECTS. STREAMLINE THE FOOD AGENCY.

(TRANSPORT)

- EXTEND THE TERM OF THE CONSOLIDATED SHINKANSEN (BULLET TRAIN) SYSTEM PLAN FOR SECTIONS WHERE CONSTRUCTION HAS ALREADY STARTED. UNPROFITABLE SECTIONS THAT HAVE YET TO BE STARTED MAY BE SUSPENDED.

- LOOK INTO THE POSSIBILITY OF USING THE RAILWAY USE TAX, THE COMPREHENSIVE TRAFFIC USE TAX AND INTEREST-FREE GOVERNMENT BONDS AND THE LIKE IN WRITING OFF DEBTS LEFT BY THE FORMER JAPANESE NATIONAL RAILWAYS.

- USE TAXES PAID BY JR AS FUNDS TO DISPOSE OF SUCH DEBTS.

BANKING INSTITUTIONS Q LOAN CREDIT: GOVERNMENT TO O.K.
TRANSFER TO INDIVIDUAL INVESTORS
(NIHON KEIZAI - TOP PLAY)

THE GOVERNMENT WILL IMPLEMENT COMPREHENSIVE MEASURES BEFORE FISCAL 1998 THAT WILL URGE FINANCIAL INSTITUTIONS TO TRANSFER LOAN CREDITS. AT PRESENT, FINANCIAL INSTITUTIONS CAN SELL SECURITIES BACKED BY LOAN CREDITS ONLY TO INSTITUTIONAL INVESTORS. THE GOVERNMENT NOW INTENDS TO SCRAP THIS REGULATION SO THAT BUSINESS ENTITIES AND INDIVIDUAL INVESTORS CAN BUY THEM. AT THE SAME TIME, THE GOVERNMENT WILL PROMOTE A DISTRIBUTION
UNCLAS SECTION 08 OF 08 TOKYO 003489

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 22

MARKET FOR LOAN CREDITS, BY ENACTING A LAW DESIGNED TO PROTECT INVESTORS. IF TRADING IN LOAN CREDITS, INCLUDING BAD LOANS, BECOMES BRISK, BANKS WILL BE ABLE TO TRIM THEIR TOTAL ASSETS. AS A RESULT, THEIR CAPITAL ADEQUACY RATIOS WILL IMPROVE. THE PROPOSAL MAY ALSO SERVE AS A MEANS TO HELP JAPANESE BANKS, WHOSE CREDIT-WORTHINESS HAS DECLINED IN THE INTERNATIONAL MARKET, RECOVER THEIR HEALTH. CRANE

SECT: SECTION: 01 OF 08
<^SECT>SECTION: 02 OF 08
<^SECT>SECTION: 03 OF 08
<^SECT>SECTION: 04 OF 08
<^SECT>SECTION: 05 OF 08
<^SECT>SECTION: 06 OF 08
<^SECT>SECTION: 07 OF 08
<^SECT>SECTION: 08 OF 08

SSN: 3489
<^SSN>3489
<^SSN>3489
<^SSN>3489
<^SSN>3489
<^SSN>3489
<^SSN>3489

<^SSN>3489

TOR: 970422041023 M2725140

<^TOR>970422041038 M2725141

<^TOR>970422041100 M2725142

<^TOR>970422041150 M2725143

<^TOR>970422041232 M2725144

<^TOR>970422041315 M2725145

<^TOR>970422041524 M2725149

<^TOR>970422041539 M2725152

DIST:

SIT: BUJOLD

SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Japan-U.S. / Security Relationship (4 pages)	04/22/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/18/1997 - 04/24/1997]

2016-0420-F
sb1902

RESTRICTION CODES

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

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

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

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

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

RR. Document will be reviewed upon request.

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

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO3529 1130537-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 230537Z APR 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 230537Z APR 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 5585
RUEHIA/USIA WASHDC IMMEDIATE 4520
INFO: RUEAIIA/CIA WASHDC
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEKJCS/SECDEF WASHDC
RUCPDOG/USDOC WASHDC
RUEBBEA/USDOT WASHDC
RUEAWJB/USDOJ WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RHEHAAA/WHITE HOUSE WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUALSFJ/COMUSJAPAN YOKOTA AB JA
RUEKJCS/JOINT STAFF WASHDC//J5//
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS APRIL 23

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 003529

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 23

TOP HEADLINES:

ASAHI: U.S. FORCES' ARTILLERY EXERCISES ACROSS OKINAWA
PREFECTURAL ROAD WILL BE SETTLED IN EFFECT WITH
RELOCATION OF SUCH DRILLS TO MAINLAND JAPAN; OITA,
HIGASHI FUJI TO ALLOW SUCH RELOCATION (TRANSLATION BELOW)

NIHON KEIZAI: FISCAL RECONSTRUCTION AT MODERATE PACE IF

JAPAN'S ECONOMIC RECOVERY SLOWS DOWN; U.S. PRESIDENT'S PERSONAL LETTER TO PRIME MINISTER; EXPRESSES CONCERN OVER "DOMESTIC DEMAND BEING SHACKLED"; MAY COME UP AS SUBJECT FOR UPCOMING SUMMIT (TRANSLATION BELOW)

TOKYO SHIMBUN: POLICE RAID ON DONEN THIS MORNING; TO PURSUE SENIOR OFFICIALS' INVOLVEMENT IN FALSE REPORTS; FIRST POLICE RAID AT NUCLEAR POWER GENERATION FACILITIES

MAINICHI: OPINION POLL BY THIS NEWSPAPER: "NO SUPPORT" FOR HASHIMOTO CABINET SHOWS A RAPID RISE TO 32 PERCENT, EXCEEDING A 30-PERCENT LEVEL FOR THE FIRST TIME; "SUPPORT" RATE STANDS AT 34 PERCENT, DOWN 5 POINT (TRANSLATION BELOW)

YOMIURI: OPINION SURVEY BY THIS NEWSPAPER ON LOCAL GOVERNMENTS ACROSS THE NATION: 60 PERCENT OF LOCAL GOVERNMENT CHIEFS FAVOR MERGER OF MUNICIPALITIES; HALF SAY, "PROMOTIONAL MEASURES ARE NECESSARY"

SANKEI: GOVERNMENT SWITCHES TO USE FORCE AGAINST HONG KONG'S AND TAIWAN'S PROTEST BOATS PLANNING TO LAND ON SENKAKU ISLANDS; EVEN READY TO SEIZE THEM; WILL ALSO CHECK CHINESE BOATS (TRANSLATION BELOW)

LETTER FROM CLINTON TO HASHIMOTO: U.S. HOPES FOR FISCAL RECONSTRUCTION AT MODERATE PACE IN CASE OF ECONOMIC SLOWDOWN IN JAPAN (NIHON KEIZAI - TOP PLAY)

IT WAS LEARNED YESTERDAY THAT UNITED STATES PRESIDENT CLINTON SENT A PERSONAL LETTER TO PRIME MINISTER RYUTARO HASHIMOTO, ASKING HIM TO SLOW DOWN THE PACE OF JAPAN'S CURRENT EFFORT FOR FISCAL RECONSTRUCTION IN THE EVENT THAT THE JAPANESE ECONOMY SLOWS DOWN. IN THE LETTER THE PRESIDENT EXPRESSED CONCERN THAT JAPAN'S FISCAL RECONSTRUCTION POLICY MIGHT LEAD TO AN INCREASE IN ITS TRADE SURPLUS WITH THE U.S., WORKING AS A DRAG ON A "DOMESTIC DEMAND-DRIVEN" ECONOMIC RECOVERY. HE ALSO URGED AN EARLY SETTLEMENT OF THE FINANCIAL SYSTEM PROBLEM. JAPAN PLANS TO ANNOUNCE A POLICY OF WRESTLING WITH STRUCTURAL ECONOMIC REFORM, SUCH AS DEREGULATION, AT THE BILATERAL SUMMIT SCHEDULED IN WASHINGTON ON THE 25TH. CHANCES ARE THAT THE U.S. MAY REQUEST YET ANOTHER SET OF MEASURES TO GENERATE DOMESTIC DEMAND. IF SUCH A REQUEST IS MADE, IT IS LIKELY TO AFFECT THE FATE OF THE "SIX MAJOR REFORMS" ADVOCATED BY PRIME MINISTER HASHIMOTO, STARTING WITH FISCAL RECONSTRUCTION.

THE PRESIDENT'S PERSONAL LETTER IS DATED APRIL 2, JUST BEFORE TREASURY SECRETARY RUBIN'S VISIT TO JAPAN. IT REACHED PRIME MINISTER HASHIMOTO EARLY THIS MONTH. A LARGE PART OF THE LETTER IS DEVOTED TO JAPAN'S MACRO-ECONOMIC PROBLEMS, CATEGORICALLY NOTING, "(THE U.S.) IS CONCERNED ABOUT THE OUTLOOK OF THE JAPANESE ECONOMY AND PROSPECTS FOR A POSSIBLE INCREASE IN JAPAN'S TRADE SURPLUS."

THE LETTER ESPECIALLY REFERS TO FISCAL STRUCTURAL REFORM,

WHICH THE HASHIMOTO ADMINISTRATION IS TACKLING AS A TOP PRIORITY, CRITICIZING IT BY SAYING, "SUCH AN EFFORT MIGHT LEAD TO AN INCREASE IN THE CURRENT ACCOUNT SURPLUS, HAMPERING A DOMESTIC DEMAND-DRIVEN ECONOMIC RECOVERY." THE PRESIDENT THEN URGES THE PRIME MINISTER "TO ADD FLEXIBILITY TO HIS POLICY, SUCH AS SLOWING DOWN THE PACE OF FISCAL RECONSTRUCTION (IN TUNE WITH THE ACTUAL UNCLAS SECTION 02 OF 08 TOKYO 003529

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 23

CONDITIONS OF THE ECONOMY)," IN CASE THE ECONOMY SLACKENS IN THE SECOND HALF OF THE YEAR AND JAPAN'S TRADE SURPLUS RISES AGAIN. THE PRESIDENT IN A SENSE REQUESTED THAT JAPAN NOT EXCESSIVELY CONSTRAIN FISCAL DISBURSEMENTS PRIMING THE ECONOMY, BY GIVING FOREMOST PRIORITY TO A FISCAL RECONSTRUCTION PACKAGE, INCLUDING A HIKE IN THE CONSUMPTION TAX.

AT THE SAME TIME, THE PRESIDENT ALSO REFERRED TO THE PROBLEM OF JAPAN'S FINANCIAL SYSTEM, NOTING, "(THE U.S.) IS ALSO CONCERNED ABOUT THE PROBLEM OF JAPAN'S BANKING SYSTEM." IN THIS CONNECTION, HE PROPOSED "TAKING NECESSARY STEPS TO SETTLE PROBLEMS EARLY, WHILE MAINTAINING STABILITY." HE THEN INDICATED THE VIEW THAT DRASTIC SETTLEMENT MEASURES WOULD BE NEEDED TO DISPOSE OF NON-PERFORMING LOANS, WHICH ARE WORKING AGAINST ECONOMIC RECOVERY. HE ALSO ADDED THAT FOR FURTHER DEREGULATION, "THE U.S. EXPECTS JAPAN TO COME UP WITH AND IMPLEMENT A BOLD REFORM PROGRAM."

IN RESPONSE TO PRESIDENT CLINTON'S LETTER, PRIME MINISTER HASHIMOTO IS EXPECTED TO ASSERT AT THE SUMMIT TALKS SCHEDULED FOR THE 25TH THAT "JAPAN'S CURRENT ACCOUNT SURPLUS WILL NOT EXPAND AS USED TO BE THE CASE." AT THE SAME TIME, THE PRIME MINISTER WILL PLAY UP HIS STANCE OF POSITIVELY TACKLING THE SIX HASHIMOTO REFORMS, SUCH AS REFORMS OF THE ECONOMIC STRUCTURE AND THE FINANCIAL SYSTEM. HE WILL PLEDGE TO THE PRESIDENT TO PUT THE ECONOMY BACK ON TRACK THROUGH DOMESTIC DEMAND, WITHOUT RELYING ON EXPORTS.

TO BE CONCRETE, THE PRIME MINISTER WILL EXPLAIN THAT DEREGULATORY MEASURES FOR SUCH HIGH-COST SECTORS AS ELECTRIC POWER AND DISTRIBUTION WILL BE INCORPORATED IN THE ECONOMIC STRUCTURAL REFORM PLAN TO BE REVISED IN MAY.

HE INTENDS TO INDICATE THE POSITION OF SHORING UP DOMESTIC DEMAND, BY MAPPING OUT COMPREHENSIVE MEASURES FOR PROMOTING LAND LIQUIDITY AND INCLUDING NECESSARY MEASURES FOR THAT IN THE FY1998 DRAFT BUDGET.

HOWEVER, THE HASHIMOTO ADMINISTRATION, WHOSE SLOGAN IS FISCAL RECONSTRUCTION, WOULD FIND IT DIFFICULT TO COMPILE A PUMP-PRIMING-TYPE SUPPLEMENTARY BUDGET, VIOLATING ITS "PUBLIC PLEDGE," EVEN IF THE ECONOMY TURNS INCREASINGLY DOWNWARD IN THE SECOND HALF OF THE YEAR.

THE OFFICIAL DISCOUNT RATE IS ALREADY AT ROCK-BOTTOM, STANDING AT 0.5 PERCENT A YEAR. FURTHER FINANCIAL DEREGULATION IS, IN EFFECT, IMPOSSIBLE. THERE IS THE POSSIBILITY THAT IN CASE JAPAN'S ECONOMY SLACKENS THE GOVERNMENT MAY FACE A POLICY DILEMMA, AS THE U.S. FEARS.

MAJOR CONTENTS OF THE U.S. PRESIDENT'S LETTER

- CONCERN ABOUT IMBALANCE IN JAPAN'S TRADE, TENSIONS IN THE FINANCIAL MARKET AND A SURGE IN PROTECTIONIST PRESSURE.
- IT IS NECESSARY TO ADD FLEXIBILITY, SUCH AS SLOWING DOWN THE PACE OF FISCAL RECONSTRUCTION, IF THE ECONOMY SLOWS DOWN AND THE TRADE SURPLUS INCREASES.
- STEPS NEEDED FOR AN EARLY SETTLEMENT OF THE FINANCIAL SYSTEM PROBLEM SHOULD BE ADOPTED.
- DEREGULATION AND THE OPENING OF THE JAPANESE ECONOMY ARE DEFINITELY VITAL. A BOLD REFORM PROGRAM IS EXPECTED.

PRIME MINISTER HASHIMOTO BESET WITH CONCERN BEFORE HIS TRIP TO WASHINGTON, COLD WATER ON JAPAN'S FISCAL RESTRUCTURING (NIHON KEIZAI - PAGE 5)

PRIME MINISTER RYUTARO HASHIMOTO HAS RECEIVED A LETTER UNCLAS SECTION 03 OF 08 TOKYO 003529

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 23

FROM U.S. PRESIDENT CLINTON WHICH TOSSES COLD WATER ON HIS STRUCTURAL FISCAL REFORM PROGRAM, WHICH WILL BE IMPLEMENTED FIRST AMONG HIS "SIX REFORMS." THE GOVERNMENT/RULING CAMP'S WORK TO FINALIZE THE PLAN BY THE

FISCAL STRUCTURAL REFORM COUNCIL WILL FACE A DIFFICULT PHASE SOON. WITH A BRUSH OFF PITCH (TO CHECK A BATTER) COMING FROM THE U.S. IN ADDITION TO STRONG RESISTANCE FROM POLICY CLIQUES IN THE DIET (ZOKU) AND RELEVANT GOVERNMENT OFFICES, THE PRIME MINISTER, "BESET WITH TROUBLES BOTH AT HOME AND ABROAD," WILL INEVITABLY BE FORCED TO STEER THE SHIP OF STATE THROUGH SEVERE SEAS.

THE PLANNING COMMITTEE IN THE FISCAL REFORM COUNCIL HAS BEEN CARRYING OUT INTENSIVE DELIBERATIONS ON SECTOR-SPECIFIC SPENDING CUTS. FURTHERMORE, THE COMMITTEE IS SCHEDULED TO COMPILE A REPORT IN MAY AND DRAFT A FISCAL REFORM BILL (TENTATIVE NAME) IN JUNE BASED ON THE REPORT. AS COMPARED WITH FIVE OTHER REFORMS, SUCH AS ADMINISTRATIVE REFORM, THE PACE OF FISCAL REFORM IS FASTER AND THE TARGET DATE FOR ITS CONCLUSION IS EARLIER. IT CAN BE CALLED A "TEST CASE" OF THE SIX MAJOR REFORM PLANS.

IN DRAWING UP FIVE FISCAL-REFORM PRINCIPLES IN MARCH, THE PRIME MINISTER MADE A DECISION TO HOLD DOWN THE GROWTH OF GENERAL OPERATING EXPENDITURES -- KEEPING THEM NEGATIVE -- WHEN COMPILING THE FY1998 BUDGET. AN INCREASINGLY COMMON OBSERVATION IS THAT "THE PRIME MINISTER HAS BURNED HIS BRIDGES" (GOVERNMENT SOURCE).

IF THE PRIME MINISTER STUMBLES RIGHT FROM THE START, SUCH MAY RESULT IN A DOMINO EFFECT AND THAT MAY EVENTUALLY CAUSE DARK CLOUDS TO GATHER OVER HIS REELECTION IN THE LIBERAL DEMOCRATIC PARTY'S (LDP) PRESIDENTIAL RACE THIS FALL.

IN REACTION TO AMERICA'S STANCE OF THROWING COLD WATER ON PRIME MINISTER HASHIMOTO'S ECONOMIC MANAGEMENT, AN OPINION IS BEING HEARD FROM AMONG THOSE CLOSE TO THE PRIME MINISTER: "THE U.S., TOO, HAS CARRIED OUT FISCAL RECONSTRUCTION. SO IT MUST BE AWARE OF THE IMPORTANCE OF THIS PROJECT."

IN HIS UPCOMING MEETING WITH PRESIDENT CLINTON, PRIME MINISTER HASHIMOTO IS EXPECTED TO EXPLAIN THAT ACHIEVING DOMESTIC DEMAND-LED GROWTH IS FEASIBLE BY MEANS OF IMPLEMENTING THE FY1996 SUPPLEMENTARY BUDGET AND THE FY1997 BUDGET, AND SEEK THE PRESIDENT'S UNDERSTANDING TOWARD HIS REFORM PROGRAM. NEVERTHELESS, SINCE IT IS AN EXTREMELY CRUCIAL ISSUE FOR THE TWO LEADERS, IT MIGHT LINGER ON AS A SEED FOR FUTURE FRICTION EVEN AFTER THE SUMMIT MEETING.

PRIME MINISTER HASHIMOTO OFF TO AMERICA TOMORROW
(ASAHI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO WILL LEAVE FOR THE UNITED STATES TOMORROW FOR A FORMAL VISIT. HE WILL MEET WITH PRESIDENT CLINTON ON THE 25TH IN WASHINGTON. THE TWO LEADERS ARE EXPECTED TO AGREE ON THE CLARIFICATION OF JAPAN'S MEASURES TO SUPPORT THE U.S., AS WELL AS ON THE ACCELERATION OF WORK TO REVIEW THE "JAPAN-U.S. DEFENSE

COOPERATION GUIDELINES." THEY WILL CONFIRM THAT THE TWO COUNTRIES WILL MAKE EFFORTS TO EASE OKINAWA'S BURDEN IN CONNECTION WITH THE APPLICATION OF U.S.-JAPAN SECURITY ARRANGEMENT, AND EXCHANGE VIEWS ON HOW CONSULTATIONS ON U.S. TROOP STRENGTH IN JAPAN, INCLUDING MARINES STATIONED ON OKINAWA, SHOULD BE CONDUCTED.

AFTER COMPLETING HIS ITINERARY IN THE U.S., THE PRIME MINISTER WILL FLY TO AUSTRALIA AND NEW ZEALAND, AND THEN RETURN HOME ON MAY 1. THIS WILL BE THE SIXTH HASHIMOTO-CLINTON MEETING. THEY PLAN TO MEET FOR ABOUT TWO HOURS, UNCLAS SECTION 04 OF 08 TOKYO 003529

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 23

OF WHICH ONE HOUR AND TWENTY MINUTES WILL BE ONE-ON-ONE.

AGRICULTURE MINISTER FUJIMOTO TO ACT FOR PRIME MINISTER HASHIMOTO DURING HIS FOREIGN TRIPS (ASAHI - PAGE 2)

THE GOVERNMENT IN A CABINET MEETING YESTERDAY CHOSE AGRICULTURE, FORESTRY AND FISHERIES MINISTER TAKAO FUJIMOTO AS ACTING PRIME MINISTER WHILE PRIME MINISTER RYUTARO HASHIMOTO TAKES A TRIP TO THE UNITED STATES, AUSTRALIA AND NEW ZEALAND FROM APRIL 24 THROUGH MAY 1. THE FOLLOWING ARE CABINET MINISTERS WHO WILL GO ABROAD DURING THE LATE APRIL HOLIDAYS (GOLDEN WEEK) AND THOSE WHO WILL "ACT" IN THEIR ABSENCE:

- FINANCE MINISTER HIROSHI MITSUZUKA (APRIL 26 - 30, U.S.); CHIEF CABINET SECRETARY SEIROKU KAJIYAMA TO BE ACTING FINANCE MINISTER
- MITI MINISTER SHINJI SATO (APRIL 28 - MAY 4, U.S., CANADA); CONSTRUCTION MINISTER SHIZUKA KAMEI TO SERVE AS ACTING MITI MINISTER
- POSTS AND TELECOMMUNICATIONS MINISTER HISAO HORINOUCI (APRIL 26 - 29, MALAYSIA, SINGAPORE); HOME AFFAIRS MINISTER KATSUHIKO SHIRAKAWA TO BE PROXY FOR HORINOUCI
- MANAGEMENT AND COORDINATION AGENCY DIRECTOR GENERAL KABUN MUTO (APRIL 27 - 30, U.K.); LABOR MINISTER YUTAKA OKANO TO SERVE AS ACTING MCA DIRECTOR GENERAL
- DEFENSE AGENCY DIRECTOR GENERAL FUMIO KYUMA (APRIL 28 -

30, SOUTH KOREA); FOREIGN MINISTER YUKIHIKO IKEDA TO BE ACTING JDA DIRECTOR GENERAL

JDAQS DEFENSE POLICY BUREAU DIRECTOR GENERAL TO ACCOMPANY PRIME MINISTER TO WASHINGTON (TOKYO SHIMBUN - PAGE 3)

THE JAPAN DEFENSE AGENCY'S DEFENSE POLICY BUREAU DIRECTOR GENERAL MASAHIRO AKIYAMA WILL ACCOMPANY PRIME MINISTER RYUTARO HASHIMOTO ON HIS SCHEDULED VISIT TO THE U.S. FROM THE 24TH. THIS WAS CLARIFIED BY DIRECTOR OF THE JDA SECRETARIAT SEIJI EMA AT A PRESS CONFERENCE HELD ON THE 22ND. AKIYAMA WILL REMAIN IN THE U.S. AFTER THE PRIME MINISTER LEAVES, AND JDA IS NOW COORDINATING HIS SCHEDULE FOR INFORMAL MEETINGS WITH SENIOR PENTAGON OFFICIALS. AKIYAMA IS EXPECTED TO EXCHANGE VIEWS ON SUCH MATTERS AS THE ONGOING REVIEW OF THE GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION, ON WHICH AN INTERIM REPORT IS PLANNED IN THE LATTER PART OF MAY ("AFTER MID-MAY").

FOOD AID TO NORTH KOREA EXPECTED TO BE DISCUSSED, BUT JAPAN REMAINS CAUTIOUS (NIHON KEIZAI - PAGE 2)

THE PROBLEM OF PROVIDING FOOD AID TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA) HAS NOW CROPPED UP AS ONE OF THE MAIN SUBJECTS FOR THE JAPAN-U.S. SUMMIT MEETING SET FOR THE 25TH. THE U.S. GOVERNMENT HAS BEEN SEEKING COOPERATION ON THE ISSUE OF FOOD AID, BUT THE JAPANESE GOVERNMENT REMAINS CAUTIOUS FOR REASONS SUCH AS THE INCIDENT OF A MISSING JAPANESE GIRL. JAPAN HAS SO FAR FOLLOWED IN THE WAKE OF THE U.S. AND THE REPUBLIC OF KOREA IN ITS DIPLOMACY TOWARD NORTH KOREA, BUT THE BOTTOM LINE NOW IS THAT THE JAPANESE GOVERNMENT WANTS TO DISPLAY A STRONG IMPRINT OF JAPAN'S INDIVIDUAL DIPLOMACY TOWARD THE NORTH, AIMING AT DIPLOMATIC NORMALIZATION BETWEEN JAPAN AND NORTH KOREA. THEREFORE, COORDINATION BETWEEN JAPAN AND THE U.S. WILL LIKELY BE DIFFICULT.

IN CONNECTION WITH THE ISSUE OF AIDING NORTH KOREA WITH FOOD, CHIEF CABINET SECRETARY SEIROKU KAJIYAMA STATED AT A PRESS CONFERENCE HELD ON THE 22ND THAT A NUMBER OF JAPANESE NATIONALS ARE SUSPECTED OF HAVING BEEN ABDUCTED BY NORTH KOREA, AND THEN HE POINTED OUT THE FACT THAT UNCLAS SECTION 05 OF 08 TOKYO 003529

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 23

NORTH KOREAN SHIPS HAVE SMUGGLED STIMULANT DRUGS IN LARGE QUANTITIES.

AT THE SAME TIME, CHIEF CABINET SECRETARY KAJIYAMA ALSO REMARKED, "EVEN IF JAPAN IS REQUESTED BY THE UNITED STATES TO EXTEND HUMANITARIAN AID (TO NORTH KOREA), IT WILL BE TROUBLESOME IF SUCH EVENTS STILL CONTINUE TO TAKE PLACE. I THINK IT WOULD BE BETTER FOR PRIME MINISTER RYUTARO HASHIMOTO TO TELL THIS TO THE U.S. SIDE." SO REMARKING, KAJIYAMA HAS MADE IT CLEAR THAT THE JAPANESE SIDE WILL ASSUME A CAUTIOUS STANCE ABOUT FOOD AID TO NORTH KOREA IN THE JAPAN-U.S. SUMMIT MEETING.

U.S. MILITARY FIRING PRACTICE SET TO BE TRANSFERRED TO MAINLAND PREFECTURES (ASAHI - TOP PLAY)

REGARDING THE PROBLEM OF RELOCATING LIVE-FIRING DRILLS NOW CARRIED OUT BY U.S. MARINES ACROSS OKINAWA PREFECTURAL ROAD 104, JAPAN DEFENSE AGENCY (JDA) DIRECTOR GENERAL FUMIO KYUMA ON THE 22ND MET GOVERNOR MORIHIKO HIRAMATSU AND THREE TOWN CHIEFS IN OITA PREFECTURE, WHICH HOUSES THE HIJUDAI TRAINING GROUND, ONE OF THE CANDIDATE SITES FOR RELOCATION. HE SOUGHT THEIR COOPERATION, EXPRESSING HIS "IRREVOCABLE RESOLVE" TO CONDUCT EXERCISES THERE. THE LOCAL LEADERS, WHILE EXPRESSING OPPOSITION TO THE RELOCATION PLAN, INDICATED THEIR ACCEPTANCE OF IT. MEANWHILE, MUNICIPALITIES IN SHIZUOKA PREFECTURE, HOME TO THE HIGASHI-FUJI TRAINING GROUND, FINISHED GATHERING LOCAL VIEWS THE SAME DAY. THEIR AGREEMENT IS EXPECTED AFTER DISCUSSIONS WITH DIRECTOR GENERAL KYUMA ON THE 23RD. WITH THESE DEVELOPMENTS, THE PROBLEM OF RELOCATING ARTILLERY EXERCISES CARRIED OUT ACROSS THE PREFECTURAL ROAD -- A STEP TO ALLEVIATE THE BURDEN ON OKINAWA, WHERE U.S. MILITARY BASES ARE CONCENTRATED -- WILL BE VIRTUALLY FINALIZED, AND SUCH EXERCISES WILL BE CONDUCTED AT FIVE TRAINING GROUNDS ON MAINLAND JAPAN STARTING THIS FISCAL YEAR.

SETTLEMENT BACKED BY PRIME MINISTER'S DETERMINATION (TOKYO SHIMBUN - PAGE 2)

THE PROBLEM OF RELOCATING LIVE AMMUNITION FIRING DRILLS NOW CARRIED OUT ACROSS (OKINAWA) PREFECTURAL ROAD 104 BY UNITED STATES TROOPS STATIONED ON OKINAWA WAS PRACTICALLY SETTLED ON THE 22ND. BEHIND THIS SETTLEMENT WAS PRIME MINISTER RYUTARO HASHIMOTO'S STRONG DESIRE TO MOVE THIS TOWARDS A SOLUTION BEFORE THE PLANNED JAPAN-U.S. SUMMIT TO UNDERSCORE TO THE U.S. THAT THE ENTIRE NATION WILL BEAR THE BURDENS NECESSARY TO FIRMLY UPHOLD U.S.-JAPAN SECURITY ARRANGEMENTS.

IN ORDER TO OFFER LAND ON A STABLE BASIS FOR U.S. MILITARY FACILITIES, THE PRIME MINISTER GOT AN AMENDMENT TO THE SPECIAL LAND-LEASE LAW APPROVED. REGARDING A PRELIMINARY FEASIBILITY STUDY FOR THE CONSTRUCTION OF AN ALTERNATE HELIPORT TO FACILITATE THE RETURN OF FUTENMA AIR STATION, HIS CONCERNS ARE BEING CLEARED AWAY AT A STEADY PACE BEFORE HIS TOUR TO THE U.S., AS A MAYOR ASKED

TO ACCEPT THE RELOCATION HAS INDEED EXPRESSED HIS
ACCEPTANCE OF IT.

BUT IN DEALING WITH THE PROBLEM OF RELOCATING LIVE FIRING
DRILLS TO MAINLAND JAPAN, THERE HAD BEEN NO RESOLUTION IN
SIGHT (UNTIL RECENTLY). FACED WITH STRONG OPPOSITION
FROM MUNICIPALITIES CITED AS CANDIDATES FOR HOSTING
TRAINING EXERCISES, THE PRIME MINISTER'S CONCERN HAD BEEN
INCREASING. HE HAD NOTED THAT, "IF THE AGREEMENT
CONCLUDED BETWEEN THE JAPANESE AND U.S. GOVERNMENTS AFTER
SO MUCH EFFORT WERE TO FCIL TO BE IMPLEMENTED, THIS
PROBLEM WOULD NEVER MAKE ANY HEADWAY REGARDLESS OF THE
ARGUMENTS PUT FORTH."

IN RESPONSE TO (THIS DESIRE OF THE PRIME MINISTER), JAPAN
UNCLAS SECTION 06 OF 08 TOKYO 003529

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 23

DEFENSE AGENCY (JDA) DIRECTOR GENERAL FUMIO KYUMA
PROMPTLY ARRANGED TALKS WITH CHIEFS OF LOCAL GOVERNMENTS
WHICH INDICATED THE STRONGEST OPPOSITION TO THE
RELOCATION PLAN, NAMELY, IN MIYAGI PREFECTURE WHICH
HOUSES THE OJOJIHARA TRAINING GROUND AND IN OITA
PREFECTURE WHERE THE HIJUDAI TRAINING GROUND IS LOCATED.
HE FINALLY TRIED TO REACH A SETTLEMENT BY SAYING, "WE
WOULD LIKE YOU TO PERMIT (RELOCATION) AS THE CENTRAL
GOVERNMENT'S RESPONSIBILITY."

HOWEVER, RESIDENTS LIVING IN AREAS CONSIDERED CANDIDATES
FOR RELOCATION HAVE YET TO DISPEL THEIR ANXIETIES OVER
POSSIBLE INCIDENTS OR ACCIDENTS CAUSED BY U.S.
SERVICEMEN. SINCE THE CENTRAL GOVERNMENT HAS PRESSURED
OPPOSING GROUPS, THIS SETTLEMENT LEAVES THE IMPRESSION OF
NOT BEING AN "AMICABLE SOLUTION."
(YOICHI TOYODA)

LDP, MINSHUTO TO SET UP JOINT PANEL ON OKINAWA
(NIHON KEIZAI - PAGE 2)

THE LIBERAL DEMOCRATIC PARTY (LDP) AND MINSHUTO
(DEMOCRATIC PARTY OF JAPAN) YESTERDAY FORMALLY AGREED TO
SET UP A "COUNCIL ON OKINAWA PROBLEMS." THE COUNCIL IS
TO DISCUSS WAYS TO PURSUE FIVE AGREED TOPICS REGARDING
U.S. MILITARY BASE ISSUES IN OKINAWA, INCLUDING: (1)
PROMOTING CONSULTATIONS BETWEEN JAPAN AND THE UNITED

STATES ON THE STRUCTURE AND LEVEL OF U.S. TROOP STRENGTH IN JAPAN; AND (2) MEASURES TO BOOST THE OKINAWAN ECONOMY, SUCH AS COMPLETION OF A REGIONAL FREE TRADE SYSTEM.

MAINICHI POLL: PUBLIC DISAPPROVAL OF HASHIMOTO CABINET RISES TO 32 PERCENT, SUPPORT RATE DOWN TO 34 PERCENT (MAINICHI - TOP PLAY)

THE MAINICHI SHIMBUN YESTERDAY COMPILED THE RESULTS OF ITS NATION-WIDE PUBLIC OPINION POLL. THE SURVEY FOUND THAT THE DISAPPROVAL RATING FOR THE HASHIMOTO CABINET INCREASED SEVEN POINTS TO 32 PERCENT FROM THE PREVIOUS SURVEY (LAST DECEMBER), EXCEEDING THE 30 PERCENT LEVEL FOR THE FIRST TIME SINCE THE CABINET WAS LAUNCHED. THE APPROVAL RATING MARKED 34 PERCENT, DOWN FIVE POINTS. THOSE WHO REPLIED "I HAVE NO INTEREST" MADE UP 32 PERCENT. PUBLIC EVALUATION OF THE HASHIMOTO CABINET THUS WAS DIVIDED GENERALLY INTO THREE EQUAL PARTS -- "APPROVAL," "DISAPPROVAL" AND "NO INTEREST." THE POLL WAS CONDUCTED OVER THREE DAYS FROM THE 18TH, JUST AFTER PASSAGE OF AN AMENDMENT TO THE SPECIAL LAND-LEASE LAW TO ALLOW THE GOVERNMENT TO CONTINUE THE LEASE OF LAND FOR U.S. TROOPS, WHICH WAS A HIGH PRIORITY FOR PRIME MINISTER HASHIMOTO AT THE CURRENT DIET SESSION. DESPITE PASSAGE OF THE BILL BY AN OVERWHELMING MAJORITY IN BOTH HOUSES AS DESIRED BY THE PRIME MINISTER, THE POLL INDICATES THE PEOPLE'S COOL VIEWS TOWARD THE CABINET.

ASAHI POLL SHOWS CABINET SUPPORT RATE AT 44 PERCENT (ASAHI - PAGE 2)

THE ASAHI SHIMBUN CONDUCTED A NATION-WIDE INTERVIEW SURVEY ON THE 20TH AND 21ST TO ASSESS PUBLIC OPINION TOWARD THE HASHIMOTO CABINET AND THE SPECIAL LAND-LEASE LAW FOR U.S. FORCES IN JAPAN. THE POLL FOUND THAT THE APPROVAL RATING WAS 44 PERCENT, THE SAME AS THAT IN A PREVIOUS POLL (IN MARCH), WHILE THE DISAPPROVAL RATE AT 38 PERCENT. IN RESPONSE TO THE QUESTION ABOUT THE ADVISABILITY OF THE AMENDMENT TO THE SPECIAL LAND-LEASE LAW, 50 PERCENT SAID, "THE AMENDMENT IS UNAVOIDABLE," BUT THOSE WHO REPLIED "IT IS UNACCEPTABLE" ACCOUNTED FOR MORE THAN 30 PERCENT. CRITICAL VIEWS DOMINATED RESPONSES ABOUT POLITICAL PARTIES, SUCH AS "PARTIES ACTED ACCORDING TO NARROW PARTY INTERESTS;" AND "DIET DELIBERATIONS WERE NOT FULLY CONDUCTED."

UNCLAS SECTION 07 OF 08 TOKYO 003529

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 23

JAPANESE GOVERNMENT TO SEIZE HONG KONG AND TAIWAN BOATS
APPROACHING SENKAKUS (SANKEI - TOP PLAY)

THE GOVERNMENT HAS FIRMED UP A POLICY PROPOSAL TO STRICTLY PREVENT PROTEST BOATS FROM LANDING ON THE SENKAKU ISLANDS (OR DIAOYU ISLANDS IN CHINESE), EVEN BY SEIZING THEM WITHOUT DELAY THE MOMENT THEY VIOLATE THE TERRITORY, THUS TAKING A SERIOUS STANCE TOWARD GROUPS IN HONG KONG AND TAIWAN THAT ARE PLANNING TO LAND ON THE SENKAKUS IN LATE MAY TO PROTEST JAPAN'S SOVEREIGNTY CLAIMS. THIS APPROACH WAS REVEALED YESTERDAY BY SEVERAL GOVERNMENT SOURCES ON THE 22ND. THIS POLICY DIRECTION IS APPARENTLY RESPONDING AS WELL TO CHINESE MARINE RESEARCH SHIPS WHICH HAVE REPEATEDLY VIOLATED THE TERRITORY. THE SENKAKU ISLANDS PROBLEM HAS NOW ENTERED A NEW PHASE.

LDP TO DRAW UP DONEN REORGANIZATIONAL PLAN IN JUNE
(NIHON KEIZAI - PAGE 1)

LIBERAL DEMOCRATIC PARTY (LDP) ADMINISTRATIVE REFORM PROMOTION HEADQUARTERS (LED BY KOKO SATO) HAS DECIDED TO COMPILE IN JUNE AN ORGANIZATIONAL REFORM PLAN OF DONEN (POWER REACTOR AND NUCLEAR FUEL DEVELOPMENT CORP.). SATO REVEALED THE PLAN YESTERDAY AFTER HEARING VIEWS FROM THE SCIENCE AND TECHNOLOGY AGENCY REGARDING THE REFORM OF SPECIAL CORPORATIONS (TOKUSHU HOJIN).

THE REFORM HEADQUARTERS WILL BEGIN A FEASIBILITY STUDY, KEEPING IN MIND THE POTENTIAL FOR SCRAPPING DONEN AND STREAMLINING THE SCIENCE AND TECHNOLOGY AGENCY, THE OFFICE THAT SUPERVISES DONEN.

SURVEY ON U.S. FIRMS IN JAPAN: JAPANESE MARKET HEAVILY REGULATED, BUT BIG OPPORTUNITIES ALSO (YOMIURI - PAGE 11)

JAPANESE AND AMERICAN BUSINESS GROUPS, INCLUDING THE JAPAN-AMERICA ECONOMIC COUNCIL AND THE AMERICAN CHAMBER OF COMMERCE IN JAPAN, RELEASED YESTERDAY THE RESULTS OF THEIR SURVEYS ABOUT VIEWS TOWARD THE JAPANESE MARKET OF 120 AMERICAN COMPANIES OPERATING BUSINESS ACTIVITIES IN JAPAN.

AMERICAN COMPANIES, BASED ON THEIR EXPERIENCE, OFFERED THE FOLLOWING ADVICE IN DOING BUSINESS IN JAPAN: "FIND A SHORTER WAY TO BECOME AN INSIDER IN JAPAN" (THE CHAIRMAN OF A MEDICAL EQUIPMENT MANUFACTURER); AND "THE MARKET IS INEFFECTIVE BUT HAS OFFERED GIGANTIC BUSINESS OPPORTUNITIES" (BANK'S CHAIRMAN). AS CAUSES HINDERING (FOREIGN FIRMS') SUCCESS IN JAPAN (MULTIPLE RESPONSES), THOSE WHO REPLIED "VARIOUS KINDS OF REGULATIONS" (34 PERCENT) ACCOUNTED FOR THE LARGEST NUMBER, FOLLOWED BY THOSE WHO SAID "HIGH TENANT RENTS" (32 PERCENT) AND "EXPENSIVE LABOR COSTS" (32 PERCENT).

AMBASSADOR OWADA TO BE RETAINED IN BIG APPLE
(NIHON KEIZAI - PAGE 1, APRIL 22 EVENING EDITION)

FOREIGN MINISTER YUKIHIKO IKEDA DECIDED ON THE 22ND TO RETAIN AMBASSADOR TO THE UNITED NATIONS HISASHI OWADA, WHO HAD BEEN EXPECTED TO RETIRE VOLUNTARILY THIS SUMMER, AT LEAST UNTIL THE END OF THIS YEAR. THE FOREIGN MINISTRY IS GOING TO CARRY OUT SUBSTANTIAL SENIOR-LEVEL PERSONNEL CHANGES IN AUGUST, FEATURING VICE MINISTER HAYASHI'S VOLUNTARY RETIREMENT AND THE PROMOTION OF DEPUTY MINISTER YANAI (FOR POLITICAL AFFAIRS) TO THE POST OF VICE MINISTER. THOSE PERSONNEL CHANGES HAD INITIALLY INCLUDED AMBASSADOR OWADA'S RETIREMENT. HOWEVER, THIS YEAR IS A TURNING POINT, COINCIDENT WITH THE ORGANIZATIONAL REFORM OF THE U.N., INCLUDING JAPAN'S BID FOR A PERMANENT SEAT ON THE U.N. SECURITY COUNCIL. FOR THIS REASON, FOREIGN MINISTER IKEDA JUDGED THAT IT WOULD BE APPROPRIATE TO RETAIN AMBASSADOR OWADA, WHO IS INTERNATIONALLY WELL KNOWN AND TRUSTED BY VARIOUS U.N. UNCLAS SECTION 08 OF 08 TOKYO 003529

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 23

MEMBER NATIONS.

AMBASSADOR OWADA ENTERED THE FOREIGN MINISTRY IN 1955. IN 1991, HE BECAME VICE MINISTER FOR FOREIGN AFFAIRS. AFTER HIS RETIREMENT AS VICE MINISTER, OWADA SERVED AS ADVISOR TO THE FOREIGN MINISTRY. HE HAS BEEN IN THE POST OF U.N. AMBASSADOR SINCE MARCH 1994.

FOREIGN MINISTER IKEDA IS NOW PLANNING A RESHUFFLE OF SENIOR OFFICIALS AROUND AUGUST OF THIS YEAR, AND IS NOW GRADUALLY OUTLINING HIS PLAN THAT INCLUDES THE APPOINTMENT OF VICE MINISTER HAYASHI TO THE POST OF AMBASSADOR TO BRITAIN. CRANE

SECT: SECTION: 01 OF 08

<^SECT>SECTION: 02 OF 08

<^SECT>SECTION: 03 OF 08

<^SECT>SECTION: 04 OF 08

<^SECT>SECTION: 05 OF 08

<^SECT>SECTION: 06 OF 08

<^SECT>SECTION: 07 OF 08

<^SECT>SECTION: 08 OF 08

SSN: 3529

<^SSN>3529

<^SSN>3529

<^SSN>3529

<^SSN>3529

<^SSN>3529

<^SSN>3529

<^SSN>3529

TOR: 970423023339 M2727001

<^TOR>970423023428 M2727002

<^TOR>970423023511 M2727003

<^TOR>970423023553 M2727004

<^TOR>970423023636 M2727005

<^TOR>970423023651 M2727006

<^TOR>970423023811 M2727007

<^TOR>970423023811 M2727008

DIST:

SIT: NSC

Cable

PREC: PRIORITY
CLASS: UNCLASSIFIED
LINE1: PAAUZYUW RUCWAAA8521 1132038-UUAA--RHEHWSR.
LINE2: ZNR UUUA ZYN
LINE3: P 232038Z APR 97
LINE4: FM FBIS RESTON VA
OSRI: RUCWAAA
DTG: 232038Z APR 97
ORIG: FBIS RESTON VA
TO: RHEHWSR/WHITE HOUSE SITUATION ROOM WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC//OASD/ISA/EAPR FOR LEW STERN//
RUEHC/SECSTATE WASHINGTON DC//EAP/JAPAN//
RUEHC/SECSTATE WASHINGTON DC//EAP/JAPAN/FOR SCOTT/LUDAN//
RUEHKOF/AMCONSUL FUKUOKA
RUEHOK/AMCONSUL OSAKA KOBE
RUEHKOS/AMCONSUL SAPPORO
RUEHBK/AMEMBASSY BANGKOK//POL//
RUEHBJ/AMEMBASSY BEIJING
RUEHJA/AMEMBASSY JAKARTA
RUEHGP/AMEMBASSY SINGAPORE
RUEHGP/AMEMBASSY SINGAPORE//FOR REGIONAL AFFAIRS//
RUHPHQ/CDR JTF-FA HONOLULU HI//J2//
RUATTB/CDR1STBN1STSFGA TORII STA JA//SSO//
RUAGYIN/CDRCSCTTHREE YONGIN KOR//EACT-T-I//
RUAGAMS/CINC UNC CFC SEOUL KOR//UNCMAC//
RUHDBKT/DATT-TLO BANGKOK TH
RUEALGX/DEFINTAGENCY WASH DC
RUCPDC/DEPT OF COMMERCE WASHINGTON DC//O/IL//
RUCPDC/DEPT OF COMMERCE WASHINGTON DC//ITA/IEP/JAPAN//
RAYWBBK/DIO CANBERRA AS
RUYLBAH/DODSPECREP OKINAWA JA
RUESFG/FBIS BANGKOK TH
RUESDG/PTS HONG KONG
RUDKMKE/FBIS LONDON UK
RUDKMB/FBIS LONDON UK//BBC RUCWAAA//
RUESDJ/FBIS OKINAWA JA
RUALJDT/JDET YOKOTA AB JA
RUDGAFT/HQ AFTAC PATRICK AFB FL//DOB//
RUEBNBA/HQ AFTAC-IN PATRICK AFB FL
RHHJDHA/HQ PACAF IDHS HICKAM AFB HI
RHHJJAA/JICPAC HONOLULU HI
RUDMQAN/MARCORINTACT DET QUANTICO VA
RUEAIJU/NPIC WASHINGTON DC//IEG EXEC OFF//
RAYWBFA/ONA CANBERRA AS
RHHMUNA/USCINCPAC HONOLULU HI
RUEHVEN/USMISSION USVIENNA
RUESTO/AMEMBASSY TOKYO
RUEHLO/AMEMBASSY LONDON UK
RUEHC/SECSTATE WASHINGTON DC//INR//
RUEHIA/USIA WASHINGTON DC//R//
RUEAIIS/STORAGE CENTER FBIS RESTON VA
ACCT FBWA-EWDK

INFO: ////

SUBJ: FBIS FOREIGN MEDIA NOTE-23APR97-HASHIMOTO SUMMIT

TEXT:

UNCLAS 4Z/LD

WARNING: (THE FOLLOWING ITEM IS INTENDED FOR USE ONLY BY
U.S. GOVERNMENT CONSUMERS. IT IS BASED ON
FOREIGN MEDIA CONTENT AND BEHAVIOR AND IS ISSUED
WITHOUT COORDINATION WITH OTHER GOVERNMENT
COMPONENTS.)

WARNING: TOPIC: INTERNATIONAL, LEADER

SERIAL: WA2304203897

PASS: ATTN BLOUGH/MILLER
ATTN BBC RDSUP

COUNTRY: Japan-U.S.

SUBJ: FBIS FOREIGN MEDIA NOTE-23APR97-HASHIMOTO SUMMIT

SOURCE: FOREIGN BROADCAST INFORMATION SERVICE

TEXT:

Japan-U.S.: Japanese Media Preview Agenda for Clinton-
Hashimoto Summit

[FBIS Report] Japanese media are reporting that at the summit meeting between Prime Minister Ryutaro Hashimoto and President Clinton the two leaders are expected to focus heavily on security issues. The press is also reporting that discussion of economic and trade issues will reportedly not be as prominent as in past summits.

According to Japanese press reporting, in their discussions of security issues President Clinton and Prime Minister Hashimoto are expected to agree to sustain current U.S. troop levels in Japan and to reiterate their commitment to consolidate and reduce bases to relieve the burden on Okinawa.

-- The 18 April Tokyo Shimbun asserted that it is time for earnest discussion on the sharing of Okinawa's security burden by mainland Japan and expressed hope that the two leaders would discuss Okinawa issues frankly and find a solution to reduce this burden.

-- The 18 April Yomiuri Shimbun editorialized that the passage of the land lease law amendment will have a favorable impact on U.S.-Japan relations, but stated that it is also "indispensable" to "solve the two difficult problems" of promoting the realignment and reduction of U.S. military bases and promoting the economic development of Okinawa.

-- An 18 April Nihon Keizai Shimbun editorial also stated that resolving these two issues at the same time as fulfilling Japan's obligations under the U.S.-Japan security arrangement is "realistic and rational."

In addition, the Japanese press is speculating that the two leaders will agree to steadily implement the objectives in the

Special Action Committee on Okinawa (SACO) report and to accelerate coordination so as to complete the defense guidelines review this fall.

-- The 19 April Nihon Keizai Shimbun reported that Hashimoto will explain that the Japanese Government will soon be able to begin the feasibility study for building the heliport to replace the Futenma facility.

-- A 23 April Kyodo news report stated that Defense Agency Director-General Fumio Kyuma has secured relocation of U.S. artillery drills in Okinawa to the five sites on the Japanese mainland as agreed to with the United States.

-- According to the 22 April Asahi Shimbun, one of the goals of the upcoming summit meeting is to reaffirm both sides' commitment to complete the work of reviewing the U.S.-Japan defense guidelines as agreed in a joint security declaration which the two leaders issued in April 1996.

Economic and Trade Issues, Regional and Global Concerns

Japanese media are reporting that discussion of economic and trade issues will focus on macroeconomic rather than sector-specific issues.

-- A front-page article in the 23 April Nihon Keizai Shimbun reported that President Clinton had sent a "personal letter" to Hashimoto noting U.S. concerns about Japan's rising current account surplus with the United States. The paper stated that Hashimoto would "pledge to put the economy back on track through domestic demand, without relying on exports."

-- The 19 April Nihon Keizai Shimbun reported that the prime minister will "presumably" state that Japan can sustain its economic recovery "with last fiscal year's supplementary budget and this fiscal year's budget" measures.

-- However, according to the 23 April Nihon Keizai Shimbun, even if the economy were to slow down, it would be "difficult" for the Hashimoto administration to put together a "pump-priming type supplementary budget" because such a measure would be a "violation" of its "public pledge" to undertake fiscal structural reform.

According to the Japanese media, the two leaders will also discuss the situation in the Asia-Pacific region, focusing on North Korea and China, as well as issues of global concern.

-- The 22 April Yomiuri Shimbun stated that regarding food aid to North Korea, the leaders will "attempt to coordinate the two countries' divergent views."

-- However, according to a 22 April Kyodo wire service report, Chief Cabinet Secretary Seiroku Kajiyama stated that if asked by the United States to extend humanitarian assistance to North Korea, Japan would be "at a loss," given the recent drug-smuggling incident and "suspicion among Japanese people" of North Korean involvement in abductions of some Japanese.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. cable	Re: FBIS Foreign Media Note - Hashimoto Summit [partial] (1 page)	04/23/1997	P3/b(3)

COLLECTION:

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

FOLDER TITLE:

[04/18/1997 - 04/24/1997]

2016-0420-F
sb1902

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

-- As for global issues, the 22 April Sankei Shimbun, a generally pro-government paper, stated that "the prime minister will affirm that Japan and the United States will work together to tackle global issues such as stability on the Korean Peninsula, peace in the Middle East, and measures to alleviate poverty in Africa."

(b)(3)

002

THIS REPORT MAY CONTAIN COPYRIGHTED MATERIAL. COPYING AND DISSEMINATION ARE PROHIBITED WITHOUT PERMISSION OF THE COPYRIGHT OWNERS.

(endall) EAG/HH/cm 23/2035Z Apr

SECT: SECTION: 01 OF 01

SSN: 8521

TOR: 970423165019 M2728450

DIST:

SIT: BELL BOUCHARD KRISTOFF PRITCHARD SUETTINGER URIU

SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. cable	Re: Digest Executive Edition (12 pages)	04/24/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/18/1997 - 04/24/1997]

2016-0420-F
sb1902

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. cable	Re: Okinawa Artillery Training (4 pages)	04/24/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/18/1997 - 04/24/1997]

2016-0420-F
sb1902

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. cable	Re: Background - U.S./Japan Summit (4 pages)	04/24/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[04/18/1997 - 04/24/1997]

2016-0420-F
sb1902

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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