

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Futenma Air Station Relocation (5 pages)	09/17/1997	P1/b(1)
002. cable	Re: Referendum Initiative on MCAS Futenma Replacement Facility (4 pages)	09/18/1997	P1/b(1)
003. cable	Re: Tokyo Visit: Bilateral Security Issues (5 pages)	09/19/1997	P1/b(1)
004. cable	Re: U.S. Visit (4 pages)	09/19/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/17/1997 - 09/22/1997]

2016-0420-F
sb1909

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
001. cable	Re: Futenma Air Station Relocation (5 pages)	09/17/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/17/1997 - 09/22/1997]

2016-0420-F
sb1909

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO8105 2600328-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 170328Z SEP 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 170328Z SEP 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 0987
RUEHIA/USIA WASHDC IMMEDIATE 6743
INFO: RUCPDO/USDOC WASHDC
RUEHRC/USDA FAS WASHDC 3805
RUEBBEA/USDOT WASHDC
RUEAWJA/USDOJ WASHDC
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
RHEHAAA/WHITE HOUSE WASHDC
RUEAIIA/CIA WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 17
TOP HEADLINES:
TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 008105
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; CIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU
CHEMTOB IN ANT-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 SEPTEMBER 17
TOP HEADLINES:
ASAHI: FIVE FORMER YAMAICHI SECURITIES EXECUTIVES
INCLUDING SENIOR MANAGING DIRECTOR TO BE QUESTIONED TODAY
BY TOKYO DISTRICT PUBLIC PROSECUTORS OFFICE; ON CHARGE OF
PAYOFFS

NIHON KEIZAI: OPINION POLL: 58 PERCENT "NOT SET HIGH VALUATION" ON NEW CABINET LINEUP; STRONG CRITICISM OF SATO'S ENTRY INTO CABINET; INCREASED NON-SUPPORT RATE; ON REFORM OF FINANCE MINISTRY, 72 PERCENT SAY, "NOT SUFFICIENT" (TRANSLATION BELOW)

TOKYO SHIMBUN: PUBLIC OPINION SURVEY ON RESHUFFLED HASHIMOTO CABINET: CABINET APPROVAL RATING HALVED TO 28 PERCENT; 74 PERCENT SAY, DIRECTOR GENERAL SATO "SHOULD AVOID TAKING OFFICE"; HARSH CRITICISM OF ARROGANCE; 83 PERCENT SEEK "INVESTIGATION INTO IZUI MONEY" (TRANSLATION BELOW)

MAINICHI: TOKYO DISTRICT PUBLIC PROSECUTORS OFFICE'S SPECIAL INVESTIGATION DEPARTMENT TO LAUNCH FULL-FLEDGED INVESTIGATIONS OF YAMAICHI SECURITIES; SURVEILLANCE PANEL FIRMS UP INTENTION TO CHARGE YAMAICHI FOR ALLEGED LOSS COMPENSATION

YOMIURI: FALSE WELDING RECORDS MADE ON PLUMBING AT NUCLEAR POWER PLANTS; BY HITACHI WORKS' SUBSIDIARIES; AT NUCLEAR POWER PLANTS IN 167 PLACES ACROSS THE NATION; NATURAL RESOURCES AND ENERGY AGENCY WILL CONDUCT ON-THE-SPOT INSPECTION TODAY

SANKEI: TOKYO DISTRICT PUBLIC PROSECUTORS OFFICE COMING TO FINAL STAGE OF INVESTIGATION ON YAMAICHI SECURITIES; FORMER EXECUTIVE HAD DIRECTLY GIVEN INSTRUCTIONS ON LOSS COMPENSATION FOR DEFENDANT KOIKE SIDE

SANKEI POLL: PUBLIC SUPPORT FOR HASHIMOTO CABINET PLUMMETS TO 34 PERCENT (SANKEI - PAGE 1)

IMMEDIATELY AFTER THE INAUGURATION OF THE SECOND RESHUFFLED HASHIMOTO CABINET, THE SANKEI SHIMBUN AND FNN (FUJI NEWS NETWORK) CONDUCTED A NATION-WIDE SURVEY. ACCORDING TO RESULTS REVEALED YESTERDAY, THE SUPPORT RATE OF THE CABINET TOOK A NOSE-DIVE OF 18.1 POINTS FROM 52.1 PERCENT REGISTERED IN A POLL CARRIED OUT JUST AFTER THE SECOND HASHIMOTO CABINET WAS INSTITUTED LAST NOVEMBER. THE DISAPPROVAL RATING WAS 43.9 PERCENT, 9.9 POINTS OVER THE APPROVAL RATE. THESE RESULTS BROUGHT INTO STRONG RELIEF THE STERN PUBLIC REACTION TO THE NEW CABINET. THOSE WHO OPPOSED THE APPOINTMENT OF KOKO SATO, WHO WAS CONVICTED IN THE LOCKHEED SCANDAL, AS MANAGEMENT AND COORDINATION AGENCY, ACCOUNTED FOR 74.2 PERCENT, AND THIS APPOINTMENT IS CONSIDERED PRIMARILY RESPONSIBLE FOR THE DROP IN CABINET SUPPORT.

TOKYO SHIMBUN POLL: CABINET APPROVAL DOWN TO 28 PERCENT (TOKYO SHIMBUN - TOP PLAY)

FOLLOWING THE SECOND RESHUFFLED HASHIMOTO CABINET'S LAUNCH, KYODO NEWS SERVICE CARRIED OUT A TELEPHONE OPINION POLL OF 1,000 PERSONS ACROSS THE NATION ON THE 13TH AND 14TH. THE POLL FOUND THAT THE CABINET APPROVAL RATING WAS 28 PERCENT, DOWN 22 POINTS FROM THE 50 PERCENT POSTED IN A SURVEY CONDUCTED JUST AFTER THE INAUGURATION

OF THE SECOND HASHIMOTO CABINET LAST NOVEMBER. THOSE WHO SAID THEY DISAPPROVE OF THE CABINET ROSE TO 59 PERCENT. ALTHOUGH A SIMPLE COMPARISON CANNOT BE MADE BETWEEN THE RESULTS OF THIS AND THE JULY POLLS, SINCE METHODOLOGIES VARIED, THOSE WHO RATED THE CABINET FAVORABLY WERE ALMOST HALVED FROM THE 59 PERCENT IN A SURVEY BY DIRECT INTERVIEW IN JULY.

UNCLAS SECTION 02 OF 06 TOKYO 008105

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; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 17

NIKKEI POLL: 58 PERCENT DONQT APPRECIATE NEW CABINET LINEUP (NIHON KEIZAI - TOP PLAY)

THE NIHON KEIZAI SHIMBUN CONDUCTED A TELEPHONE SURVEY OVER THREE DAYS FROM THE 12TH TO FIND PEOPLE'S REACTIONS TO THE SECOND RESHUFFLED HASHIMOTO CABINET. ASKED ABOUT THE NEW CABINET LINEUP, THOSE WHO REPLIED "IT DOES NOT MERIT APPRECIATION" HELD A MAJORITY -- 58.3 PERCENT. THE DISAPPROVAL RATING OF THE HASHIMO CABINET ROSE 4.3 POINTS. THESE RESULTS ARE ATTRIBUTED TO FIERCE REACTION OVER KOKO SATO'S ASSIGNMENT TO HEAD THE MANAGEMENT AND COORDINATION AGENCY-- SATO WHO WAS CONVICTED IN THE LOCKHEED BRIBERY SCANDAL. REGARDING PARTIES WHICH RESPONDENTS SUPPORT, THE JAPAN COMMUNIST PARTY HELD THE SECOND POSITION FOR THE FIRST TIME. THE OPPOSITION SHINSHINTO, WHICH WAS RANKED SECOND IN THE PREVIOUS POLL, DROPPED TO FOURTH. THE SURVEY THIS TIME ALSO FOUND THAT A LARGE NUMBER OF THE RESPONDENTS WERE DISSATISFIED WITH THE GOVERNMENT'S EFFORT AT REFORMING THE MINISTRY OF FINANCE, WITH 72.7 PERCENT VIEWING REFORMS AS "INSUFFICIENT" AND ONLY 8.3 PERCENT CALLING THEM "SUFFICIENT."

LDPQS ALLIES TO CALL FOR DISMISSAL OF NEW CABINET MINISTER SATO (YOMIURI - PAGE 1)

THE SOCIAL DEMOCRATIC PARTY (SDP) AND NEW PARTY SAKIGAKE YESTERDAY IN THE DIET BUILDING DISCUSSED KOKO SATO'S APPOINTMENT AS DIRECTOR GENERAL OF THE MANAGEMENT AND COORDINATION AGENCY DESPITE HIS HAVING BEEN CONVICTED IN CONNECTION WITH THE LOCKHEED BRIBERY SCANDAL. THE TWO PARTIES REACHED AGREEMENT TO DEMAND SATO'S DISMISSAL FROM THE CABINET. VOICES CALLING FOR LEAVING THE RULING CAMP HAVE BEEN INCREASINGLY HEARD IN THE SDP; "IF MR. SATO

DOES NOT QUIT, WE WILL COMPLETELY LOSE THE PEOPLE'S TRUST IN POLITICS."

IN THIS CONNECTION, A GOVERNMENT LEADER LATE YESTERDAY REMARKED, "I THINK WE HAVE ONLY TWO OPTIONS: EITHER MR. SATO GIVES UP HIS POST OR WE LOSE THE SDP AS OUR PARTNER."

YESTERDAY AFTERNOON, THE SDP HELD A JOINT PLENARY MEETING OF PARTY MEMBERS OF BOTH HOUSES OF THE DIET. THERE, MANY VOICED OPINIONS CRITICAL OF SATO'S APPOINTMENT. CHAIRPERSON DOI REMARKED IN A STRONG TONE, "IT IS A SERIOUS MATTER THAT CONCERNS THE FOUNDATION OF DEMOCRACY IN JAPAN AND THE FATE OF OUR PARTY AS WELL." DOI ADDED, "YOUR STRONG DETERMINATION IS CLEAR. A SUBSEQUENT PLENARY SESSION TO DISCUSS THIS ISSUE WILL BE HELD ONLY IF SOMETHING EXTRAORDINARY COMES UP." SHE THUS INDICATED HER DETERMINATION TO MAKE A FINAL DECISION, WITH DEPARTURE FROM THE PRESENT COALITION ARRANGEMENT AS ONE OPTION.

AFTER THE PLENARY SESSION, THE SDP HELD A REGULAR SECRETARIES MEETING AND DECIDED TO PURSUE THE FOLLOWING: 1) DEMAND SATO'S RESIGNATION; 2) BOYCOTT MOST RULING-CAMP MEETINGS UNTIL (SATO'S CASE) IS SETTLED; 3) CALL FOR A MEETING OF HEADS OF THE THREE RULING PARTY IN THE SECRETARIES GENERAL MEETING OF THE THREE PARTIES ON THE 17TH.

A DIETMAN WHO IS CLOSE TO DOI NOTED YESTERDAY, "MS. DOI IS ANGRY BECAUSE SHE THINKS THE PRIME MINISTER BETRAYED HER. SHE HAS MADE UP HER MIND IN CASE MR. SATO IS NOT DISCHARGED FROM THE POST." LATE YESTERDAY, AN SDP EXECUTIVE SUGGESTED, "WE WILL HAVE TO DISCUSS THE MATTER MORE THAN ONCE (WITH THE LDP). THEN AGAIN, I DON'T KNOW IF WE SHOULD SPEND THAT MUCH TIME ON IT."

UNCLAS SECTION 03 OF 06 TOKYO 008105

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; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 17

MEANWHILE, NEW PARTY SAKIGAKE ALSO HELD ITS EXECUTIVE COUNCIL MEETING YESTERDAY. THERE, THE PARTY DECIDED TO TAKE JOINT STEPS WITH THE SDP IN PRINCIPLE AND SEEK THE LDP'S EXPLANATION IN THE SECRETARIES GENERAL MEETING.

KAN TO REPRESENT MINSHUTO, HATOYAMA AS SECRETARY GENERAL
(NIHON KEIZAI - PAGE 2)

IN ESTABLISHING A NEW EXECUTIVE STRUCTURE THROUGH A SHIFT TO A SINGLE PARTY LEADER, THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN) YESTERDAY INFORMALLY DECIDED TO APPOINT NAOTO KAN AS PARTY LEADER AND YUKIO HATOYAMA AS SECRETARY GENERAL. POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN YOSHITO SENGOKU WILL BE PICKED FOR THE POST OF DEPUTY SECRETARY GENERAL. THE NEW SYSTEM WILL BE LAUNCHED AFTER VETTING AT A STAFF MEETING AND A GENERAL MEETING OF MINSHUTO MEMBERS OF BOTH DIET CHAMBERS TO BE HELD ON THE 18TH.

THE NEW LINE-UP IS AIMED AT RECOVERING PARTY STRENGTH, WHICH IS SUFFERING STAGNANT SUPPORT RATES, BY USING KAN'S NATIONAL POPULARITY. MEETING THE PRESS YESTERDAY EVENING, YUKIO HATOYAMA UNDERScoreD, "KAN HAS BEEN TACKLING IN EARNEST THE AIDS PROBLEM (INFECTION THROUGH MEDICAL MISSTEPS). HE IS IMPORTANT AS A SYMBOL OF OUR PARTY." HE THEN MADE IT CLEAR THAT THE MINSHUTO WILL SQUARE OFF AGAINST THE LIBERAL DEMOCRATIC PARTY (LDP), NOTING, "WE WANT TO IMMEDIATELY LOOK INTO THE POSSIBILITY OF COOPERATION AMONG OPPOSITION PARTIES FOR NEXT YEAR'S UPPER HOUSE ELECTIONS. WE ALSO WANT TO ASK PRIME MINISTER HASHIMOTO TO RECONSIDER KOKO SATO'S CABINET APPOINTMENT."

IN CHANGING THE LINE-UP OF OTHER PARTY OFFICERS, IT WAS INFORMALLY DECIDED THAT THREE DEPUTY LEADERS -- TAKAHIRO YOKOMICHI, KUNIO HATOYAMA AND TOMIKO OKAZAKI -- WOULD CONTINUE IN THAT ROLE. FINAL COORDINATION ON THE SELECTION OF POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN AND DIET AFFAIRS COMMITTEE CHAIRMAN HAS BEEN POSTPONED UNTIL THE 17TH OR LATER.

SHINSHINTOQS NAKAMURA TO BOLT (ASAHI - PAGE 7)

LOWER HOUSE MEMBER SEIJI NAKAMURA (OKINAWA 2ND ELECTORAL DISTRICT) OF THE SHINSHINTO (NEW FRONTIER PARTY), IN HIS PRESS MEETING YESTERDAY IN AN OKINAWA HOTEL, REVEALED HIS INTENTION TO LEAVE THE SHINSHINTO AND RETURN TO THE LIBERAL DEMOCRATIC PARTY (LDP). NAKAMURA YESTERDAY HANDED IN HIS RESIGNATION AS CHAIRMAN OF THE SHINSHINTO OKINAWA PREFECTURAL CHAPTER. HE WILL TENDER A LETTER OF RESIGNATION TO SECRETARY GENERAL TAKEO NISHIOKA AS EARLY AS THE 18TH.

AGRI. MINISTER OCHI HOSPITALIZED (ASAHI - PAGE 2)

MENTIONING THE CONDITION OF AGRICULTURE, FORESTRY AND FISHERIES MINISTER IHEI OCHI, WHO HAS BEEN IN JIKEI MEDICAL UNIVERSITY HOSPITAL SINCE YESTERDAY MORNING, CHIEF CABINET SECRETARY KANEZO MURAOKA IN A PRESS BRIEFING YESTERDAY AFTERNOON EXPLAINED: "AS HE HAD SYMPTOMS OF HIGH BLOOD PRESSURE, HE UNDERWENT AN EXAMINATION BY CT SCAN. FORTUNATELY, NOTHING ABNORMAL WAS FOUND, BUT HE WILL BE IN THE HOSPITAL FOR A WHILE IN

ORDER TO REST AND REMAIN UNDER EXAMINATION." SINCE OCHI IS EXPECTED TO RECEIVE AN INTENSE EXAMINATION ON THE 17TH AND 18TH, HE WILL LIKELY BE DISCHARGED FROM THE HOSPITAL ON THE 19TH AT THE EARLIEST.

MUTO TO HEAD LDP ADMINISTRATIVE REFORM TASK FORCE AND OTHER NEW LDP ASSIGNMENTS (SANKEI - PAGE 2)

THE LIBERAL DEMOCRATIC PARTY (LDP) FORMALLY DECIDED UNCLAS SECTION 04 OF 06 TOKYO 008105

USIA

FOR: USIA D/P, I/GEA, I/RE, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 17

YESTERDAY IN A MEETING OF THE EXECUTIVE COUNCIL THE FOLLOWING ASSIGNMENTS OF PARTY EXECUTIVE OFFICERS:

-- ADMINISTRATIVE REFORM PROMOTION HEADQUARTERS CHAIRMAN: KABUN MUTO (FORMER MANAGEMENT AND COORDINATION AGENCY DIRECTOR GENERAL)

-- POLITICAL REFORM HEADQUARTERS CHAIRMAN: KATSUTSUGU SEKIYA (FORMER POSTS AND TELECOMMUNICATIONS MINISTER)

-- REFORM IMPLEMENTATION HEADQUARTERS CHAIRMAN: MIKIO OKUDA (FORMER EDUCATION MINISTER)

-- ELECTION BUREAU DIRECTOR-GENERAL: MAKOTO KOGA

-- PERSONNEL BUREAU DIRECTOR-GENERAL: YUSHIN MORIZUMI

-- TREASURY BUREAU DIRECTOR-GENERAL: SHINJI SATO

-- INTERNATIONAL BUREAU DIRECTOR-GENERAL: TETSUO KUTSUKAKE

-- FINANCE COMMITTEE CHAIRMAN: TAKEO HIRANUMA

-- NATIONAL ORGANIZATION COMMITTEE CHAIRMAN: TOKUICHIRO TAMAZAWA

-- GROUP POLICY DIVISION DIRECTOR: KATSUHIKO SHIRAKAWA

-- PUBLIC RELATIONS HEADQUARTERS CHAIRMAN: KAORU YOSANO

-- JOINT PLENARY MEETING OF PARTY MEMBERS OF BOTH HOUSES OF THE DIET CHAIRMAN: KANAME ENDO

-- PERSONNEL COMMITTEE CHAIRMAN: MASAAKI TAKAGI

-- LOWER HOUSE MEMBERS' PLENARY MEETING CHAIRMAN: KAZUHO TANIGAWA

-- PARTY ETHICS COMMITTEE CHAIRMAN: TOMOHARU TAZAWA

ADMINISTRATIVE REFORM: -- GOVQT PANELQS FINAL REPORT
AROUND NOV. 26 (SANKEI - PAGE 23)

PRIME MINISTER RYUTARO HASHIMOTO YESTERDAY CALLED CHIEF CABINET SECRETARY KANEZO MURAOKA AND MANAGEMENT AND COORDINATION AGENCY DIRECTOR GENERAL KOKO SATO TO HIS RESIDENTIAL OFFICE AND INSTRUCTED THEM TO MAP OUT THE FINAL REPORT OF THE COUNCIL ON ADMINISTRATIVE REFORM BY NOVEMBER 26. THE COUNCIL SECRETARIAT'S PLAN HAD BEEN TO REACH A CONCLUSION AT A MEETING SCHEDULED FOR DECEMBER 3, BUT THE PRIME MINISTER ASKED THEM TO CONCLUDE WITHIN A YEAR OF THE LAUNCHING OF THE COUNCIL LAST NOVEMBER TO MEET HIS COMMITMENT. AT THE SAME TIME, REGARDING THE HANDLING OF THE ECONOMIC PLANNING AGENCY (EPA), WHICH WAS NOT INCLUDED IN THE INTERIM REPORT, THE PRIME MINISTER INDICATED HIS INTENTION TO TRANSFER ITS COORDINATION BUREAU, WHICH IS RESPONSIBLE FOR MACRO-ECONOMIC MEASURES, TO THE SECRETARIAT OF THE "ADVISORY COUNCIL ON ECONOMIC AND FINANCIAL AFFAIRS (ACEFA)."

AS A RESULT, THE OUTLOOK IS THAT THE ACEFA SECRETARIAT WILL BECOME A 50-PERSON SHOP WITH PORTIONS OF EPA -- SUCH AS THE EPA COORDINATION BUREAU -- AND PRIVATE THINK-TANKS AS ITS MAIN COMPONENT; THE MEMBERS WILL ALSO INCLUDE SEVERAL TO BE SECONDED FROM A REFORMED FINANCE MINISTRY AND A PLANNED MINISTRY OF INDUSTRY IN A REORGANIZED GOVERNMENT. CONSIDERATION WILL BE GIVEN TO THE POSSIBILITY OF TRANSFERRING THE EPA PRICE BUREAU AND ECONOMIC WELFARE BUREAU TO AN "EMPLOYMENT AND WELFARE MINISTRY" AND THE RESEARCH BUREAU TO THE "MINISTRY OF INDUSTRY."

UNCLAS SECTION 05 OF 06 TOKYO 008105

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; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 17

IN ADDITION, THE MEETING BETWEEN THE PRIME MINISTER, SATO AND OTHERS REAFFIRMED THAT THE COUNCIL ON ADMINISTRATIVE

REFORM WILL HOLD INTENSIVE DEBATES FOR THE FORMULATION OF A FINAL REPORT FOR THREE TO FOUR DAYS BEGINNING NOVEMBER 17.

NEW GUIDELINES: SCC MEETING SET FOR SEP. 23
(TOKYO SHIMBUN - PAGE 2)

THE GOVERNMENTS OF JAPAN AND THE UNITED STATES YESTERDAY DETERMINED A TIMETABLE FOR BILATERAL CONSULTATIONS AIMED AT DRAWING UP NEW GUIDELINES FOR JAPAN-U.S. DEFENSE COOPERATION.

ACCORDING TO THE SCHEDULE, FINAL COORDINATION WILL BE MADE AT TWO UPCOMING SESSIONS: 1) A DEPUTIES MEETING SET FOR THE 19TH IN WASHINGTON OF THE SUBCOMMITTEE FOR DEFENSE COOPERATION (SDC), A PANEL CONSISTING OF FOREIGN AND DEFENSE OFFICIALS AT THE DEPUTY DIRECTOR GENERAL LEVEL FROM BOTH COUNTRIES, AND 2) A MEETING OF THE SDC AT THE DIRECTOR GENERAL LEVEL SET TO OCCUR IN NEW YORK ON THE 22ND. ON THE MORNING OF THE 23RD (LATE HOURS OF THE SAME DAY, JAPAN TIME), THE SECURITY CONSULTATIVE COMMITTEE (SCC, WHICH IS COMMONLY CALLED THE 2 PLUS 2) WILL HOLD A CABINET-LEVEL SESSION IN NEW YORK AND FINALIZE THE NEW GUIDELINES.

PARTICIPATING IN THE SCC SESSION WILL BE FOREIGN MINISTER KEIZO OBUCHI AND DEFENSE AGENCY DIRECTOR GENERAL FUMIO KYUMA FROM THE JAPANESE SIDE AND, FROM THE U.S. SIDE, SECRETARY OF STATE ALBRIGHT AND SECRETARY OF DEFENSE COHEN. IN ADDITION TO THE NEW GUIDELINES, THEY WILL ALSO DISCUSS HOW TO PROCEED WITH CONSTRUCTION OF AN ALTERNATE HELIPORT IN RESPONSE TO THE RETURN OF FUTENMA AIR STATION ON OKINAWA.

ON THE MORNING OF THE 24TH (NIGHT OF THE 24TH, JAPAN TIME), A DEFENSE SUMMIT WILL BE HELD BETWEEN DIRECTOR GENERAL KYUMA AND SECRETARY COHEN IN WASHINGTON.

NEARBY EMERGENCIES: U.S., JAPAN AGREE TO SPECIFY QEVERY POSSIBLE EFFORTQ IN GUIDELINES (ASAHI - PAGE 2)

THE GOVERNMENTS OF JAPAN AND THE UNITED STATES AGREED TO SPECIFY IN NEW JAPAN-U.S. DEFENSE COOPERATION GUIDELINES TO BE COMPILED LATE THIS MONTH THAT "EVERY POSSIBLE EFFORT, INCLUDING DIPLOMATIC ACTION, WILL BE MADE" TO PREVENT CONTINGENCIES FROM OCCURRING NEAR JAPAN. ADDITIONALLY, THE NEW GUIDELINES WILL INCORPORATE A STIPULATION THAT THE U.S. AND JAPAN WILL CONSULT TO SEEK A COMMON PERCEPTION OF WHETHER AN ARISING DISPUTE CONSTITUTES AN EMERGENCY AROUND JAPAN. THIS INCLUSION WILL CLARIFY THE NEED FOR EFFORTS TO PREVENT EMERGENCIES NEAR JAPAN, THE FOCAL ISSUE IN THE ONGOING REVIEW, AND JAPAN'S STANCE OF NOT AUTOMATICALLY OFFERING COOPERATION TO THE U.S. UPON THE LATTER'S UNILATERAL JUDGMENT.

THIS WAS REVEALED BY OFFICIALS OF THE FOREIGN MINISTRY (MOFA) AND THE DEFENSE AGENCY (JDA) AT A CABINET MINISTERS MEETING HELD ON THE 16TH AT THE PRIME

MINISTER'S OFFICIAL RESIDENCE. MOFA AND JDA ALSO EXPLAINED MORE ABOUT "SITUATIONS IN AREAS SURROUNDING JAPAN": "THIS IS NOT A GEOGRAPHICAL IDEA BUT A CONCEPT FOCUSING ON THE NATURE OF A SITUATION." REGARDING THE TYPES OF ASSISTANCE GIVEN TO THE U.S. IN A CONTINGENCY NEAR JAPAN, THEY SAID THE NEW GUIDELINES WOULD STATE THAT "(TYPES OF COOPERATION) WILL DIFFER, DEPENDING ON SITUATIONS." THEY ALSO CITED AS A TASK FOR CONSIDERATION THE IMPLEMENTATION OF TRAINING EXERCISES THAT HYPOTHEZIZE EMERGENCIES SURROUNDING JAPAN OR SITUATIONS IN JAPAN.

UNCLAS SECTION 06 OF 06 TOKYO 008105

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; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 17

AS FUTURE TASKS, THE CABINET MINISTERS MEETING AGREED TO GO AHEAD WITH EXAMINING THREE AREAS: 1) HOW TO SECURE COOPERATION FROM LOCAL ENTITIES AND PRIVATE-SECTOR FIRMS; 2) WHAT TO DO IN ORDER TO MAKE IT POSSIBLE FOR RELEVANT ORGANIZATIONS, SUCH AS THE SELF-DEFENSE FORCES (SDF) TO CONDUCT OPERATIONS SMOOTHLY; AND 3) HOW TO FORM A GOVERNMENTAL SYSTEM THAT WILL INCLUDE LEGISLATION TO EFFECTIVELY COPE WITH SITUATIONS IN AREAS SURROUNDING JAPAN.

LDP TO OKAY FOOD AID FOR NORTH KOREANS (ASAHI - PAGE 2)

THE LIBERAL DEMOCRATIC PARTY (LDP) DECIDED ON THE 16TH TO APPROVE THE GOVERNMENT'S PLAN TO PROVIDE FOOD AID TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA) WITHIN THE FRAMEWORK OF A UNITED NATIONS ASSISTANCE PROGRAM, AND LDP POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI MADE A PROPOSAL TO FOREIGN MINISTER KEIZO OBUCHI THAT DAY. THE SOCIAL DEMOCRATIC PARTY AND THE SAKIGAKE PARTY ALSO WILL MAKE A JOINT PROPOSAL TO THE GOVERNMENT ON THE 17TH IN RECOGNITION OF THE NEED TO AID NORTH KOREA. IN RESPONSE, THE GOVERNMENT WILL BEGIN TO MAKE SPECIFIC PREPARATIONS FOR SUCH FOOD AID. AS FOR WHEN TO CARRY OUT SUCH ASSISTANCE, HOWEVER, THE GOVERNMENT INTENDS TO MAKE STUDIES WHILE MONITORING SUCH DEVELOPMENTS AS PROGRESS IN JAPAN-DPRK TALKS OVER THE ISSUE OF JAPANESE SPOUSES' VISITS HOME.

THE LDP, IN ITS PROPOSAL, SHOWS ITS UNDERSTANDING OF THE GOVERNMENT'S CONSIDERATION OF FOOD AID THAT IS LIMITED TO EMERGENCY HUMANITARIAN SUPPORT ONLY, ASSERTING THAT: (1)

JAPAN-DPRK INTERGOVERNMENTAL TALKS ARE TO MAKE STEADY PROGRESS; (2) THE FOREIGN MINISTRY IS TO MAKE STILL GREATER EFFORTS TO CLEAR UP THE ALLEGED ABDUCTIONS OF JAPANESE NATIONALS; (3) THE GOVERNMENT IS TO REQUEST THE UNITED NATIONS HUMAN RIGHTS COMMITTEE TO SET UP AN INVESTIGATIVE PANEL TO PROBE INTO THE TRUTH ABOUT SUCH KIDNAPPING CASES; AND (4) THE GOVERNMENT IS TO CALL FOR NORTH KOREA TO CONFIRM THE WHEREABOUTS OF ALL JAPANESE WIVES AND THEIR INTENTION OF VISITING JAPAN. THE GOVERNMENT IS NOW CONSIDERING ASSISTANCE TO THE EXTENT OF 27 MILLION DOLLARS (EQUIVALENT TO 67,000 TONS OF RICE).
CRANE

SECT: SECTION: 01 OF 06

<^SECT>SECTION: 02 OF 06

<^SECT>SECTION: 03 OF 06

<^SECT>SECTION: 04 OF 06

<^SECT>SECTION: 05 OF 06

<^SECT>SECTION: 06 OF 06

SSN: 8105

<^SSN>8105

<^SSN>8105

<^SSN>8105

<^SSN>8105

<^SSN>8105

TOR: 970916233949 M2934111

<^TOR>970916234005 M2934112

<^TOR>970916234054 M2934113

<^TOR>970916234110 M2934115

<^TOR>970916234222 M2934119

<^TOR>970916234238 M2934121

DIST:

SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO A8141 2610116-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 180116Z SEP 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 180116Z SEP 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1022
INFO: RUEAIIA/CIA WASHDC IMMEDIATE
RUEKDIA/DIA WASHDC IMMEDIATE
RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE
RUCPDOG/USDOC WASHDC IMMEDIATE
RUEATRS/TREASURY DEPT. WASHDC IMMEDIATE
RUEAWJA/DEPT OF JUSTICE WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 6751
RUHBBMA/AMCONSUL NAHA 9887
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHHMUNA/USCINCPAC HONOLULU HI
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUEHKON/AMCONSUL NAGOYA 2713
RUEHKOF/AMCONSUL FUKUOKA 6734
RUEHKOS/AMCONSUL SAPPORO 2981
RUESDJ/FBIS OKINAWA JA
RUCWAAB/FBIS RESTON VA
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUATJHU/CGUSARJ CAMP ZAMA JA//IX CORPS G5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEHOK/AMCONSUL OSAKA KOBE 3617
SUBJ: JAPANESE DAILY PRESS SUMMARY 09/17/97
TEXT:
UNCLAS SECTION 01 OF 11 TOKYO 008141

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 09/17/97

INDEX:

- (1) Nikkei Poll
- (2) Interview with New Foreign Minister Keizo Obuchi; Determined to Devote His Energies to Concluding a Peace Treaty with Russia
- (3) Interview with Foreign Minister Keizo Obuchi; Legislation to Implement New Defense Cooperation Guidelines beginning in Fall
- (4) Interview with JDA Director General Fumio Kyuma: Expresses Determination to Come up with Effective Guidelines
- (5) Interviews with Major Cabinet Ministers: Defense Agency Director General Fumio Kyuma Will Emphasize Pursuit of Peaceful Environment

ARTICLES:

- (1) Nikkei Poll

NIHON KEIZAI (Pages 2 & 3) (Extracts)
September 17, 1997

Questions & Answers

(Figures shown in percentage. In some cases, the percentage does not total 100 because of rounding to nearest decimal. In parentheses are the results of the last survey conducted in June this year.)

Q: Do you support the Hashimoto cabinet, or do you not?

Support	42.8 (44.4)
Don't support	35.6 (31.3)
Can't say; don't know	21.7 (24.2)

Q: (Only for those who answered "support") Why do you support it? (multiple answers)

Because it's an LDP cabinet	34.5 (34.0)
The Prime Minister is trustworthy	31.3 (32.1)
It's stable	30.5 (31.8)
The Prime Minister has leadership	23.0 (20.0)
The Prime Minister has a sense of international affairs	22.3 (24.5)

Q: (Only for those who answered "don't support") Why do you not support it? (multiple answers)

Its policies are bad	43.1 (45.9)
The Prime Minister is lacking in leadership	33.6 (39.8)
The Prime Minister is untrustworthy	32.9 (25.7)
It's unclear	27.5 (14.5)

It's unstable 26.0 (32.6)

Q: What policies do you want the Hashimoto cabinet to pursue? (multiple answers)

UNCLAS SECTION 02 OF 11 TOKYO 008141

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 09/17/97

Pensions, welfare	53.8 (53.3)
Administrative reform	46.0 (43.5)
Economic measures	41.1 (37.0)
Tax reform	38.1 (36.2)
Political reform	36.8 (33.8)

Q: Which political party do you support or like now?

Liberal Democratic Party (LDP)	43.0 (44.2)
Japan Communist Party (JCP)	8.2 (5.8)
Social Democratic Party	
(SDP or Shaminto)	7.0 (5.8)
New Frontier Party (NFP or Shinshintou)	6.7 (8.0)
Democratic Party of Japan	
(DPJ or Minshuto)	4.9 (7.5)
Sakigake Party (or Shinto Sakigake)	0.7 (0.4)
Taiyo Party (or Taiyoto)	0.6 (0.3)
Other political parties	1.0 (1.2)
None	21.6 (21.1)
Can't say; no answer	6.3 (5.5)

Q: What do you think about the second reshuffled Hashimoto cabinet's lineup and the LDP's three top officers?

Can appreciate	24.4
Can't appreciate	58.3
Can't say; don't know	17.3

Q: What do you think about the current tripartite framework of the LDP, SDP, and Sakigake Party?

It may continue longer	38.6
It would be better for the LDP to aim at a coalition with the NFP	30.9
Can't say; don't know	30.4

Q: What do you think about the administrative reform panel's interim report that recommends streamlining the central government's current setup of ministries and agencies into one office and 12 ministries/agencies in the year 2001?

It can be generally appreciated
because it will decrease the
number of central government
ministries and agencies and will
likely lead to simplifying administration 26.5
It can't be appreciated very
much because it shows no future
course of how to reduce the
Government's undertakings 59.9
Can't say; don't know 13.6

Q: For a reform of the Finance Ministry the Government is going to establish an independent agency for financial surveillance. On the other hand, the Government is not going to separate the fiscal and monetary sectors from the Finance Ministry. Do you think this is enough?

UNCLAS SECTION 03 OF 11 TOKYO 008141

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 09/17/97

Enough 8.3
Not enough 72.7
Can't say; don't know 19.0

Q: What do you think about detaching the National Tax Administration Agency from the Finance Ministry?

For 53.7
Against 19.2
Can't say; don't know 27.1

(About the administrative reform panel's review of three postal services)

Q: What do you think about the Government continuing to undertake postal services?

In favor, because I don't think it would be an appropriate target for privatization	57.7
Against it, because I think privatization will offer better services	35.6
Can't say; don't know	6.8

Q: What do you think about improving the conditions for privatizing postal savings?

In favor, because postal savings have swollen excessively	22.0
Against it, because postal savings have taken root among the people	52.6
Postal savings should be privatized immediately, and I am dissatisfied with the administrative reform panel's interim report	16.1
Can't say; don't know	9.2

Q: What do you think about privatizing postal insurance around the year 2001?

In favor, because privatization will make it effective	37.0
Against it, because I don't think it necessarily needs to be privatized	54.7
Can't say; don't know	8.3

(Method of Survey)

1) Date of survey: September 12-14.

2) Objects of survey: 3,000 persons chosen from among all eligible voters throughout the country.

3) Method of sampling: The voting population of wards, cities, and counties were stratified, and the target persons were sampled out of telephone directories throughout the country at random. As telephone numbers belong to households, the target persons were specified on the basis of statistical procedures.

4) Method of implementation: Telephone interview based on a questionnaire.

UNCLAS SECTION 04 OF 11 TOKYO 008141

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 09/17/97

5) Number of effective respondents: 1,767 persons
(58.9 percent).

6) Conducting organ: Nikkei Research.

(2) Interview with New Foreign Minister Keizo
Obuchi; Determined to Devote His Energies to
Concluding a Peace Treaty with Russia

SANKEI (Page 2) (Full)
September 14, 1997

Q: First of all, what is your basic policy as the
new foreign minister?

A: I want to carry out diplomacy step by step in
line with my motto -- firmness, honesty and
resolution -- while giving heed to the culture and
ethnicity of each country, instead of taking an eye-
catching approach. Relations between Japan and the
United States are the most important in the world.
At the same time, I will devote myself to diplomacy
vis-à-vis Eurasia. I will do my best to conclude a
peace treaty with Russia.

Q: What is your opinion about amending the Self-
Defense Force (SDF) Law and emergency legislation
that have surfaced in the ongoing Japan-U.S.
defense cooperation guidelines review?

A: If necessary, we will have to adjust domestic
laws in the fall or later. Emergency legislation
requires a high-level political decision. First,
we will have to monitor Diet debate and the trend
of public opinion. We will have to come up with
appropriate measures by analyzing the issue
comprehensively.

Q: How are you going to handle the northern
territories issue with Russia?

A: Demanding only a handover will not push the
matter forward. We need to put a great deal of
weight on improving the overall environment (such
as investment). I hope to meet with Foreign
Minister Primakov during the United Nations General
Assembly (in late September) in order to set
bilateral talks in motion for accomplishing our
goal (that is, to win the four northern islands
back). At the same time, oil development off
Sakhalin and natural gas development projects are
vital for Japan in terms of ensuring energy
resources. I would like to deal with Russia from

the viewpoint of how to utilize Siberian and Sakhalin resources as well.

Q: What about food aid to North Korea?

A: Japan extended 500,000 tons of rice in 1995, but the food situation in that country has worsened since then. I think we will have to respond to the United Nations' call (for food aid). But there are UNCLAS SECTION 05 OF 11 TOKYO 008141

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 09/17/97

various opinions in Japan. We will have to listen to such opinions before making our final decision. Also, we want to resume normalization talks at an early time, but now is not the right time to mention any specific schedule.

Q: Regarding stalemated Japan-South Korea talks for a new fisheries pact, the Liberal Democratic Party (LDP) is calling for abrogation of the agreement now in force. What is your opinion?

A: I know that some LDP members harbor severe opinions about the present situation. I am also aware of extremely strong resistance among fishermen. I will do my best to conclude a new pact swiftly for the sake of bilateral relations.

Q: How do you view relations with China?

A: A number of influential Japanese politicians made remarks about the defense guidelines. Prime Minister Ryutaro Hashimoto also explained them fully during his China trip so as not to cause any misunderstanding. Such efforts bore fruit to some extent. Japan needs to explain (the guidelines review) thoroughly to China.

Q: Is Japan going to continue to pursue a permanent seat on the United Nations Security Council (UNSC)?

A: I will work hard to win a (UNSC) seat smoothly. When I see UN Secretary General Annan in New York

(later this month), I will explain Japan's thinking.

Q: The Government has decided to cut official development assistance (ODA) by 10 percent in FY1998. Rigorous haggling is expected in budgetary negotiations. How are you going to deal with that?

A: I would like to search for more visible and effective ways to extend aid under strained national finances. Similar (overlapping) ministry/agency expenses should be combined in budget compilation.

Q: How do you perceive Japan's participation in a peace-keeping force (PKF) which is prohibited under the United Nations Peace-Keeping Operations (PKO) Cooperation Law?

A: I think PKO cooperation has accomplished substantial results. We will continue the same policy line. Since there are strong objections to PKF participation, which is now prohibited, I want to abstain from any comment.

(3) Interview with Foreign Minister Keizo Obuchi;
Legislation to Implement New Defense Cooperation
Guidelines beginning in Fall

ASAHI (Page 2) (Full)
UNCLAS SECTION 06 OF 11 TOKYO 008141

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 COUNCIL'S 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 09/17/97

September 15, 1997

-- The awarding of a portfolio to Koko Sato has drawn criticism not only from the opposition parties but also from the Social Democratic Party (SDP), a component of the ruling camp. Don't you think that his appointment will widen a crack in the "alliance among the Liberal Democratic Party (LDP), the SDP and the Sakigake?"

Obuchi: We have to explain to the other two parties (SDP and Sakigake) to the best of our

ability so that such a thing will not occur.

-- We heard that it was your long-cherished desire to become a foreign minister. Is that so?

O: When I was a student, I traveled to 37 countries. In the U.S. I had the honor of meeting with Robert Kennedy, then Attorney General, without an appointment. I have always wanted to make use of such an experience.

-- New guidelines for Japan-United States defense cooperation are scheduled to be formulated in late September. What is your stance for tackling the consolidation of related laws and the issue of emergency legislation?

O: We will improve domestic laws related to the new guidelines from the fall and thereafter, if necessary. Emergency legislation is an issue that requires a high-level political judgment. We want to form an overall assessment, taking into consideration Diet deliberations and the trends of public opinion in order to handle the issue properly.

-- Whether a dispute between China and Taiwan should be included in "emergencies occurring in areas surrounding Japan" is provoking discussion.

O: It is not possible to set out a geographical scope categorically.

-- Is there any possibility of the geographical scope of the guidelines stretching to the other side of the earth?

I suppose (emergencies occurring in areas surrounding Japan) mean areas within a sensible range.

-- China has shown its concern over this issue.

O: There is basically nothing to concern Japanese-Chinese relations. There happened to be a (controversial) comment by Japan's key politician (former Chief Cabinet Secretary Seiroku Kajiyama). Prime Minister Ryutaro Hashimoto has given sufficient explanations on his statement so as not to cause misunderstanding. I believe his effort has yielded results to some extent, but we still
UNCLAS SECTION 07 OF 11 TOKYO 008141

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 09/17/97

have to continue our effort to give a full
accounting on the matter.

-- You have decided to quit the post of chairman
of the "Dietmen's League for Paying Homage at
Yasukuni Shrine" upon assuming the office of
foreign minister. What is your own perception of
history, Mr. Obuchi?

O: When Prime Minister Tomiichi Murayama (at that
time) issued a statement for the 50th anniversary
of the end of World War II, I was involved in its
drafting. There were various arguments in the LDP,
but we in the end boiled them down and formulated
the statement. The stance of the statement
naturally reflects my basic thinking.

-- The Japanese and North Korean Red Cross
Societies have reached agreement on temporary home
visits by Japanese wives living in the Democratic
People's Democratic of Korea (North Korea). Will
this give the go-ahead to food aid to North Korea?

O: There are calls for such from UN organs, too.
We have to handle the issue on humanitarian
grounds. However, we want to make an overall
judgment, by listening to various opinions heard in
the Diet and political parties. When I was LDP
vice president, I decided to send 500,000 tons of
rice aid. It is quite regrettable that (domestic)
reaction to that decision is unclear. At that
time, there was an insufficient exchange of
opinions with the ROK. I went to that country to
explain. I want to tackle the issue through
thorough discussions with the ROK this time.

-- Talks with the ROK on a new fisheries accord
are in difficult straits. Some are calling for
scrapping the present accord.

O: Some LDP members take a severe view of the
matter. Fishermen are increasingly uneasy. I want
to exert all-out efforts to settle the issue at the
earliest possible juncture.

-- In a news conference given right after taking
office, you indicated a desire to conclude a peace
treaty with Russia. What is your stance on the
Northern territories issue?

O: There is a basic policy line that conclusion of a peace treaty will be impossible without a settlement of the territories problem, but we cannot move forward if we simply seek the return of the territories unthinkingly. We will facilitate resolution of the territories issue and consolidation of an environment for such as two wheels of a cart. I am pinning hopes on progress at the Japan-Russia summit meeting scheduled to be held in November. I want to meet with Foreign Minister Primakov when I attend the UN General Assembly in late September.

UNCLAS SECTION 08 OF 11 TOKYO 008141

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 09/17/97

-- Prime Minister Hashimoto is recently advancing "Eurasian diplomacy." Is the government keeping its eyes also on countries other than China and Russia?

O: Relations with countries that became independent from the former USSR are part of our Eurasian diplomacy. We are deeply interested in Central Asia and the Caucasus area. Increasing Japan's presence in areas lying between Russia and China will have a favorable impact on relations between Japan and China, and between Japan and Russia.

(4) Interview with JDA Director General Fumio Kyuma: Expresses Determination to Come up with Effective Guidelines

SANKEI (Page 2) (Full)
September 15, 1997

-- What notion do you have of an emergency in areas surrounding Japan?

"The tension over the Korean Peninsula remains. Some countries have nuclear weapons and missiles. With such uncertainty looming, a peaceful environment has yet to be created. Another matter

of concern is modernization of naval and air forces in the Asia-Pacific region. This is a kind of an arms race."

-- How are you going to promote defense exchanges with neighboring countries?

"It is good to see that countries are becoming eager to ensure security by signing accords at multilateral fora, such as the ASEAN Regional Forum (ARF). I hope our ministry will work hard to create a peaceful environment by deepening defense exchanges and security dialogues. In addition to exchanges between students specializing in national defense affairs, we would like to consider an exchange program for medical officers -- similar to that which Japan has promoted with China -- also with other neighboring countries."

-- How do you characterize the significance of the review of the "guidelines for Japan-United States defense cooperation?"

"Owing to well-functioning Japan-U.S. security arrangements, a peaceful situation has been maintained in Japan and the Asia-Pacific region. We must keep the peace also in the future. But the present situation is considerably different from that of 20 years ago. The Self-Defense Force (SDF) is now required to make an international contribution, and when an emergency occurs in surrounding areas, it has a serious impact on Japan's peace and security. Keeping this in mind, we are working to review the guidelines."

UNCLAS SECTION 09 OF 11 TOKYO 008141

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 09/17/97

-- How about legal preparations to prepare for a possible contingency after the new guidelines are compiled?

"We must come up with effective guidelines. The present guidelines were compiled largely based on relations between the Japan Defense Agency (JDA)

and the U.S. military, but the new ones will focus on how the Japanese and U.S. governments will cooperate. The JDA will hold talks with government ministries and agencies on what framework should be set up and whether legal preparations will be necessary. We must start talks quickly and submit necessary bills to the Diet."

-- How will you reply to China's strong apprehension about the review?

"I am aware that China has reacted sensitively to the concept of emergencies in areas near Japan, especially involving Taiwan and which areas fall under the guidelines. I think Prime Minister Hashimoto, while visiting China, managed to deepen China's understanding. As soon as details (of the Guidelines) are worked out, I will convey them to China swiftly to obtain understanding.

-- Regarding the definition of "exercising the right of collective self-defense," will the government's constitutional interpretation remain unchanged?

"Since Japan intends to adhere to Article 9 of the constitution, it should keep operations within that scope. It is fine to discuss broadly amendments to the constitution, but the government should perform its duties under the nation's constitution and laws."

-- How are you going to tackle the realignment and reduction of U.S. military bases, including the complete reversion of Futenma Air Station?

"Seventy-five percent of U.S. military bases in Japan are concentrated in Okinawa Prefecture. In an effort to rectify such a serious situation, we must realign, consolidate and reduce them as much as possible. But the present functions of U.S. military bases on Okinawa must be retained, so we face some restrictions. I have repeatedly mentioned that we will not start construction of an off-shore heliport before obtaining local residents' consent. Yet, under the present circumstances, the concept being worked out by Okinawa Prefecture will not move forward either. Working out measures for alternative facilities and economic promotion, we need to discuss earnestly how such measures will serve to develop Okinawa."

-- What do you think about the idea of promoting the JDA to a ministry?

"It would be desirable and natural for the JDA,
UNCLAS SECTION 10 OF 11 TOKYO 008141

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 09/17/97

which is in charge of crafting fundamental national policy measures, to be upgraded to a ministry. Yet, the SDF and JDA have a certain history, and if they can, in the process of pursuing pending challenges, obtain the people's understanding regarding the functions and context of the agency, we would be grateful if the people called for an upgrade to a defense ministry."

(5) Interviews with Major Cabinet Ministers:
Defense Agency Director General Fumio Kyuma Will
Emphasize Pursuit of Peaceful Environment

YOMIURI (Page 2) (Full)
September 17, 1997

-- What are you going to do in your second term as
Defense Agency (JDA) director general?

"I have to engage in the review of Japan-United States defense cooperation guidelines, and after the review, to work to create the system that will follow. I also wish to exert myself to grapple with the problem of relocating and returning Futenma Air Station, a showcase for consolidation and reduction of U.S. forces' stationed on Okinawa."

-- What is your perception about the situation
surrounding Japan?

"The Korean Peninsula remains in a tense situation, and some nearby countries possess weapons of mass destruction. Many unclear and uncertain factors exist around us, so Japan must consolidate defense properly. I would like to pave the way for a peaceful environment while further promoting security dialogues and defense exchanges. I am concerned that remarkable economic growth in the Asia-Pacific region has in a way brought about an arms race as the defense capabilities of various countries are being modernized."

-- What do you think is the significance of the

ongoing review of the guidelines?

"Operations carried out by the Self-Defense Forces (SDF), including international contributions, are expanding in various areas. We therefore need to consider how to rescue Japanese nationals if something occurs around Japan, even if our country is not directly attacked, and how Japan and the U.S. will work together to deal with it."

-- How do you see the prospects for establishing a framework after the new guidelines are finalized and passing subsequent legislation?

"Not only the Ministry of Foreign Affairs (MOFA) and the Japan Defense Agency (JDA), but also other government organs will join in setting up a framework and consider whether it is necessary to enact laws. We need to begin studies as soon as
UNCLAS SECTION 11 OF 11 TOKYO 008141

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 09/17/97

possible and to submit necessary bills to the Diet session. (On the question of whether to put forward relevant bills as a package), I cannot make an immediate reply because it depends on their contents."

-- How will you obtain understanding from China?

"Prime Minister Hashimoto in his earlier visit to China explained that it is incorrect to consider situations in certain countries or areas, including China, as a focus of the guidelines review. Although we have yet to obtain full understanding from the Chinese side, I believe they gained a deeper understanding of the review. When new guidelines are determined, I will immediately transmit them to the Chinese side to obtain their understanding."

-- What is your view about the current interpretation of our Constitution, which prohibits the exercise of the right of collective self-defense?

"On the part of the Government, we cannot change the previous constitutional interpretation. We have to work within this restriction. We should follow a 'defense only' policy as in the past."

-- How are you planning to handle the problem of relocation of Futenma Air Station?

"We will not construct an offshore facility without consulting with residents there, but under the current situation, no progress is expected on the concept proposed by Okinawa Prefecture. I would like to discuss in a forward-looking manner the question of how to accomplish the return of Futenma Air Station while building an alternate facility as well as realizing economic promotional measures. I believe that our sincere appeal will be understood by the prefecture, the city, and the Okinawan people. We have brought to fruition other things we committed to, for example, the relocation of live-firing drills carried out across Prefectural Road 104."

-- What is your view about the question of upgrading JDA to a "ministry"?

"I think the JDA should be upgraded to a ministry because it is responsible for the basic policies of the nation. If that is realized, it will increase morale. But we need to take into account past circumstances according to which our country established the SDF and the JDA, and some reaction (to an upgrade) can be expected. I would be grateful if a debate arose on the question of upgrading (the JDA) to a 'Japan Defense Ministry' due to a national understanding (of its functions) as we resolve the issues at hand."

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: 8141

<^SSN>8141
<^SSN>8141
<^SSN>8141
<^SSN>8141
<^SSN>8141
<^SSN>8141

<^SSN>8141
<^SSN>8141
<^SSN>8141
<^SSN>8141

TOR: 970917212837 M2936024
<^TOR>970917212927 M2936025
<^TOR>970917212941 M2936026
<^TOR>970917213101 M2936027
<^TOR>970917213117 M2936028
<^TOR>970917213138 M2936029
<^TOR>970917213228 M2936030
<^TOR>970917213243 M2936031
<^TOR>970917213305 M2936032
<^TOR>970917213424 M2936033
<^TOR>970917213440 M2936034

DIST:
SIT: VP
SIT: NSC

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHKO8184 2610817-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 180817Z SEP 97

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 180817Z SEP 97

ORIG: AMEMBASSY TOKYO

TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1071

INFO: RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE

RUEKJCS/SECDEF WASHDC IMMEDIATE

RUCPDOG/USDOC WASHDC IMMEDIATE

RUEKDIA/DIA WASHDC IMMEDIATE

RUEATRS/TREASURY DEPT WASHDC IMMEDIATE

RUEAWJA/DEPT OF JUSTICE WASHDC IMMEDIATE

RUEHIA/USIA WASHDC IMMEDIATE 6768

RUEAIIA/CIA WASHDC IMMEDIATE

RUEHOK/AMCONSUL OSAKA KOBE 3631

RUEHKOF/AMCONSUL FUKUOKA 6747

RUEHKOS/AMCONSUL SAPPORO 2993

RUESDJ/FBIS OKINAWA JA

RUCWAAB/FBIS RESTON VA

RUAYJAA/COMPATWING ONE KAMI SEYA JA

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

RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA

RUHBBMA/AMCONSUL NAHA 9899

RHHMUNA/USCINCPAC HONOLULU HI

RUEHKON/AMCONSUL NAGOYA 2725

RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//

RUALSFJ/COMUSJAPAN YOKOT AB JA//J5/JO21//

SUBJ: JAPANESE DAILY PRESS SUMMARY 09/18/97
(PART 1)

TEXT:

UNCLAS SECTION 01 OF 12 TKYO 008184

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

USIA FOR MR AND REA

WHITE HOUSE FOR NSC ROTH

WHITE HOUSE FOR NEC CUTTER

JUSTICE FOR STU CHEMTB IN ANTI-TRUST DIVISION

COMMERCE FOR JEAN GRIERIN GENERAL COUNCILQS OFFICE, DAS

TREASURY FOR OAIA/IMI/JAPAN

DEPT PASS USTR FOR SHAPIRO/WOLD

DPT PASS ELECTRONICALLY TO USDA FAS/ITP FOR SCHROETR

E.O. 12958: N/A

TAGS: PGOV, PINR, JA

SUBJECT: JAPANESE DAILY PRESS SUMMARY 09/18/97
(PART 1)

INDEX:

- (1) Mainichi Poll
- (2) Problem of Alternate Heliport for Futenma Air Station: Crucial Stage Will Come This Fall in seeking Settlement within the Year
- (3) Security Alliance Is Coming to Town -- in the Guidelines' Shadow (Part 3 -- Conclusion): Base Realignment; Building up Base Functions for Rear Support
- (4) Nago, Candidate for "Offshore Heliport," Now Viewed as "Planned Construction Site" in Effect; Weakened Cries Against Heliport Construction
- (5) Port Practices; Shipping Lines Make Counter-proposal to Transport Ministry

ARTICLES:

- (1) Mainichi Poll

MAINICHI (Pages 1 & 3) (Excerpts)
September 14, 1997

Questions & Answers

(Figures shown in percentage. "Other answers" and "no answer" omitted.)

Q: On the issue of reviewing the "Japan-U.S. defense cooperation guidelines," do you think legislation is necessary for dealing with such emergencies as a war or conflict possibly breaking out on the Korean Peninsula and in other areas?

- 1) -- Total
- 2) -- Male
- 3) -- Female

-	1)	2)	3)
Think it's necessary	33	41	27
Think it's somewhat necessary	32	29	34
Think it's somewhat unnecessary	13	12	13
Think it's unnecessary	12	12	12

Q: The interim report, released this June on the review of the defense guidelines, has incorporated a course of action to reinforce defense cooperation between Japan and the U.S. for emergencies in areas near Japan. What do you think about the propriety of strengthening such bilateral cooperation?

-	1)	2)	3)
It should be strengthened	18	23	13

It may be maintained as is	37	43	33
It should be called off	13	15	12
Don't know	26	16	35

Q: Regarding the defense guidelines review, the
UNCLAS SECTION 02 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

Government has been asserting that a newly planned set of guidelines does not require Diet approval on the grounds that "the government is not obliged to take legislative, budgetary or administrative measures." However, opposition parties have been pointing out that such a review of the guidelines is on par with a revision of the security treaty and such should require Diet approval (since the Government may present a bill to the Diet for the purpose of ensuring the effectiveness of cooperative arrangements under the new guidelines). What do you think about this?

-	1)	2)	3)
Diet approval is needed	48	60	37
Diet approval is not needed	7	8	6
Don't know	39	28	48

Q: In case an ally is under attack, the right to use armed force against such an attack -- even though our country is notxunder attack -- is called the right of collective self-defense (shudanteki jieiken). The Government's interpretation of the Constitution is that "Japan also has the right of collective self-defense, but it is unconstitutional to exercise the right." What do you think about this interpretation?

-	1)	2)	3)
The Government's conventional interpretation should be sustained	40	42	38
The Constitution should be revised so that Japan will be enabled to exercise the right	23	28	18
Think Japan may exercise the right even under the present Constitution	22	21	23

Method of Survey:

The survey was conducted over a period of three days, September 5-7, by interviewing 4,479 persons chosen from among all eligible voters. The response rate was 65 percent.

(2) Problem of Alternate Heliport for Futenma Air Station: Crucial Stage Will Come This Fall in seeking Settlement within the Year

NIHON KEIZAI (Page 2) (Full)
September 14, 1997

The problem of constructing an alternate heliport for United States forces' Futenma Air Station on Okinawa has now entered a new phase. In an effort to make up for the delay in coordinating opinions with local residents, the central government set up a Futenma Air Station Relocation Headquarters. The aim is to get consent from residents by linking this problem to a set of economic promotional measures. But in the locale, many are still opposed to constructing a heliport. In Nago City, where an area near Camp Schwab has been viewed as a likely candidate for construction of a heliport,
UNCLAS SECTION 03 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

some are moving to seek a referendum to ask whether to approve such construction. A crucial moment will come this fall over the question of whether an implementation plan will be drawn up within the year as agreed by Japan and the U.S. so as to realize the return of (Futenma Air Station) to Japan within five to seven years.

Timetable on the Okinawa Problem

September 16

A civic group in Nago City will petition the city government to legislate for an ordinance allowing a referendum.

September 17

Former Chief Cabinet Secretary Kajiyama will travel to Okinawa.

September 19

The Okinawa Policy Council will meet.

September 23 or 24

Japan-U.S. Security Consultative Committee (2 Plus 2) will meet.

September 25

A bill seeking a local ordinance to call a referendum will be put forward.

September 29

The bill will be put to a vote.

Mid-October

Okinawa Prefecture will show its plan for creating a free trade zone.

November 21

The ceremony marking the 25th anniversary of the reversion of Okinawa to mainland Japan is to take place.

Year's End

Japan and the U.S. agree on implementation plan for an offshore heliport.

Central Government Intends to Coax Okinawa with Economic Promotion Measures

"I would like you to address the problems that have been left unfinished." On the 11th, when his reshuffled Cabinet was inaugurated, Prime Minister Ryutaro Hashimoto thus instructed Defense Agency (JDA) Director General Fumio Kyuma, who at the request of the Prime Minister was asked to stay on as JDA director general despite opposition from the party to which Kyuma belongs. One of the problems left is the review of the Japan-U.S. defense cooperation guidelines, and another is certainly the relocation of Futenma Air Station.

The central government has already launched the UNCLAS SECTION 04 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

Futenma Air Station Relocation Headquarters chaired by the JDA director general. The headquarters in its first session held on the 4th confirmed that relevant ministries and agencies would work in closer cooperation to get approval from local residents, and also ensured the policy direction of simultaneously examining economic promotional steps for areas near a construction site.

The reason why the central government has now brought up promotional measures despite its previous policy line of "handling the relocation issue and promotional measures separately," is probably because "it has become impatient at the delay in coordinating views with the locale."

A settlement scenario the central government has in mind includes: 1) forming a rough plan based upon an expected U.S. request regarding the operations of an offshore heliport, before completion of a preliminary survey planned offshore from Camp Schwa in October; 2) submitting to residents the plan combined with a package of economic promotional measures; and 3) obtaining agreement from local residents by November 21, when the Prime Minister is to visit Okinawa, or by the year's end at the latest.

In addition to an anticipated U.S.-Japan agreement within the year on an implementation plan for construction of an offshore heliport, next year there will be a mayoral election in Nago and the Okinawa gubernatorial election. So if local agreement is not obtained this year, it will be much more difficult to predict the success of coordination of views with residents. There is the argument that "we cannot yield on reaching a settlement this year, especially because we need to incorporate the necessary expenses into the budget bill for next fiscal year" (JDA source). A variety of schemes will likely unfold hereafter.

Local Referendum Will Hold Key to Okinawa Problem

In Nago City, which has a candidate site for construction of a heliport, a civic organization aiming at realizing a referendum asking about pros and cons of such construction will petition directly Mayor Tetsuya Higa on the 16th to legislate for a referendum ordinance. In response, on the 25th Mayor Higa is to submit to the city assembly a bill for such an ordinance with his

statement attached, and on the 29th the bill is to be put to the vote.

In the Nago Municipal Assembly (with the fixed number of 31 but now one vacancy), 18 seats -- more than a half -- have been occupied by ruling-party members who are cautious about a referendum, so it is difficult at this stage for an ordinance bill to be approved. The delegation sent by the ruling-party members of the city assembly on the UNCLAS SECTION 05 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

3rd and 4th called on the Prime Minister, JDA Director General Fumio Kyuma and other central government officials and asked them to adopt a regional economic promotional policy that will include consolidation of airport/ harbor facilities and establishment of a national technical college. A move is now growing to accept the plan for construction of a heliport in return for economic promotional measures.

A referendum, if carried out, might force the central government to drastically change its scenario aiming at reaching a settlement within the year. Conversely speaking, if a referendum bill were voted down, it means that Nago City would in effect accept the plan for construction of a heliport. But prefectural public opinion is heavily opposed to "relocation of a base within the prefecture," and as many as nearly 17,500 citizens, who account for 46 percent of the electorate of the city, signed a petition seeking a referendum." Considering these circumstances, an uproar would likely arise.

Meanwhile, Governor Masahide Ota still assumes the "attitude of not being cooperative" in dealing with the heliport problem. Additionally, the prefectural government gives a glimpse of its difficult position by noting, "We can cooperate with the central government in areas where we can, but not in areas where we cannot," in part because

it has asked the central government to adopt the idea of a free trade zone.

But at the request of the governor, Japan and the U.S. agreed to return Futenma Air Station, so the governor is being criticized for his "wait-and-see attitude" not only by the central government but also by the prefectural side. Many therefore take the view that the heliport relocation problem "will depend in the end on what action the governor will take."

(3) Security Alliance Is Coming to Town -- in the Guidelines' Shadow (Part 3 -- Conclusion): Base Realignment; Building up Base Functions for Rear Support

ASAHI (Page 38) (Full)
September 4, 1997

The U.S. Navy's Sasebo base is located at Sasebo harbor, enclosed by a bay in Nagasaki Prefecture. An area stretching to the foot of the hills lying west of the naval base is called "Akagi Oil Depot." The area has a quay, where the Japanese Government this year completed its work of improving a power supply station and other facilities for U.S. naval vessels at a total investment of 4.4 billion yen.

It was on the morning of August 31 that the Buffalo, a U.S. nuclear-powered submarine, came
UNCLAS SECTION 06 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

alongside the quay with its gigantic black body. It was the fifteenth SSN port call there this year, marking an all-time high.

Port calls made by SSN support tenders are also conspicuous. Those ships, usually assigned to Guam, repair SSNs. A base relations official of the city's municipal government looked doubtful, saying: "I wonder if the base functions are now undergoing some change ..."

Masato Shinozaki, a local base watcher with a group in the city of Sasebo which looks into military problems, saw an impressive scene in the summer five years ago. It was not an SSN but an unfamiliar container freighter that arrived at the berth. The unloaded containers covered the entire pier and were carried into a building several hundred meters away.

In the containers were beds, injectors, X-ray cameras, and all other sorts of equipment necessary for setting up a field hospital in the event of an emergency. All those containers were labeled as coming from U.S. mainland bases at Oakland and Orlando.

The U.S. military authorities had said: "The purpose is to prepare for forward deployment." Several months after that, however, Shinozaki found out that the names of these two stateside bases were on the U.S. military's list of bases planned to be closed down. In reply to Shinozaki's inquiry, a base official revealed that "they were transferred over here to coincide with base closure at home."

After the collapse of the cold war structure, the U.S. forces have closed down or downsized U.S. mainland and overseas bases due to the aftermath of budget cuts. In the West Pacific, the U.S. pulled its troops out of the Philippines in 1992. Such was the case of Guam, a territory of the U.S. The U.S. military went on reducing base installations on that island so rapidly that its inhabitants voiced their dissatisfaction: "They're going to close down even a facility we haven't asked them to reduce."

U.S. forces' base realignment has now appeared as a buildup of U.S. military bases in Japan. For instance, transport planes have been transferred from the Philippines to Kadena Air Force Base in Okinawa. Yokohama North Dk, a U.S. Army facility in the city of Yokohama, has now turned into a base replacing Guam for container carriers' regular visits. In January this year, the first container carrier arrived there.

"Above all, Sasebo, which is situated near the Korean Peninsula, is now becoming more and more important," says a senior official of the Defense
UNCLAS SECTION 07 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

Facilities Administration Agency. What supports its functions is Japan's "sympathy budget" ("omoiyari yosan") -- or the Japanese Government's host nation support. Including the costs for the improvement of the Akagi oil repository berth, the approximate expense of 1.7 billion yen for the construction of a building there -- including full kits of field hospital equipment -- was covered by Japanese taxpayers' money.

On the 1st of this month, Nagasaki Prefecture's Sasebo Public Relations and Labor Administration Office hired a total of 18 Japanese workers for the base. They are all ship repair engineers. The U.S. military had made a request: "We want to conduct simple repairs on ships at Sasebo." Those newly hired Japanese workers are also on the Japanese Government's payroll.

The Japanese and U.S. Governments are now in the process of reviewing the bilateral defense cooperation guidelines, planning to finalize a new set of guidelines at the end of this month. The Japanese Government's final report on guidelines is to incorporate "rear support for U.S. armed forces." "Japan is now already becoming a rear support base (for U.S. forces). The ongoing review (of the guidelines) is intended to ratify that fact," notes Kazuhiko Tamaki, who has been watching the moves of U.S. military bases across the nation.

In the spring of this year, the Belleau Wood, a U.S. assault landing ship assigned to Sasebo, underwent periodic repair. The landing ship, in times of emergency, will rush to conflict areas with Okinawa-stationed U.S. Marines on board.

The year before last U.S. forces sought to use an adjacent dockyard of Sasebo Heavy Industries Co., Ltd. (SSK) for repair work. The dockyard was once requisitioned by the U.S. forces after the War, and the U.S. military has been allowed to make free use of the dockyard at a week's notice in conformity with its dockyard reversion and use agreement concluded with SSK in 1968. However, SSK rejected the request for fear of a possible decrease in the amount of orders from the private sector, claiming:

"If they make free use of the dockyard as long as half a year, that will cause a management crisis."

Eventually, about ten months later, DFAA leased a floating dock from another shipbuilder, Ishikawajima-Harima Heavy Industries Co., Ltd. (IHI), at about 1.8 billion yen, and provided it to the U.S. military on the grounds that Japan was "obliged to provide facilities."

In March, after the dock lease issue was settled, former Maritime Self-Defense Force Chief of Staff Chiaki Hayashizaki remarked at a symposium held in Sasebo by the city's Japan-America society: "As an ally (of the U.S.), it's important for us to
UNCLAS SECTION 08 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

maintain the United States' confidence. If we only make requests, our (bilateral) security arrangements won't work well."

The audience in the symposium took the former MSDF chief of staff's remark to indicate his awareness of something awkward over the issue of repairing the ship. One of the symposium attendees says that Hayashizaki sounded as if he spoke representing the U.S. military's sense of crisis about possibly losing a vital area of rear support -- ship repair.

This series was covered and written by Shunichi Kawabata, Hirofumi (Yoshifumi?) Goto, Kazuyuki Shiraishi, and Kuratoshi Yokoyama.

(4) Nago, Candidate for "Offshore Heliport," Now Viewed as "Planned Construction Site" in Effect; Weakened Cries Against Heliport Construction; Likelihood of "Local Referendum" Now Delicate; Those Supporting Construction Say: "Golden Business Chance"; Mixture of Anxiety and Expectation; Also Some Calling for Cool-Heads

TOKYO SHIMBUN (Pages 8 & 9) (Slightly abridged)
September 11, 1997

It has been one year since the problem cropped up of constructing an offshore heliport for the United States military's Futenma Air Station in response to the decision to return it to Japan. In Nago City, Okinawa Prefecture, a full-scale feasibility survey is under way by boring the seabed in waters off the Henoko district. This location is now viewed as a "planned construction site" rather than a "candidate place." The (Nago) municipal assembly in its regular session to be convened on the 11th will deliberate on a bill to draft a municipal ordinance seeking a municipal referendum to ask whether to approve construction of such a heliport. But it seems local citizens who direct enthusiastically their attention to a set of economic promotional measures that are to be taken in return for such construction, have lost the guts to pursue an anti-construction campaign.

(Masaaki Mitsuhashi)

A scaffold is set up in the Pacific Ocean waters several hundred meters off Camp Schwab, a U.S. military installation adjacent to the Henoko district. There, boring is underway to explore the ground and other matters to see whether the place is suitable for construction of a heliport. Presumably because of precaution against any hindrance, patrol boats sent by the Maritime Safety Agency (MSA) are deployed there.

In the neighborhood of the Henoko fishing port where one can have a sweeping view of this scene, there is an observation hut of the "council for prevention of constructing a heliport and the forum
UNCLAS SECTION 09 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

to save human lives." In the hut, Yuji Kaneshiro says angrily: "Things are unfolding as if the location off Camp Schwab has been determined as a construction site as the central government established the Futenma Air Station Relocation

Countermeasures Headquarters. Some even state, 'It's been arranged.' Doesn't there anyone who cast doubts on injecting hundreds of millions of yen in this construction despite financial difficulties?"

Other fishing ports nearby are also enveloped in the mood that "constructing (a heliport) there is certain." A fisherman whispered: "I intend to consider this problem (of constructing a heliport) after scrutinizing the details of fishing compensation that will come out shortly."

On the other hand, civic groups opposing such construction are playing their part well. They plan to hold numbers of gatherings and the like in this district and Naha City. To show a consensus of citizens, the bill to draft a municipal ordinance seeking a referendum is to be brought on the 25th up for discussion at the municipal assembly and on the 29th to be put to the vote.

The city assembly consists of 29 members, and of them, 18, particularly those in the largest ruling group, are negative about enacting such an ordinance. Whether a municipal referendum is held is quite murky. But the council for promotion of a municipal referendum, which has collected 17,000 signatures from among nearly 55,000 citizens, argues: "The central government declared it would not determine to construct (a heliport) without consultation with residents here, but now it nonetheless states it will show a specific plan to residents in this region as early as next month. This is nothing more than ignoring residents. Isn't it the same as 'designating Nago City' at the stage where the feasibility study has not yet been completed?" The council is pinning its hopes on an approval for the ordinance bill for a municipal referendum.

So far the city assembly has passed twice a resolution opposing construction of a sea-based heliport. Citizens opposing construction intend to develop a campaign for recalling "betrayed city assembly members," should the ordinance bill be voted down. They also keep an eye on Mayor Tetsuya Higa for they are interested in what statement he will add to the bill when it is laid before the city assembly session.

Meanwhile, the group accepting construction is gaining strength. Forty years ago, the Henoko district invited U.S. forces to locate its facility, and it was once crowded with servicemen and base workers. But now it is desolate as is mockingly depicted by residents as "a ghost town."

UNCLAS SECTION 10 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

Constructing an offshore heliport is now considered to be a trump card to fill the gaps with the urban area located on the opposite of this district, namely, the west coast of the island.

Representing the voice of residents welcoming a side-effect of construction of a heliport, Katsuo Shimabukuro, chairman of the "council for revitalizing the Henoko district," stated: "As for economic promotional measures in return for construction of an offshore heliport, all sorts of surveys must have been already conducted. This is a golden business chance that will bring to us numbers of projects -- which will be usually developed in 10 years -- all at once."

Residents who welcome construction is paying attention to the move of the Japanese Government, which, out of the need to determine a construction method, is prompting the U.S. military to clarify how to operate an offshore heliport. Although the return of the Futenma airfield is the pledge made by the Hashimoto Cabinet, this Cabinet will be reshuffled (today, on the 11th). So, these residents cannot dispel their anxiety of everything reverting to a clean slate by any chance even while believing a heliport will be constructed off Camp Schwab. Mirroring their uneasiness, it is voiced about that an American construction consultant will come here to carry out an on-the-spot inspection.

Why do these residents expect that much of "a scheme of economic promotional measures? What are the contents of such a plan?

On September 3, Nago City Assembly members and relevant officials called on the Prime Minister's Official Residence and handed to Prime Minister Ryutaro Hashimoto a petition under the name of the Council of City Assembly Members for Promoting Revitalization of Nago City (chaired by Susumu Anri (?)). The meeting, attended also by Chief Cabinet

Secretary Seiroku Kajiyama, lasted 10 minutes exceeding the scheduled time. The delegation was "well received."

Their petition seeks dissolution of the South-North problem in Okinawa created because development tends to be focused on Naha and other major areas, and listed 27 items as specific promotional steps to be applied to the northern part of Okinawa in which Nago City is located. The expenses needed to carry out all these items proposed total nearly 640 billion yen, close to 20-fold the annual budget of approximately 35 billion yen.

Specifically, the petition includes such projects as establishing a national technical college, consolidating Nago port and fishing ports, creating an international conference hall and a "marine guest house." But none of the residents think all these projects will be accepted.

UNCLAS SECTION 11 OF 12 TOKYO 008184

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 COUNCIL'S 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 09/18/97

(PART 1)

What is going on now is horse-trading between the central government, which wants to quickly specify a substitute site to implement the pledge, and one region in Okinawa, which wants to bring out as many economic promotional measures as possible from the central government.

For an offshore heliport, three construction methods are now discussed, and their construction expenses are each estimated at over 200 billion yen, but whichever methods will be adopted, such as a quick installment pier method (QIP) or a pontoon method, the project expenses including those for peripheral construction work will climb. The amount, when covering a set of economic promotional measures as are included in the petition, will run up to 1 trillion yen.

It is utterly unlikely that the central government will accept the petition "intact." Therefore the

group opposing construction of a heliport is becoming wary of the Prime Minister's Official Residence, which entertained those city assembly members cordially, suspecting there is a motive to seek some consideration from them in their handling the bill calling for a referendum.

Nago City hear another municipality give an envious voice like, "It is treated well due to the heliport construction problem." But Nago City stresses that it has already presented its projects including establishing a national technical college to the Prime Minister's Office (Sorifu) through the central government's "Forum of Experts on Municipalities Housing U.S. Military Installations," rebutting, "These projects are among those we have studied from before. We feel annoyed if everything is linked to the heliport issue" (senior city official). But undoubtedly a portion of construction companies, which anticipate a decision will be made within the year to construct a heliport off Camp Schwab, and fishermen and people connected with the fishing industry are keeping an enthusiastic eye on "a horn of plenty."

Yet a mood for being cool-headed is emerging. A person linked to a local commerce association remarks evasively: "Pros and cons are heard among our members. It is difficult to comment in a word."

Ryukyu University Professor Hiroshi Nakachi (on the administrative law) shows some understanding to local residents, reasoning: "If an offshore heliport is constructed on the condition that U.S. Marines will pull out sometime in the future and local residents will not suffer any noise, it is only natural residents keep their eyes on a promotional scheme." His proposal is: "A promotional scheme that is not linked to construction of a heliport should be pursued."
UNCLAS SECTION 12 OF 12 TOKYO 008184

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 09/18/97
(PART 1)

Okinawa is seeking a promotional plan linked to structural changes, such as the concept of shifting to a free trade zone. What is needed is not a gold egg but a hen that can lay a gold egg. It may be hard to compile in a short period a set of effective promotional measures while taking into account these matters, but residents also need to brainstorm."

(5) Port Practices; Shipping Lines Make Counter-proposal to Transport Ministry

NIHON KEIZAI (Page 4) (Full)
September 13, 1997

In a bid to improve the problem of a prior consultation system practiced by waterfront industries, labor and management are pursuing discussions on the industries' operations. In this connection, the Japan Shipowners Association (JSA) and the Japan Foreign Steamship Association (JFSA) yesterday presented a new proposal to the Transport Ministry (MOT). The proposal calls for a measure designed to make a new formula take root, by establishing an MOT-sponsored experts discussion panel when shipping lines adopt a consultation formula of directly negotiating with stevedore companies. However, with MOT showing reluctance toward involvement in the industries' labor-management relations, the outlook for coordination among the parties concerned -- a premise for the U.S. to drop sanctions against Japan -- is likely to be further delayed.

Regarding the issue of improving the prior consultation system, MOT has made a two-track proposal -- the present formula with the Japan Harbor Transportation Association (JHTA) acting as a contact point or a new formula that allows shipping lines to hold direct negotiations with cargo handlers. However, the JHTA and cargo handlers' unions are fiercely against the proposal, because it includes a clause that enables shipping lines that have adopted a new formula to revert to the current one. The negotiations are at a standstill with shipping lines seeking government guarantees. Regarding the proposal made by shipping lines this time, the advisory panel intends to reach a conclusion on a smooth method of management within a fixed period, citing that there are complicated problems involving port services and that it is necessary to deepen understanding toward the new formula.

DEMING

SECT: SECTION: 01 OF 12
<^SECT>SECTION: 02 OF 12
<^SECT>SECTION: 03 OF 12

<^SECT>SECTION: 04 OF 12
<^SECT>SECTION: 05 OF 12
<^SECT>SECTION: 06 OF 12
<^SECT>SECTION: 07 OF 12
<^SECT>SECTION: 08 OF 12
<^SECT>SECTION: 09 OF 12
<^SECT>SECTION: 10 OF 12
<^SECT>SECTION: 11 OF 12
<^SECT>SECTION: 12 OF 12

SSN: 8184

<^SSN>8184
<^SSN>8184
<^SSN>8184
<^SSN>8184
<^SSN>8184
<^SSN>8184
<^SSN>8184
<^SSN>8184
<^SSN>8184
<^SSN>8184
<^SSN>8184

TOR: 970918043059 M2936417

<^TOR>970918043115 M2936418
<^TOR>970918043205 M2936420
<^TOR>970918043220 M2936422
<^TOR>970918043310 M2936423
<^TOR>970918043324 M2936424
<^TOR>970918043354 M2936427
<^TOR>970918043440 M2936428
<^TOR>970918043547 M2936430
<^TOR>970918043602 M2936431
<^TOR>970918043624 M2936432
<^TOR>970918043714 M2936433

DIST:

SIT: NSC

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHKO8185 2610818-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 180818Z SEP 97

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 180818Z SEP 97

ORIG: AMEMBASSY TOKYO

TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1083

INFO: RUEKDIA/DIA WASHDC IMMEDIATE
RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE
RUCPDOG/USDOC WASHDC IMMEDIATE
RUEATRS/TREASURY DEPT WASHDC IMMEDIATE
RUEAWJA/DEPT OF JUSTICE WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 6780
RUEAIIA/CIA WASHDC IMMEDIATE
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHHMUNA/USCINCPAC HONOLULU HI
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUEHOK/AMCONSUL OSAKA KOBE 3643
RUHBBMA/AMCONSUL NAHA 9911
RUEHKON/AMCONSUL NAGOYA 2737
RUEHKOF/AMCONSUL FUKUOKA 6759
RUEHKOS/AMCONSUL SAPPORO 3005
RUESDJ/FBIS OKINAWA JA
RUCWAAB/FBIS RESTON VA
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUATJHU/CGUSARJ CAMP ZAMA JA//IX CORPS G5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA

SUBJ: JAPANESE DAILY PRESS SUMMARY 09/18/97
(PART 2)

TEXT:

UNCLAS SECTION 01 OF 09 TOKYO 008185

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 09/18/97
(PART 2)

INDEX:

- (6) Myriad of Tough Issues Lie before New Hashimoto Cabinet
- (7) LDP Picks Muto as Administrative Reform Headquarters Head
- (8) LDP Policy Affairs Research Council Division Heads Informally Decided
- (9) Shimamura to Be Appointed Parliamentary Vice Minister for Agricultural, Forestry and Fisheries
- (10) 23 New Parliamentary Vice Ministers Appointed; Three Former Cabinet Ministers Assigned to Posts

ARTICLES:

- (6) Myriad of Tough Issues Lie before New Hashimoto Cabinet

YOMIURI (Page 5) (Full)
September 12, 1997

A new Hashimoto Cabinet was inaugurated on September 11. What lies before this Cabinet are scores of pressing issues, such as producing new Japan-U.S. defense cooperation guidelines, mapping out a fiscal structural reform bill for the extraordinary Diet session expected to open later this month, and compiling a final report of the Administrative Reform Council which is due in November. Depending on how the new Cabinet handles these issues, the present coalition arrangement among the Liberal Democratic Party (LDP), Social Democratic Party (SDP) and New Party Sakigake might be rocked. The following are some of the thorny issues that might affect the fate of the Hashimoto Administration.

Full-fledged Coordination with Ruling Camp Expected

Administrative Reform

Administrative reform, which Prime Minister Hashimoto vowed to accomplish even if he is engulfed in flames, will face a climactic phase when the Government coordinates views with the ruling camp in late November.

On September 3, the Administrative Reform Council which is chaired by the Prime Minister himself released an interim report calling for reorganizing the present 22 ministries and agencies into one office and 12 ministries and agencies. However,

some LDP members are reacting strongly to the interim report that also calls for privatizing three postal businesses, such as postal insurance, and establishing a "national land preservation ministry" by absorbing river administration which
UNCLAS SECTION 02 OF 09 TOKYO 008185

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 09/18/97
(PART 2)

is now part of the agricultural ministry.

Furthermore, the Government's conclusion not to sever fiscal and financial functions from the Finance Ministry upset the SDP and Sakigake. They think such a decision runs counter to the tripartite agreement. Will the Prime Minister be able to block such criticism and follow through with the interim report? His leadership will be tested.

The report also suggests instituting an "independent administrative corporation," a Japanese-version external agency; but, no specifics, such as types of operations/organizations and the status of personnel that will be subject to the plan, have been laid out. Various ministries and agencies are strongly opposing the plan that might lead to the deprivatization of organizational authority. The key to delivering on administrative restructuring lies in how much the Government can work out specifics in two months.

Prime Minister Hashimoto's strong resolve to pursue administrative reform has generated high approval ratings and that has reinforced his weak footing within the party. If he gives in to pressure from Diet policy cliques (zoku giin) and the bureaucracy and revises the interim report greatly, that may weaken his administration's foundation substantially.

New Defense Guidelines May Cause Friction with SDP

Security and Defense

Later this month in the United States, the Japanese and U.S. governments will hold a bilateral security consultative committee meeting (two-plus-two) of foreign and defense ministers to reach a final agreement on new bilateral defense cooperation guidelines that will cover steps to be taken by Japan in assisting U.S. forces in times of emergency in areas surrounding Japan. As the next step, relevant government offices will establish an advisory panel to map out a "mutual cooperation program" in collaboration with the U.S.

At the same time, the Government will begin looking into amending the Self-Defense (SDF) Law that will enable Japan to carry out ship inspections and minesweeping based on United Nations resolutions, as well as supplying and transporting materials and fuel for U.S. forces in accordance with the new defense guidelines.

The Government plans to submit (SDF) related legislation to the regular Diet next year. The SDP, however, is reluctant about amending the law in relation to Article 9 of the Constitution and restrictions on private rights. Depending on how
UNCLAS SECTION 03 OF 09 TOKYO 008185

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 09/18/97
(PART 2)

the SDP responds, the framework of the Hashimoto Administration might face rough sailing.

The new Cabinet also needs to pursue security dialogues with such neighboring countries as China, South Korea and Russia in order to win their understanding toward the new guidelines.

As for the planned handover of Futenma Air Station to Japan, the governments of Japan and the U.S. are in agreement to produce a relocation blueprint by December. But the Government has not yet obtained local approval about constructing a floating heliport off Camp Schwab (Nago City). The Government, therefore, intends to do its best to

bring the issue to a settlement before year's end.

Confidence-building with Russia Vital

Diplomacy

Diplomacy vis-à-vis Russia is a top priority for the Hashimoto Administration. Prime Minister Hashimoto is scheduled to hold an informal summit meeting with President Yeltsin on November 1 and 2 in eastern Siberia. At the session, the Prime Minister plans to emphasize three principles toward Russia -- confidence-building, mutual benefits and a long-term vision -- in an effort to deepen trusting relations between the two leaders.

As for North Korea, a basic agreement has been reached about home visits by Japanese wives (married to North Koreans). Nevertheless, with such delicate issues as resumption of normalization talks, alleged abductions of Japanese nationals and food aid lurking over the horizon, the overall situation for the Hashimoto Administration is still very severe.

Japan is also having a hard time reaching a new fisheries pact with South Korea due largely to the issue of Takeshima Islands ("Tokto" in Korean). There is a feeling that, "If nationalism flares up during South Korea's presidential race toward the end of the year, bilateral relations might deteriorate" (Foreign Ministry source).

In addition, various diplomatic events are scheduled for later this year, such as an APEC meeting in November and a Japan-ASEAN summit meeting in December.

(7) LDP Picks Muto as Administrative Reform Headquarters Head

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

The Liberal Democratic Party (LDP) on the 12th formally decided to assign former management and coordination agency director general Kabun Muto as
UNCLAS SECTION 04 OF 09 TOKYO 008185

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 09/18/97
(PART 2)

chairman of its Reform Promotion Headquarters. It also has determined the following assignments: Former international trade and industry (MITI) minister Shinji Sato as director general of the LDP Treasury Bureau; Lower House Steering Committee Chairman Takeo Hiranuma as chairman of the Finance Committee; Group Relations Division Director Tokuchiro Tamazawa as chairman of the National Organization Committee; and former deputy chief cabinet secretary Kaoru Yosano as chairman of the Public Relations Committee.

In addition, the party has informally decided to name former posts and telecommunications minister Katsutsugu Sekiya as chairman of the LDP Political Reform Headquarters, former education minister Mikio Okuda as chairman of the Reform Implementation Headquarters and former home affairs minister Katsuhiko Shirakawa as director of the Group Policy Division.

(8) LDP Policy Affairs Research Council Division Heads Informally Decided

YOMIURI (Page 5) (Full)
September 18, 1997

The Liberal Democratic Party (LDP) yesterday informally decided on the new lineup of its Policy Affairs Research Council division heads. The following are newly assigned division chiefs:

Prime Minister's Office Division Chairman:
Nobuhiko Fukunaga

Home Affairs Division Chairman: Ryotaro Sudo
(Upper House member)

National Defense Division Chairman: Yojiro Nakajima

Judicial Affairs Division Chairman: Morishige Naruse (Upper House)

Foreign Affairs Division Chairman Eita Yashiro

Finance Division Chairman: Seiken Sugiura

Education Division Chairman: Hidehisa Otsuji
(Upper House)

Social Affairs Division Chairman: Hiroshi Sumi

Labor Division Chairman: Chieko Nohno (Upper House)

Agriculture and Forestry Division Chairman Norihiko Akagi

Fisheries Division Chairman Yasumasa Kakuma (Upper House)

UNCLAS SECTION 05 OF 09 TOKYO 008185

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 09/18/97
(PART 2)

Commerce and Industry Division Chairman Minoru Noda

Transport Division Chairman Hiroyuki Hosoda

Communications Division Chairman Shun'ichi Yamaguchi

Construction Division Chairman Shigeo Uetake

Science and Technology Division Chairman Hideo Futatsugi

Environment Division Chairman Tsuneo Suzuki

(9) Shimamura to Be Appointed Parliamentary Vice Minister for Agricultural, Forestry and Fisheries

MAINICHI (Page 3) (Full)
September 12, 1997

Prime Minister Ryutaro Hashimoto on the 11th decided to retain Parliamentary Vice Foreign Minister Masahiko Komura and Parliamentary Vice Finance Minister Shozaburo Nakamura in their current posts. He also decided to designate former education minister Yoshimobu Shimamura as parliamentary vice minister of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

Yoshimobu Shimamura (Parliamentary Vice Minister of Agriculture (MAFF)): Served as parliamentary vice

ministers of MAFF and Economic Planning Agency, Diet Policy Committee chairman; and education minister after having worked as secretary to a lawmaker; graduated from the political-economic department of Gakushuin University; elected seven times to the Lower House, from the Tokyo 16th district; age 63; member of the former Watanabe faction.

Masahiko Komura (Parliamentary Vice Minister of Foreign Affairs): Served as parliamentary vice minister of the Defense Agency and Finance Ministry, LDP deputy secretary general and director general of the Economic Planning Agency after having worked as a lawyer; graduated from the law faculty of Chuo University; elected six times to be a lower-house member, from the Yamaguchi 1st district; age 55; former Watanabe faction.

Shozaburo Nakamura (Parliamentary Vice Minister of Finance): Served as parliamentary vice foreign minister, director general of the Environment Agency, Steering Committee chairman and Executive Council deputy chairman; graduated from Keio University; elected seven times to the Lower House, from the South-Kanto proportional constituency; age 63; former Mitsuzuka faction.

(10) 23 New Parliamentary Vice Ministers
Appointed; Three Former Cabinet Ministers Assigned
to Posts

UNCLAS SECTION 06 OF 09 TOKYO 008185

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 09/18/97
(PART 2)

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

The second reshuffled Hashimoto Government decided its lineup of 23 new parliamentary vice ministers in a Cabinet decision by circular memo on the 12th. Similar to the previous Cabinet, three former Cabinet ministers were appointed as "big-name vice ministers." Seven upper-house members got posts,

but no female lawmaker was named.

The 23 vice ministers (all from the Liberal Democratic Party (LDP)) consist of six members from the former Mitsuzuka and Miyazawa factions respectively, including upper-house members, five former Watanabe faction members, three members from the former Obuchi faction, which has obtained seven Cabinet minister posts of the 20 available, one former Komoto faction member and two non-affiliated LDP members.

Vice Foreign Minister Masahiko Komura and Vice Finance Minister Shozaburo Nakamura have been retained. Yoshinobu Shimamura is now serving his second term as parliamentary vice minister for agriculture, forestry and fisheries, succeeding Kosuke Hori, who has been assigned chairmanship of the LDP Diet Affairs Committee.

Profiles of New Parliamentary Vice Ministers

- 1) -- Post
- 2) -- Name
- 3) -- Profile

1) Parliamentary Vice Minister for Justice
2) Shomei Yokouchi
3) Graduated from the University of Tokyo; served as inspection officer of the Construction Ministry, a director of the Lower House Steering Committee; age 55; elected twice to the Lower House, Yamanashi 3rd electoral district; (former Obuchi faction).

1) Parliamentary Vice Minister for Foreign Affairs
2) Masahiko Komura
3) Graduated from Chuo University; worked as lawyer; a director general of the Economic Planning Agency, parliamentary vice foreign minister; age 55; elected six times to the Lower House, Yamaguchi 1st district; (former Komoto faction)

1) Parliamentary Vice Minister for Finance
2) Shozaburo Nakamura
3) Graduated from Keio University; served as Environment Agency director general, parliamentary vice finance minister; age 63; elected seven times to the Lower House, proportional South Kanto bloc; (former Mitsuzuka faction)

1) Parliamentary Vice Minister for Finance
2) Yasuhisa Shiozaki

UNCLAS SECTION 07 OF 09 TOKYO 008185

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 09/18/97
(PART 2)

3) Graduated from the University of Tokyo; worked at the Bank of Japan, served as Upper House Health and Welfare Committee member; age 46; elected once to the Upper-House, Ehime electoral constituency (unaffiliated)

1) Parliamentary Vice Minister for Education

2) Kensaku Morita

3) Left Meiji Gakuin University before graduating; former actor; served as parliamentary vice minister for Okinawa development, a director of the Upper House Posts and Telecommunications Committee; age 47; elected once to the Upper House from the Tokyo electoral constituency (unaffiliated)

1) Parliamentary Vice Minister for Health and Welfare

2) Yoshiaki Harada

3) Graduated from the University of Tokyo; counselor of the Small and Medium Enterprise Agency, a director of the Agriculture, Forestry and Fisheries Committee; age 52; elected twice to Lower House, Fukuoka 5th district (former Watanabe faction)

1) Parliamentary Vice Minister for Agriculture, Forestry and Fisheries (MAFF)

2) Yoshinobu Shimamura

3) Graduated from Gakushuin University; education minister, LDP Public Relations Headquarters chief; age 63; seventh term in Lower House, Tokyo 16th district (former Watanabe faction)

1) Parliamentary Vice Minister for MAFF

2) Tetsuro Yano

3) Graduated from Keio University; prefectural assembly member, parliamentary vice minister for defense; age 50; elected once to the Upper House, Tochigi electoral constituency (former Watanabe faction)

1) Parliamentary Vice Minister for International Trade and Industry (MITI)

2) Takehiko Endo

3) Graduated Chuo University; prefectural assembly member, parliamentary vice minister for management and coordination; age 58; elected three time to the

Lower House, Yamagata electoral constituency
(former Watanabe faction)

- 1) Parliamentary Vice Minister for MITI
- 2) Kensei Mizote
- 3) Graduated from the University of Tokyo; mayor of Hiroshima, deputy chairman of the LDP Transportation Division; age 55; elected twice to the Upper House, Hiroshima constituency (former Miyazawa faction)

- 1) Parliamentary Vice Minister for Transport
- 2) Kazuo Eguchi
- 3) Completed Chiba University's graduate school; prefectural assembly member, parliamentary vice

UNCLAS SECTION 08 OF 09 TOKYO 008185

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 09/18/97
(PART 2)

minister for defense; age 59; elected three times to the Lower House, Chiba 2nd district (former Mitsuzuka faction)

- 1) Parliamentary Vice Minister for Posts and Telecommunications
- 2) Gen Nakatani
- 3) Graduated from National Defense Academy; parliamentary vice minister for national land, chairman of the LDP National Defense Division; age 39; elected three times to the Lower House, Kochi 2nd district (former Miyazawa faction)

- 1) Parliamentary Vice Minister for Labor
- 2) Takuji Yanagimoto
- 3) Completed Waseda University's graduate school; city assembly member, a director of the Lower House Finance Committee; age 52; elected twice to the Lower House, proportional Kinki bloc (former Watanabe faction)

- 1) Parliamentary Vice Minister for Construction
- 2) Susumu Hasumi
- 3) Graduated from Meiji University; secretary to lower-house member, Lower House Construction Committee member; age 64; elected twice to the

Lower House, proportional North Kanto bloc (former Mitsuzuka)

- 1) Parliamentary Vice Minister for Home Affairs
- 2) Shizuo Sato
- 3) Graduated from Tohoku University; parliamentary vice minister for science and technology, Upper House Budget Committee director; age 65; elected once to the Upper House, Fukushima constituency (former Miyazawa faction)

- 1) Parliamentary Vice Minister for Management and Coordination
- 2) Aihiko Kumashiro
- 3) Graduated from the University of Tokyo; director general of the Health and Welfare Ministry, Lower House Posts and Telecommunications Committee director; age 57; elected twice to the Lower House, Okayama 2nd district (former Ouchi faction)

- 1) Parliamentary Vice Minister for Hokkaido Development
- 2) Takamori Yoshikawa
- 3) Graduated from Nihon University; Hokkaido prefectural assembly member, Lower House Judicial Committee member, Finance Committee member; age 46; first term in Lower House, proportional Hokkaido bloc (former Obuchi faction)

- 1) Parliamentary Vice Minister for Defense
- 2) Hiroyasu Kurihara
- 3) Graduated from Keio University; prefectural assembly member, a director of the Lower House Education Committee; age 48; elected twice to the Lower House, proportional Tokai bloc (former Miyazawa faction)

UNCLAS SECTION 09 OF 09 TOKYO 008185

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 COUNCIL'S 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 09/18/97
(PART 2)

- 1) Parliamentary Vice Minister for Economic Planning
- 2) Shin'ichiro Kurimoto
- 3) Completed Keio University's graduate school;

professor at Meiji University, Lower House
Education Committee member; age 55; elected twice
to the Lower House, Tokyo 3rd district (former
Mitsuzuka faction)

- 1) Parliamentary Vice Minister for Science and Technology
- 2) Norifumi Kato
- 3) Graduated from Chuo University; parliamentary vice MITI minister, a director of the Upper House Posts and Telecommunications Committee; age 48; first term Upper House, Okayama constituency (unaffiliated)

- 1) Parliamentary Vice Minister for Environment
- 2) Koichi Yamamoto
- 3) Graduated from Keio University, prefectural assembly member, a director of the Lower House Local Administration Committee; age 50; elected twice to Lower House, Ehime 4th district (former Miyazawa faction)

- 1) Parliamentary Vice Minister for Okinawa Development
- 2) Chiken Kakazu
- 3) Graduated from Waseda University; prefectural assembly member, Lower House Health and Welfare Committee member, Security Committee member; age 56; elected once to the Lower House, proportional Kyushu bloc (former Mitsuzuka faction)

- 1) Parliamentary Vice Minister for National Land
- 2) Kazutaka Tsuboi
- 3) Graduated from Kansai University; prefectural assembly member, parliamentary vice MITI minister, a director of the Upper House Labor Committee; age 58; twice elected to Upper House from the Osaka electoral constituency (former Mitsuzuka faction)

DEMING

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: 8185

[illegible]

TOR: 970918043728 M2936434
<^TOR>970918043750 M2936435
<^TOR>970918043840 M2936436
<^TOR>970918043855 M2936437
<^TOR>970918043944 M2936438
<^TOR>970918045005 M2936460
<^TOR>970918044027 M2936440
<^TOR>970918044110 M2936441
<^TOR>970918044125 M2936442

DIST:
SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. cable	Re: Referendum Initiative on MCAS Futenma Replacement Facility (4 pages)	09/18/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/17/1997 - 09/22/1997]

2016-0420-F
sb1909

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
003. cable	Re: Tokyo Visit: Bilateral Security Issues (5 pages)	09/19/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/17/1997 - 09/22/1997]

2016-0420-F
sb1909

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: U.S. Visit (4 pages)	09/19/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/17/1997 - 09/22/1997]

2016-0420-F
sb1909

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO8287 2650429-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 220429Z SEP 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 220429Z SEP 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1203
RUEHIA/USIA WASHDC IMMEDIATE 6807
INFO: RHEHAAA/WHITE HOUSE WASHDC
RUEKJCS/JOINT STAFF WASHDC//J5//
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEKJCS/SECDEF WASHDC
RUCPDOG/USDOC WASHDC
RUEAIIA/CIA WASHDC
RUEBBEA/USDOT WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEAWJA/USDOJ WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS SEPTEMBER 22

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 06 TOKYO 008287

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; CIA
WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN;
TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU
CHEMTOB IN ANT-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 SEPTEMBER 22

TOP HEADLINES:

ASAHI: PRIME MINISTER TO EXPRESS "APOLOGY"; WILL MAKE A
FRESH START BY DISMISSING SATO TODAY AND ADMIT MISTAKE IN
SELECTION, CONSIDERATION OF GAP WITH NATIONAL SENTIMENT;
FOCUS NOW ON HOW TO PICK SUCCESSOR AND UNDER WHAT
YARDSTICK (TRANSLATION BELOW)

NIHON KEIZAI: NTT WILL MAKE INROADS INTO U.S. MARKET; 100 MILLION DOLLARS TO BE INVESTED IN REGIONAL TELECOMMUNICATIONS; FOR CREATING OF INDEPENDENT INTERNATIONAL WEBS; FEAR OF GROWING CALLS FOR OPENING JAPANESE MARKET (TRANSLATION BELOW)

TOKYO SHIMBUN: KANAGAWA PREFECTURAL POLICE WILL SOON MAKE RAID OF COCO YAMAOKA; TO PROVE CRIMES BY FORMER EXECUTIVES IN CONNECTION WITH FRAUD; SALE HAD CONTINUED JUST BEFORE BANKRUPTCY, PRETENDING TO BUY BACK PRODUCTS THAT WERE SOLD

MAINICHI: SURVEY: "NO BURDEN IMPOSED ON DOCTORS" IN 11 PREFECTURES REGARDING MEDICAL FEES UNDER NATIONAL HEALTH INSURANCE; IN OTHER PREFECTURES, 10 PERCENT BURDEN; SUBSIDY TOPS 10 BILLION YEN ANNUALLY

YOMIURI: DIRECTOR GENERAL SATO TO RESIGN TODAY; PRIME MINISTER TO EXPRESS "DEEP REGRET"; MEMBERS OTHER THAN THOSE IN FORMER WATANABE FACTION ALSO TO BE CONSIDERED AS SUCCESSOR

SANKEI: TOP LEADERS OF YAMAICHI, DAIWA, NIKKO SECURITIES SEEM LIKELY TO HAVE BEEN INVOLVED IN PAYOFFS TO DEFENDANT KOIKE; TESTIFIED BY PERSONS CONCERNED; HAD GIVEN APPROVAL FOR COMPENSATION OR HAD MEETINGS

PRIME MINISTERQS SUPPORT RATE PLUMMETS TO 35 PERCENT OVER SATO FLAP (ASAHI - TOP PLAY)

WITH THE OUTLOOK NOW THAT MANAGEMENT AND COORDINATION AGENCY DIRECTOR GENERAL KOKO SATO OF THE SECOND HASHIMOTO CABINET WILL STEP DOWN FROM HIS POST, THE ASAHI SHIMBUN CONDUCTED A NATION-WIDE OPINION SURVEY BY TELEPHONE FROM THE EVENING OF THE 19TH TO LATE ON THE 20TH TO LOOK INTO THE RESPONSES OF ELIGIBLE VOTERS. THE POLL REVEALED THAT PEOPLE ARE WATCHING THE PRIME MINISTER'S RESPONSE WITH SEVERE EYES: 84 PERCENT OF THE RESPONDENTS CONSIDERED SATO'S RESIGNATION TO BE "DESERVED"; 76 PERCENT INDICATED THAT HASHIMOTO, WHO HAD APPOINTED SATO TO THE CABINET, WAS "HEAVILY RESPONSIBLE" FOR THE PROBLEM; AND 60 PERCENT THOUGHT THAT SATO'S RESIGNATION WOULD SERIOUSLY AFFECT THE ADMINISTRATIVE REFORM INITIATIVE, WHICH IS THE TOP PRIORITY OF THE HASHIMOTO ADMINISTRATION. THE SUPPORT RATE FOR THE HASHIMOTO CABINET TALLIED 35 PERCENT, WHILE THE RATE OF NON-SUPPORT RATE REACHED 48 PERCENT. THE FIGURES OF THE SUPPORT AND NON-SUPPORT RATES ARE REVERSED FROM THE RESULTS OF THE INTERVIEW-BASED SURVEY WHICH THIS NEWSPAPER CONDUCTED RIGHT BEFORE THE CABINET WAS RESHUFFLED. THE CABINET SUPPORT RATE IS NOW THE LOWEST SINCE THE HASHIMOTO GOVERNMENT WAS INAUGURATED IN JANUARY LAST YEAR.

HASHIMOTO TO DUMP SATO AND APOLOGIZES TO THE PEOPLE TODAY FOR APPOINTING HIM TO THE CABINET (ASAHI - TOP PLAY)

FACED WITH STRONG PUBLIC CRITICISM FOR HIS APPOINTMENT OF KOKO SATO -- A MAN FOUND GUILTY IN CONNECTION WITH THE

LOCKHEED SCANDAL -- AS DIRECTOR GENERAL OF THE MANAGEMENT AND COORDINATION AGENCY, PRIME MINISTER RYUTARO HASHIMOTO ON THE 21ST MADE UP HIS MIND TO REPLACE SATO AND TO ADMIT HIS MISTAKE IN JUDGMENT BY "OFFERING AN APOLOGY" TO THE PEOPLE. TODAY, FOLLOWING HIS MEETING WITH SATO, THE PRIME MINISTER WILL APOLOGIZE AT A NEWS CONFERENCE. THIS IS AN UNPRECEDENTED ACTION BY A PERSON HAVING THE UNCLAS SECTION 02 OF 06 TOKYO 008287

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; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 22

AUTHORITY TO APPOINT CABINET MINISTERS. BEHIND THIS IS, FIRST OF ALL, HASHIMOTO'S STRONG SENSE OF CRISIS OVER THE NOW SHAKY RULING COALITION AND THE HARSH PUBLIC CRITICISM OF HIM FOR APPOINTING SATO. MOREOVER, HASHIMOTO NOW BELIEVES IT NECESSARY TO MAKE A FRESH START UPON FRANKLY ACKNOWLEDGING HE MAKE A MISTAKE IN HIS DESIGNATION. FOLLOWING SATO'S RESIGNATION, THE PRIME MINISTER WILL IMMEDIATELY START TO CHOOSE A SUCCESSOR. ATTENTION WILL BE FOCUSED ON UNDER WHAT CRITERIA HE WILL USE IN PICKING THAT PERSON.

SATO ISSUE HURTS PRIME MINISTER'S EFFORT TO TACKLE GOVERNMENT RESTRUCTURING (NIHON KEIZAI - PAGE 2)

THE CONFERENCE ON ADMINISTRATIVE REFORM (CHAIRMANED BY PRIME MINISTER RYUTARO HASHIMOTO), WHICH IS CONSIDERING THE RESTRUCTURING OF THE CENTRAL GOVERNMENT, WILL ENTER INTO FULL-SCALE DELIBERATIONS ON THE 24TH TO COMPLETE A FINAL REPORT. THE PLAN IS TO CONTINUE TO PURSUE IN ORDER THE SPECIFIC CONTENTS OF THE INTERIM REPORT WHICH PROPOSED (A SYSTEM OF) ONE OFFICE AND 12 MINISTRIES AND AGENCIES, BUT VOICES HAVE RISEN FROM AMONG THE CONFERENCE MEMBERS THEMSELVES TO REVISE THE INTERIM REPORT AND OBJECTIONS (TO IT) IN THE LIBERAL DEMOCRATIC PARTY (LDP) ALSO HAVE BEEN RAISED. WITH THE FUROR OVER THE RESIGNATION OF MANAGEMENT AND COORDINATION AGENCY DIRECTOR GENERAL KOKO SATO, PUBLIC CRITICISM OF THE PRIME MINISTER'S LEADERSHIP HAS EMERGED AND A SENSE OF UNCERTAINTY ABOUT THE COURSE OF DISCUSSION OF GOVERNMENT RESTRUCTURING HAS WELLED UP.

NEW DEFENSE GUIDELINES TO BE ADOPTED TODAY
(NIHON KEIZAI - PAGE 2)

THE GOVERNMENTS OF JAPAN AND THE UNITED STATES WILL HOLD A FOREIGN AND DEFENSE MINISTERS MEETING (TWO-PLUS-TWO)

TOMORROW IN NEW YORK TO ADOPT THE NEW BILATERAL DEFENSE COOPERATION GUIDELINES. THE TWO COUNTRIES WILL AGREE TO BILATERAL COOPERATIVE MEASURES TO COPE WITH EMERGENCIES IN AREAS SURROUNDING JAPAN BY GREATLY REVISING THE CURRENT SET OF GUIDELINES THAT DATE TO 1978. BASED ON THOSE MEASURES, THE TWO GOVERNMENTS WILL BEGIN MAPPING OUT SPECIFIC MUTUAL COOPERATIVE PLANS. THE JAPANESE GOVERNMENT, ON ITS PART, WILL FOLLOW UP WITH ADJUSTING ITS LAWS IN ORDER TO ENSURE THE EFFECTIVENESS OF THE NEW GUIDELINES AND COOPERATIVE PLANS.

THE NEW DEFENSE GUIDELINES WILL SPECIFY THE FOLLOWING, BASED ON THE INTERIM REPORT THAT WAS RELEASED IN JUNE:
1) THE PHRASE "SITUATIONS IN AREAS SURROUNDING JAPAN" DOES NOT SIGNIFY ANY SPECIFIC GEOGRAPHICAL AREA BUT IS A CONCEPT THAT DESCRIBES THE NATURE OF THE SITUATIONS; 2) INSPECTION OF SUSPICIOUS SHIPS WILL BE CARRIED OUT BASED ON UNITED NATIONS RESOLUTIONS; AND 3) SEARCH AND RESCUE OPERATIONS WILL BE CARRIED OUT ONLY IN NON-COMBAT ZONES. IN ADDITION, THE TWO COUNTRIES AGREED TO SPECIFY MILITARY COOPERATION IN RESCUING NONCOMBATANTS, INCLUDING JAPANESE NATIONALS ABROAD.

FURTHERMORE, THE TWO COUNTRIES WILL ANNOUNCE A NEW STRATEGY FOR EMERGENCIES IN AREAS SURROUNDING JAPAN, WITH EMPHASIS ON UNIFIED OPERATION OF JAPAN'S THREE SELF-DEFENSE FORCES -- GROUND, MARITIME AND AIR -- AND JOINT STEPS WITH THE U.S. ARMED FORCES. ADDITIONALLY, THE NEW GUIDELINES ARE EXPECTED TO SPECIFICALLY MENTION COUNTERMEASURES AGAINST BALLISTIC MISSILE ATTACKS AND OTHER FORMS OF MILITARY THREATS.

IN THE TWO-PLUS-TWO MEETING TOMORROW, THE TWO COUNTRIES ARE EXPECTED TO APPROVE THE NEW DEFENSE GUIDELINES AND CONFIRM THE POLICY GOAL OF COMPILING A MUTUAL COOPERATIVE PLAN ONE YEAR FROM NOW. THE ADOPTION OF THE NEW DEFENSE GUIDELINES, WHICH HAVE BEEN REVIEWED SINCE THE JAPAN-U.S JOINT SECURITY DECLARATION WAS ISSUED IN APRIL LAST YEAR, UNCLAS SECTION 03 OF 06 TOKYO 008287

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; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 22

WILL NOW USHER IN A NEW PHASE FOR THE BILATERAL SECURITY ARRANGEMENT.

IN THE TWO-PLUS-TWO MEETING, THE OKINAWA BASE ISSUE WILL

BE DISCUSSED AS WELL. THE TWO COUNTRIES ARE EXPECTED TO AGREE TO SPEED UP THE PROCESS TO PRODUCE A BLUEPRINT BEFORE YEAR'S END FOR CONSTRUCTING AN ALTERNATIVE HELIPORT TO REPLACE THE ONE AT FUTENMA AIR STATION.

GOVERNMENT SOURCE REVEALS NORTH KOREA HAS DEPLOYED NODONG-1 MISSILE (NIHON KEIZAI - PAGE 2)

A GOVERNMENT SOURCE LATE ON THE 21ST ANNOUNCED THAT IT HAD OBTAINED INTELLIGENCE THAT NORTH KOREA HAS MOUNTED NODONG 1 INTERMEDIATE-RANGE BALLISTIC MISSILES ONTO MOBILE LAUNCHERS. ALTHOUGH THE SOURCE SAID, "WE DO NOT KNOW ANYTHING SPECIFIC," THERE IS A POSSIBILITY THAT THE NORTH IS PREPARING FOR MAKING A TEST LAUNCHING. THE JAPAN DEFENSE AGENCY HAS REQUESTED THE UNITED STATES GOVERNMENT AND OTHER SOURCES FOR MORE INFORMATION. REPORTEDLY, THE 1,000-TO-1,300-KILOMETER-RANGE MISSILE NODONG 1 CAN HIT ALMOST ANY PART OF JAPAN. IN MAY 1993, NORTH KOREA CARRIED OUT TEST LAUNCHING AIMED AT THE JAPAN SEA.

JAPAN LINEUP -- OVER A KILOMETER -- TO SEE CARRIER NIMITZ IN YOKOSUKA (ASAHI - PAGE 34)

"I WANTED TO SEE A NUCLEAR-POWERED AIRCRAFT CARRIER, WHICH WE OTHERWISE WOULD NEVER HAVE A CHANCE TO SEE." A LARGE NUMBER OF PEOPLE ARMED WITH CAMERAS AND VIDEOCAMS JAMMED THE AREA IN FRONT OF THE U.S. NUCLEAR-POWERED AIRCRAFT CARRIER NIMITZ, WHICH HAD JUST DOCKED AT THE U.S. NAVAL BASE AT YOKOSUKA IN KANAGAWA PREFECTURE THAT MORNING. PUTTING ASIDE ANY CRITICISM OF CARRIER'S VISIT FOR "LAYING THE GROUNDWORK" FOR THE FINAL STAGE IN THE REVIEW OF THE GUIDELINES FOR JAPAN-UNITED STATES DEFENSE COOPERATION, THE VISITORS THROGGED IN, HOPING ONLY TO VIEW THE AIRCRAFT CARRIER.

AT NOON, JUST AFTER THE CARRIER WAS OPENED TO THE PUBLIC, A LINE OF PEOPLE STRETCHED ONE KILOMETER FROM THE ENTRANCE OF THE BASE. A LINE SEVERAL THOUSANDS LONG STRETCHED ALONG THE PIER OF THOSE WAITING TO HAVE THEIR PERSONAL BELONGINGS CHECKED BEFORE BEING ALLOWED TO BOARD THE CARRIER.

A COMPANY EMPLOYEE (40), WHO CAME WITH FOUR FAMILY MEMBERS FROM OTA WARD, TOKYO, SAID, "AN AIRCRAFT CARRIER IS JUST A BLOCK OF IRON. IT WOULD HAVE BEEN BETTER TO BE ABLE SEE A FIGHTER PLANE LANDING AND TAKING OFF THE CARRIER. THE GUIDELINES? THEY ARE DIFFICULT."

A MAN (73) FROM KOTO WARD IN TOKYO WHO USED TO BE IN THE JAPANESE AIR FORCE STATED, "I WAS AMAZED AT THE NUMBER OF VISITORS. IT IS NICE TO FIND THAT THE GENERATION WITH NO EXPERIENCE IN WAR HAS AN INTEREST IN AN AIRCRAFT CARRIER OR FIGHTER PLANE, BUT THEY MUST BE FULLY AWARE THAT WE MUST NOT ALLOW WAR TO EVER OCCUR AGAIN." A FIRST-YEAR JUNIOR HIGH SCHOOL STUDENT (12) FROM MACHIDA CITY, TOKYO, SAID, "IT WAS A GREAT EXPERIENCE TO TOUCH A FIGHTER FOR THE FIRST TIME. BUT HEARING THAT THIS IS A NUCLEAR-

POWERED AIRCRAFT CARRIER, I FELT SOMEWHAT SCARED."

THERE WERE STALLS FOR SAUSAGES AND YAKITORI AND SHOPS FOR GOODS BEARING "NIMITZ" SET UP WITHIN THE BASE. T-SHIRTS AND CAPS SOLD WELL.

MEANWHILE, A GATHERING WAS HELD NEAR THE BASE BY LABOR UNIONS AND PEACE GROUPS BASED IN KANAGAWA PREFECTURE FROM 11:00 A.M., ABOUT 500 PERSONS STAGED A DEMONSTRATION IN FRONT OF THE BASE, SHOUTING, "THE PORT CALL OF THE NIMITZ IS TO LAY THE GROUNDWORK FOR THE GUIDELINES."

UNCLAS SECTION 04 OF 06 TOKYO 008287

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; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 22

FOREIGN MINISTER OBUCHI IN NEW YORK; PLANS FISHERIES TALKS WITH ROK COUNTERPART ON 24TH (SANKEI - PAGE 3)

FOREIGN MINISTER KEIZO OBUCHI, WHO ARRIVED IN NEW YORK ON THE 21ST, WILL MEET WITH FOREIGN MINISTER YU CHONG HA OF THE REPUBLIC OF KOREA (ROK) ON THE 24TH. REGARDING THE KEY ISSUE OF TALKS TO CONCLUDE A NEW FISHERIES PACT, BOTH COUNTRIES REMAIN FAR APART, SO FOREIGN MINISTER OBUCHI WILL LIKELY BE PRESSED TO FACE NEGOTIATIONS UNDER A DIFFICULT SITUATION, WITH EVEN THE POSSIBILITY OF A SCRAPPING OF THE PREVIOUS PACT.

THE JAPANESE FOREIGN MINISTRY'S ASIAN AFFAIRS BUREAU DIRECTOR GENERAL KORESHIGE ANAMI ON THE 19TH MET WITH HIS ROK COUNTERPART, ASIA-PACIFIC BUREAU DIRECTOR GENERAL YU GWANG SUK, AND EMPHASIZED THE NEED FOR REACHING AN EARLY SETTLEMENT. HE EXPLAINED THAT CALLS FOR SCRAPPING THE PACT ARE MOUNTING IN JAPAN. JAPAN'S THREE RULING PARTIES HAVE ALREADY URGED THE GOVERNMENT SIDE TO ABROGATE THE AGREEMENT, ARGUING, "VIRTUALLY NO HEADWAY HAS BEEN MADE, EVEN THOUGH (THE JAPANESE SIDE) HAS SO FAR OFFERED A VARIETY OF COMPROMISE PROPOSALS."

FOREIGN MINISTER OBUCHI IN AN INTERVIEW GIVEN TO THE SANKEI SHIMBUN AFTER TAKING OFFICE, STATED, "I REALIZE THAT CONCERNED DIETMEMBERS FROM THE LIBERAL DEMOCRATIC PARTY (LDP) ARE TAKING A SEVERE STANCE," BUT HE STRESSED HIS INTENTION TO BACKBURNER THE OPTION OF ABROGATING THE PACT, SAYING, "I WOULD LIKE TO DO MY UTMOST TO CONCLUDE A NEW AGREEMENT AS SOON AS POSSIBLE."

FOREIGN MINISTER OBUCHI, AS VICE CHAIRMAN OF THE JAPAN-ROK PARLIAMENTARIAN LEAGUE, HAS A WIDE PERSONAL NETWORK WITH THE ROK POLITICAL WORLD, SO HE WOULD LIKE TO AVOID A WORSENING OF JAPAN-ROK RELATIONS

HOWEVER, THE ROK "SEEMS UNLIKELY TO AGREE" (JAPAN'S FOREIGN MINISTRY SOURCE) WITH THE JAPANESE SIDE'S INSISTANCE THAT FISHERIES NEGOTIATIONS SHOULD BE SETTLED BY SHELIVING FOR THE TIME BEING THE PROBLEM OF CLAIMS TO THE TAKESHIMA ISLANDS (TOKDO IN KOREAN) WITH THE UPCOMING ROK PRESIDENTIAL ELECTION THIS DECEMBER.

EVEN IF THE JAPANESE GOVERNMENT NOTIFIES THE ROK OF ABROGATION OF THE AGREEMENT, THE PACT WILL REMAIN IN EFFECT FOR ONE YEAR AFTER SUCH A NOTIFICATION. SO IN THE LDP, SOME ARE ARGUING, "WE CAN PRESSURE THE ROK IF WE NEGOTIATE WITH IT DURING THAT LIMITED ONE-YEAR PERIOD" (FISHERIES-RELATED LAWMAKER). BUT NO ONE CAN PREDICT WHETHER THIS ISSUE CAN BE RESOLVED EVEN IN A YEAR, SO SOME IN THE FOREIGN MINISTRY ARE STRESSING: "IT IS VERY EASY TO SCRAP THE PACT, BUT THEN HOW DO WE RESOLVE THE MATTER?" (SENIOR OFFICIAL).

JAPAN AT IMF MEETING PROPOSES BRINGING CHINA, ROK INTO A ASIA FUND (NIHON KEIZAI - PAGE 3)

(HONG KONG, SEPTEMBER 21, TACHIBANA) THE JAPANESE GOVERNMENT HAS FIRMED UP THE CONTENTS OF ITS PROPOSAL TO RELATED COUNTRIES AND ORGANIZATIONS REGARDING THE ESTABLISHMENT OF AN ASIA FUND, (A MECHANISM) NOW BEING STUDIED IN ORDER TO STABILIZE THE ASIAN MONETARY AND FINANCIAL MARKETS. JAPAN WILL SEEK THE ENTRY OF CHINA AND THE REPUBLIC OF KOREA (ROK) IN ADDITION TO ASEAN (ASSOCIATION OF SOUTHEAST ASIAN NATIONS), WITH COORDINATION WITH THE INTERNATIONAL MONETARY FUND (IMF) AS THE MAJOR PRINCIPLE. JAPAN WILL HURRIEDLY COORDINATE THE CONTENTS OF ITS PROPOSAL WITH RELEVANT COUNTRIES AND INTERNATIONAL INSTITUTIONS, SUCH AS THE IMF, IN ORDER TO SYSTEMATIZE A BASIC SYSTEM THAT WOULD BE MODELED AFTER THE THAI FINANCIAL SUPPORT FRAMEWORK WORKED OUT LAST MONTH.

UNCLAS SECTION 05 OF 06 TOKYO 008287

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; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 22

DURING AN INFORMAL FINANCE MINISTERIAL MEETING BETWEEN JAPAN AND THE ASEAN COUNTRIES ON THE 21ST, FINANCE MINISTER HIROSHI MITSUZUKA EXPLAINED JAPAN'S PLAN TO TRANSLATE THE PROPOSAL INTO ACTION.

THE PROPOSAL TO ESTABLISH AN ASIA FUND WAS MADE BY THAILAND AND OTHER COUNTRIES, TRIGGERED BY THE MONETARY CRISIS IN ASIA. THE PLAN IS DESIGNED TO INTERVENE IN FOREIGN EXCHANGE MARKETS OR TO TEMPORARILY FUND FOREIGN CAPITAL FOR FINANCIAL AUTHORITIES, WITH FUNDING TO BE AT SEVERAL TENS OF BILLIONS OF DOLLARS.

FINANCE MINISTER MITSUZUKA, VISITING BANGKOK TO ATTEND THE FINANCIAL MINISTERIAL COMMITTEE MEETING OF THE ASEM (ASIA-EUROPE MEETING) LAST WEEK, REVEALED FOR THE FIRST TIME JAPAN'S WILLINGNESS TO OFFER COOPERATION. REFLECTING A CALL GAINING GROUNDS AMONG ASIAN COUNTRIES FOR "JAPAN'S ROLE" (PHILIPPINE FINANCE MINISTER DE OCAMPO), JAPAN'S PROPOSAL WILL LIKELY BECOME THE BASIS FOR REALIZATION OF THE INITIATIVE.

GIVING CONSIDERATION TO THE IMF'S VIEW OF "THE ESTABLISHMENT OF A LARGE-SCALE REGIONAL FUND IS DOUBTFUL" (DEPUTY EXECUTIVE DIRECTOR FISHER), JAPAN WILL SET A COORDINATION FRAMEWORK WITH THE IMF. IT WILL NOW CONDUCT A STUDY OF SPECIFIC DETAILS, SUCH AS WHETHER IT WILL BE ESTABLISHED IN THE IMF OR JOINTLY BY THE IMF AND COUNTRIES.

THE JAPANESE GOVERNMENT HAD THE ASEAN COUNTRIES IN MIND AS PARTICIPANT COUNTRIES, BUT IT HAS NOW DECIDED TO EXPAND THE SCOPE SO THAT THE FUND CAN BE USED FOR A WIDER RANGE OF CRISES. FOR THE THAI SUPPORT PROGRAM WORKED OUT EARLIER, AGREEMENT HAS BEEN REACHED TO FUND 17.2 BILLION DOLLARS BY INTERNATIONAL INSTITUTIONS, SUCH AS THE IMF, AND ASIAN COUNTRIES INCLUDING JAPAN, CHINA, THE ROK AND SINGAPORE.

NTT TO ADVANCE INTO AMERICAN TELECOM MARKET WITH 100 MILLION DOLLAR BANKROLL (NIHON KEIZAI - TOP PLAY)

(NEW YORK, SEPTEMBER 21, IKUO SAIJO) THE COURSE OF NIPPON TELEGRAPH AND TELEPHONE CORPORATION (NTT)'S ADVANCEMENT INTO THE U.S. MARKET HAS NOW BEEN SET. UNDER A FORMAL AGREEMENT TO BE INKED THIS WEEK, NTT WILL INVEST A 100 MILLION DOLLARS (APPROXIMATELY 12 BILLION YEN) INTO TELLIGENT (VIRGINIA), AN AMERICAN REGIONAL CARRIER WHICH OFFERS HIGH-SPEED RADIO COMMUNICATIONS SERVICE TO CORPORATE USERS, AND WILL THEN DISPATCH EXECUTIVE MANAGERS TO SERVE IN THAT COMPANY. THE AIM OF NTT'S SEEKING ACCESS TO THE AMERICAN MARKET IS TO CONSOLIDATE A SYSTEM THAT WILL ENABLE IT TO OPERATE INDEPENDENTLY AN INTERNATIONAL TELECOMMUNICATIONS NETWORK CONNECTING JAPAN AND THE U.S. THE AMENDMENT TO THE NTT LAW THIS JUNE HAS OPENED UP A WAY FOR THE FIRM TO ENTER THE INTERNATIONAL COMMUNICATIONS MARKET. THIS IS THE FIRST CASE OF THE FIRM'S MAKING INROADS INTO AN INDUSTRIALIZED COUNTRY'S

MARKET. THE PROJECT IS EXPECTED TO PROVIDE A FOOTING FOR IT TO BUILD A GLOBAL SERVICE SYSTEM TO COUNTER GLOBALLY OTHER TELECOM GIANTS. THERE IS, HOWEVER, THE POSSIBILITY THAT THE FEDERAL COMMUNICATIONS COMMISSIONS (FCC) MAY TIGHTEN PRESSURE ON JAPAN TO OPEN ITS MARKET AS COLLATERAL.

POSSIBILITY OF PRESSURE BUILDING ON JAPAN FOR FURTHER MARKET OPENING

TELLIGENT WAS ESTABLISHED IN 1996. IT IS EXPECTED TO LAUNCH FULL-SCALE TELECOM SERVICES THIS YEAR, FOCUSING ON MAJOR CITIES TO MAXIMIZE ITS OWN RADIO TECHNOLOGY. THE PLAN IS TO PURSUE MASS-COMMUNICATIONS SERVICE DESTINED FOR CORPORATE USERS IN 30 CITIES THROUGHOUT THE U.S., UNCLAS SECTION 06 OF 06 TOKYO 008287

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; CIA WASHDC; SECDEF FOR JCS-J-5/JAPAN, OASD/ISA/EAPR/JAPAN; TREASURY/OASIA/IMI; WHITE HOUSE; JUSTICE FOR STU CHEMTOB IN ANT-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 SEPTEMBER 22

WITH FOUR MAJOR CITIES, INCLUDING NEW YORK, AS A PRELIMINARY STEP IN THE BUSINESS STRATEGY. THE COMPANY WILL CONSOLIDATE COMMUNICATIONS NETWORKS BY THE YEAR 2010 WITH THE CAPACITY OF ACCOMMODATING AS MANY SUBSCRIBERS AS HALF THE AMERICAN POPULATION. THE CHIEF EXECUTIVE OFFICER (CEO) IS ALEX MANDEL (PHONETIC), WHO MADE HEADLINES WHEN HE RESIGNED THE POST OF PRESIDENT OF AT&T LAST YEAR.

NTT IS EXPECTED TO GAIN A 12.5 PERCENT STAKE IN TELLIGENT THROUGH ITS 100-MILLION-DOLLAR CAPITAL SUBSCRIPTION. IT HAS ALREADY INFORMED THE MINISTRY OF POSTS AND TELECOMMUNICATION OF ITS PLAN. THE MINISTRY WELCOMED IT, CITING THAT THE PLAN WILL LEAD TO PROMOTION OF INTERNATIONAL COMPETITION.

NTT, WHICH IS NOW FREE TO MAKE INROADS INTO THE INTERNATIONAL MARKET AS A RESULT OF THE JUNE AMENDMENT TO THE NTT LAW, IS EXPEDITING OVERSEAS BUSINESS AT A FAST CLIP, FOLLOWING BRITISH TELECOM (BT) AND SEVERAL OTHERS, WHICH ARE OUTPACING NTT IN THEIR GLOBAL STRATEGIES. IN ASIA, NTT HAS STAKES IN REGIONAL CARRIERS IN THAILAND, SRI LANKA AND OTHER COUNTRIES.

DEMAND FOR DATA COMMUNICATIONS IS GROWING AT A TREMENDOUS SPEED IN THE REGIONAL TELECOM MARKETS IN THE U.S. SATELLITE COMMUNICATIONS COMPANIES ARE BEING ESTABLISHED

IN SUCCESSION, GIVING RISE TO FIERCE COMPETITION. IF NTT GAINS INTERNATIONAL CIRCUITS CONNECTING IT TO THE U.S. AND PLUGS INTO TELLIGENT'S REGIONAL NETWORKS, IT WILL THEN HAVE THE FOOTING TO LAUNCH ON ITS OWN INTERNATIONAL COMMUNICATIONS SERVICES FOR CORPORATE USERS CONNECTING JAPAN AND THE U.S.

JAPAN COMMUNIST PARTY CONVENTION STARTS TODAY
(MAINICHI - PAGE 2)

THE JAPANESE COMMUNIST PARTY (JCP) WILL HOLD ITS 21ST PARTY CONVENTION FOR FIVE DAYS STARTING ON THE 22ND AT THE PARTY'S IZU STUDY CENTER IN ATAMI CITY, SHIZUOKA PREFECTURE. IN CONTRAST TO THE LAST CONVENTION THREE YEARS AGO, AT WHICH THE PARTY PUT ITS ENERGY INTO DEFENDING ITSELF FROM "THE ANTI-COMMUNIST ATTACKS" IN THE POST-COLD WAR PERIOD, THE JCP THIS TIME WILL OPEN THE CONVENTION UNDER A RISING-TIDE MOOD SINCE THE PARTY'S INCREASE IN ITS SEATS IN LOCAL ASSEMBLY ELECTIONS, INCLUDING THE TOKYO METROPOLITAN ASSEMBLY ELECTION. THE PARTY IS EXPECTED TO ADOPT A RESOLUTION THAT "THE JCP WILL BRING ABOUT A DEMOCRATIC COALITION GOVERNMENT EARLY IN THE 21ST CENTURY." BUT HOW TO RECONSTRUCT THE PARTY IN ORDER TO CAPTURE THE REINS OF GOVERNMENT WILL LIKELY BECOME A FOCUS OF DISCUSSION. THE FUTURE COURSE OF ACTION REGARDING CHAIRMAN KENJI MIYAMOTO, NOW 88 YEARS OLD, WILL ALSO BE INTERESTING TO WATCH. CRANE

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

SSN: 8287
<^SSN>8287
<^SSN>8287
<^SSN>8287
<^SSN>8287
<^SSN>8287

TOR: 970922004414 M2941438
<^TOR>970922004530 M2941439
<^TOR>970922004546 M2941440
<^TOR>970922004636 M2941441
<^TOR>970922004740 M2941443
<^TOR>970922004754 M2941444

DIST:
SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO8321 2650906-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 220906Z SEP 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 220906Z SEP 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1231
INFO: RUEAWJA/DEPT OF JUSTICE WASHDC IMMEDIATE
RHEHAAA/WHITEHOUSE WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE
RUEHIA/USIA WASHDC IMMEDIATE 6817
RUCPDOG/USDOC WASHDC IMMEDIATE
RUEAIIA/CIA WASHDC IMMEDIATE
RUEKDIA/DIA WASHDC IMMEDIATE
RUEATRS/TREASURY DEPT WASHDC IMMEDIATE
RUEHKON/AMCONSUL NAGOYA 2767
RUEHKOF/AMCONSUL FUKUOKA 6814
RUEHKOS/AMCONSUL SAPPORO 3060
RUESDJ/FBIS OKINAWA JA
RUCWAAB/FBIS RESTON VA
RUAYJAA/COMPATWING ONE KAMI SEYA JA
RUATJHU/CGUSARJ CAMP ZAMA JA//IX CORPS G5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RHHMUNA/USCINCPAC HONOLULU HI
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUEHOK/AMCONSUL OSAKA KOBE 3701
RUHBBMA/AMCONSUL NAHA 9962
SUBJ: JAPANESE DAILY PRESS SUMMARY 09/22/97
TEXT:
UNCLAS SECTION 01 OF 08 TOKYO 008321

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 09/22/97

INDEX:

(1) Kazamidori (Weathercock) Column: Common Sense in Business or Political Circles Out of Tune with the Public; The Problem of MCA Director General Sato and Securities Firms' Scandals Are On the Same Plane

(2) Profile: Robert S. Luke, New U.S. Consul General in Okinawa, Calls for More Positive Japan-U.S. Cooperation

(3) Okinawa Issues under the New Hashimoto Cabinet: Government Aiming to Produce Comprehensive Okinawa Development Package in November for Settling Heliport Construction Project

(4) Three Hurdles for "Open Skies": Commentary by Jiro Hanyu

ARTICLES:

(1) Kazamidori (Weathercock) Column: Common Sense in Business or Political Circles Out of Tune with the Public; The Problem of MCA Director General Sato and Securities Firms' Scandals Are On the Same Plane

NIHON KEIZAI (Page 2) (Full) September 22, 1997

The securities industry has been jolted by one lone sokaiya racketeer. With successive arrests of executives of major (securities) firms, the management lineups of these firms have been forced to resign. Although the stock market is a place where such things as fair rules are esteemed, behind the scenes payoffs were unfairly given. This is nothing more than infidelity to the general stockholders.

Why did those leading securities firms come to walk on thin ice, one and all? This is the question that must be elucidated in investigations to be carried out in the coming weeks. At the same time, it is necessary to call into question the structure of this industry where a chain of illegal acts have been accepted as the sort of common sense.

While scandals involving the security industry drew attention last week, in the political world the problem of what to do with Management and Coordination Agency Director General Koko Sato erupted to the surface. All the circumstances of this problem have been widely reported, but unprecedentedly this case has evolved to the level of shaking the very base of the Government over whether to dismiss a cabinet minister or let him stay on.

This political turmoil was foreseen to some extent. Despite opposition and criticism from the public, Prime Minister Hashimoto appointed Sato to the position responsible for administrative reform, the UNCLAS SECTION 02 OF 08 TOKYO 008321

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 09/22/97

showcase of his administration, and not to a ministerial position in name only.

This selection made fools of the Japanese people. This should have been known by the Prime Minister. Why did he nonetheless pick (Sato)? Rumors are flying around, like former prime minister Yasuhiro Nakasone having asked for such a designation or that there was a secret promise. But it is evident to us is the Prime Minister appointed Sato by giving more consideration to political circles, particularly, the Liberal Democratic Party (LDP) and its factions, than to public opinion, even though he was aware of the possibility of some criticism arising.

Presumably the Prime Minister might have underestimated popular opinion, believing criticism would die down soon, given the fickleness of the public. And after seeing the situations in the opposition parties, which are now each experiencing internal strife, he might have become puffed up following his unchallenged reelection as LDP president. The Prime Minister's remark, "(This appointment) came as my conclusion after much consideration," gives a glimpse of the kind of defiant attitude he holds, having placed paramount emphasis on the situation in his party instead of on public opinion.

What is common to the securities scandals and the Sato problem is a gap in common sense between the parties concerned and the general public. The conventional view held by political circles (in the LDP) regarding the Sato problem is that while it is true Sato violated the law, he later was elected to the Diet where he worked very hard, so it is time now to award him a ministerial post. This is a

sort of comradeship mentality, with each helping the other.

Lying behind this notion is a tacit understanding that politics has both dirty and clean aspects. The expression, "Do the dirty work or take the blame," is liked by politicians, but on the contrary, the stance of "giving high-sounding talk or avoiding complications" is disliked as a grandstand play aiming at being taken favorably by the press. But Prime Minister Hashimoto and Nakasone both avoided doing the dirty work.

Prime Minister Hashimoto as a professional politician dislikes to simply-mindedly follow principles or to give high-sounding talk. Partly because he has been central to the conservative mainstream and flatters himself as a policy-planning expert, he exudes self-confidence. But this confidence has now backfired, revealing that the foundation of Hashimoto politics in the party is surprisingly weak and that Hashimoto instead has heavily relied on public opinion to support him.

In the world of politics where a leader must make a
UNCLAS SECTION 03 OF 08 TOKYO 008321

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 09/22/97

decision, that leader must take the blame for the outcome. Once the decision was made after careful consideration, (the Prime Minister) must be ready to be subjected to criticism. "Doing the dirty work," initially means taking the blame in this sense. However, when this expression is used as a jargon in certain industries, it is sometimes taken as a synonym for action taken regardless of good and evil or approval and disapproval. Common sense in the industry concerned takes precedence to public criticism.

But the series of events have proved this kind of conventional view is no longer acceptable. It is time for the Prime Minister to shoulder to the blame for having appointed Sato to the Cabinet and to return to the common sense held by the public.

(Editorial advisor Masao Kanasashi)

(2) Profile: Robert S. Luke, New U.S. Consul General in Okinawa, Calls for More Positive Japan-U.S. Cooperation

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

For the last two years, the problem of the United States military bases on Okinawa has remained the outstanding pending issue between Japan and the U.S. With a mountain of issues waiting to be settled, including the construction of a heliport to replace the Futenma Air Station, Robert Luke assumed his duties late last month.

It is almost a month since he arrived at post. Expressing enthusiasm for his assignment, Luke said, "To lighten the burden on the Okinawans, the Japanese and U.S. Governments have been making efforts to consolidate, realign, and reduce the U.S. bases. I will explain my government's view so as to obtain the cooperation and understanding of the Okinawans."

His interest in Japan was aroused by course on "Zen" which he took during college. Even after he became a diplomat, Luke continued to be "a Japanophile" who aspired to serve in Japan. His long-cherished desire was fulfilled by his being posted to the Osaka-Kobe consulate for three years from 1990. He is married to Akemi Tanaka, whom he became acquainted with while he was serving at the consulate. Luke has completely mastered Japanese.

In Luke's opinion, "the United States and Japan will be able to carry out closer cooperation in the 21st century by building a bilateral foundation that includes the current review of the defense cooperation guidelines." He highly evaluates the present Japan-U.S. relationship as "contributing to the peace and stability of Asia."

This is the first time for him to set foot on Okinawan soil, but he seems to like it lot, for he
UNCLAS SECTION 04 OF 08 TOKYO 008321

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 09/22/97

says that "the Japanese people are always polite and reserved but I have found the Okinawan people to be warmer."

His wife Ayumi is also very happy to be in Okinawa, and the two are said to be looking forward to enjoying listening to Okinawan music and to learning about Okinawan crafts, such as weaving.

Luke is fond of sushi, but he says he likes Okinawan soba noodles as well.

Robert S. Luke: Born in New Jersey; has served in Taiwan and at the U.S. embassies in China and Germany; age 44.

(Ayumi Tsuda, political department (residing in Okinawa))

(3) Okinawa Issues under the New Hashimoto Cabinet: Government Aiming to Produce Comprehensive Okinawa Development Package in November for Settling Heliport Construction Project

YOMIURI (Page 5) (Excerpts) September 22, 1997

More than one year has passed since Prime Minister Hashimoto released a statement vowing to undertake an initiative to realign and reduce the United States' military bases in Okinawa and to boost the local economy there. True to his words, the special land lease law was amended and live-fire drills across prefectural road 104 were relocated during that period. Nevertheless, a feasibility study for replacing the heliport at Futenma Air Station is still continuing off Camp Schwab (Nago City).

(Ayumu Tsuda, Naha Branch Office)

n Heliport n

On September 2, a bureau-director general-level body called "Futenma Air Station Relocation Headquarters" was installed in line with the intention of former chief cabinet secretary Seiroku Kajiyama. The body, tasked to carry out local-level negotiations for constructing a heliport off Camp Schwab, is endowed with decision-making authority. Looming behind the body is the Government's intention to link an Okinawa promotional package to the heliport construction project.

On the morning of September 19, Prime Minister Hashimoto met with Okinawa Governor Masahide Ota, and called for Okinawa's cooperation to push forward the heliport project. Nago City is split over the project, with citizens opposing the project calling for a municipal plebiscite and another group led by the construction industry craving an economic package. Caught in the middle, Mayor Tetsuya Higa remains unable to give the go-
UNCLAS SECTION 05 OF 08 TOKYO 008321

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 09/22/97

ahead to the project. The Government eyes presenting a formal blueprint for the heliport project before year's end to Nago City and local residents living in Camp Schwab's vicinity in an effort to win their consent to the project. But such a scenario is still fluid. The Gornment's ultimate goal is to settle the heliport issue once for all by announcing a comprehensive Okinawa promotional package timed with the Prime Minister's Okinawa trip on the occasion of the (Government-sponsored) 25th anniversary of the reversion of Okinawa on November 11.

n Deregulation n

The seventh Okinawa Policy Council meeting was held at the Prime Minister's residential office on the morning of the 19th. In it, the Government reported that it had entrusted to a think tank on the 16th the task of writing a medium to long-term vision for the development of Okinawa (chaired by Yutaka Kosai, chairman of the Japan Center for Economic Research). The body reflects the Government's thinking to shorten Okinawa's leash in mapping out local promotional measures since Okinawa's "one country, two-system approach" is hard to accept.

Meanwhile, Okinawa on September 1 drafted an all-prefecture free trade zone plan aimed to make Okinawa a completely tariff-free trading area starting in the year 2001. The proposal has drawn a strong reaction from the agricultural and

fisheries industries.

Okinawa plans to submit an exceptions-added final report to the Government in mid-October. Governor Ota is likely to be troubled for some time by the heliport project and the free trade plan.

n Okinawa Shift n

Prime Minister Hashimoto has appointed Muneo Suzuki, an Okinawa expert in the Liberal Democratic Party, as the new director general of the Okinawa Development Agency, and Chiken Kakazu (first-term Dietmember from Nago City) as the parliamentary vice-minister for Okinawa development. In addition, Japan Defense Agency Director General Fumio Kyuma was given another term. Such reflects the Government's commitment to Okinawa, according to a Government source.

Although he is no longer chief cabinet secretary, Seiroku Kajiyama visited Okinawa on the 17th and 18th and met with Governor Ota, Nago City mayor Higa and other influential local business leaders. Kajiyama pledged, "I will continue to do my best for Okinawa as a member of a 'pressure group,' although I am no longer in a cabinet post."

All in all, Okinawa harbors high regards toward the new Cabinet lineup, as seen in Governor Ota's
UNCLAS SECTION 06 OF 08 TOKYO 008321

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 COUNCIL'S 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 09/22/97

comment, "Mr. Kajiyama has been removed from the cabinet, but the Prime Minister has said, 'There is nothing to worry about.' I am pleased to hear Chief Cabinet Secretary Muraoka's comment that he would do his best."

Nevertheless, it is a fact that the Government's "Okinawa fever" has subsided to some extent now that the priority Okinawa issue of compulsory use of land to be leased for the U.S. forces in Japan has been settled. Okinawa is pinning its expectations on the new Cabinet. At the same time,

it is apprehensive about how much the Cabinet will commit itself to resolving Okinawa issues.

(4) Three Hurdles for "Open Skies": Commentary by Jiro Hanyu

ASAHI (Page 4) (Excerpts) September 22, 1997

In a bid to amend the bilateral civil aviation accord, Japan and the United States are set to start the third round of formal negotiations in Tokyo starting today. The current agreement, concluded in 1952, retains the basic feature of inequality, although some minor amendments have been made. The pact allows two U.S. carriers to choose the destination points and number of flights they operate without any restraints, while only one Japanese carrier is entitled to such a privilege. Among various bilateral government-government agreements, civil aviation is the only area where such inequalities exist. The U.S. is pressing Japan to accept an open skies policy in the ongoing negotiations, which started in June last year. Many people are under the misapprehension that open skies would mean a complete liberalization. In this article, I would like to prove that the U.S. is pursuing a policy that gives priority only to its own aviation industry.

There are roughly three features that describe an open skies agreement as proposed by the U.S.

First, if such an agreement is concluded, various aspects of the international flight market would be liberalized, such as new entrees, the opening of new routes and the setting of fares, except for transfers of capital. However, new entrants from the other country would not be allowed into the other country's domestic market, regardless of size and profitability. In addition, the agreement would set no restriction on carriers carrying out internal financial assistance in the form of making up for deficits incurred in their international operations with profits gained from domestic operations.

The U.S.' domestic civil aviation market commands 37 percent of that world market as a whole. The size of the market between Japan and the U.S. accounts for only 1/35th of such. As a result of liberalization during the past some ten years, an UNCLAS SECTION 07 OF 08 TOKYO 008321

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 09/22/97

oligopoly has developed in the American domestic market. For U.S. carriers, domestic operations are more lucrative than international ones. If America's giant carriers backed by a domestic market that gives them high earnings take part in trans-Pacific flight operations without any restraints and carry out internal financial assistance freely, they are bound to monopolize trans-Pacific routes between Japan and the U.S., which account for only 1/35th of the U.S. domestic market. In the early stages of the negotiations, Japan asked the U.S. that if it wishes to stick to the open skies policy, it should introduce a rule to prohibits internal financial assistance, but the U.S. turned down Japan's request.

The second feature is that the proposed open skies agreement would allow carriers to forge comprehensive business alliances. Such alliances would be exempt from application of the Anti-Monopoly Law (AML), even if their market shares rose to a level that would cause concern that they might be infringing on the AML. No restrictions would be imposed in principle on such alliances even if they bring about a state of monopoly or oligopoly in the bilateral market.

In the meantime, given the tendency of liberalization of the civil aviation market to bring about an oligopoly, it is imperative to introduce safe-guard measures to prevent anti-competitive activities, as represented by such means as setting fares to snatch customers from other carriers. Japan called for introducing such measures, but the U.S. side turned down our request, citing that the AML would suffice.

However, under the U.S. Antitrust Act (ATA) it is not until activities that might violate the ATA are reported and established that (authorities) take action to clamp down on such ex post facto. Sufficient deterrent effects cannot be expected from such a law. According to a survey conducted by the Japanese side, proving such activities is extremely difficult. Average time take for such examinations is as long as 6.7 years. Under such a system, it is impossible to protect consumers in general.

The third feature is that the open skies measure honors vested rights regarding competition bases, such as landing and departure slots at each airport. Even if the right to operate (trans-Pacific) flights is liberalized, re-allocations of landing and departure slots possessed by incumbent carriers would not be allowed. For instance, on Japan-U.S. routes departing from and landing at Narita Airport, U.S. carriers have far more slots than Japanese carriers have, but the U.S. would not agree to touch on its vested rights in that respect.

If rights and interests in the civil aviation
UNCLAS SECTION 08 OF 08 TOKYO 008321

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 09/22/97

sector are completely liberalized, while keeping the issue of re-allocating landing and departure slots intact, it would only allow those carriers with vested rights to maintain their superior position. However, this is an untouchable area in the open skies policy.

As mentioned above, the prime objective of the open skies agreement is (for the U.S.) to maintain its own country's competitive edge, skillfully ignoring such policy targets as the securing of conditions for fair competition or protection of consumers. We should not accept an aviation policy measure like that. What Japan should aim at is to expedite in stages realistic liberalization measures, while securing conditions for fair competition. That is because liberalization has both bright and dark sides, and if we neglect securing conditions for fair competition, I fear the dark side may spread rapidly.

(Transport Ministry Civil Aviation Bureau Deputy
Director General)

DEMING

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: 8321

<^SSN>8321
<^SSN>8321
<^SSN>8321
<^SSN>8321
<^SSN>8321
<^SSN>8321
<^SSN>8321

TOR: 970922052256 M2941641

<^TOR>970922052407 M2941643
<^TOR>970922052422 M2941644
<^TOR>970922052511 M2941645
<^TOR>970922052526 M2941646
<^TOR>970922052646 M2941647
<^TOR>970922052701 M2941648
<^TOR>970922052702 M2941649

DIST:

SIT: NSC