

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Japan-U.S. / Diplomatic Relations (16 pages)	09/22/1997	P1/b(1)
002. cable	Re: Views on MCAS Futenma Relocation and Citizen's Referendum (5 pages)	09/25/1997	P1/b(1)
003. cable	Re: Reaction to Increased Aircraft Requirement (4 pages)	09/29/1997	P1/b(1)
004. cable	Re: Reaction to Increased Aircraft Requirement (2 pages)	10/02/1997	P1/b(1)
005. cable	Re: Increased Aircraft Support Requirement (5 pages)	10/02/1997	P1/b(1)
006. cable	Re: Reaction to Increased Aircraft Requirement (4 pages)	10/02/1997	P1/b(1)
007. cable	Re: Japan-U.S. / Okinawa Base Issues (4 pages)	10/02/1997	P1/b(1)
008. cable	Re: Charge Dinner (4 pages)	10/03/1997	P1/b(1)
009. cable	Re: Referendum Bill (3 pages)	10/03/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

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: ROUTINE
CLASS: UNCLASSIFIED
LINE1: RAAUZYUW RUEKJCS0378 2660900-UUUU--RHEHAAX.
LINE2: ZNR UUUUU
LINE3: R 221600Z SEP 97
LINE4: FM SECDEF WASHINGTON DC//OASD/PA/DPL//
OSRI: RUEKJCS
DTG: 221600Z SEP 97
ORIG: SECDEF WASHINGTON DC//OASD/PA/DPL//
TO: RHHMUNA/USCINCPAC HONOLULU HI//JO1PA//
RUALSFJ/COMUSJAPAN YOKOTA AB JA//PA//
INFO: RUEHC/SECSTATE WASHINGTON DC//PA-P//
RUEHKO/AMEMBASSY TOKYO//USIS-PAO/DAO//
RUEKJCS/CJCS WASHINGTON DC//PA//
RUEADWD/HQDA OCPA WASH DC//SAPA//
RUENAAA/CHINFO WASHINGTON DC//OO//
RUEAHQA/OSAF WASHINGTON DC//PA/PAM//
RUEACMC/CMC WASHINGTON DC//PA//
RHHMHAH/CINCPACFLT PEARL HARBOR HI//PAO//
RUHVPAC/HQ PACAF HICKAM AFB HI//PA//
RUEAHIC/CDRUSARPAC FT SHAFTER HI//APPA//
RUHEHMS/COMMARFORPAC//PA//
SUBJ: *** NO SUBJECT FOUND ***
TEXT:
UNCLAS SECTION 01 OF 03
PRESS GUIDANCE: SCC MEETING IN NEW YORK; U.S.-JAPAN GUIDELINES FOR
DEFENSE COOPERATION
BACKGROUND

PAGE 02 RUEKJCS0378 UNCLAS

1. THE FOLLOWING GUIDANCE HAS BEEN COUNTRY AND INTERAGENCY COORDINATED AND IS APPROVED FOR USE IN DISCUSSING THE SECURITY CONSULTATIVE COMMITTEE (SCC) MEETING HELD IN NEW YORK CITY ON SEPTEMBER 23, 1997. THE FOCUS OF THE SCC MEETING WAS ISSUANCE OF THE REVISED U.S.-JAPAN GUIDELINES FOR DEFENSE COOPERATION.
2. ISSUING THE REVISED GUIDELINES IS A HISTORIC MILESTONE FOR THE U.S.-JAPAN SECURITY RELATIONSHIP. THE ORIGINAL GUIDELINES WERE COMPLETED IN 1978, BASED ON THE COLD WAR ENVIRONMENT AT THAT TIME. IN TOKYO, PRESIDENT CLINTON AND PRIME MINISTER HASHIMOTO AGREED AS PART OF THE JOINT SECURITY DECLARATION OF APRIL 17, 1997, TO REVIEW THE 1978 GUIDELINES TO REFLECT CHANGES IN THE STRATEGIC SITUATION IN EAST ASIA AFTER THE COLD WAR. ON JUNE 7, 1997, THE US-JAPAN SUBCOMMITTEE ON DEFENSE COOPERATION ISSUED AN INTERIM REPORT TO OUTLINE THE PROGRESS MADE TO THAT POINT AND TO PROMOTE TRANSPARENCY. COMPLETION OF THIS PROCESS IS ANOTHER SIGNIFICANT STEP IN THE TRANSITION OF THE U.S.-JAPAN SECURITY RELATIONSHIP TO MEET THE NEW CHALLENGES OF THE 21ST CENTURY.
3. THE UNITED STATES AND JAPAN HAVE CONDUCTED THE GUIDELINES REVIEW WITHIN THE EXISTING BILATERAL SECURITY FRAMEWORK, RESPECTING JAPAN'S

CONSTITUTION, THE U.S.-JAPAN TREATY OF MUTUAL COOPERATION AND

PAGE 03 RUEKJCS0378 UNCLAS

SECURITY, JAPAN'S NATIONAL DEFENSE PROGRAM OUTLINE (NDPO), AND THE U.S. DEPARTMENT OF DEFENSE EAST ASIA STRATEGY REPORT. DURING THE CONDUCT OF THE REVIEW, OFFICIALS FROM BOTH SIDES PAID PARTICULAR ATTENTION TO ARTICLE 9 OF JAPAN'S CONSTITUTION AND JAPAN'S PROHIBITION OF COLLECTIVE SELF-DEFENSE.

4. THE REVIEW ADDRESSES U.S.-JAPAN DEFENSE COOPERATION IN THREE AREAS COVERED IN THE 1978 GUIDELINES: -- COOPERATION UNDER NORMAL CIRCUMSTANCES (PEACETIME): UN PEACEKEEPING, DEFENSE EXCHANGES, AND HUMANITARIAN RELIEF OPERATIONS; -- COOPERATION IN RESPONSE TO AN ARMED ATTACK AGAINST JAPAN: COMMAND AND CONTROL; INTELLIGENCE; LOGISTICS; -- COOPERATION IN RESPONSE TO SITUATIONS IN AREAS SURROUNDING JAPAN THAT HAVE AN IMPORTANT INFLUENCE ON JAPAN'S PEACE AND SECURITY: MINESWEEPING IN JAPANESE TERRITORIAL WATERS AND ON THE HIGH SEAS; REAR AREA SUPPORT FOR U.S. FORCES; ENHANCED INFORMATION AND INTELLIGENCE SHARING; USE OF AIRFIELDS, PORTS AND OTHER BASES, AREAS AND FACILITIES IN A CRISIS; AND NON-COMBATANT EVACUATION.

5. IN PARTICULAR, THE REVISED GUIDELINES OFFER SUBSTANTIVE IMPROVEMENTS FOR COOPERATION ON PEACEKEEPING, HUMANITARIAN RELIEF OPERATIONS AND MILITARY EXCHANGES DURING PEACETIME, AND DEFENSE COOPERATION DURING SITUATIONS IN AREAS SURROUNDING JAPAN THAT HAVE AN

PAGE 04 RUEKJCS0378 UNCLAS

IMPORTANT INFLUENCE ON JAPAN'S PEACE AND SECURITY. IN BOTH CASES, THE NEW GUIDELINES PROVIDE GREATER DEFINITION AND CLARITY TO THE ROLES AND MISSIONS OF U.S. AND JAPANESE FORCES DURING SUCH CONTINGENCIES.

6. NATIONS IN THE ASIA-PACIFIC REGION APPRECIATE THAT THE U.S.-JAPAN ALLIANCE HAS BEEN AND WILL CONTINUE TO BE A SOURCE OF LONG-TERM STABILITY IN THE POST-COLD WAR ENVIRONMENT. AN IMPORTANT ELEMENT IN MAINTAINING THIS ATTITUDE HAS BEEN THE ALLIANCE'S LONGSTANDING COMMITMENT TO TRANSPARENCY, THIS COMMITMENT HAS MARKED THE ENTIRE GUIDELINES REVIEW PROCESS AND WILL CONTINUE.

7. IN THE COMING WEEKS, REPRESENTATIVES FROM BOTH COUNTRIES SEPARATELY WILL TRAVEL TO THE REGION TO PRESENT AND DISCUSS THE NEW DOCUMENT. THEREFORE, NO NATION WITH PEACEFUL INTENTIONS SHOULD BE THREATENED BY THE COMPLETION OF THE GUIDELINES REVISION AND THE RE-AFFIRMATION OF A RELATIONSHIP THAT HAS SERVED TO PROMOTE THE CONSTRUCTIVE DEVELOPMENT OF THE REGION.

8. THE SCC ALSO ADDRESSED ISSUES RELATED TO THE SPECIAL ACTION COMMITTEE ON OKINAWA (SACO) PROCESS, HOST NATION SUPPORT AND REGIONAL SECURITY MATTERS. THE SACO FINAL REPORT OF DECEMBER 2, 1996, CONSISTS OF PLANS AND MEASURES TO RE-ALIGN, CONSOLIDATE AND REDUCE U.S. FACILITIES AND AREAS IN OKINAWA AND TO ADJUST PROCEDURES OF U.S.

PAGE 05 RUEKJCS0378 UNCLAS

FORCES IN OKINAWA IN ORDER TO EASE THE BURDEN OF U.S. FORCES PRESENCE ON THE PEOPLE OF OKINAWA. A KEY ELEMENT OF THE SACO PROCESS IS THE RELOCATION OF FUTENMA AIR STATION. THE SCC DISCUSSED ISSUES INVOLVED IN THIS RELOCATION, AND THE TWO SIDES REGISTERED CONTINUED COMMITMENT TO ENSURING STEADY IMPLEMENTATION OF THE FINAL REPORT.

9. THE U.S. AND JAPAN DISCUSSED HOST NATION SUPPORT IN THE CONTEXT OF JAPAN'S FISCAL SITUATION AND BILATERAL STRATEGIC INTERESTS. THEY ALSO EXCHANGED PERSPECTIVES ON REGIONAL SECURITY MATTERS.

10. THE FOLLOWING ARE APPROVED QUESTIONS AND ANSWERS:

DEFENSE GUIDELINES REVIEW

Q1. WHAT PROMPTED THE REVIEW OF THE GUIDELINES AFTER 20 YEARS?

A1. THE PREVIOUS GUIDELINES WERE COMPLETED IN 1978 BASED ON THE COLD WAR ENVIRONMENT AT THE TIME. AT THE APRIL 1996 SUMMIT IN TOKYO, PRESIDENT CLINTON AND PRIME MINISTER HASHIMOTO AGREED TO REVIEW THOSE GUIDELINES TO REFLECT CHANGES IN THE STRATEGIC ENVIRONMENT SINCE THE END OF THE COLD WAR AND TO ENSURE GREATER PREDICTABILITY OF DEFENSE COOPERATION IN THIS NEW ENVIRONMENT. THIS REVIEW WAS DONE AS DIRECTED BY BOTH LEADERS IN THE 1996 JOINT DECLARATION FOR SECURITY.

Q2. WHAT NEW COMMITMENTS DID JAPAN MAKE UNDER THE REVISED GDL? HOW ABOUT THE UNITED STATES?

PAGE 06 RUEKJCS0378 UNCLAS

A2. THE GUIDELINES ARE ABOUT DEFINING ROLES AND MISSIONS FOR DEFENSE COOPERATION AND DO NOT COMMIT JAPAN OR THE UNITED STATES TO TAKE ANY SPECIFIC ACTION. HOWEVER, THE U.S. DOES EXPECT THE GOVERNMENT OF JAPAN TO UNDERTAKE APPROPRIATE DOMESTIC LEGISLATIVE AND ADMINISTRATIVE ADJUSTMENTS CONSISTENT WITH THE ROLES AND MISSIONS ENUNCIATED IN THE GUIDELINES.

Q3. WHAT ARE THE SIGNIFICANT DIFFERENCES BETWEEN THE 1978 DEFENSE GUIDELINES AND THE REVISED GUIDELINES?

A3. THE NEW GUIDELINES IDENTIFY SEVERAL ITEMS FOR U.S.-JAPAN DEFENSE COOPERATION BEYOND THE DEFENSE OF JAPAN TO ENCOMPASS SITUATIONS IN AREAS SURROUNDING JAPAN. THESE ITEMS INCLUDE REAR AREA SUPPORT, NONCOMBATANT EVACUATION OPERATIONS, MINESWEEPING, SEARCH AND RESCUE, AND MARITIME INTERDICTION TO ENSURE ENFORCEMENT OF ECONOMIC SANCTIONS. THE GUIDELINES ALSO IDENTIFY ENHANCED ROLES FOR JAPAN AND THE UNITED STATES DURING PEACETIME. THESE AREAS INCLUDE PEACEKEEPING AND HUMANITARIAN RELIEF OPERATIONS, AND INCREASES IN MILITARY EXCHANGES. THE NEW GUIDELINES ALLOW BOTH DEFENSE ORGANIZATIONS TO BETTER COORDINATE BILATERAL ACTIVITIES WITH OTHER AGENCIES IN THEIR RESPECTIVE GOVERNMENTS.

Q4. WHAT PROMPTED THE TIMING OF THE RELEASE OF THE GUIDELINES REVIEW?
UNCLAS SECTION 02 OF 03

A4. THE JOINT DECLARATION STATED THAT THE TWO SIDES WOULD COMPLETE THE GUIDELINES REVIEW BY FALL 1997. GOOD PROGRESS AND HARDWORK DURING THE REVIEW PROCESS ALLOWED BOTH GOVERNMENTS TO ISSUE THE REVISED

PAGE 02 RUEKJCS0379 UNCLAS
GUIDELINES.

Q5. HOW DOES THE FINAL DOCUMENT DIFFER FROM THE INTERIM REPORT RELEASED IN JUNE?

A5. THE FINAL DOCUMENT CLOSELY FOLLOWS THE OUTLINE PROVIDED BY THE INTERIM REPORT, WHILE PROVIDING GREATER DETAIL ON FUNCTIONS AND IMPLEMENTATION. THE DOCUMENT STILL COVERS THE AREAS OF DEFENSE COOPERATION OUTLINED IN THE INTERIM REPORT.

Q6. NON-COMBATANT EVACUATION (NEO) WAS REPORTEDLY A STICKING POINT UNTIL THE FINAL HOUR. COULD YOU DESCRIBE THE PROBLEM, AND HOW AND WHY IT GOT SOLVED?

A6. WE DO NOT COMMENT ON DIPLOMATIC EXCHANGES, INCLUDING THOSE IN THE

COURSE OF NEGOTIATIONS. WITH RESPECT TO NEO, I REFER YOU TO THE TEXT OF THE DOCUMENT.

Q7. WILL JAPAN NEED TO CHANGE ITS CONSTITUTION OR RECOGNIZE THE RIGHT OF COLLECTIVE SELF-DEFENSE? HAS JAPAN MADE CLEAR ENOUGH TO THE U.S. WHAT IT CAN AND CANNOT DO GIVEN THE CONSTRAINTS OF ITS CONSTITUTION?

A7. WE HAVE AGREED THAT THE REVIEW WOULD BE CONDUCTED WITHIN THE EXISTING SECURITY FRAMEWORK, INCLUDING JAPAN'S CONSTITUTION, OUR RESPECTIVE RIGHTS AND OBLIGATIONS UNDER THE SECURITY TREATY AND INTERNATIONAL AGREEMENTS SUCH AS THE CHARTER OF THE UNITED NATIONS.

PAGE 03 RUEKJCS0379 UNCLAS

BASED ON THAT FRAMEWORK, WE HAVE BEEN ABLE TO ADDRESS THE CRITICAL AREAS OF BILATERAL DEFENSE COOPERATION. ISSUES SUCH AS COLLECTIVE SELF-DEFENSE ARE DOMESTIC CONSTITUTIONAL MATTERS THAT THE U.S. SIDE RESPECTS AND ARE FOR THE GOVERNMENT AND PEOPLE OF JAPAN TO DECIDE.

Q8. CHINA HAS SUGGESTED THAT THE GUIDELINES MAY BE AN EFFORT TOWARDS CONTAINMENT. HOW DO YOU RESPOND?

A8. THE GUIDELINES ARE NOT AIMED AGAINST CHINA OR ANY OTHER COUNTRY. AS THE PREAMBLE OF THE NEW GUIDELINES STATES, A STRONG U.S.-JAPAN ALLIANCE, INCLUDING WIDE-RANGING BILATERAL COOPERATION, SERVES TO BUILD A MORE STABLE INTERNATIONAL SECURITY ENVIRONMENT WHICH BENEFITS ALL IN THE REGION. THIS IS A VIEW SHARED BY OTHERS IN THE REGION AS WELL. CHINA ITSELF HAS LONG UNDERSTOOD THE IMPORTANCE OF A HEALTHY U.S.-JAPAN ALLIANCE TO REGIONAL STABILITY.

Q9. SOME CRITICS SUSPECT THAT THE JOINT SECURITY DECLARATION AND THE GUIDELINES REVIEW HAVE EXPANDED THE GEOGRAPHICAL SCOPE OF THE SECURITY TREATY. IS THIS CORRECT?

A9. NEITHER THE JOINT DECLARATION NOR THE GUIDELINES REVIEW CHANGES THE GEOGRAPHIC SCOPE OF THE U.S.-JAPAN SECURITY TREATY.

Q10. DO THE GUIDELINES INCLUDE THE DEFENSE OF TAIWAN?

A10. THE GUIDELINES DO NOT ADDRESS SCENARIOS. THEY ADDRESS ROLES AND

PAGE 04 RUEKJCS0379 UNCLAS

MISSIONS FOR U.S.-JAPAN DEFENSE COOPERATION. WITH REGARD TO JAPAN'S THE U.S.'S POLICIES TOWARD CHINA, JAPAN ADHERES TO THE 1972 JAPAN-SINO JOINT COMMUNIQUE AND THE JAPAN-SINO PEACE AND FRIENDSHIP TREATY. THE U.S. ADHERES TO THE THREE U.S.-SINO JOINT COMMUNIQUEs AND RELEVANT DOMESTIC LAWS. BOTH JAPAN AND THE U.S. EXPECT THAT THE TAIWAN QUESTION WILL BE SOLVED THROUGH PEACEFUL MEANS.

Q11. WOULD THE NEW GUIDELINES COVER DEFENSE COOPERATION FOR A POSSIBLE CRISIS IN THE GULF OR IN THE INDIAN OCEAN?

A11. THE NEW GUIDELINES ARE FOCUSED PRIMARILY ON THE DEFENSE OF JAPAN AND RESPONSES TO SITUATIONS IN AREAS SURROUNDING JAPAN'S SITUATIONS THAT WILL HAVE AN IMPORTANT INFLUENCE ON JAPAN'S PEACE AND SECURITY. AS A PRACTICAL MATTER, IT IS NOT ANTICIPATED THAT SUCH SITUATIONS WILL OCCUR IN THE GULF OR THE INDIAN OCEAN. HOWEVER, BILATERAL DEFENSE COOPERATION IN SUCH SITUATIONS, LIKE ALL SITUATIONS, WILL BE CONSIDERED ON A CASE-BY-CASE BASIS.

Q12. WHAT AREAS ARE INCLUDED IN THE PHRASE "SITUATIONS IN AREAS SURROUNDING JAPAN"?

A12. THE PHRASE "SITUATIONS IN AREAS SURROUNDING JAPAN", ONE OF THE THREE CATEGORIES FOR U.S.-JAPAN DEFENSE COOPERATION UNDER THE GUIDELINES, IS MORE APPROPRIATELY EXPRESSED AS SITUATIONS IN AREAS

PAGE 05 RUEKJCS0379 UNCLAS

SURROUNDING JAPAN THAT WILL HAVE AN IMPORTANT INFLUENCE ON JAPAN'S PEACE AND SECURITY. AS SUCH, THIS CONCEPT IS NOT GEOGRAPHICAL BUT SITUATIONAL, WITH ITS RELEVANCE ACCORDING TO CONTEXT.

Q13. DOES THE U.S. EXPECT JAPAN TO CONDUCT MINESWEEPING IN KOREAN WATERS?

A13. THE GUIDELINES REVIEW HAS BEEN CONDUCTED WITHIN THE CONTEXT OF U.S.-JAPAN DEFENSE COOPERATION. IN THIS CONTEXT, THE U.S. DOES NOT EXPECT JAPAN TO CONDUCT MINESWEEPING OPERATIONS IN TERRITORIAL WATERS OF ANOTHER COUNTRY. FURTHERMORE, THE NEW GUIDELINES DO NOT ADDRESS SPECIFIC SCENARIOS BUT PROVIDE A LIST OF FUNCTIONAL AREAS FOR BILATERAL COOPERATION.

Q14. IN WHAT WAYS WILL ENHANCED BILATERAL COOPERATION RESULT IN GREATER U.S. SUPPORT FOR JAPAN?

A14. THE NEW GUIDELINES WILL ENHANCE BILATERAL DEFENSE COOPERATION FOR BOTH OUR COUNTRIES. BY BETTER CLARIFYING, DEFINING AND COORDINATING OUR RESPECTIVE ROLES AND MISSIONS, BOTH SIDES WILL IMPROVE THEIR OPERATIONAL READINESS AND MILITARY EFFECTIVENESS TO RESPOND TO CRISES.

Q15. WILL THE GDL AFFECT THE U.S. PRESENCE IN THE REGION?

A15. THE U.S. REMAINS COMMITTED TO MAINTAINING ITS ASIAN FORCE

PAGE 06 RUEKJCS0379 UNCLAS

STRUCTURE AS ENUNCIATED IN THE EAST ASIA STRATEGY REPORT OF FEBRUARY 1995, WITH THE CURRENT TROOPS IN JAPAN AND APPROXIMATELY 100,000 IN THE REGION. THIS COMMITMENT, ALONG WITH U.S. DIPLOMATIC ALLIANCES AND FRIENDSHIPS IN THE REGION, SERVES AS A STABILIZING FORCE AND WILL BE MAINTAINED AS AN ESSENTIAL COMPONENT OF THE U.S. STRATEGY FOR THE REGION.

Q16. WHAT ARE THE BUDGET IMPLICATIONS TO THE U.S. OF THE REVISED GDL?

A16. THE U.S. ANTICIPATES NO BUDGET IMPLICATIONS FROM THE GUIDELINES REVISION.

Q17. DOES THE U.S. HAVE TO CHANGE ANY LAWS/POLICIES AS A RESULT OF THE REVISED GDL?

A17. THE UNITED STATES DOES NOT ANTICIPATE HAVING TO CHANGE ANY LAWS OR POLICIES AS A RESULT OF THE NEW GUIDELINES.

Q17. WHAT DO YOU ANTICIPATE AS THE FIRST TESTS OF THE REVISED GDL?

A17. NO ONE CAN PREDICT WHAT THE FIRST TEST WILL BE.

Q18. DESCRIBE THE WORKINGS OF THE PLANNING AND OPERATIONAL MECHANISMS. WILL THIS MECHANISM ENSURE REAL BILATERAL CONSULTATIONS BEFORE ACTION?

A18. THE EXACT STRUCTURE AND COMPOSITION OF THE PLANNING AND OPERATIONAL MECHANISMS WILL BE FINALIZED IN THE COMING WEEKS THROUGH UNCLAS FINAL SECTION OF 03 BILATERAL DISCUSSIONS. THE MECHANISMS ARE CERTAIN TO BE INTEGRATED TO ENSURE CONTINUITY FROM PREPARATION TO EXECUTION STAGE. THEIR VERY PURPOSE WILL BE TO ENSURE EFFECTIVE BILATERAL CONSULTATION AND

PAGE 02 RUEKJCS0380 UNCLAS

COORDINATION. THE SCC WILL CONTINUE TO BE RESPONSIBLE FOR POLICY DIRECTION.

Q19. WHAT IS THE DIFFERENCE BETWEEN BILATERAL DEFENSE PLANNINGS AND

MUTUAL COOPERATION PLANNING?

A19. BILATERAL DEFENSE PLANNINGS REFERS TO U.S.-JAPAN CONTINGENCY PLANNING IN CASE OF AN ARMED ATTACK AGAINST JAPAN. MUTUAL COOPERATION PLANNINGS REFERS TO U.S.-JAPAN PLANNING IN RESPONSE TO SITUATIONS IN AREAS SURROUNDING JAPAN.

Q20. WHAT IS THE DIFFERENCE BETWEEN THE COMPREHENSIVE MECHANISM FOR BILATERAL WORKS AND THE BILATERAL COORDINATION MECHANISMS?

A20. THE COMPREHENSIVE MECHANISM FOR BILATERAL WORKS DESCRIBED IN THE GUIDELINES IS A PROCESS CONDUCTED UNDER NORMAL CIRCUMSTANCES TO FACILITATE BILATERAL DEFENSE PLANNING AND MUTUAL COOPERATION PLANNING, AND TO HELP ESTABLISH COMMON STANDARDS AND PROCEDURES FOR BILATERAL ACTIVITY. THE BILATERAL COORDINATION MECHANISMS DESCRIBED IN THE GUIDELINES WILL COORDINATE ACTIVITY BETWEEN SEPARATE U.S. AND JAPANESE COMMAND STRUCTURES IN THE EVENT OF AN ARMED ATTACK AGAINST JAPAN AND SITUATIONS IN AREAS SURROUNDING JAPAN. BOTH THE COMPREHENSIVE MECHANISM AND THE BILATERAL COORDINATION MECHANISM WILL INVOLVE NOT ONLY U.S. FORCES AND JAPAN'S SELF-DEFENSE FORCES BUT ALSO

PAGE 03 RUEKJCS0380 UNCLAS

OTHER RELEVANT AGENCIES WITHIN THEIR RESPECTIVE GOVERNMENTS.

Q21. WHAT HAPPENS SHOULD THE U.S. AND JAPAN DISAGREE IN ASSESSING A REGIONAL SITUATION?

A21. RESPONSIBILITIES UNDER THE GUIDELINES APPLY ONLY WHEN BOTH SIDES ASSESS A SITUATION SIMILARLY. THE U.S. AND JAPAN WILL CONSULT CLOSELY AS A SITUATION DEVELOPS TO COORDINATE THEIR RESPECTIVE ASSESSMENTS AND RESPONSES.

Q22. WHAT ARE THE NEXT STEPS?

A22. THE RELEASE OF THE NEW GUIDELINES IS NOT THE END BUT THE END OF THE BEGINNING. THE U.S. AND JAPAN WILL CONTINUE INTENSIVE CONSULTATIONS TO ESTABLISH THE PLANNING AND OPERATIONAL MECHANISMS AND BEGIN THE PROCESS OF IMPLEMENTATION. CONSISTENT WITH THE PRINCIPLE OF TRANSPARENCY THAT THE TWO SIDES HAVE MAINTAINED THROUGHOUT THE REVIEW PROCESS, WE SEPARATELY WILL ALSO SEND REPRESENTATIVES TO THE REGION TO DISCUSS THE NEW GUIDELINES.

SACO

Q23. WILL THE DECEMBER 2 DEADLINE BE MET TO ANNOUNCE FUTENMA AIR STATION RELOCATION? WHAT STAGE IS THIS PROCESS IN? WHAT HAS CAUSED DELAYS?

A23. THE U.S. AND JAPAN REMAIN COMMITTED TO ENSURING STEADY

PAGE 04 RUEKJCS0380 UNCLAS

IMPLEMENTATION OF THE SACO FINAL REPORT OF DECEMBER 2, 1996. A KEY ELEMENT OF THE SACO PROCESS IS THE RELOCATION OF FUTENMA AIR STATION. DESPITE THE PUBLIC ATTENTION ON THE GUIDELINES REVIEW, THE U.S. AND JAPAN HAVE CONSULTED CLOSELY ON PROGRESS IN FUTENMA RELOCATION.

Q24. HAVE ANY DECISIONS BEEN MADE ABOUT CONSTRUCTION METHOD FOR THE NEW AIR STATION?

A24. NO DECISIONS HAVE YET BEEN MADE ABOUT CONSTRUCTION METHOD FOR THE NEW AIR STATION. THE FINAL DECISION ON THIS MATTER WILL COME FROM THE FUTENMA IMPLEMENTATION GROUP, A BILATERAL U.S.-JAPAN WORKING GROUP ESTABLISHED BY THE SCC AND UNDER THE SUPERVISION OF THE SECURITY SUB-COMMITTEE.

Q25. ASSESS PROGRESS ON OTHER ELEMENTS OF THE SACO FINAL REPORT.

A25. WHILE FUTENMA RELOCATION IS A KEY ELEMENT OF THE SACO FINAL

REPORT, THE U.S. AND JAPAN ARE EQUALLY COMMITTED TO OTHER ELEMENTS OF THE SACO FINAL REPORT. TWELVE OF THE 26 ELEMENTS IN THE REPORT HAVE BEEN COMPLETED, PARTICULARLY IN THE AREAS OF NOISE ABATEMENT, LIVE-FIRE TRAINING AND STATUS OF FORCES AGREEMENT-RELATED PROCEDURES. LAND RETURNS ARE MORE COMPLICATED AND ARE TAKING SOMEWHAT LONGER TO ACHIEVE.

HOST NATION SUPPORT

Q26. WHAT IS THE U.S. POSITION ON PROPOSED JAPANESE CUTS IN HOST NATION SUPPORT?

A26. THE U.S. VIEWS HOST NATION SUPPORT AS A CRITICAL CONTRIBUTION TO THE BILATERAL ALLIANCE. WE UNDERSTAND THE CONSTRAINTS IMPOSED BY JAPAN'S FISCAL SITUATION, SINCE WE TOO MUST FACE THE DIFFICULT TASK OF BALANCING SECURITY AND DECLINING BUDGETS. HOWEVER, HNS IS NOT A FINANCIAL ISSUE BUT A STRATEGIC ONE. WE CONTINUE TO CONSULT CLOSELY WITH THE JAPANESE ON THIS MATTER. WE ARE COOPERATING WITH THE GOJ ON ADJUSTMENTS TO HNS BASED ON BUDGETARY CONSTRAINTS. THE GOJ HAS TOLD US CONSISTENTLY THAT IT IS COMMITTED TO THE 1995 SPECIAL MEASURES AGREEMENT, AND WE HAVE EVERY CONFIDENCE THAT IT WILL FULFILL THIS AGREEMENT.

SECT: SECTION: 01 OF 03

<^SECT>SECTION: 02 OF 03

<^SECT>SECTION: 03 OF 03

SSN: 0378

<^SSN>0379

<^SSN>0380

TOR: 970923154121 M2944247

<^TOR>970923154207 M2944248

<^TOR>970923154254 M2944250

DIST:

SIT: ANDREASEN BADER BELL BOUCHARD GAGNON HAMEL KRISTOFF NORRIS PRITCHARD
SEATON SUETTINGER WITKOWSKY
SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Japan-U.S. / Diplomatic Relations (16 pages)	09/22/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

RESTRICTION CODES

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

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

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

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

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

RR. Document will be reviewed upon request.

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

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHCAA9304 2670106-UUUU--RHEHNSC.

LINE2: ZNR UUUUU ZZH

LINE3: O P 240102Z SEP 97

LINE4: FM SECSTATE WASHDC

OSRI: RUEHC

DTG: 240102Z SEP 97

ORIG: SECSTATE WASHDC

TO: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS IMMEDIATE

RUEHIA/USIA WASHDC PRIORITY 1105

RHEHNSC/NSC WASHDC PRIORITY 4217

RUCNDT/USMISSION USUN NEW YORK PRIORITY 7492

RUATNPP/AMCONSUL PUSAN IMMEDIATE 5353

RUEHKOF/AMCONSUL FUKUOKA IMMEDIATE 7538

RUEHKON/AMCONSUL NAGOYA IMMEDIATE 1062

RUEHBBMA/AMCONSUL NAHA IMMEDIATE 1183

RUEHOK/AMCONSUL OSAKA KOBE IMMEDIATE 4010

RUEHKOS/AMCONSUL SAPPORO IMMEDIATE 6563

INFO: RUEHLO/AMEMBASSY LONDON PRIORITY 2967

RUEHFR/AMEMBASSY PARIS PRIORITY 2758

RUEHMO/AMEMBASSY MOSCOW PRIORITY 3603

RUEHVEN/USMISSION USVIENNA PRIORITY

RUEHOL/AMEMBASSY BONN PRIORITY 4249

RUEHGV/USMISSION GENEVA PRIORITY 0715

RUEHLE/AMEMBASSY LUXEMBOURG PRIORITY 0560

RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0582

RUEKCCG/SECDEF WASHDC//USDP PRIORITY

RHHMUNA/USCINCPAC HONOLULU HI PRIORITY

RUAGAMS/COMUSKOREA SEOUL KS//CC/BJ/CJ/EJ/PAJ/SJS// PRIORITY

RUAGAMS/CHJUSMAG SEOUL KS PRIORITY

RUAGAMS/SACINCUNC KS PRIORITY

RUAGAMS/USCINCUNC SEOUL KS PRIORITY

RHHMBRA/CINCPACFLT HI PRIORITY

RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY

SUBJ: SEPTEMBER 23, 1997 PRESS GUIDANCES FOR THE EAP
REGION

ALL POSTS -- ALSO FOR USIS

SECDEF -- ALSO FOR OASD/PA

TEXT:

UNCLAS SECTION 01 OF 06 STATE 179304

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: SEPTEMBER 23, 1997 PRESS GUIDANCES FOR THE EAP
REGION

ALL POSTS -- ALSO FOR USIS

SECDEF -- ALSO FOR OASD/PA
 USCINOPAC FOR FPA TEARE
 TISVIENNA FOR UNVIE
 HANOI SEE PARA 12 IN RESPONSE TO E-MAIL REQUEST

1. INDEX

NORTH KOREA: FOUR PARTY TALKS PARAS 2-3
 NORTH KOREA: FOOD AID UPDATE PARAS 2 AND 4
 NORTH KOREA: NEEDS ASSESSMENT TEAM PARAS 2 AND 5
 CAMBODIAN: PRINCE RANARIDDH VISITING WASHINGTON PARAS 2
 AND G
 MALAYSIA AND SINGAPORE: AMERICAN CITIZENS TRAVELING TO
 PARAS 7-8
 JOINT STATEMENT OF THE U.S. - JAPAN CONSULTATIVE COMMITTEE
 ON COMPLETION OF THE REVIEW OF THE GUIDELINES FOR U.S. -
 JAPAN COOPERATION PARAS 9-10
 VIETNAM: AGENT ORANGE PARAS 11-12

2. WITH THE UNGA MEETINGS TAKING PLACE TN NEW YORK, THERE
 WAS NO BRIEFING AT THE STATE DEPARTMENT. THE FOLLOWING
 GUIDANCES WERE PREPARED ON 09/23/97 AND ARE AVAILABLE TO
 POSTS FOR USE ON AN IF ASKED BASIS.

3. NORTH KOREA -- FOUR PARTY TALKS

CONTEXT: THE DPRK HAS CONSISTENTLY DEMANDED A SPECIFIC AND
 CONCRETE AGENDA FOR THE PLENARY FOUR PARTY TALKS. THE
 OTHER THREE SIDES HAD AGREED DURING THE AUGUST 5-7
 PREPARATORY TALKS THAT A MORE GENERAL AGENDA, ALLOWING EACH
 PARTICIPANT TO RAISE ANY RELEVANT ISSUE, WAS MORE
 PRACTICAL. THE DPRK AGENDA ITEMS, SUCH AS DISCUSSION OF
 THE WITHDRAWAL OF U.S. TROOPS, WOULD PREJUDGE THE RESULTS
 OF THE PLENARY TALKS BEFORE NEGOTIATIONS BEGAN.

Q: THE U.S. SAID IT WANTED A SIMPLE, GENERAL AGENDA
 RATHER THAN A DETAILED ONE. WHY?

A: WE WANT AN AGENDA THAT ALLOWS EACH SIDE THE
 OPPORTUNITY TO RAISE ANY ISSUE OF CONCERN DURING THE
 PLENARY NEGOTIATIONS. WE DO NOT FAVOR, HOWEVER, PREJUDGING
 OR PREVIEWING THESE ISSUES IN SIMPLE PREPARATORY MEETINGS
 WHICH ARE AIMED AT PROMOTING AN EARLY INITIATION OF
 SUBSTANTIVE DISCUSSIONS.

(IF PRESSED)

- WE WOULD PERHAPS EVEN BE WILLING TO GO TO GENEVA
 WITHOUT AN AGENDA.

4. NORTH KOREA -- FOOD AID UPDATE

CONTEXT: : IN LATE AUGUST A STORM-SURGE DESTROYED A GOOD
 PART OF THE DPRK'S WESTERN SEA WALL. THE DAMAGE LED TO
 FLOODING AND FURTHER RAVAGED NORTH KOREAN AGRICULTURE. IN
 ANOTHER DEVELOPMENT, THE U.S. WILL SEND A TEAM OF AID
 EXPERTS TO THE DPRK. THE TEAM WILL ASSESS FOOD NEEDS AT

THE END OF THE HARVEST AND WORK TO FURTHER STRENGTHEN
MONITORING OF FOOD AID DISTRIBUTION. U.S. FOOD ASSISTANCE
TO THE DPRK IS DISTRIBUTED PRIMARILY THROUGH THE WORLD FOOD
PROGRAM (WFP). WE REMAIN CONFIDENT OF ITS ABILITY TO
UNCLAS SECTION 02 OF 06 STATE 179304

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: SEPTEMBER 23, 1997 PRESS GUIDANCES FOR THE EAP
REGION

MONITOR THE DELIVERY OF AMERICAN FOOD AID.

Q: ARE THERE ANY PLANS TO CHANGE AMERICAN FOOD AID POLICY
AFTER LAST WEEK'S BREAKDOWN OF THE FOUR PARTY PREPARATORY
TALKS?

A.:-- NO.

Q: WHAT IS THE STATUS OF AMERICAN FOOD AID TO NORTH
KOREA?

A.-- YOU WILL RECALL THAT WE ANNOUNCED A CONTRIBUTION OF
100,000 TONS OF FOOD AID IN JULY. ROUGHLY 55,000 TONS HAVE
BEEN DELIVERED. THE FOURTH AND LAST TRANCHE WILL ARRIVE IN
THE DPRK IN MID-OCTOBER. THERE ARE NO CURRENT PLANS FOR
MORE ASSISTANCE ALTHOUGH WE WILL EVALUATE SERIOUSLY ANY NEW
REQUESTS FROM INTERNATIONAL ORGANIZATIONS OR NGOS.

Q. IS THE WORLD FOOD PROGRAM PLANNING ANOTHER APPEAL FOR
NORTH KOREA?

A. : -- I WOULD REFER YOU TO THE WFP ON THAT.

Q: WHAT HAS THE U.S. ALREADY DONE?

A.-- THE U.S. HAS BEEN A LEADER IN THE HUMANITARIAN
RESPONSE TO THE FOOD PROBLEM IN THE DPRK. THE U.S.
GOVERNMENT IS THE LARGEST DONOR OF FOOD AID TO NORTH KOREA
UNDER THE AUSPICES OF THE WORLD FOOD PROGRAM. INCLUDING
THE ADDITIONAL 100,000 TONS OF FOOD AID ANNOUNCED IN JULY,
THE U.S. GOVERNMENT HAS DONATED \$52 MILLION IN HUMANITARIAN
ASSISTANCE FOR NORTH KOREA THROUGH THE WFP THIS YEAR. THE
U.S. GOVERNMENT ALSO GAVE \$8.4 MILLION IN HUMANITARIAN AID
TO UNICEF AND THE WFP FOR NORTH KOREA IN 1995 AND 1996.

(BRIEFER'S NOTE, FYI ONLY)

-CHINA HAS GIVEN MORE ON A GOVERNMENT-TO-GOVERNMENT BASIS).

5. NORTH KOREA -- NEEDS ASSESSMENT TEAM

CONTEXT: ON SEPTEMBER 17, THE SPOKESMAN ANNOUNCED THAT THE U.S. HAD PROPOSED TO SEND A TEAM OF AID EXPERTS TO THE DPRK, BOTH TO ASSESS FOOD NEEDS AND TO WORK TO FURTHER STRENGTHEN MONITORING OF FOOD AID DISTRIBUTION. DURING THE SEPTEMBER 16 U.S. - DPRK BILATERAL MEETING, THE DPRK WELCOMED THIS PROPOSAL AND AGREED TO CONTINUE TO DISCUSS ARRANGEMENTS FOR THIS MISSION, INCLUDING A DATE.

Q: WHEN WILL THE U.S. SEND ITS NEEDS ASSESSMENT TEAM TO THE DPRK?

A:-- A DATE HAS NOT YET BEEN AGREED UPON WITH THE DPRK.

(BRIEFER'S NOTE, FYI ONLY)

-WE HOPE TO GO RELATIVELY SOON (IN NEXT MONTH OR TWO).

-WE NEED TO DISCUSS WITH DPRK THROUGH NEW YORK CHANNELS.

-NO LINKAGE TO FOUR-PARTY TALKS (SO WE'RE NOT ASSUMING THAT LAST WEEK'S FAILURE WILL CAUSE NORTH KOREA TO BLOCK OR UNCLAS SECTION 03 OF 06 STATE 179304

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: SEPTEMBER 23, 1997 PRESS GUIDANCES FOR THE EAP REGION

DELAY THE ASSESSMENT TEAM)

-ON MONITORING (WASHINGTON POST ARTICLE TODAY): WE'RE CONFIDENT IN WORLD FOOD PROGRAM (WFP) MECHANISMS, BUT OUR TEAM WILL ALSO BE ASSESSING THIS ASPECT.

6. CAMBODIAN PRINCE RANARIDDH VISITING WASHINGTON

CONTEXT: CAMBODIA'S OUSTED FIRST PRIME MINISTER, PRINCE RANARIDDH, ARRIVES TODAY IN WASHINGTON. RANARIDDH AND HUN SEN SUBMITTED COMPETING CLAIMS TO CAMBODIA'S SEAT AT THE UNGA, RESULTING IN A VACANT SEAT FOR CAMBODIA AT THIS YEAR'S UN GENERAL ASSEMBLY. THE U.S. DECISION TO VOTE FOR RANARIDDH DEMONSTRATED CLEARLY OUR SUPPORT FOR DEMOCRACY IN CAMBODIA AND OUR OPPOSITION TO HUN SEN'S EXTRA-CONSTITUTIONAL ACTIONS.

Q: WHAT WILL PRINCE RANARIDDH BE DOING IN WASHINGTON?

A:-- PRINCE RANARIDDH'S VISIT IS BEING COORDINATED BY THE NATIONAL DEMOCRATIC INSTITUTE, TO WHICH WE WOULD REFER YOU

FOR DETAILS OF HIS SCHEDULE. WE ARE TRYING TO ARRANGE APPOINTMENTS WITHIN THE ADMINISTRATION IN WASHINGTON AND/OR NEW YORK.

7. THE FOLLOWING ANNOUNCEMENT WAS POSTED ON 09/23/97 IN THE STATE DEPARTMENT PRESS OFFICE.

8. PUBLIC ANNOUNCEMENT
U.S. DEPARTMENT OF STATE
OFFICE OF THE SPOKESMAN

MALAYSIA AND SINGAPORE

SEPTEMBER 19, 1997

AMERICAN CITIZENS TRAVELING TO MALAYSIA AND SINGAPORE, PARTICULARLY THOSE WITH RESPIRATORY CONDITIONS, SHOULD BE AWARE THAT AIR POLLUTION HAS REACHED "VERY UNHEALTHY" TO "HAZARDOUS" LEVELS ACCORDING TO THE MALAYSIAN AIR POLLUTANT INDEX AND "MODERATE" TO "UNHEALTHY" LEVELS ACCORDING TO THE SINGAPORE POLLUTANT STANDARDS INDEX. THE LOW AIR QUALITY LEVELS ARE DUE IN PART TO SMOKE AND PARTICULATES FROM FOREST FIRES IN INDONESIA AND UNUSUAL ENVIRONMENTAL CONDITIONS.

THE GOVERNMENT OF MALAYSIA HAS DECLARED A STATE OF EMERGENCY IN SARAWAK. AIRPORTS HAVE BEEN CLOSED SPORADICALLY AND FLIGHTS DELAYED DUE TO POOR VISIBILITY. TRAVELERS TO MALAYSIA ARE ADVISED BY THE MALAYSIAN MINISTRY OF HEALTH TO STAY INDOORS, REFRAIN FROM OUTDOOR EXERCISE, DRINK PLENTY OF WATER, USE EYE WASH IF IRRITATION OCCURS, AND WEAR A SURGICAL MASK IF THEY MUST STAY OUTDOORS FOR A PROLONGED PERIOD OF TIME. OFFICIAL USG PERSONNEL AT THE AMERICAN EMBASSY IN KUALA LUMPUR WITH MEDICAL PROBLEMS WHICH MAY BE EXACERBATED BY THE POLLUTION ARE BEING PERMITTED TO DEPART THE COUNTRY TEMPORARILY. THE MALAYSIAN DEPARTMENT OF ENVIRONMENT HAS ESTABLISHED A WEBSITE AT [HTTP: //WWW. JAS. SAINS .MY/DOE](http://www.jas.sains.my/doe).

SINGAPORE RADIO HAS ISSUED BULLETINS URGING THE ELDERLY AND THOSE WITH RESPIRATORY PROBLEMS TO REMAIN INDOORS.

TRAVELERS ARE ADVISED TO CONTACT THE U.S. EMBASSY IN KUALA UNCLAS SECTION 04 OF 06 STATE 179304

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A
TAGS: OPRC, XE, US
SUBJECT: SEPTEMBER 23, 1997 PRESS GUIDANCES FOR THE EAP REGION

LUMPUR OR IN SINGAPORE FOR UPDATES ON THE CURRENT SITUATION.

FOR ADDITIONAL INFORMATION ON TRAVEL TO MALAYSIA AND SINGAPORE, CONSULT THE DEPARTMENT OF STATE'S LATEST CONSULAR INFORMATION SHEETS FOR THOSE COUNTRIES.

THIS PUBLIC ANNOUNCEMENT EXPIRES ON OCTOBER 19, 1997.

9. THE FOLLOWING JOINT STATEMENT WAS ISSUED BY THE U.S.- JAPAN CONSULTATIVE COMMITTEE AT THE CONCLUSION OF TALKS THAT TOOK PLACE ON 09/23/97.

10. JOINT STATEMENT OF THE U.S. - JAPAN CONSULTATIVE COMMITTEE

COMPLETION OF THE REVIEW OF THE GUIDELINES FOR U.S. - JAPAN COOPERATION

SECRETARY OF STATE MADELEINE ALBRIGHT, SECRETARY OF DEFENSE WILLIAM COHEN, MINISTER FOR FOREIGN AFFAIRS KEIZO OBUCHI, AND MINISTER OF STATE FOR DEFENSE FUMLO KYUMA CONVENED THE SECURITY CONSULTATIVE COMMITTEE (SCC) IN NEW YORK ON SEPTEMBER 23, 1991, TO DISCUSS A VARIETY OF IMPORTANT ISSUES OF BILATERAL CONCERN, INCLUDING A REVIEW OF THE "GUIDELINES FOR U.S.-JAPAN DEFENSE COOPERATION" (THE GUIDELINES), ISSUES RELATED TO OKINAWA, AND REGIONAL SECURITY MATTERS.

THIS MEETING WAS HELD AT AN EXTREMELY IMPORTANT MILESTONE WHICH MARKED THE COMPLETION OF THE REVIEW OF THE GUIDELINES. THE GUIDELINES HAVE SERVED SINCE 19V8 TO ENHANCE A HISTORIC BILATERAL ALLIANCE BASED ON THE U.S.- JAPAN SECURITY TREATY OF 1960 THAT HAS HELPED TO MAINTAIN PEACE, PROSPERITY AND SECURITY IN THE ASIA-PACIFIC REGION.

THE TWO COUNTRIES AGREED IN THE U.S.-JAPAN JOINT DECLARATION ON SECURITY OF APRIL 17, 1996, TO FURTHER ENRICH THE ALLIANCE TO MEET NEW SECURITY CHALLENGES AFTER THE COLD WAR. THE AIM OF THE NEW GUIDELINES REMAINS THE SAME AS THAT OF THE 1978 GUIDELINES: TO PROVIDE A GENERAL FRAMEWORK AND POLICY DIRECTION FOR U.S.-JAPAN DEFENSE

COOPERATION UNDER NORMAL CIRCUMSTANCES AND DURING CONTINGENCIES.

THE SCC HAS AGREED TO START BILATERAL WORK IMMEDIATELY UNDER THE NEW GUIDELINES, AND HAS CONCLUDED THAT:

-THE ESTABLISHMENT OF A COMPREHENSIVE PLANNING MECHANISM IS CRITICALLY IMPORTANT;

-THE SUBCOMMITTEE FOR DEFENSE COOPERATION (SDC) MUST PROMPTLY COMPLETE BASIC WORK FOR BILATERAL DEFENSE PLANNING AND MUTUAL COOPERATION PLANNING;

-THE SDC'S MEMBERSHIP WILL INCLUDE THE DIRECTOR-GENERAL OF THE DEFENSE OPERATIONS BUREAU OF THE JAPAN DEFENSE AGENCY;

-THE TWO SIDES SHOULD INTENSIFY INFORMATION AND INTELLIGENCE SHARING AND POLICY CONSULTATIONS AS THEY COOPERATE UNDER THE NEW GUIDELINES.

THROUGHOUT THE REVIEW OF THE GUIDELINES AND AS A GENERAL

PRINCIPLE, THE TWO COUNTRIES HAVE ENDEAVORED TO MAINTAIN
TRANSPARENCY WITH REGARD TO THE U.S.-JAPAN ALLIANCE.
COMMITMENT TO TRANSPARENCY HAS BEEN FIRM AND WILL CONTINUE.
UNCLAS SECTION 05 OF 06 STATE 179304

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: SEPTEMBER 23, 1997 PRESS GUIDANCES FOR THE EAP
REGION

THE TWO SIDES ALSO DISCUSSED THE IMPLEMENTATION OF THE
SPECIAL ACTION COMMITTEE ON OKINAWA (SACO) FINAL REPORT.
THE FINAL REPORT CONSISTS OF PLANS AND MEASURES TO REALIGN,
CONSOLIDATE, AND REDUCE U.S. FACILITIES AND AREAS IN
OKINAWA AND TO ADJUST PROCEDURES OF U.S. FORCES IN OKINAWA,
IN ORDER TO EASE THE BURDEN OF U.S. FORCES' PRESENCE ON THE
PEOPLE OF OKINAWA A KEY ELEMENT OF THE SACO PROCESS IS THE
RELOCATION OF FUTENMA AIR STATION. THE SCC ADDRESSED
ISSUES INVOLVED IN THIS RELOCATION, AND THE TWO SIDES
REMAIN COMMITTED TO ENSURING STEADY IMPLEMENTATION OF THE
FINAL REPORT.

THE TWO SIDES DISCUSSED THE IMPORTANCE OF BALLISTIC MISSILE
DEFENSE (BMD) AND CONFIRMED THAT THE BILATERAL STUDIES WILL
CONTINUE. THEY ALSO DISCUSSED HOST NATION SUPPORT AS AN
IMPORTANT ELEMENT IN THE BILATERAL RELATIONSHIP.

THE UNITED STATES AND JAPAN EXCHANGED PERSPECTIVES ON THE
SECURITY SITUATION IN THE REGION. THEY DISCUSSED ISSUES
CONCERNING THE KOREAN PENINSULA. THEY SHARED THE VIEW THAT

THE UNITED STATES AND JAPAN EXCHANGED PERSPECTIVES ON THE
SECURITY SITUATION IN THE REGION. THEY DISCUSSED ISSUES
CONCERNING THE KOREAN PENINSULA. THEY SHARED THE VIEW THAT
IT IS EXTREMELY IMPORTANT FOR THE STABILITY AND PROSPERITY
OF THE REGION THAT CHINA PLAY A POSITIVE AND CONSTRUCTIVE
ROLE, AND IN THIS CONTEXT, STRESSED THE CONTINUED INTEREST
OF BOTH COUNTRIES IN FURTHERING COOPERATION WITH CHINA.

BUILDING UPON THE ACHIEVEMENTS OF ITS JOINT WORK, THE SCC
REAFFIRMED ITS RESOLVE TO ADDRESS A VARIETY OF COMMON
SECURITY ISSUES FOR 1997 AND BEYOND BY, AMONG OTHER THINGS:

-FOLLOWING-UP THE NEW GUIDELINES THROUGH APPROPRIATE
POLICIES AND MEASURES DEVELOPED BY THE RESPECTIVE
GOVERNMENTS AND THROUGH BILATERAL WORK;

-CONTINUING CLOSE CONSULTATIONS TO ENSURE STEADY
IMPLEMENTATION OF THE SACO FINAL REPORT, INCLUDING
THE RELOCATION OF FUTENMA AIR STATION;

-CONTINUING CLOSE CONSULTATIONS ON INTERNATIONAL SECURITY
MATTERS OF MUTUAL INTEREST.

IN CLOSING, THE UNITED STATES AND JAPAN AGREED THAT THE
BILATERAL ALLIANCE CONTINUES TO PROMOTE REGIONAL SECURITY

AND PLEDGED TO STRENGTHEN THIS IMPORTANT RELATIONSHIP TO MEET THE CHALLENGES OF A NEW CENTURY AS OUTLINED IN THE "U.S.-JAPAN JOINT DECLARATION ON SECURITY".

11. THE FOLLOWING GUIDANCE WAS PREPARED ON 09/23/97 IN RESPONSE TO A REQUEST FROM EMBASSY HANOI. POSTS MAY DRAW ON THIS GUIDANCE FOR USE ON AN IF ASKED BASIS.

12. VIETNAM: AGENT ORANGE

Q: DOES THE U.S. ACCEPT VIETNAM'S SCIENTIFIC EVIDENCE OF THE LINGERING EFFECTS OF AGENT ORANGE?

A: WE BELIEVE THAT THE AGENT ORANGE QUESTION SHOULD BE DISCUSSED ON THE BASIS OF SCIENTIFIC REVIEW, AND WE HAVE COMMUNICATED OUR POSITION TO THE VIETNAMESE. U.S. AGENCIES HAVE BEGUN PROGRAMS TO ASSIST VIETNAM TO DEVELOP ITS OVERALL PUBLIC HEALTH CAPABILITIES AND ARE PURSUING ADDITIONAL POSSIBILITIES FOR COOPERATION IN THIS FIELD,

Q: WILL THE U.S. ENTERTAIN CLAIMS FOR COMPENSATION FOR SUCH UNCLAS SECTION 06 OF 06 STATE 179304

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC, XE, US

SUBJECT: SEPTEMBER 23, 1997 PRESS GUIDANCES FOR THE EAP REGION

EFFECTS?

A: VIETNAMESE OFFICIALS HAVE NOT COMMUNICATED ANY CLAIMS OR DEMANDS FOR COMPENSATION TO ANY U.S. GOVERNMENT OFFICIALS. WE WOULD NOT WISH TO SPECULATE ABOUT ANY HYPOTHETICAL CLAIM OR THE BASIS ON WHICH IT MIGHT BE MADE. TALBOTT

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: 9304

<^SSN>9304

<^SSN>9304

<^SSN>9304

<^SSN>9304

<^SSN>9304

TOR: 970923210854 M2944667

<^TOR>970923210909 M2944668

<^TOR>970923210931 M2944670

<^TOR>970923211021 M2944671

<^TOR>970923211036 M2944672

<^TOR>970923211125 M2944673

DIST:

SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. cable	Re: Views on MCAS Futenma Relocation and Citizen's Referendum (5 pages)	09/25/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

RESTRICTION CODES

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

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

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

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

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

RR. Document will be reviewed upon request.

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

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. cable	Re: Reaction to Increased Aircraft Requirement (4 pages)	09/29/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

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 RUEHKO A8571 2740250-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 010250Z OCT 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 010250Z OCT 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1553
RUEHIA/USIA WASHDC IMMEDIATE 6966
INFO: RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEBBEA/USDOT WASHDC
RHEHAAA/WHITE HOUSE WASHDC
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEKJCS/JOINT STAFF WASHDC//J5//
RUALSFU/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUCPDO/USDOC WASHDC
RUEKJCS/SECDEF WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEAIIA/CIA WASHDC
RUEAWJA/USDOJ WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS OCTOBER 1

SUMMON WITNESSES, INCLUDING LDP POLICY AFFAIRS RESEARCH
COUNCIL CHAIRMAN TAKU YAMASAKI, AS IZUI HAS SAID AT A
PRESS CONFERENCE THAT HE HAD PROVIDED MONEY TO THEM.
TEXT:

//////////////////// INCOMPLETE MESSAGE //////////////////////

UNCLAS SECTION 02 OF 08 TOKYO 008571

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 OCTOBER 1

SUMMON WITNESSES, INCLUDING LDP POLICY AFFAIRS RESEARCH
COUNCIL CHAIRMAN TAKU YAMASAKI, AS IZUI HAS SAID AT A
PRESS CONFERENCE THAT HE HAD PROVIDED MONEY TO THEM.
AGAINST SUCH A CASE, THE LDP LEADERSHIP IS NOW ALREADY

MULLING A CROSS COUNTER. A FORMER CABINET MINISTER AMONG THE LDP EXECUTIVE OFFICERS SAYS, "IF THE DIET IS TO SUMMON WITNESSES ON THE IZUI PROBLEM WHICH HAS BEEN CARRIED OVER TO BE DISCUSSED IN THE BUDGET COMMITTEE, WE WILL THEN CALL FOR ANOTHER DIET SUMMONS OF WITNESSES ALSO ON SUCH ISSUES AS THE PROBLEM OF THE TWO CREDIT UNIONS INVOLVING NFP LEADERS."

CONCERNING THE ISSUE OF SUMMONING IZUI TO THE DIET, ONE OF THE LDP EXECUTIVE OFFICERS SAYS THE LDP "WILL HAVE NO CHOICE BUT TO AGREE IN THE END." HOWEVER, THE LDP HAS NOW ALREADY PLACED AN 'IZUI SHIFT' WITH ITS ASSIGNMENT OF TAKASHI FUKAYA AND SOME OTHER VETERAN MEMBERS TO THE LOWER HOUSE BUDGET COMMITTEE AS ITS DIRECTORS SO AS TO RIDE OUT THE PROBLEM OF POLITICAL ETHICS, SUCH AS THE DIET SUMMONS OF IZUI.

-- OPPOSITION PARTIES:

NOW THAT THE LDP AND THE THREE OPPOSITION PARTIES HAVE BROKEN OFF THEIR DIET POLICY CHIEFS' MEETING, THE OPPOSITION PARTIES ARE PLANNING TO BOYCOTT A MEETING OF THE LOWER HOUSE BUDGET COMMITTEE DIRECTORS SET FOR OCTOBER 1.

IT IS CLEAR TO THE OPPOSITION SIDE THAT EVEN IF THE MATTER IS DISCUSSED IN A MEETING OF THE LOWER HOUSE BUDGET COMMITTEE DIRECTORS, THE OPPOSITION PARTIES' MOTION FOR THE DIET SUMMONS OF WITNESSES WILL BE VOTED DOWN BY THE FORCE OF NUMBERS. SO, THE OPPOSITION SIDE, NOW REGARDING THE CURRENT DIET SESSION AS "A DIET SESSION ON POLITICAL ETHICS," INTENDS TO SEEK A SETTLEMENT AT A MEETING OF THE RULING AND OPPOSITION PARTIES' DIET POLICY COMMITTEE CHAIRMEN TO THE LAST, MAINTAINING THAT THE DIET SUMMONS OF IZUI IS "A PROBLEM THAT COULD AFFECT ALL COMMITTEE MEETINGS AND PLENARY SESSIONS AS WELL" (ACCORDING TO NFP SECRETARY GENERAL TAKEO NISHIOKA).

THE OPPOSITION PARTIES HAVE REPEATEDLY CALLED FOR AN ANSWER, BUT LDP DIET AFFAIRS COMMITTEE CHAIRMAN HORI HAS ONLY TOLD THEM OVER THE TELEPHONE THAT THE LDP WOULD NOT CHANGE ITS STANDPOINT. NFP DIET POLICY COMMITTEE CHAIRMAN KANSEI NAKANO SAYS, "OBVIOUSLY, THE LDP IS THINKING OF INVOLVING US IN THE BUDGET COMMITTEE (FOR CONSULTATIONS), AND THEY'RE THINKING OF TRYING TO DO THINGS AS THEY LIKE BY MAJORITY." THE OPPOSITION SIDE WILL NOT RESPOND TO CONSULTATIONS ABOUT A SCHEDULE FOR EACH PARTY'S REPRESENTATIVE INTERPELLATION ALSO IN THE COMMITTEE ON RULES AND ADMINISTRATION, IN ADDITION TO THAT FOR THE BUDGET COMMITTEE. THE THREE OPPOSITION PARTIES MAY HOLD A MEETING OF THEIR SECRETARIES GENERAL ON OCTOBER 1. TO TALK ABOUT HOW TO DEAL WITH THE ISSUE.

THE OPPOSITION SIDE REMAINS BULLISH, AS ONE OF ITS DIET POLICY COMMITTEE CHAIRMEN SAYS: "WE'LL HAVE TO START OUR DIET DISCUSSION OF THE FISCAL RESTRUCTURING BILL NEXT WEEK, OR IT WOULD BE DIFFICULT TO HAVE IT PASS THE DIET DURING THE CURRENT SESSION. IF THE BILL IS CARRIED OVER

OR SCRAPPED, THAT'S AN END TO THE HASHIMOTO GOVERNMENT."

-- 3 UPPER HOUSE GROUPS CALL FOR IZUI AS WITNESS

OFFICIALS RESPONSIBLE FOR THE DIET POLICY BOARDS OF THREE PARLIAMENTARY GROUPS IN THE UPPER HOUSE -- HEISEIKAI, MINSHUTO-SHINRYOKUFUKAI, AND TAIYOTO -- MADE A PROPOSAL TO THE LDP OF THE UPPER HOUSE ON SEPTEMBER 30, SEEKING TO OPEN THE BUDGET COMMITTEE AND SET A SCHEDULE FOR THE DIET SUMMONS OF JUNICHI IZUI (AN OSAKA-BASED OIL WHOLESALER ACCUSED OF INCOME TAX EVASION AND FRAUD) BEFORE THE UNCLAS SECTION 03 OF 08 TOKYO 008571

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 OCTOBER 1

BUDGET COMMITTEE'S OPENING OF ITS SESSION. THE LDP SIDE CONSENTED TO OPEN THE BUDGET COMMITTEE, BUT INSISTED ON HAVING THE DIET SUMMONS ISSUE DISCUSSED IN THE BUDGET COMMITTEE.

THREE COALITION PARTIES AGREE TO ESTABLISH POLITICAL REFORM COUNCIL TO TACKLE ETHICS ISSUE
(NIHON KEIZAI - PAGE 1)

THE HEADS OF THE LIBERAL DEMOCRATIC PARTY (LDP), SOCIAL DEMOCRATIC PARTY (SDP) AND SAKIGAKE PARTY YESTERDAY HELD A MEETING IN THE DIET BUILDING TO EXCHANGE NOTES OF AGREEMENT ON THE POLITICAL ETHICS ISSUE. REGARDING THE QUESTION OF RESTRICTING DIETMEMBERS WHO HAVE BEEN CONVICTED OF BRIBERY TO RUN FOR AN ELECTION AND SERVE IN A PUBLIC OFFICE, THE NOTES STIPULATE THAT "(THE THREE PARTIES) WILL IMMEDIATELY START LOOKING INTO THE MATTER INCLUDING LEGAL ASPECTS AND REACH A CONCLUSION DURING THE CURRENT DIET SESSION." THE THREE PARTIES WILL SOON SET UP A "POLITICAL REFORM COUNCIL (SEIJI KAIKAKU KYOGIKAI), WHICH WILL BE COMPOSED OF THEIR SECRETARIES GENERAL AND OTHER OFFICIALS. THE PLANNED COUNCIL MEMBERS WILL BOIL DOWN SPECIFIC MEASURES BY DECEMBER 12 BEFORE THE CURRENT DIET SESSION ENDS. WITH THE AGREEMENT, THE LDP-SDP-SAKIGAKE ARRANGEMENT, WHICH HAD BEEN STRAINED BY THE APPOINTMENT OF KOKO SATO AS DIRECTOR GENERAL OF THE MANAGEMENT AND COORDINATION AGENCY (MCA), HAS BEEN REPAIRED.

LDPQS ECONOMIC PACKAGE TO CENTER ON DEREGULATION, CORPORATE TAX BREAKS, AND LAND USE (YOMIURI - PAGE 3)

THE GOVERNMENT AND LIBERAL DEMOCRATIC PARTY (LDP) YESTERDAY DECIDED TO COME UP WITH MEASURES FOR REVITALIZE THE ECONOMY, WITH EMPHASIS ON DEREGULATION AND TAX REFORM. THE GOVERNMENT PLANS TO GIVE IMPETUS TO THE ECONOMY WITH A NEW PACKAGE. SPECIFICALLY, THE PACKAGE WILL FOCUS ON THREE AREAS: 1) PROMOTION OF DEREGULATION TO ENCOURAGE NEW BUSINESS ENTRIES; 2) TAX REFORM BY MEANS OF REVIEWING CORPORATE AND SECURITIES TAXES; AND 3) EASING RESTRICTIONS ON LAND TAXES TO STIMULATE LAND TRANSACTIONS. BUT AS FOR ADDITIONAL PUBLIC WORKS PROJECTS THAT WOULD REQUIRE FISCAL DISBURSEMENTS, THE GOVERNMENT PLANS TO CONSTRAIN BUDGETS TO MINIMUM, EXCEPT FOR DISASTER RECOVERY PROJECTS, IN COMPILING FY1997 SUPPLEMENTARY BUDGETS.

THE LDP AT ITS OFFICERS LIAISON MEETING YESTERDAY REACHED AN AGREEMENT ABOUT IMPLEMENTING ECONOMIC MEASURES. THE PARTY ALSO HAS DECIDED TO LET THE PARTY POLICY RESEARCH COUNCIL WORK OUT WPECIFIC MEASURES AND PRESENT THE PACKAGE TO THE GOVERNMENT FOR IMPLEMENTATION.

IT IS VIEWED THAT THE GOVERNMENT DECIDED TO DELIVER AN ECONOMIC STIMULUS PACKAGE AT THIS TIME OUT OF A SHARP SENSE OF CRISIS TOWARD THE SLOW ECONOMIC RECOVERY AS WELL AS TO THE DROP IN THE HASHIMOTO CABINET'S APPROVAL RATE OVER THE RESIGNATION OF KOKO SATO FROM HIS POST OF MANAGEMENT AND COORDINATION AGENCY DIRECTOR GENERAL.

SHIPOWNERS SAY U.S. SANCTIONS VIOLATE TRADE TREATY
(SANKEI - PAGE 11)

THE JAPAN SHIPOWNERS ASSOCIATION CHAIRMAN KENTARO KAWAMURA (PRESIDENT OF NIPPON YUSEN) IN A PRESS CONFERENCE YESTERDAY REVEALED THAT HIS ORGANIZATION WOULD SHORTLY ASK THE MINISTRY OF FOREIGN AFFAIRS (MOFA) TO PROPOSE TO THE UNITED STATES THAT THE TWO SIDES HOLD BILATERAL TALKS BASED ON THE JAPAN-U.S. TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION, CITING THE REASON THAT THE FEDERAL MARITIME COMMISSION'S (FMC) UNILATERAL SANCTIONS AGAINST THREE JAPANESE SHIPPERS WERE A VIOLATION OF THAT ACCORD.

UNCLAS SECTION 04 OF 08 TOKYO 008571

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 OCTOBER 1

REFERRING TO JAPAN'S LONG-STANDING "PRIOR CONSULTATION SYSTEM" IN CARGO HANDLING SERVICES, WHICH THE U.S. HAS SINGLED OUT AS THE PROBLEM, KAWAMURA SAID THAT "WE WOULD LIKE TO SEE A RESOLUTION BY THE OCTOBER 15 DEADLINE FOR PAYING PENALTIES TO THE U.S." THROUGH THE ONGOING TALKS BETWEEN SHIPPING COMPANIES AND JAPAN HARBOR TRANSPORTATION ASSOCIATION, A GROUP COMPOSED OF CARGO HANDLING FIRMS.

FMC HAS IMPOSED FINES STARTING ON SEPTEMBER 4 OF 100,000 DOLLARS PER U.S. PORT CALL BY CONTAINER SHIPS OPERATED BY NIPPON YUSEN, O.S.K. LINES, AND KAWASAKI KISEN KAISHA.

THE PENALTIES IMPOSED ON THE THREE CARRIERS DURING SEPTEMBER ALONE TOTAL MORE THAN 400 MILLION YEN, ACCORDING TO THIS ASSOCIATION.

THREE SHIPPERS WILL REFUSE TO PAY FINES IMPOSED BY FMC
(MAINICHI - PAGE 9)

THE UNITED STATES HAS IMPOSED PENALTIES ON THREE JAPANESE SHIPPING COMPANIES TO RETALIATE FOR RESTRICTIONS ON AMERICAN CARRIERS IN JAPANESE HARBORS DUE TO THE "SYSTEM OF PRIOR CONSULTATIONS" BETWEEN CARRIERS AND THE LABOR UNIONS REPRESENTING LONGSHOREMEN. THE THREE JAPANESE SHIPPERS, INCLUDING NIPPON YUSEN, ANNOUNCED YESTERDAY THAT THEY WOULD NOT PAY PENALTIES AND INSTEAD WOULD DEPOSIT THE MONEY FOR LEGAL ACTIONS IN THE UNITED STATES.

THE THREE SHIPPING COMPANIES, WHILE STEPPING UP THEIR EFFORTS TO IMPROVE THIS SYSTEM, HAS FILED A COMPLAINED WITH THE COLUMBIA CIRCUIT COURT. THEY HAVE DETERMINED NOT TO PAY PENALTIES EVEN IF THEY FAIL TO REACH A CONCLUSION ABOUT IMPROVING THE SYSTEM BY THE OCTOBER 15 DEADLINE FOR PAYING PENALTIES BUT TO DEMONSTRATE THE IMPROPRIETY OF THE U.S. SANCTIONS AGAINST JAPAN, AN INFORMED SOURCE SAID.

THE U.S. FEDERAL MARITIME COMMISSION (FMC) INVOKED SANCTIONS AGAINST NIPPON YUSEN AND OTHER TWO JAPANESE CARRIERS AT 1:00 P.M. OF SEPTEMBER 4 (U.S. LOCAL TIME: 0:00 A.M.) TO IMPOSE FINES OF 100,000 DOLLARS PER VOYAGE ON THEIR CONTAINER VESSELS DOCKING IN U.S. PORTS.

NEC PLANS TO OFFER LONG-DISTANT SUPERCOMPUTER SERVICES TO U.S. FROM CANADA (NIHON KEIZAI - PAGE 13)

IN RESPONSE TO THE UNITED STATES INTERNATIONAL TRADE COMMISSION'S (ITC) FINAL RULING, WHICH FOUND JAPANESE MANUFACTURERS TO BE GUILTY OF DUMPING THEIR SUPERCOMPUTERS IN THE UNITED STATES, NEC NOW PLANS TO TAKE A COMPREHENSIVE LOOK AT ITS SUPERCOMPUTER BUSINESS. IT IS GEARING UP FOR AN ALL-OUT WAR, INCLUDING THE POSSIBILITY OF FILING A COMPLAINT. IN THE MEANTIME, HOWEVER, IT PLANS TO SET UP IN CANADA A BUSINESS BASE FOR RECEIVING OUTSOURCING ORDERS ON A COMMISSION BASIS, USING A SUPERCOMPUTER INSTALLED IN THAT COUNTRY. IT WILL BEGIN

RECEIVING ORDERS FROM AMERICAN USERS FOR COMMUNICATIONS LINE-ASSISTED SCIENCE CALCULATIONS ON A COMMISSION BASIS. WE ASKED YUKIO MIZUNO, CHIEF OF THE TECHNOLOGY STRATEGY OFFICE, ABOUT THE FIRM'S FUTURE BUSINESS STRATEGY AND COUNTERMEASURES.

WILL TAKE ORDERS FOR CALCULATION SERVICE

-- FOLLOWING THE GUILTY RULING, HOW WILL NEC REVIEW ITS STRATEGY TOWARD THE U.S. MARKET?

"SINCE WE HAVE SO FAR EXPORTED TO THE U.S. ONLY SIX UNITS OF VECTOR-TYPE SUPERCOMPUTERS, THE TYPE THAT HAS BECOME SUBJECT TO THE DUMPING INVESTIGATION THIS TIME, THE GUILTY RULING WILL NOT HAVE AN IMMEDIATE MAJOR EFFECT ON UNCLAS SECTION 05 OF 08 TOKYO 008571

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 OCTOBER 1

OUR BUSINESS. HOWEVER, SINCE IT HAS NOW BECOME IMPOSSIBLE FOR US TO EXPORT SUPERCOMPUTERS TO THE U.S., WE WILL QUICKLY SET UP A BUSINESS BASE IN CANADA IN ORDER TO PURSUE HIGH-LEVEL SCIENCE AND TECHNOLOGY CALCULATION SERVICE ON A COMMISSION BASIS FOR AMERICAN RESEARCH ORGANS AND UNIVERSITIES. WE HAVE NOT YET LOCATED A SITE. TORONTO OR SOMEWHERE AROUND IT, WHICH IS CLOSE TO MAJOR CITIES IN THE U.S. EAST, MAY BE SUITABLE FOR THE PURPOSE. WE WILL INSTALL OUR 'SX-4' THERE AND RECEIVE ORDERS FOR CALCULATION SERVICE ON THE INTERNET."

-- DO YOU THINK THAT THE OUTSOURCING BUSINESS ALONE WILL SUFFICE IN MAKING INROADS INTO THE U.S. MARKET?

"WHAT USERS WANT IS NOT SUPERCOMPUTERS THEMSELVES BUT HIGH-SPEED AND ACCURATE CALCULATION SERVICE OFFERED BY HIGHLY SOPHISTICATED COMPUTERS. WE HAVE DELIVERED A SUPERCOMPUTER TO THE CANADIAN METEOROLOGICAL AGENCY. OUR PRODUCTS' PERFORMANCE ARE HIGHLY EVALUATED BY AMERICAN RESEARCH CENTERS. WE BELIEVE THERE IS DEMAND FOR REMOTE SERVICE. THE U.S. COMPANY CRAY RESEARCH, THE PLAINTIFF, HAS ALSO STARTED SIMILAR SERVICES. THE FUTURE SUPERCOMPUTER BUSINESS WILL FOCUS ON A SERVICE BUSINESS ON THE INTERNET, AND SO, TRADE FRICTION OVER EXPORTS OF HARDWARE ITSELF WILL LOSE ITS MEANING.

-- NEC HAS COME UP WITH A STANCE OF FIGHTING AN ALL-OUT

WAR OVER THE DUMPING ISSUE.

DETERMINED TO THOROUGHLY PURSUE UNDUE RULING

"WE WILL FILE A COMPLAINT WITH THE U.S. COURT OF INTERNATIONAL TRADE (CIT) AGAINST THE ITC'S FINAL RULING. REGARDING THE DUMPING INVESTIGATION CONDUCTED BY THE COMMERCE DEPARTMENT, TOO, WE HAVE TAKEN PROCEEDINGS FOR FILING AN APPEAL WITH THE U.S. APPELLATE COURT. WE HAVE EXPORTED NOT EVEN ONE UNIT OF OUR SUPERCOMUTERS TO AMERICAN RESEARCH ORGANS, THE LARGEST SUPERCOMPUTER PURCHASER, AND SO THE JUDGMENT THAT OUR PRODUCTS HAVE INFLICTED LOSSES ON THE U.S. MARKET IS UNREASONABLE. IN THE FINAL DECISION BY THE ITC, OF SIX MEMBER VOTERS, THREE, WHO ADVOCATE FREE TRADE, WERE NOT PRESENT. THE GUILTY DECISION WAS REACHED BY THE REMAINING THREE BY A MAJORITY OF 3 TO 0. WE WILL THOROUGHLY PURSUE THIS UNFAIR PROCESS."

JAPAN SHOULD FILE COMPLAINT WITH WTO

-- WHAT IS YOUR VIEW ON GOVERNMENT-GOVERNMENT NEGOTIATIONS, SUCH AS FILING A COMPLAINT WITH THE WORLD TRADE ORGANIZATION (WTO)?

"SUPERCOMPUTER-RELATED TECHNOLOGIES, SUCH AS NUCLEAR TEST SIMULATION AND NUCLEAR WEAPONS STOCK-PILE RESERVES, ARE DEEPLY CONNECTED WITH THE U.S.' NATIONAL DEFENSE. A GOVERNMENT JUDGMENT MIGHT HAVE WORKED FOR PREVENTING FURTHER PURCHASES OF FOREIGN-MADE SUPERCOMPUTERS FOR SECURITY REASONS. WE CAN CONTINUE OUR BUSINESS AIMED AT THE U.S. THROUGH OUTSOURCING-BASED CALCULATION SERVICE TO SOME EXTENT. HOWEVER, WE ARE NOT CONVINCED THAT WE HAVE NOW BECOME UNABLE TO EXPORT OUR PRODUCTS TO THAT COUNTRY DUE TO AN UNFAIR INVESTIGATION. SINCE THE PROBLEM CANNOT BE SOLVED THROUGH AN APPEAL BATTLE ON THE PRIVATE COMPANY LEVEL, WE WANT THE JAPANESE GOVERNMENT TO LOOK INTO THE POSSIBILITY OF FILING A COMPLAINT WITH THE WTO."

GOVERNMENT TO PROPOSE JOINT IMPLEMENTATION WITH DEVELOPING COUNTRIES OF CO2 GAS CUTS (SANKEI - PAGE 1)

PRIOR TO THE THIRD CONFERENCE OF PARTIES OF THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (KYOTO CONFERENCE FOR PREVENTION OF GLOBAL WARMING) SET FOR THIS DECEMBER, THE GOVERNMENT FIRMED UP AS OF YESTERDAY ITS UNCLAS SECTION 06 OF 08 TOKYO 008571

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 OCTOBER 1

POLICY DIRECTION OF SUGGESTING THE INCLUSION OF A PROTOCOL OF "JOINT IMPLEMENTATION WITH DEVELOPING COUNTRIES" IN A PROGRAM OF "REDUCTION IN GREENHOUSE-EFFECT GASES," SUCH AS CARBON DIOXIDE, WHICH BLOCK HEAT FROM RADIATING FROM THE EARTH. THIS "JOINT IMPLEMENTATION" WILL BE ADVANTAGEOUS TO FACILITATE ATTAINING OF (GREENHOUSE GAS) REDUCTION GOALS, FOR INDUSTRIALIZED COUNTRIES, IF BY WORKING TOGETHER WITH DEVELOPING COUNTRIES TO CUT GREENHOUSE GASES, THEY CAN COUNT A CERTAIN PERCENTAGE OF EMISSION REDUCTIONS FROM DEVELOPING COUNTRIES INTO THEIR OWN COUNTRIES' REDUCED PORTION.

ON GREENHOUSE-EFFECT GASES SUBJECT TO EMISSION CUTS, METHANE AND NITROGEN MONOXIDE WILL BE ADDED TO CARBON DIOXIDE FOR THE TIME BEING. THE GOVERNMENT WILL REVEAL THIS POLICY LINE AT THE RUN-UP MEETING TO TAKE PLACE IN BONN, GERMANY IN LATE OCTOBER PRIOR TO THE KYOTO CONFERENCE.

THE KYOTO CONFERENCE WILL ADOPT REDUCTION GOALS FOR GREENHOUSE-EFFECT GASES, SUCH AS CARBON DIOXIDE, TO BE APPLIED IN THE YEAR 2000. ACCORDINGLY, REDUCTION LEVELS AND THE KINDS OF GASES SUBJECT TO REDUCTION ARE NOW DRAWING ATTENTION.

THE REASON WHY THE GOVERNMENT FIRMED UP THE POLICY LINE OF PROPOSING "JOINT IMPLEMENTATION" WITH DEVELOPING COUNTRIES TO REDUCE GREENHOUSE-EFFECT GASES IS THAT THIS PROPOSAL WILL BE ADVANTAGEOUS TO INDUSTRIALIZED COUNTRIES INCLUDING JAPAN, WHICH ARE THOUGHT TO ENCOUNTER DIFFICULTIES IN LARGELY CUTTING SUCH GASES IN THEIR OWN COUNTRIES, TO ATTAIN GASES REDUCTION GOALS THAT WILL BE SET FROM NOW ON. THIS PROPOSAL WILL BE ADVANTAGEOUS ALSO TO DEVELOPING COUNTRIES BECAUSE THEY CAN CUT SUCH GASES BY USING TECHNOLOGY AND FUNDS INDUSTRIALIZED COUNTRIES WILL OFFER. HOWEVER, DEVELOPING COUNTRIES ARE OPPOSING THEIR BEING UNDER THE OBLIGATION TO REDUCE EMISSIONS OF SUCH GASES, CLAIMING, "IT IS THE INDUSTRIALIZED COUNTRIES THAT HAVE CAUSED THE WARMING OF THE EARTH." AND THE EUROPEAN UNION (EU) ASSUMES THE CAUTIOUS STANCE TOWARD "JOINT IMPLEMENTATION," FOR IF "JOINT IMPLEMENTATION" IS ALLOWED UNRESTRICTEDLY, THE INDUSTRIALIZED COUNTRIES MIGHT BECOME SLOW TO REDUCE EMISSIONS OF GASES. WHETHER AGREEMENT WILL BE REACHED IS THUS FLUID.

REGARDING GREENHOUSE-EFFECT GASES SUBJECT TO EMISSION CUTS, JAPAN HAS SO FAR INSISTED THAT ONLY CARBON DIOXIDE SHOULD BE SUBJECT TO SUCH CUTS, REASONING, "EMISSIONS OF ANY GASES OTHER THAN CARBON DIOXIDE CANNOT BE ACCURATELY MEASURED UNDER THE PRESENT TECHNOLOGICAL LEVELS."

HOWEVER, THE EU HAS SUGGESTED THE TYPES OF GASES SUBJECT TO EMISSION CUTS SHOULD BE CARBON DIOXIDE, METHANE AND

NITROGEN MONOXIDE, WHILE THE UNITED STATES HAS PROPOSED SIX TYPES OF GASES BY ADDING THE FREON GAS AND OTHER GASES TO THE ABOVE. IF JAPAN INSISTS ON ITS OWN IDEA, NO AGREEMENT MAY BE REACHED AT THE UPCOMING CONFERENCE, SO JAPAN HAS DECIDED TO MAKE CONCESSIONS.

THE GOVERNMENT IS ALSO CONSIDERING ADDING FREON, IN CONSIDERATION OF THE U.S. PROPOSAL.

ON THE GOVERNMENTAL NUMERICAL TARGET FOR EMISSION CUTS, THE KEY ISSUE, IT SHOULD HAVE BEEN ARRANGED WITHIN SEPTEMBER BUT IT HAS BEEN CARRIED OVER DUE TO A DELAY IN COORDINATING VIEWS BETWEEN THE ENVIRONMENT AGENCY AND THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY. DOMESTIC COORDINATION STILL FACES HARD GOING.

LDP BEING PRESSURED BY OTHER PARTIES TO SET CO2 REDUCTION TARGET AT 12 PERCENT OR MORE (SANKEI - PAGE 2)

UNCLAS SECTION 07 OF 08 TOKYO 008571

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 OCTOBER 1

SETTING A GLOBAL NUMERICAL TARGET FOR REDUCING GREENHOUSE-EFFECT GASES, SUCH AS CARBON DIOXIDE (CO2), IS AN URGENT TASK FOR THE UN CONFERENCE ON CLIMATE CHANGE KYOTO CONFERENCE (COP3). ALL PARTIES EXCEPT FOR THE LIBERAL DEMOCRATIC PARTY (LDP) HAVE COME UP WITH THEIR TARGETS BY YESTERDAY. THEY ALL CALL FOR REDUCING MORE THAN 12 PERCENT. THEIR FIGURES ARE EXPECTED TO SERVE AS PRESSURE ON THE GOVERNMENT, WHICH PLANS TO REVEAL JAPAN'S PLAN BY LATER OCTOBER.

AS FOR THE INTERNATIONAL LEVEL, THE EUROPEAN UNION (EU) HAS COME UP WITH A PLAN CALLING FOR REDUCING 15 PERCENT BELOW THE 1990 LEVEL BY THE YEAR 2010.

ON THE OTHER HAND IN JAPAN, COORDINATION WITHIN THE GOVERNMENT IS NOT GOING SMOOTHLY. IN ADDITION, THE RULING CAMP'S COP3 TEAM HAS BEEN WORKING ON THE PROJECT TO COME UP WITH A UNIFIED TARGET, BUT HAS YET TO COME UP WITH A CLEAR RESOLUTION.

AMONG LDP MEMBERS, KAZUO AICHI, CHIEF OF THE SECRETARIAT OF THE RULING CAMP'S COUNTERMEASURES TEAM, IS THE ONLY ONE WHO HAS REVEALED A PERSONAL OPINION OF "REDUCING MORE

THAN SEVEN OR EIGHT PERCENT." IN THE LDP, THERE IS A STRONG OPINION CENTERING ON COMMERCE AND INDUSTRY POLICY SPECIALISTS THAT THE PARTY SHOULD NOT COME UP WITH A HIGH FIGURE THAT IS UNACHIEVABLE. THE LDP'S MOOD HAS DRAWN A CRITICAL REACTION FROM THE SOCIAL DEMOCRATIC PARTY (SDP) AND SAKIGAKE PARTY, WHICH QUESTION, "IS THE LDP REALLY SERIOUS ABOUT PRODUCING A UNIFIED GOAL?" THERE IS A POSSIBILITY THAT THE RULING CAMP WILL FAIL TO PRODUCE A UNIFIED PROPOSAL. THE SDP AND SAKIGAKE ON THE 26TH PRODUCED A PROPOSAL CALLING FOR REDUCING SIX PERCENT FROM THE 1990 LEVEL BY THE YEAR 2005 AND 12 PERCENT BY 2010.

MEANWHILE, THE LARGEST OPPOSITION PARTY SHINSHINTO (NEW FRONTIER PARTY) HAS REQUESTED THE GOVERNMENT TO: 1) SET A REDUCTION TARGET CLOSE TO 15 PERCENT; AND 2) TO HAVE PRIME MINISTER RYUTARO HASHIMOTO SERVE AS CHAIR OF THE KYOTO CONFERENCE. THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN) ALSO HAS DECIDED TO CALL FOR PARING DOWN MORE THAN SIX PERCENT FROM THE 1990 LEVEL BY THE YEAR 2005 AND OVER 12 PERCENT BY 2010 AS GOALS FOR ALL INDUSTRIALIZED COUNTRIES. THE JAPAN COMMUNIST PARTY (JCP) IS EXPECTED TO COME UP WITH ITS OWN TARGET SOON. ACCORDING TO ITS "PROPOSALS FOR A NEW JAPANESE ECONOMY," COMPILED IN 1994, THE JCP THINKS CUTTING THE EMISSIONS BY 20 PERCENT IS FEASIBLE.

IT IS OBVIOUS THAT VARIOUS PARTIES, EXCEPT FOR THE JCP, GAVE CONSIDERATION TO THE EU PROPOSAL. THE GOVERNMENT HAS REBUTTED, "THE EU ITSELF IS AWARE THAT ITS PROPOSAL IS NOT FEASIBLE" (FOREIGN MINISTRY OFFICIAL). THE VIEW IS GROWING STRONGER AMONG VARIOUS PARTIES THAT JAPAN SHOULD COME UP WITH A HIGH FIGURE IN ORDER TO TAKE THE INITIATIVE AS THE COUNTRY HOSTING THE CONFERENCE" (SDP SOURCE). DIFFICULTIES ARE EXPECTED BEFORE JAPAN'S PROPOSAL CAN BE PRODUCED.

VARIOUS PARTIES' TARGETS FOR REDUCING GREENHOUSE EFFECTS-CAUSING GASES BY THE YEAR 2010

LDP UNDECIDED. KAZO AICHI'S OPINION: "THE REDUCTION TARGET SHOULD BE MORE THAN SEVEN OR EIGHT PERCENT."

SDP A 12 PERCENT REDUCTION.

SAKIGAKE A 12 PERCENT REDUCTION.

SHINSHINO A FIGURE CLOSE TO 15 PERCENT (TOMORROW CABINET ENVIRONMENT POLICY CONFERENCE)

UNCLAS SECTION 08 OF 08 TOKYO 008571

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 OCTOBER 1

MINSHUTO REDUCING MORE THAN 12 PERCENT.

JCP SLASHING CO2 EMISSIONS BY MORE THAN 20
PERCENT (PROPOSALS FOR A NEW JAPANESE
ECONOMY)

POSSIBILITY AGAIN FLOATED OF RULING PARTIES SENDING
DELEGATION TO NORTH KOREA (MAINICHI - PAGE 2)
THE NOTION OF SENDING A DELEGATION TO THE DEMOCRATIC
PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA) WAS TALKED ABOUT
YESTERDAY IN THE THREE RULING PARTIES OF THE LIBERAL
DEMOCRATIC PARTY (LDP), SOCIAL DEMOCRATIC PARTY (SDP) AND
SAKIGAKE PARTY. SEVERAL SENIOR LEADERS OF THE RULING
CAMP HAVE ALL RECEIVED INVITATIONS FROM THE NORTH KOREAN
GOVERNMENT. THE THREE PARTIES NOW PLAN TO CAREFULLY LOOK
INTO THE MATTER AND COORDINATE ALSO WITH THE JAPANESE
GOVERNMENT, WHILE CLOSELY WATCHING THE DEVELOPMENTS OF
THE ISSUE OF HOME VISITS BY JAPANESE WIVES LIVING IN THE
NORTH.

OBSERVERS STRONGLY BELIEVE THAT SECRETARY KIM JONG IL
WILL ASSUME THE POST OF SECRETARY GENERAL IN MID-OCTOBER.
ACCORDING TO THE SENIOR LEADERS OF THE RULING CAMP, THE
NORTH KOREAN SIDE REPORTEDLY HAS ASKED THE JAPANESE SIDE
TO SEND A DELEGATION AROUND THE TIME KIM WILL TAKE
OFFICE.

ANOTHER SENIOR LEADER OF THE RULING CAMP REVEALED THE
VIEW THAT CAUTIOUS COORDINATION WOULD BE NEEDED, AT THE
SAME TIME, REMARKED: "COMPARED WITH THE PAST,
CIRCUMSTANCES ARE GRADUALLY IMPROVING FOR DISPATCHING A
DELEGATION."

SDP SECRETARY GENERAL SHIGERU ITO HAS TAKEN A POSITIVE
STANCE FOR SENDING A DELEGATION. LDP EXECUTIVE COUNCIL
CHAIRMAN YOSHIRO MORI AND LDP UPPER HOUSE SECRETARY
GENERAL MASAKUNI MURAKAMI AND OTHER SENIOR LEADERS HAD
RECEIVED INVITATIONS FROM THE NORTH KOREAN SIDE.

PRIME MINISTERS TRIP TO SAUDI ARABIA NOW BEING
COORDINATED (NIHON KEIZAI - PAGE 3)

PRIME MINISTER RYUTARO HASHIMOTO HAS STARTED COORDINATING
HIS SCHEDULE IN ORDER TO TRAVEL TO SAUDI ARABIA IN MID-
NOVEMBER. THIS WAS REVEALED YESTERDAY BY A GOVERNMENT
SOURCE. THE AIM OF THE TRIP IS TO CEMENT RELATIONS
BETWEEN LEADERS FOR THE PURPOSE OF PROMOTING THE PRIME
MINISTER'S MIDDLE EAST DIPLOMACY. SINCE KING FAHD IS NOW
IN POOR HEALTH, THE PRIME MINISTER WILL TRAVEL TO SEE

HIM. HE WILL MAKE A WEEKEND TRIP DUE TO THE JAMMED DIET SCHEDULE AND OTHER MATTERS.

GOVERNMENT ESTABLISHES LOCAL HEADQUARTERS IN OKINAWA FOR PROMOTING ALTERNATE HELIPORT (NIHON KEIZAI - PAGE 2)

THE GOVERNMENT YESTERDAY CREATED A LOCAL MEASURES HEADQUARTERS IN NAHA CITY TO HANDLE THE PROBLEM OF CONSTRUCTING AN ALTERNATE HELIPORT NOW THAT THE UNITED STATES FORCES' FUTENMA AIR STATION ON OKINAWA IS TO BE RETURNED TO JAPAN. THIS ORGAN WILL SERVE AS A LIAISON OFFICE FOR COORDINATION WITH LOCAL MUNICIPALITIES. HEADING THE OFFICE WILL BE PARLIAMENTARY VICE DEFENSE MINISTER YUKO KURIHARA. THE FIRST MEETING WILL TAKE PLACE POSSIBLY EARLY NEXT WEEK. CRANE

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: 8571
<^SSN>8571
<^SSN>8571
<^SSN>8571
<^SSN>8571
<^SSN>8571
<^SSN>8571

TOR: 971001015752 M2956282
<^TOR>971001015808 M2956283
<^TOR>971001015858 M2956284
<^TOR>971001015912 M2956285
<^TOR>971001020024 M2956287
<^TOR>971001020451 M2956297
<^TOR>971001020106 M2956288

DIST:
SIT: NSC

Cable

PREC: IMMEDIATE
CLASS: UNCLASSIFIED
LINE1: OAAUZYUW RUEHKO A8626 2750645-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 020645Z OCT 97
LINE4: FM AMEMBASSY TOKYO
OSRI: RUEHKO
DTG: 020645Z OCT 97
ORIG: AMEMBASSY TOKYO
TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1617
RUEHIA/USIA WASHDC IMMEDIATE 6994
INFO: RHEHAAA/WHITE HOUSE WASHDC
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUEAIIA/CIA WASHDC
RUCPDOG/USDOC WASHDC
RUEHRC/USDA FAS WASHDC 3853
RUEBBEA/USDOT WASHDC
RUEAWJA/USDOJ WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS OCTOBER 2

TOP HEADLINES:

TEXT: UNCLAS SECTION 01 OF 11 TOKYO 008626

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
FT/PA; COMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS OCTOBER 2

TOP HEADLINES:

ASAHI: DISPUTE-SETTLEMENT PANELS UNDER CENTRAL OR LOCAL
OVERNMENTS LIKELY TO HAVE AUTHORITY AS "RECOMMENDATION"
WITH NO LEGAL BINDING FORCE; DECENTRALIZATION PANEL'S
POLICY; RETREAT FROM "DECISION"

NIHON KEIZAI: YIELDS IN WELFARE PENSION FUND WORSEN TO 2 PERCENT LEVEL IN FISCAL 1996; FIRMS NEED TO COMPENSATE; POSSIBILITY OF LOWERING PENSIONS

TOKYO SHIMBUN: 2.7 TRILLION YEN IN TAXES TO CENTRAL GOVERNMENT IN ARREARS; "ABUSE" OF 430 BILLION YEN FROM CONSUMPTION TAX PORTIONS; OCCUPYING TOP POSITION AMONG ITEM-BY-ITEM REASONS FOR FOUR YEARS IN ROW; ACCORDING TO ACCUMULATED DATA AT END OF FISCAL 1996; NATIONAL TAX OFFICIALS URGED TO TAKE ACTION

MAINICHI: MAJOR SECURITIES FIRMS' EXCESSIVE ENTERTAINING OF EX-FINANCE MINISTRY OFFICIAL, NOW SERVING AS DIRECTOR OF JAPAN HIGHWAY PUBLIC CORPORATION; A TOTAL OF SEVERAL MILLIONS OF YEN; FOR PURPOSE OF GETTING MANAGING UNDERWRITER POSITION?

YOMIURI: JAPAN SETS TARGET OF 5 PERCENT CUT OF EMISSIONS OF THREE KINDS OF GREENHOUSE GASES FROM 1990 LEVELS; DISCUSSION STARTS AMONG COUNTRIES IN KYOTO CONFERENCE (TRANSLATION BELOW)

SANKEI: NEGATIVE GROWTH IN REAL INTEREST RATES; FIRST IN 20 YEARS SINCE OIL SHOCK; "LONG-TERM INTEREST RATES" NOW ON 1.7 PERCENT LEVEL FOR FIRST TIME

GOVERNMENT TO SET TARGET REDUCING GREENHOUSE GAS BY 5 PERCENT BY 2010 FROM THE 1990 LEVEL (YOMIURI - TOP PLAY)

(WASHINGTON, OCTOBER 1, TORU KUNIMATSU) THE JAPANESE GOVERNMENT AS OF OCTOBER 1 HAS DECIDED ON A TARGET OF REDUCING GREENHOUSE GASES BY 5 PERCENT BY THE YEAR 2010 FROM 1990 LEVELS. THIS WILL BE JAPAN'S PROPOSAL AT THE KYOTO CONFERENCE ON GLOBAL WARMING UNDER THE FRAMEWORK CONVENTION ON CLIMATE CHANGE, WHERE REDUCTION TARGETS FOR CO2 AND OTHER GREENHOUSE GASES ARE TO BE ADOPTED. AMBASSADOR FOR GLOBAL ENVIRONMENT AFFAIRS TOSHIKI TANABE, NOW VISITING THE UNITED STATES, HAS HANDED OVER TO THE U.S. GOVERNMENT A LETTER FROM PRIME MINISTER RYUTARO HASHIMOTO TO PRESIDENT CLINTON ASKING FOR HIS UNDERSTANDING OF JAPAN'S PROPOSAL AS THE CHAIRING COUNTRY OF THE CONFERENCE. TANABE IS NEXT SCHEDULED TO FLOATED THE PROPOSAL TO EACH EUROPEAN UNION (EU) COUNTRY, BUT EU'S STRONG REACTIONS ARE SEEN AS LIKELY SINCE IT HAS CALLED FOR A 15 PERCENT REDUCTION BY 2010. THE GOVERNMENT, AFTER TAKING IN THE REACTIONS OF EACH COUNTRY, WILL FORMALLY ADOPT THE PROPOSAL AROUND MID-MONTH, BUT WITH THE ADOPTION OF A TARGET BY JAPAN, WHICH HAD BEEN CRITICIZED BY EACH COUNTRY FOR NOT INDICATING ITS REDUCTION NUMBER, THE NEGOTIATIONS AMONG THE PARTICIPATING COUNTRIES WILL ENTER THE SUBSTANTIVE PHASE OF DISCUSSIONS.

JAPAN'S PROPOSAL FIRST OF ALL SETS A 5 PERCENT REDUCTION TARGET FOR ITSELF BY 2010. IN ADDITION, IT WILL ARGUE THAT IN ORDER TO REACH ANY TARGET, IMPLEMENTATION SHOULD BE FLEXIBLY CARRIED OUT BY TAKING INTO CONSIDERATION VARIOUS SORTS OF DOMESTIC CONDITIONS AND IT WILL URGE

OTHER COUNTRIES TO ADOPT A FORMULA THAT WOULD RESULT IN EACH HAVING A REDUCTION TARGET.

JAPAN ALSO HAS DROPPED ITS PREVIOUS STAND THAT EACH COUNTRY SHOULD CHOOSE BETWEEN A PER-CAPITA EMISSION SET-UP AND OVERALL EMISSIONS REDUCTION AND WILL SHIFT TO THE ACROSS-THE-BOARD REDUCTION FORMULA FOR EACH COUNTRY AS UNCLAS SECTION 02 OF 11 TOKYO 008626

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 OCTOBER 2

PROPOSED BY EUROPE AND THE UNITED STATES. IT ALSO HAS ADDED TO CARBON DIOXIDE (CO2), TWO OTHER EMISSION GASES: METHANE AND NITROUS OXIDE (N2O).

JAPAN PREVIOUSLY HAD INSISTED THAT ONLY CO2 BE THE TARGET FOR EMISSION REDUCTION, THAT GAS MAKING UP 95 PERCENT OF JAPAN'S OWN WARMING-EFFECT GASES. BUT IN PREPARATORY NEGOTIATIONS TO DATE, ALMOST ALL COUNTRIES, STARTING WITH EUROPE AND THE U.S., PROPOSED SEVERAL GASES BE MADE SUBJECT TO THE TARGETS. JAPAN CHANGED ITS PLAN AFTER JUDGING THAT IT WOULD BE DIFFICULT TO REACH AN AGREEMENT WITH THE OTHER COUNTRIES IS ONLY CO2 WERE CONSIDERED.

IN ADDITION, JAPAN HAS HAMMERED OUT A STANCE OF GOING ALONG WITH THE U.S.' STRONG REQUEST FOR "TRADABLE EMISSIONS" OR THE BUYING AND SELLING OF EMISSIONS' ALLOWANCES AMONG COUNTRIES THAT FIND IT DIFFICULT TO REDUCE EMISSIONS AND THOSE WITH REDUCTION SURPLUSES.

AMBASSADOR TANABE IN HIS CONVERSATIONS WITH HIGH-LEVEL U.S. OFFICIALS, PRESENTED SEVERAL OPTIONS INCLUDING SETTING A STANDARD FOR MEASURING PROGRESS IN ENERGY CONSERVATION IN GDP TERMS AS A MEANS OF FLEXIBLY APPLYING (THE REDUCTION FORMULA). A PLAN THAT STRESSES THE NECESSITY FOR FLEXIBLE APPLICATION WOULD SEEM TO APPEAL TO THE U.S. SINCE IT HAS ENCOUNTERED STRONG RESISTANCE FROM INDUSTRIAL CIRCLES AND THE CONGRESS TOWARD REDUCING EMISSIONS.

THE GOVERNMENT BELIEVES THAT THE KEY TO A SUCCESSFUL KYOTO CONFERENCE WOULD BE THE ADDITION OF THE U.S. TO A REDUCTION AGREEMENT, SINCE THAT COUNTRY MAKES UP A QUARTER OF CO2 EMISSIONS IN THE WORLD. THE IDEA THUS WAS TO SHOW JAPAN'S PROPOSAL FIRST TO THE U.S. AND SEEK ITS UNDERSTANDING.

AMBASSADOR TANABE THIS WEEKEND WILL ATTEND AN INFORMAL MEETING OF MINISTERS FROM THE ASIA-PACIFIC IN HAWAII. AFTER THAT, HE PLANS TO TRAVEL TO EU COUNTRIES TO EXPLAIN THERE HIS COUNTRY'S PROPOSAL. HOWEVER, COMPARED TO THE EU PROPOSAL WHICH CALLS FOR A 15 PERCENT REDUCTION, JAPAN'S PLAN IS 10 PERCENT LOWER AND THERE IS A MAJOR DIFFERENCE IN TERMS OF RESULTS, SO IT IS LIKELY THAT HE WILL ENCOUNTER STRONG CRITICISM FROM EACH EU COUNTRY.

DOMESTIC COORDINATION ON SETTING A NUMERICAL TARGET HAS BEEN DEADLOCKED WITH THE ENVIRONMENT AGENCY INSISTING IT WAS POSSIBLE TO REDUCE EMISSIONS BY 7 PERCENT BY PROMOTING AN ENERGY CONSERVATION POLICY AND THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY FINDING ANY SUBSTANTIAL REDUCTIONS DIFFICULT. PRIME MINISTER HASHIMOTO HAS JUMPED INTO THE COORDINATION PROCESS AND HAS MANAGED TO SQUEEZE OUT A FIVE PERCENT REDUCTION TARGET. THE GOVERNMENT PLANS NOW TO IMMEDIATELY PUT TOGETHER POLICY MEASURES TO REACH THAT TARGET.

PRIVATE ECONOMISTS PESSIMISTIC ABOUT ECONOMY WITH LATEST TANKAN REPORT (NIHON KEIZAI - PAGE 5)

THE BANK OF JAPAN'S (BOJ) QUARTERY "TANKAN" OR SHORT TERM BUSINESS SURVEY REPORT, RELEASED YESTERDAY, REVEALED THAT BUSINESS CONFIDENCE IS TURNING FOR WORSE AND CONCERN ABOUT PROSPECTS FOR THE ECONOMY, WHICH HAS BEEN ON A MILD RECOVERY TRACK, IS MOUNTING. SOME ECONOMISTS IN THE PRIVATE SECTOR ARE BEGINNING TO TAKE A VIEW THAT "THERE HAS APPEARED A CONCERN ABOUT THE ECONOMY SLIPPING INTO A DOWNWARD TREND." MOST MARKET PLAYERS TAKE A BEARISH VIEW WITH LONG-TERM INTEREST RATES RESETTING A NEW RECORD LOW. THE KEY TO RECOVERY FROM THE SAGGING ECONOMY IS WHETHER PERSONAL CONSUMPTION WILL SHAPE OUT OF A SLACK AND PROGRESS WILL BE MADE ON THE ADJUSTMENT OF PILED-UP INVENTORIES, SUCH AS AUTOS, HOUSEHOLD ELECTRIC APPLIANCES
UNCLAS SECTION 03 OF 11 TOKYO 008626

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 OCTOBER 2

AND SOME MATERIALS, WHILE CAPITAL INVESTMENT AND INCREASING EXPORTS ARE UNDERGIRDING THE ECONOMY.

THE LARGEST MISCALCULATION REGARDING THE SUDDEN EXACERBATION OF BUSINESS CONFIDENCE IS A DROP IN

CONSUMPTION, WHICH HAS FALLEN BEYOND THE PROJECTION BY COMPANIES, THE GOVERNMENT AND THE BOJ. IN THE ANALYSIS OF KAGEHIDE KAKU, DEPUTY MANAGING DIRECTOR OF THE DAIWA RESEARCH INSTITUTE AND A FORMER BOJ OFFICIAL, "THE BEST POSSIBLE SCENARIO HAS BEEN TO MAINTAIN AS PREVAILING TREND A PACE OF 2-PERCENT GROWTH IN REAL TERMS, BUT THE RISK OF GROWTH TAKING A DOWNWARD TURN HAS BECOME CONSIDERABLY STRONG."

ASKED ABOUT PROSPECTS FOR A CONSUMPTION TREND AS SHOWN BY THE TANKAN REPORT, TAKASHI KINOUCHI, CHIEF OF THE RESEARCH DEPARTMENT OF THE LONG-TERM CREDIT BANK OF JAPAN, POINTED OUT, "IF INTENSIVE SALES OFFENSIVES FROM THE FALL THROUGH THE YEAR'S END CAN SPARK DEMAND, THEN A DOWNWARD SPIRAL IN THE ECONOMY MIGHT BE ABLE TO BE AVOIDED." HE THEN ADDED, "COMPANIES HAVE NOT RELINQUISHED EXPECTATIONS FOR THE FUTURE." THE PREVALENT VIEW SUGGESTED BY THE DIFFUSION INDEX (DI) FOR A PERIOD UP TO DECEMBER IS THAT TRADING HOUSES AND RETAILERS IMPROVE THEIR BUSINESS PERFORMANCE.

AMID A PROLONGED HANGOVER IN CONSUMPTION (AFTER RUSH-IN DEMAND BEFORE THE CONSUMPTION TAX HIKE IN APRILS), CAPITAL SPENDING IS UNDERGIRDING THE ECONOMY FOR THE TIME BEING. GROWTH SEEN IN MANUFACTURERS' INVESTMENT PLANS IS STILL HIGHER THAN THE PREVIOUS YEAR'S LEVEL. THE TREND REVEALED IN THE REPORT THIS TIME IS DIFFERENT FROM THE CONVENTIONAL PATTERN OF ECONOMIC RECOVERY, WHICH IS LED BY CAPITAL SPENDING BY MEDIUM AND SMALL-SIZE COMPANIES, BUT THE BOJ COUNTS ON STEADY CAPITAL INVESTMENT, SAYING, "THE UPWARD TREND HAS NOT BEEN BROKEN YET."

HOWEVER, THE PREVALENT VIEW ON A PERIOD LEADING UP TO FISCAL 1998 IS: "EVEN THOUGH THE NEGATIVE IMPACT OF A REDUCTION OF FISCAL DISBURSEMENTS HAS RUN ITS COURSE, THE RECOVERY OF EMPLOYMENT IS STILL SLUGGISH. CONSUMPTION IS LIMITED IN ITS CAPABILITY TO PUSH UP CONSUMPTION" (TETSUHIRO YAMAKAWA, CHIEF OF THE RESEARCH DIVISION OF GOLDMAN SACHS SECURITIES). THE BOJ INTENDS TO MAINTAIN THE CURRENT ULTRA-LOW INTEREST RATE POLICY FOR THE TIME BEING, BUT ITS EFFECT OF STIMULATING HOUSING, PLANT AND EQUIPMENT INVESTMENTS IS LOSING LUSTER. AGAINST THE BACKDROP WHERE ONE CANNOT EXPECT THE APPLICATION OF THE LEVERAGE OF FISCAL DISBURSEMENTS FOR ECONOMIC RECOVERY, SOME ECONOMISTS ARE NOW BEGINNING TO ENVISION A SCENARIO THAT SUGGESTS THAT THE MAINTAINING OF ECONOMIC RECOVERY IS NOW AT A CROSSROADS.

-- ECONOMIC SCENARIOS AS ENVISIONED BY INFLUENTIAL ECONOMISTS --

JESPER KOHL (CHIEF RESEARCHER AT JP MORGAN) THE KEY TO GROWTH IS AN INCREASE IN CAPITAL SPENDING AND A RESUMPTION OF EXPANDED HOUSING INVESTMENT. THE ECONOMY MIGHT RECOVER TO ACHIEVE GROWTH OF 2.8 PERCENT IN FISCAL 1998.

TAKASHI KINOUCHI (CHIEF OF THE RESEARCH DEPARTMENT OF

THE LONG-TERM CREDIT BANK OF JAPAN) FINAL DEMAND-PULL IS SLOW, SIGNALING A SLIM POSSIBILITY OF THE ECONOMY BEING PUT BACK ON THE RECOVERY TRACK. HOWEVER, BUSINESS WILL NOT SLIP INTO A DOWNWARD TREND IF DEMAND FOR CONSUMPTION IS ROUSED.

TETSUHIRO YAMAKAWA (CHIEF OF THE ECONOMIC RESEARCH DIVISION OF GOLDMAN SACHS) GROWTH RELYING ON EXTERNAL DEMAND WILL CONTINUE TO THE OUTSET OF FISCAL 1998. THE UNCLAS SECTION 04 OF 11 TOKYO 008626

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 OCTOBER 2

TRADE SURPLUS WILL REACH AN ALARMING LEVEL. NEGATIVE GROWTH MIGHT OCCUR IF RELIANCE ON EXTERNAL DEMAND BECOMES IMPOSSIBLE.

KAGEHIDE KAKU (DEPUTY DIRECTOR OF DAIWA RESEARCH INSTITUTE) THE RISK OF THE ECONOMY SLIPPING INTO A DOWNWARD TREND WILL INCREASE DUE TO CONCERN ABOUT A DOWNWARD REVISION OF CORPORATE EARNINGS, STAGNANT GROWTH IN EMPLOYMENT AND A SLOWDOWN IN EXPORTS TO THE UNITED STATES AND ASIA.

SUSUMU TAKAHASHI (CHIEF OF THE RESEARCH DEPARTMENT OF THE JAPAN RESEARCH INSTITUTE) AS CAPITAL SPENDING AND EMPLOYMENT CONTINUE ON A MODERATE RECOVERY PATH AND THE IMPACT OF STRINGENT MONETARY POLICIES DWINDLES, THE ECONOMY WILL PICK UP, BUT THE TEMPO FOR RECOVERY WILL BE EXTREMELY SLOW.

NTT PROCUREMENT PACT EXTENDED TWO YEARS
(NIHON KEIZAI - PAGE 7)

(WASHINGTON, OCTOBER 1, TORU MACHIDA) JAPAN AND THE UNITED STATES REACHED AN AGREEMENT LATE ON SEPTEMBER 30, U.S. EASTERN TIME (AFTERNOON OF OCTOBER 1, JAPAN TIME) TO EXTEND THE AGREEMENT ON TELECOMMUNICATIONS EQUIPMENT PROCUREMENT BY NIPPON TELEGRAPH AND TELEPHONE CORP. (NTT) DURING THE BILATERAL SESSION WHICH WAS BEING HELD IN WASHINGTON FROM SEPTEMBER 22. SPECIFICALLY, THE TWO COUNTRIES AGREED TO EXTEND THE PACT TWO YEARS AND THREE MONTHS UNTIL DECEMBER 1999, AT WHICH POINT NTT WILL BE REORGANIZED, AND TO TAKE SEVEN STEPS TO MAKE PROCUREMENT PROCEDURES CLEARER AND SIMPLER. HOWEVER, THE TWO COUNTRIES FAILED TO SETTLE CLEARLY THE TREATMENT OF A

POST-REORGANIZATION LONG-DISTANCE CARRIER AND INTERNATIONAL TELECOMMUNICATIONS COMPANY, WHICH WAS THE MOST CONTENTIOUS POINT OF THE TALKS. IN ADDITION, THEY DECIDED TO POSTPONE DISCUSSING THE CONTINUATION OF THE AGREEMENT FOR THE YEAR 2000 AND BEYOND IN AN EFFORT TO AVOID A BREAKDOWN.

CONTENTIOUS FACTORS CARRIED OVER TO FUTURE; ONLY AMBIGUOUS SETTLEMENT ACHIEVED

THE NTT PACT FIRST WENT INTO EFFECT IN THE 1980S WHEN IT WAS A PUBLIC CORPORATION. THE AGREEMENT HAS BEEN EXTENDED FIVE TIMES TO ENSURE EQUAL PROCUREMENT PROCEDURES FOR FOREIGN AND JAPANESE COMPANIES.

IN THE SESSION THIS TIME, THE TERM OF EXTENSION WAS THE MOST SERIOUS POINT AT ISSUE. NTT IS SCHEDULED TO BE REORGANIZED BY DECEMBER 1999. JAPAN CALLED FOR A TWO-YEAR EXTENSION, JUDGING, "IT IS IMPROPER FOR THE GOVERNMENT TO INTERVENE IN THE MARKET BEYOND THAT PERIOD" (MINISTRY OF POSTS AND TELECOMMUNICATIONS (MPT)). MEANWHILE, THE U.S. INSISTED ON A THREE-YEAR EXTENSION FOR THE YEAR 2000 AND BEYOND OUT OF APPREHENSION THAT NTT PLACES IMPORTANCE ON JOINT DEVELOPMENT WITH SOME JAPANESE COMPANIES.

ON THE SURFACE, JAPAN'S PROPOSAL WAS ACCEPTED. NEVERTHELESS, THERE WAS A SUBTLE DIFFERENCE IN THE INTERPRETATION OF SPECIFICS BETWEEN THE TWO COUNTRIES. FOR INSTANCE, JAPAN EXPLAINED THAT IT WOULD START THE REORGANIZATION PLAN AFRESH. THE U.S., IN TURN STRESSED THE STIPULATION THAT NEGOTIATIONS WOULD RESTART BEFORE THE NEW TERM EXPIRES. THE U.S. THINKS THE GROUNDWORK HAS BEEN COMPLETED FOR THE CONTINUATION OF THE GOVERNMENT AGREEMENT.

IN ADDITION, "AS BEFORE, SUBSIDIARIES WILL NOT BE INCLUDED IN THE AGREEMENT," ACCORDING TO MPT'S INTERPRETATION. BUT NTT DOCOMO (NTT MOBILE
UNCLAS SECTION 05 OF 11 TOKYO 008626

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 OCTOBER 2

COMMUNICATIONS NETWORK INC.) AND NTT DATA TELECOMMUNICATIONS HAVE BEEN ABIDING BY THE AGREEMENT VOLUNTARILY. THE U.S., ON THE OTHER HAND, IS POISED TO

CLAIM A SUBSTANTIALLY EXPANDED BUSINESS SCOPE, BELIEVING, "NTT COMMUNICATIONWARE (TN: PHONETIC), THAT STARTED OPERATION IN SEPTEMBER, WILL BE HANDLED IN THE SAME WAY."

OUTLINE OF NTT PROCUREMENT AGREEMENT

(JAPAN'S PROPOSALS)

- PERIOD OF EXTENSION

UNTIL NTT'S REORGANIZATION IN 1999. THE ACCORD BEYOND 1999 WILL BE DISCUSSED BETWEEN JAPAN AND THE UNITED STATES.

- MEASURES FOR IMPROVING PROCEDURES

USE THE INTERNET INSTEAD OF OFFICIAL GAZETTES IN ANNOUNCING PROCUREMENT.

ELIMINATE PRESENTING SUBCONTRACTORS LISTS IN ADVANCE

(U.S. PROPOSALS)

PRODUCE DETAILED YEARLY PROCUREMENT REPORTS THAT INCLUDE SWITCHBOARDS AND OPTICAL FIBER CABLES.

STRICT IMPLEMENTATION OF INTERNATIONAL STANDARDS FOR PROCUREMENT MATERIALS.

"A RATIONAL SETTLEMENT," SAYS POSTS AND TELECOMMUNICATIONS MINISTRY

THE POSTS AND TELECOMMUNICATIONS MINISTRY THINKS THE SETTLEMENT ON FOREIGN EQUIPMENT PROCUREMENT BY NTT THAT "JAPAN'S REQUESTS FOR AN EXTENSION AND IMPROVEMENT OF PROCEDURES WERE ACCEPTED. IT WAS A RATIONAL SETTLEMENT" (INTERNATIONAL POLICY DIVISION). NTT ALSO RELEASED A STATEMENT ON OCTOBER 1: "THE JAPANESE GOVERNMENT THAT UNDERSTANDS THE POSITIONS OF THE PRIVATE COMPANIES WHICH HANDLED THE TALKS." IN PARTICULAR, NTT EVALUATES HIGHLY THE MEASURES DESIGNED TO REDUCE ADMINISTRATIVE WORK.

NO IMPROVEMENT POLICY YET IN SIGHT IN HARBOR PRACTICES ISSUE (NIHON KEIZAI - PAGE 13)

NEGOTIATIONS ON THE PRIOR CONSULTATION SYSTEM IN CARGO HANDLING SERVICES ARE NOW STRANDED ON THE ROCKS. THE PENALTIES IMPOSED BY THE U.S. FEDERAL MARITIME COMMISSION (FMC) STARTING ON SEPTEMBER 4 PER VOYAGE ON REGULAR CONTAINER SHIPS OPERATED BY JAPANESE THREE SHIPPING COMPANIES (NIPPON YUSEN, MITSUI O.S.K. LINES AND KAWASAKI KISEN KAISHA) TOTALLED 480 MILLION YEN FOR SEPTEMBER ALONE. THE COMPANIES HAVE BEEN ASKED TO PAY THE MONTHLY FINES ON THE 15TH OF THE NEXT MONTH, SO THEY ARE KEEN TO REACH A RESOLUTION AT AN EARLY DATE, BUT NEGOTIATIONS HAVE BOGGED DOWN DUE TO GROWING DISTRUST AMONG THE PARTIES CONCERNED. THE THREE SHIPPERS HAVE REGISTERED LOSSES IN PROFITS IN THEIR NORTH AMERICAN SERVICE. IF

NEGOTIATIONS ARE PROTRACTED, A SERIOUBLOW WILL BE DEALT TO THEIR BUSINESSES.

-- PRESSES FOR REPLY BY OCTOBER 7

REPRESENTATIVES OF THE JAPAN SHIPOWNERS' PORT COUNCIL (JSPC) AND THE JAPAN FOREIGN STEAMSHIP ASSOCIATION (JFSA) MET YESTERDAY TO EXCHANGE VIEWS ON A PROPOSAL TO IMPROVE THE PRIOR CONSULTATION SYSTEM THAT WAS PRESENTED BY THE JAPAN HARBOR TRANSPORTATION ASSOCIATION (JHTA) TO THE JSPC. BUT THE JSPC EXPRESSED A NEGATIVE VIEW, GIVING THE UNCLAS SECTION 06 OF 11 TOKYO 008626

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 OCTOBER 2

REASON THAT: "THE DEPARTMENT OF TRANSPORTATION WILL ABSOLUTELY NOT ACCEPT A PROPOSAL THAT WOULD KEEP THE INVOLVEMENT OF JHTA."

YESTERDAY'S TALKS WERE ARRANGED WHEN JHTA ANNOUNCED: "IN CASE NO REPLY IS MADE BY THE 7TH, THE PRIOR CONSULTATION SYSTEM WILL BE ABOLISHED."

THERE IS NO TIME LEFT. IN ADDITION, CHINA-ROK BRANCH OFFICE PRESIDENT FLYNN OF SEALAND, WHO CHAIRS THE JFSA, WILL BE TRANSFERRED TO HONG KONG ON THE 12TH, SO HE HAS A DESIRE TO SEE A SETTLEMENT WHILE HE IS IN JAPAN AS HE HAS BEEN INVOLVED IN THIS ISSUE FROM THE BEGINNING.

-- THREE PROPOSALS MEET OPPOSITION

THREE PROPOSALS TO IMPROVE THE PRIOR CONSULTATION SYSTEM HAVE BEEN PRESENTED. FIRST, THE TRANSPORT MINISTRY CAME UP WITH A PROPOSAL, BUT JSCP AND JHTA TURNED IT DOWN. THEN, A JOINT PROPOSAL WAS ISSUED BY JSCP AND JFSA, BUT THE MINISTRY HAS REACTED NEGATIVELY. IT POINTS OUT A CLAUSE THAT HAS THE MINISTRY PRESIDING OVER A JOINT PROMOTION CONFERENCE (TENTATIVE NAME), CITING THE REASON, "PRIOR CONSULTATIONS ARE A KIND OF AN INDUSTRY-SPECIFIC LABOR-MANAGEMENT AGREEMENT IN THE CARGO HANDLING INDUSTRY. PRESIDING OVER A CONFERENCE IS A VIOLATION OF THE PRINCIPLE OF NON-INTERVENTION IN LABOR-MANAGEMENT RELATIONS AS PROVIDED BY THE LABOR LAW."

JHTA HAS ALSO REFUSED THE JOINT PLAN, SAYING "IT IS IMPOSSIBLE TO OBTAIN COOPERATION FROM DOCKWORKERS"

UNIONS.. IN THAT CASE, THEY MIGHT STAGE STRIKES ACROSS THE NATION" (JHTA CHAIRMAN MUTSUMI OZAKI).

IN THE BACKGROUND OF THE DEADLOCK IN THE NEGOTIATIONS OVER THE ABOVE THREE PROPOSALS, THERE IS AMPLIFIED MUTUAL DISTRUST IN THE COURSE OF NEGOTIATIONS. THE MOT PROPOSAL WAS CRAFTED BY THE MINISTRY, JSCP AND JFSA THROUGH 37 ROUNDS OF MEETINGS. A MOT OFFICIAL CATEGORICALLY SAID, "I WILL PERSUADE THE JHTA CHAIRMAN (TO ACCEPT THIS PLAN) WITH RESPONSIBILITY," BUT THE MINISTRY WAS PRESSED TO AMEND THE PROPOSAL.

JSCP AND JFSA HAVE TAKEN THE VIEW THAT "(MOT) HAS LAID THE BLAME ON CARRIERS' UNCLEAR POSTURES FOR THE FAILURE IN REACHING A SETTLEMENT WITH THE MOT PROPOSAL," ACCORDING TO SOME INFORMED SOURCES. MEANWHILE, MOT HAS REFUTED, "PLACING THE LIABILITY ON THE MINISTRY IS AN IRRESPONSIBLE STANCE BASED ON A LACK OF KNOWLEDGE ABOUT THE LABOR LAW."

-- SCENARIO VISIBLE, BUT ...

THE FOCUS IN THE NEGOTIATIONS NOW IS ON WHAT RESPONSE JSCP WILL MAKE TO THE JHTA PROPOSAL, BUT EXECUTIVES OF JSCP AND JFSA COMPLAIN, "BECAUSE THE NATURE OF THE PROPOSED 'STUDY GROUP' REMAINS UNCLEAR, WE CANNOT MAKE A RESPONSE."

IF THEY REFUSE THE PROPOSAL, THERE IS FEAR THAT THE PRIOR CONSULTATION SYSTEM WILL BE SCRAPPED. AS IT STANDS, NO SIGNS OF A SETTLEMENT CAN BE SEEN AHEAD.

JSCP CHAIRMAN KENTARO KAWAMURA (NIPPON YUSEN PRESIDENT) IN A PRESS BRIEFING ON SEPTEMBER 30 EMPHATICALLY STATED,, "THE GAP IN VIEW BETWEEN JSCP AND JHTA IS NARROWING. I HAVE CONVEYED AMERICAN SHIPPERS' TOP EXECUTIVES THAT THERE IS A LIMITATION TO MOT'S INVOLVEMENT IN THE MATTER."

AFTER COORDINATING VIEWS ABOUT DEFINING THE CHARACTERS OF "JOINT PROMOTION CONFERENCE" AND "STUDY GROUP," THEY PLAN UNCLAS SECTION 07 OF 11 TOKYO 008626

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 OCTOBER 2

TO REVIEW THE CLAUSE ON MOT'S HEADING THE CONFERENCE AND

BRING AN AMENDMENT INTO JAPAN-UNITED STATES SHIPPING TALKS AT AN EARLY DATE. SUCH A SCENARIO OF JSCP HAS APPEARED IN SIGHT, BUT ...

-- THREE PROPOSALS FOR IMPROVING THE PRIOR CONSULTATION SYSTEM

- MOT PROPOSAL THE PRESENT SYSTEM WOULD BE RETAINED, BUT A NEW SYSTEM WOULD BE INTRODUCED TO ENABLE DIRECT NEGOTIATIONS BETWEEN SHIPPERS AND CARGO HANDLING FIRMS WITHOUT JHTA AS AN INTERMEDIARY. MOT WOULD OVERSEE IT AND COOPERATE WITH JSCP, JHTA AND ALSO JFSA.

- JOINT PROPOSAL BY JSCP AND JFSA THE EXISTING SYSTEM WOULD BE KEPT INTACT, BUT A "JOINT PROMOTION CONFERENCE" (TENTATIVE NAME) COMPOSED OF EXPERTS AND RELATED PERSONS WOULD BE SET UP TO PREPARE A DEFINITE PLAN FOR A NEW SYSTEM BY THE END OF THE YEAR.

- JHTA PROPOSAL THE EXISTING SYSTEM SHOULD BE USED AS THE BASE. A "STUDY GROUP" WOULD BE SET UP TO LOOK INTO THE FUTURE OPTIONS FOR THE WATERFRONT CARGO-HANDLING BUSINESS AMID GROWING CALLS FOR DEREGULATION, AND THE LIKE.

PRIME MINISTER PUT ON SPOT IN DIET INTERPELLATIONS FOCUSING ON POLITICAL CONTRIBUTIONS SCANDAL
(MAINICHI - PAGE 1)

PRIME MINISTER RYUTARO HASHIMOTO IN THE LOWER HOUSE PLENARY SESSION YESTERDAY TOUCHED ON MONEY SCANDALS INVOLVING SOME LIBERAL DEMOCRATIC PARTY (LDP) MEMBERS. SPECIFICALLY, IN CONNECTION WITH ALLEGED POLITICAL DONATIONS BY CONVICTED OIL TRADER JUNICHI IZUI, THE PRIME MINISTER STATED: "POLITICIANS MUST PRACTICE SELF-DISCIPLINE AND INTEGRITY AT ALL TIMES." THE PRIME MINISTER ALSO SUGGESTED THAT LDP POLICY AFFAIRS RESEARCH COUNCIL TAKU YAMASAKI AND OTHERS, WHO HAVE REPORTEDLY RECEIVED DONATIONS FROM IZUI, SHOULD GIVE THEIR EXPLANATIONS IN SOME WAY OR ANOTHER. THE PRIME MINISTER ALSO APOLOGIZED FOR THE APPOINTMENT AND RESIGNATION OF CONVICTED POLITICIAN KOKO SATO AS DIRECTOR GENERAL OF THE MANAGEMENT AND COORDINATION AGENCY, SAYING, "I HAVE RECEIVED SEVERE CRITICISM FROM THE PEOPLE. I FEEL STRONG REMORSE FOR THAT."

IN THE SESSION, SUCH MEMBERS AS KANSEI NAKANO, CHAIRMAN OF THE DIET AFFAIRS COMMITTEE OF THE SHINSHINTO (NEW FRONTIER PARTY), AND NAOTO KAN, LEADER OF THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN), PURSUED THE PRIME MINISTER'S POLITICAL RESPONSIBILITY. LDP EXECUTIVE COUNCIL CHAIRMAN YOSHIRO MORI ALSO TOOK THE STAND.

THE PRIME MINISTER REMARKED ABOUT THE PRISON SENTENCE HANDED DOWN TO FORMER CONSTRUCTION MINISTER KISHIRO NAKAMURA: "WE WILL DO OUR BEST TO IMPROVE POLITICAL ETHICS AND REGAIN TRUST FROM THE GENERAL PUBLIC." VARIOUS PARTIES EXCEPT THE LDP DEMANDED NAKAMURA'S

RESIGNATION YESTERDAY.

NAKANO CHALLENGED THE PRIME MINISTER REGARDING THE SATO PROBLEM: "I SENSE THE POOR POLITICAL ETHICS OF THE PRIME MINISTER WHO ATTACHES THE FOREMOST IMPORTANCE TO THE LDP LOGIC. IT IS PERHAPS THE PRIME MINISTER HIMSELF THAT SHOULD RESIGN." THE PRIME MINISTER ADMITTED HIS RESPONSIBILITY, REMARKING, "I DID NOT GIVE ENOUGH THOUGHTS TO PUBLIC OPINION THAT EXPECTS HIGH STANDARDS FOR POLITICAL ETHICS." AT THE SAME TIME, HE EXPRESSED EAGERNESS TO STAY IN POWER, EXPLAINING, "I WOULD LIKE TO FULFILL MY RESPONSIBILITY BY PUTTING ALL MY ENERGIES INTO CARRYING OUT SIX REFORMS, INCLUDING ADMINISTRATIVE UNCLAS SECTION 08 OF 11 TOKYO 008626

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 OCTOBER 2

REFORM."
(NATSUKI HONTANI)

VISIT BY FIRST GROUP OF JAPANESE WIVES IN NORTH KOREA MAY SLIP TO AFTER MID-MONTH (MAINICHI - PAGE 3)

THE FIRST CONTINGENT OF JAPANESE WIVES LIVING IN THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA) HAD BEEN AT FIRST EXPECTED TO ARRIVE HERE EARLY THIS MONTH, BUT THE VISITS ARE LIKELY TO BE PUT OFF UNTIL THE MIDDLE OF THIS MONTH OR LATER. THIS WAS REVEALED YESTERDAY BY A SENIOR FOREIGN MINISTRY (MOFA) OFFICIAL.

AN INFORMED SOURCE ON JAPAN-NORTH KOREA RELATIONS EXPLAINS THE REASON IS, "SOME DELAY IS EMERGING DUE TO CLERICAL WORK."

ON THE PROBLEM OF VISITS BY JAPANESE WIVES, AN AGREEMENT WAS REACHED AT A MEETING HELD ON SEPTEMBER 9 OF THE JAPAN-NORTH KOREA RED CROSS LIAISON COUNCIL THAT "(THE FIRST GROUP)'S BRIEF VISIT TO JAPAN WILL BE REALIZED WITHIN A MONTH." ON SEPTEMBER 23, A SPOKESMAN FOR THE KOREA RED CROSS SOCIETY'S CENTRAL COMMITTEE EXPLAINED, "AS SOON AS THE DOCUMENTS RELATED TO THE FIRST GROUP ARE COMPLETED, NOTICE WILL BE GIVEN TO THE JAPAN RED CROSS SOCIETY." UNDER THE ACCORD REACHED AT THE RED CROSS LIAISON COUNCIL MEETING, THE SPOKESMAN HAD STATED: "THE HOME VISIT PROGRAM WILL BE PROMOTED AS PLANNED."

THE JAPANESE SIDE INITIALLY EXPECTED THAT THE FIRST GROUP LIST WOULD BE SHOWN WITHIN SEPTEMBER, BUT AS OF OCTOBER 2, IT HAS YET TO BE SHOWN (TO JAPAN). THE JAPAN RED CROSS SOCIETY CONSIDERS NEARLY TWO WEEKS WILL BE NEEDED BEFORE THE FIRST GROUP OF JAPANESE WIVES WILL BE CONFIRMED AFTER SURVEYING THEIR FAMILY MEMBERS' WISHES AFTER THE LIST WAS SUBMITTED AND OTHER MATTERS. THEIR BRIEF VISITS TO THEIR HOME TOWNS IN JAPAN WILL BE UNAVOIDABLY PUT OFF UNTIL THE MIDDLE OF THIS MONTH OR AFTER.

REFERRING TO THE DELAY IN SHOWING THE LIST, AN INFORMED SOURCE ON JAPAN-NORTH KOREA RELATIONS DENIES POLITICAL MOTIVES, BUT IN JAPAN, SOME TAKE THE VIEW THAT THIS MOVE IS LINKED TO THE TIMING FOR SECRETARY KIM JONG IL TO ASSUME THE POST OF GENERAL SECRETARY OR IS A TACTIC RELATED TO RESUMPTION OF TALKS FOR DIPLOMATIC NORMALIZATION.

LDP EXECS LOOK FAVORABLY ON PROPOSAL TO SEND RULING CAMP DELEGATION TO NORTH KOREA (SANKEI - PAGE 2)

ONCE AGAIN A PLAN HAS SUDDENLY SURFACED TO DISPATCH TO NORTH KOREA A DELEGATION LED BY THE THREE RULING PARTIES -- THE LIBERAL DEMOCRATIC PARTY (LDP), THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY. PREVIOUSLY, SUCH A PLAN HAD BEEN PUT ON HOLD. THE IDEA OF SENDING A DELEGATION TO THE NORTH HAD BEEN DISCUSSED IN THE RULING CAMP WITH THE SDP'S INITIATIVE AROUND MAY THIS YEAR, BUT IT WAS LATER DROPPED IN THE WAKE OF SUCH PROBLEMS AS VISITS HOME BY JAPANESE WIVES (SPOUSES) (MARRIED TO NORTH KOREANS) AND ALLEGED KIDNAPPINGS OF JAPANESE BY NORTH KOREANS. THE REASON BEHIND THIS SUDDEN RESURFACING OF THE PLAN IS MAINLY (THE LDP'S) CONSIDERATION FOR THE SDP, WHICH HAS BEEN MAKING NOISES IT WOULD LEAVE THE RULING COALITION, WITH THE POLITICAL ETHICS ISSUE AS THE TRIGGER.

ON THE QUESTION OF SENDING A DELEGATION TO THE NORTH, IN THE PAST THE SDP HAD STRONGLY URGED THE LDP TO REALIZE IT, AND THIS TIME AS WELL, THE SDP IS VIGOROUSLY PROMOTING THE NOTION OF SENDING A DELEGATION. ACCORDING TO A SENIOR LDP MEMBER, SDP SECRETARY GENERAL SHIGERU ITO UNCLAS SECTION 09 OF 11 TOKYO 008626

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 OCTOBER 2

SEVERAL DAYS AGO PROPOSED TO LDP SECRETARY GENERAL KOICHI KATO THAT THE RULING CAMP DISPATCH A DELEGATION TO THE NORTH.

IN THE LDP, THIS MATTER WAS DISCUSSED AMONG KATO, POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI, DEPUTY SECRETARY GENERAL HIROMU NONAKA AND LDP'S UPPER HOUSE ASSEMBLY SECRETARY GENERAL MASAKUNI MURAKAMI. KATO INDICATED HIS UNDERSTANDING TOWARD THE SDP'S PROPOSAL, NOTING, "WE WOULD LIKE TO RESPOND TO IT IN A FORWARD-LOOKING MANNER." EVEN SELECTION OF MEMBERS FOR THE DELEGATION WAS DISCUSSED IN DETAIL LIKE ITO AS LEADER, SECRETARIAT CHIEF AS NONAKA AND MURAKAMI AS ADVISOR.

UNTIL NOW LDP GENERAL COUNCIL CHAIRMAN YOSHIRO MORI, MURAKAMI AND SOME OTHERS HAVE RECEIVED LETTER OF INVITATIONS FROM NORTH KOREA, BUT IN THE LDP, MANY ARE RELUCTANT TO SEND A DELEGATION TO THE NORTH, GIVING AS REASONS HUMANITARIAN PROBLEMS, SUCH AS HOMECOMINGS BY JAPANESE WIVES (MARRIED TO NORTH KOREANS) AND ALLEGED ABDUCTIONS OF JAPANESE BY NORTH KOREANS. EVEN IN THE LDP LEADERSHIP, SOME STATE, "WE SHOULD WATCH GOVERNMENT-TO-GOVERNMENT DIPLOMATIC NEGOTIATIONS." UNTIL NOW THE LDP HAS THUS POLITELY DECLINED THE SDP'S PROPOSAL.

BUT NOW THE LDP LEADERSHIP HAS SWITCHED TO BEING FORWARD-LOOKING TOWARD DISPATCHING A DELEGATION TO THE NORTH. BEHIND THIS POLICY CHANGE IS PRESUMABLY ITS MOTIVE TO TRY TO MEND THE NOW STRAINED TRIPARTITE ARRANGEMENT DUE TO THE POLITICAL ETHICS PROBLEM. IN THE PAST YAMASAKI HAD BEEN CAUTIOUS ABOUT DISPATCHING SUCH A DELEGATION, BUT YESTERDAY HE SHOWED A FORWARD-LOOKING STANCE, TELLING REPORTERS: "IT MIGHT BE TIME TO RECONSIDER OUR SENDING A DELEGATION TO THE NORTH. SENDING A MISSION TO THE NORTH MAY BE A MEANS TO FIND A WAY OUT OF THE DIFFICULTIES WE FACE IN DEALING WITH THE SUSPECTED KIDNAPPINGS OF JAPANESE BY NORTH KOREANS."

IN THE LDP, HOWEVER, SOME CAST DOUBTS, ASKING, "IS THERE ANY MEANING IN SENDING A RULING CAMP-LED DELEGATION TO THE NORTH IN THE SITUATION WHERE GOVERNMENT-TO-GOVERNMENT NEGOTIATIONS HAVE SEEN NO PROGRESS IN INVESTIGATIONS OF THE SUSPECTED KIDNAPPINGS (LDP SOURCE). COMPLICATIONS THUS SEEM LIKELY BEFORE A DELEGATION IS ACTUALLY SENT TO THE NORTH."

GOVERNMENT BOWS TO SDP AND POSTPONES AMENDMENT OF THE PKO LAW (MAINICHI - PAGE 3)

THE GOVERNMENT DECIDED YESTERDAY NOT TO BRING A BILL TO AMEND THE UN PEACEKEEPING OPERATIONS (PKO) COOPERATION LAW TO THE CURRENT EXTRAORDINARY DIET SESSION. IT HAS JUDGED THAT UNDER THE PRESENT SITUATION WHERE THE GOVERNMENT IS TO FACE DIET DEBATE ON THE NEW GUIDELINES FOR JAPAN-UNITED STATES DEFENSE COOPERATION, IT IS UNWISE TO FURTHER EXCITE THE SOCIAL DEMOCRATIC PARTY (SDP).

THE MAIN FEATURE OF THE REVISION BILL IS TO ALLOW A SUPERIOR OFFICER TO ORDER THE USE OF WEAPONS. THAT DECISION IS NOW ENTRUSTED TO INDIVIDUAL MEMBERS OF A UNIT. DEFENSE AGENCY DIRECTOR GENERAL FUMIO KYUMA HAD PLANNED TO PRESENT THE BILL TO THE CURRENT DIET SESSION. BUT SINCE A CAUTIOUS VIEW IS DEEP-SEATED AMONG THE SDP MEMBERS, THE GOVERNMENT HAS DECIDED TO SUBMIT IT TO THE NEXT ORDINARY DIET SESSION.

ADMINISTRATIVE REFORM PANEL SCRAPS IDEA OF ODA AGENCY BUT WOULD END FOREIGN SERVICE EXAM (TOKYO SHIMBUN - PAGE 1)

THE CONFERENCE ON ADMINISTRATIVE REFORM (CHAIRERD BY PRIME MINISTER RYUTARO HASHIMOTO) LAST NIGHT MET AT THE PRIME MINISTER'S RESIDENTIAL OFFICE TO DISCUSS THE UNCLAS SECTION 10 OF 11 TOKYO 008626

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 OCTOBER 2

RESPONSIBILITIES OF THE CENTRAL GOVERNMENT OFFICES. IN ORDER TO EXPEDITE PERSONNEL EXCHANGES BETWEEN THE MINISTRY OF FOREIGN AFFAIRS (MOFA) AND OTHER AGENCIES, THE PANEL HAS DECIDED TO DISCONTINUE THE PRESENT FOREIGN SERVICE EXAMINATION AND HIRE MOFA PERSONNEL THROUGH THE NATIONAL PUBLIC SERVICE EXAMINATION. THE NOTION OF ADDING AN "INTERNATIONAL SERVICE POSITION" TO THE PRESENT DUTIES THAT ARE INCLUDED IN THE NATIONAL PUBLIC SERVICE EXAMINATION (TYPE I) WAS FLOATED AT THE MEETING.

THE PANEL, HOWEVER, HAS DECIDED NOT TO ESTABLISH AN "ECONOMIC COOPERATION AGENCY", WHICH HAD BEEN SUGGESTED BY SOME PANEL MEMBERS IN ORDER TO INTEGRATE THE PLANNING OFFICES IN CHARGE OF ECONOMIC AND TECHNICAL ASSISTANCE IN MOFA, MINISTRY OF FINANCE (MOF) AND MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI). BUT THE PANEL ADOPTED A PLAN TO UNIFY AID IMPLEMENTATION OFFICES UNDER THE JAPAN INTERNATIONAL COOPERATION AGENCY (JICA).

THE CONFERENCE ON ADMINISTRATIVE REFORM ALSO AGREED TO SEPARATE THE REGISTRATION RESPONSIBILITY FROM THE MINISTRY OF JUSTICE IN THE FORM OF AN "EXTERNAL AGENCY" OR "INDEPENDENT ADMINISTRATIVE CORPORATION." ON THE ARGUMENT THAT CLOSE COMMUNICATIONS ARE NEEDED WITH THE CENTRAL GOVERNMENT MINISTRIES AND AGENCIES, THE PANEL THEN DROPPED THE IDEA OF AN INDEPENDENT ADMINISTRATIVE CORPORATION.

LDP POLICY COUNCIL GIVES PRIORITY TO JOINT PLANNING WITH U.S. FOR EMERGENCY (NIHON KEIZAI - PAGE 2)

IN CONNECTION WITH THE NEWLY ADOPTED SET OF GUIDELINES FOR DEFENSE COOPERATION BETWEEN JAPAN AND THE U.S., TAKU YAMASAKI, CHAIRMAN OF THE LIBERAL DEMOCRATIC PARTY'S POLICY AFFAIRS RESEARCH COUNCIL, TOLD THE PRESS ON OCTOBER 1 THAT HIS PARTY AND THE GOVERNMENT WOULD GIVE FIRST CONSIDERATION TO MUTUAL COOPERATION PLANNING BETWEEN THE TWO COUNTRIES FOR BILATERAL COOPERATION DURING EMERGENCIES IN AREAS SURROUNDING JAPAN, PRIOR TO BILATERAL DEFENSE PLANNING FOR EMERGENCIES IN JAPAN.

THE TWO GOVERNMENTS ARE TO PLAN MUTUAL COOPERATION AND JOINT OPERATIONS IN CONFORMITY WITH THE NEW SET OF GUIDELINES. HOWEVER, YAMASAKI HAS NOTED, "WHEN COMPARING AN EMERGENCY IN JAPAN AND THAT IN AREAS SURROUNDING JAPAN, THE LATTER CASE IS MORE LIKELY." YAMASAKI THEN REVEALED HIS OUTLOOK THAT THE GOVERNMENT WOULD FIRST GO AHEAD WITH MUTUAL COOPERATION PLANNING AND LAW REVISIONS DURING THE NEXT ORDINARY DIET SESSION, AND WOULD CONDUCT BILATERAL DEFENSE PLANNING IN OR AFTER THE SUMMER OF NEXT YEAR.

REVERSION CEREMONY IN OKINAWA BUT NO MOOD OF CELEBRATION EXISTS (ASAHI - PAGE 7)m

THE JAPANESE GOVERNMENT HAS NOW DECIDED TO HOLD A CEREMONY THIS NOVEMBER IN COMMEMORATION OF THE 25TH ANNIVERSARY OF OKINAWA'S REVERSION TO JAPAN, BUT GOVERNMENT OFFICIALS LOOK GLOOMY. THE CEREMONY WILL BE A LARGE-SCALE EVENT TO BE JOINED BY THE HEADS OF THE THREE POWERS, INCLUDING PRIME MINISTER RYUTARO HASHIMOTO, AND ALSO BY U.S. AND OTHER FOREIGN GOVERNMENT DELEGATES. MEANWHILE, HOWEVER, THERE STILL HAVE BEEN NO PROSPECTS FOR SUCH BASE-RELATED PENDING ISSUES AS THE WORK OF CREATING A PACKAGE OF ECONOMIC DEVELOPMENT MEASURES (FOR OKINAWA) AND THE PLANNED CONSTRUCTION OF A SEA-BASED HELIPORT FOR THE FUTENMA AIRFIELD'S REVERSION. THE CEREMONY, NOW FAR FROM BEING IN A CONGRATULATORY MOOD, WILL LIKELY BE HELD IN A STRAINED ATMOSPHERE.

THE CEREMONY IS NOT SET FOR "MAY 15," WHEN ADMINISTRATIVE POWER WAS RETURNED TO THE JAPANESE GOVERNMENT, BUT UNCLAS SECTION 11 OF 11 TOKYO 008626

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

INSTEAD THE EVENT IS SET FOR "NOVEMBER 21," WHEN OKINAWA'S REVERSION TO JAPAN WAS CONFIRMED. A GOVERNMENT OFFICIAL EXPLAINS, "ITS AIM WAS TO URGE THE MINISTRIES AND AGENCIES CONCERNED TO PUSH AHEAD WITH THEIR WORK WHILE SETTING A TIME LIMIT."

IN THE CASE OF THE PLANNED CONSTRUCTION OF AN OFFSHORE HELIPORT AS WELL, NAGO CITY HAS CONSENTED TO A PRELIMINARY FEASIBILITY SURVEY, BUT THE PROJECT HAS BEEN STALEMATED PARTLY BECAUSE GOVERNOR OTA HAS NOT TAKEN ANY ACTION IN SPITE OF HIS BEING EXPECTED TO GO BETWEEN THE CENTRAL GOVERNMENT AND THE LOCAL COMMUNITY. THE CITY'S MUNICIPAL ASSEMBLY IS NOW AT THE FINAL STAGE OF ITS DELIBERATIONS OVER A REFERENDUM ORDINANCE ON THE PROPERTY OF ACCEPTING THE HELIPORT CONSTRUCTION. THE GOVERNMENT HAS A GROWING SENSE OF CRISIS, AS A SENIOR OFFICIAL OF THE DEFENSE AGENCY PREDICTS THAT "OPINION AGAINST THE HELIPORT CONSTRUCTION SHOULD BE A MAJORITY". IF THE MATTER IS BROUGHT TO A REFERENDUM OF LOCAL RESIDENTS.

SECT: SECTION: 01 OF 11

SSN: 8626

[illegible]

<^SSN>8626

<^SSN>8626

TOR: 971002024923 M2958450

<^TOR>971002024947 M2958454

<^TOR>971002025038 M2958457

<^TOR>971002025052 M2958458

<^TOR>971002025142 M2958459

<^TOR>971002025225 M2958460

<^TOR>971002025307 M2958461

<^TOR>971002025322 M2958462

<^TOR>971002025442 M2958463

<^TOR>971002025458 M2958465

<^TOR>971002025520 M2958466

DIST:

SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. cable	Re: Reaction to Increased Aircraft Requirement (2 pages)	10/02/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. cable	Re: Increased Aircraft Support Requirement (5 pages)	10/02/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

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
006. cable	Re: Reaction to Increased Aircraft Requirement (4 pages)	10/02/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

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
007. cable	Re: Japan-U.S. / Okinawa Base Issues (4 pages)	10/02/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

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 RUEHKO8652 2760347-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 030347Z OCT 97

LINE4: FM AMEMBASSY TOKYO

OSRI: RUEHKO

DTG: 030347Z OCT 97

ORIG: AMEMBASSY TOKYO

TO: RUEHC/SECSTATE WASHDC IMMEDIATE 1663
RUEHIA/USIA WASHDC IMMEDIATE 7023

INFO: RHEHAAA/WHITE HOUSE WASHDC
RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEBBEA/USDOT WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEAWJA/USDOJ WASHDC
RUCPDOG/USDOC WASHDC
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RHHMHAH/CINCPACFLT PEARL HARBOR HI//N5//
RUYNJDK/COMNAVFORJAPAN YOKOSUKA JA
RUEHRC/USDA FAS WASHDC 3864
RUEAIIA/CIA WASHDC

SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS OCTOBER 3

TOP HEADLINES:

TEXT:

UNCLAS SECTION 01 OF 09 TOKYO 008652

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 OCTOBER 3

TOP HEADLINES:

ASAHI: GREENHOUSE GASES: JAPAN SOUNDS OUT U.S. VIEW
ABOUT JAPANESE 5 PERCENT-CUT PROPOSAL; FLEXIBLE OPERATION
SUGGESTED; OBJECTIONS STILL HEARD IN GOVERNMENT
(TRANSLATION BELOW)

NIHON KEIZAI: CHICHIBU ONODA CEMENT, NIHON CEMENT LIKELY TO MERGE; IN ANTICIPATING OF FINANCIAL STRUCTURAL REFORM; NEXT YEAR'S OCTOBER; 40 PERCENT SHARE; CORPORATE NAME, CHICHIBU ONODA WILL REMAIN

TOKYO SHIMBUN: NO PUNITIVE ACTION IN CASE OF PRIVATE SECTOR'S REFUSAL TO COOPERATION; GOVERNMENT'S POLICY LINE IN CONNECTION WITH RELEVANT LAWS ON SITUATIONS IN AREAS NEAR JAPAN; TO SPEED UP PREPARATIONS WHILE AVOIDING GIVING THE IMPRESSION OF COMPULSORY ASPECTS (TRANSLATION BELOW)

MAINICHI: AOBA LIFE INSURANCE'S DUPLICATE PAYMENTS OF INSURANCE ON DATE OF MATURITY -- 8.4 BILLION YEN FOR 10,000 POLICY HOLDERS; FLOOD OF "CANCELLATION AT FIRST DAY OF OPERATIONS; MISTAKE CAUSED BY CONFUSION IN LISTS OF NAMES

YOMIURI: DECENTRALIZATION PANEL'S FOURTH DRAFT REPORT ON ROLES TO BE ENTRUSTED TO LOCAL GOVERNMENTS; 37 KINDS OF RESPONSIBILITIES TO BE TRANSFERRED TO MUNICIPALITIES, SUCH AS "CHILDREN'S ALLOWANCE"

SANKEI: JAPANESE-TYPE ELECTRONIC SETTLEMENT TO SHIFT TO WORLD STANDARDS; THREE CITY BANKS WILL STANDARDIZE SETTLEMENT SYSTEM; MAJOR AMERICAN BANK ALSO CONSIDERING ADOPTION; TO AIM AT PUTTING IT INTO PRACTICAL USE NEXT FALL

NAGO CITY TO HOLD REFERENDUM ON HELIPORT ISSUE; GOVERNMENT FEARS WILL COMPLICATE SITUATION (MAINICHI - PAGE 3)

IN OKINAWA PREFECTURE, THE NAGO CITY ASSEMBLY APPROVED YESTERDAY A REVISED DRAFT ORDINANCE CALLING FOR A REFERENDUM ON THE ISSUE OF CONSTRUCTING AN ALTERNATE HELIPORT FOR THE UNITED STATES MARINES' FUTENMA AIR STATION (NEAR THE CITY). THE CENTRAL GOVERNMENT IS NOW WORRIED OVER THE POSSIBILITY OF THIS MOVE COMPLICATING THE SITUATION (IN OKINAWA) EVEN MORE. ONE OFFICIAL NOTED, "IF A REFERENDUM IS HELD, THE PLAN ITSELF FOR THE RETURN OF FUTENMA AIR STATION MIGHT BE BLOWN AWAY, DEPENDING ON THE OUTCOME OF THE VOTE" (SENIOR JAPAN DEFENSE AGENCY OFFICIAL). TO PREPARE FOR THE REFERENDUM, IT WILL NOW BEGIN FULL COORDINATION IN ORDER TO HAVE READY LATER THIS MONTH THE OUTLINE OF A CONSTRUCTION PLAN, INCLUDING A DESCRIPTION OF THE POSSIBLE EFFECT ON THE NEIGHBORING AREA AS "JUDGMENT MATERIALS" (SAME OFFICIAL). AT THE SAME TIME, THE GOVERNMENT WILL SERIOUSLY URGE THE PREFECTURAL GOVERNMENT TO ACT AS COORDINATOR.

ON THIS MATTER, PRIME MINISTER RYUTARO HASHIMOTO EARLIER STATED, "WE WILL NOT CONSTRUCT IT WITHOUT CONSULTING WITH LOCAL CITIZENS THERE." HIS FUNDAMENTAL POSITION IS TO RESPECT THE RESULTS OF A VOTE. ONE OF THE JDA OFFICIALS IN CHARGE OF THIS MATTER THEREFORE OPENLY EXPRESSES CONCERNS OVER THE ADOPTION OF THE MUNICIPAL ORDINANCE

BILL FOR A REFERENDUM, ADDING, "THE SITUATION MIGHT BECOME MORE COMPLICATED." IF A REFERENDUM IS POSTPONED UNTIL AFTER THE BEGINNING OF THE YEAR, IT WOULD BE IMPOSSIBLE TO READY AN IMPLEMENTATION PLAN LATER THIS YEAR AS SUGGESTED IN THE FINAL REPORT BY THE JAPAN-U.S. SPECIAL ACTION COMMITTEE ON OKINAWA (SACO).

UNCLAS SECTION 02 OF 09 TOKYO 008652

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 OCTOBER 3

FOR NOW, THE ONLY HOPE LIES IN COORDINATION BY OKINAWA PREFECTURE. ON THE PART OF THE CENTRAL GOVERNMENT, ITS REAL INTENTION IS TO FIND A WAY OUT OF THIS DIFFICULT SITUATION ON THE SPUR OF THE CEREMONY MARKING THE 25TH ANNIVERSARY OF THE REVERSION OF OKINAWA TO JAPAN SET FOR NOVEMBER 21. HOWEVER, THE PREFECTURAL GOVERNMENT, WHICH "IN PRINCIPLE OPPOSES RELOCATION WITHIN THE PREFECTURE," STILL INSISTS THAT "THE FIRST THING TO DO IS FOR THE CENTRAL GOVERNMENT AND THE CITY SIDE TO DISCUSS THE MATTER" (GOVERNOR MASAHIRO OTA). (THE CENTRAL GOVERNMENT) APPEARS TO REACHED A DEAD END.
(KAKU JINRA)

GOVERNMENT HURRYING TO PERSUADE OKINAWANS THROUGH GOVERNOR TO ACCEPT ECONOMIC PACKAGE
(NIHON KEIZAI - PAGE 2)

(COMMENTARY) THE NAGO CITY ASSEMBLY HAS PASSED AN ORDINANCE ENABLING THE CITY TO CARRY OUT A LOCAL REFERENDUM ON THE PROPRIETY OF THE PLAN TO CONSTRUCT A HELIPORT TO REPLACE THE ONE IN THE U.S. FUTENMA AIR STATION. THE DECISION WILL INEVITABLY DERAILED THE GOVERNMENT'S SCENARIO TO PRODUCE AN IMPLEMENTATION PLAN BEFORE YEAR'S END IN ORDER TO START CONSTRUCTION EARLY. THE GOVERNMENT PLANS TO DO ITS BEST TO MAP OUT A SOLID OKINAWA PROMOTION PACKAGE IN ORDER TO WIN LOCAL UNDERSTANDING. IN FACT, OKINAWA'S FUTURE REACTION COULD UNDERMINE THE JAPAN-U.S. AGREEMENT TO RETURN THE FUTENMA AIR STATION IN FIVE TO SEVEN YEARS' TIME.

THE JAPANESE AND THE U.S. GOVERNMENTS' GOAL WAS TO COME UP WITH A FINAL CONSTRUCTION SITE AND FINALIZE THE CONSTRUCTION METHOD AND SCHEDULES IN ORDER TO PRODUCE THE IMPLEMENTATION PLAN WITHIN THIS YEAR. NAGO'S DECISION TO CARRY OUT A PLEBISCITE IS MOST LIKELY TO PREVENT THE

ABOVE STEPS FROM MAKING PROGRESS AT LEAST UNTIL THE REFERENDUM IS OVER. THE GOVERNMENT WILL BE FORCED TO READJUST THE CONSTRUCTION TIMETABLE. TAKING THE PASSAGE OF THE ORDINANCE SERIOUSLY, THE GOVERNMENT INTENDS TO PRODUCE A STRONG OKINAWA REVITALIZATION PACKAGE IN AN EFFORT TO WIN A MAJORITY APPROVAL, CONDITIONAL APPROVALS INCLUDED, IN THE REFERENDUM.

ANOTHER FACTOR THAT COULD AFFECT THE REFERENDUM WOULD BE THE MOVES OF THE OKINAWA GOVERNMENT, BEGINNING WITH GOVERNOR OTA. RUMOR HAS IT, "MANY LOCAL RESIDENTS ARE CRITICAL OF GOVERNOR OTA FOR HIS LONG REJECTION OF MAKING LOCAL COORDINATION DESPITE HIS STRONG CALL FOR FUTENMA'S REVERSION." SOME THINK A CHANGE IN GOVERNOR OTA'S STANCE CAN LEAD TO PROGRESS IN THE OVERALL CONSTRUCTION PLAN.

THE GOVERNMENT INTENDS TO PUT EXTRA EFFORT INTO WORKING ON THOSE CLOSE TO GOVERNOR OTA. THE GOVERNOR MIGHT BE PRESSED TO MAKE A TOUGH DECISION IN THE END.

EMERGENCY LEGISLATION: NO PUNISHMENT IF CIVILIANS REFUSE TO COOPERATE IN EMERGENCY (TOKYO SHIMBUN - TOP PLAY)

NOW THAT THE GOVERNMENT HAS ADOPTED A NEW SET OF GUIDELINES FOR DEFENSE COOPERATION BETWEEN JAPAN AND THE U.S., THE GOVERNMENT IS GOING TO REVISE OR MAKE LAWS FOR LEGAL CONSOLIDATION IN ANTICIPATION OF EMERGENCY SITUATIONS IN AREAS SURROUNDING JAPAN. IN THE PROCESS OF GOING AHEAD WITH SUCH LEGAL CONSOLIDATION, THE GOVERNMENT ON THE 2ND DECIDED NOT TO ESTABLISH ANY PUNITIVE PROVISIONS WHICH, AMONG SOME OF THE LIBERAL DEMOCRATIC PARTY'S LAWMAKERS, WERE SAID TO BE NECESSARY IN ORDER FOR THE GOVERNMENT TO ENSURE CIVILIAN COOPERATION. SINCE THE SOCIAL DEMOCRATIC PARTY, A NONCABINET ALLY OF THE LDP, AND THE NATION'S GENERAL PUBLIC ARE LIKELY TO REACT NEGATIVELY TO THE IDEA OF PROVIDING PUNITIVE REGULATIONS IN A LAW, THE GOVERNMENT JUDGED THAT IT MIGHT BECOME AN UNCLAS SECTION 03 OF 09 TOKYO 008652

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 OCTOBER 3

OBSTACLE TO ITS EARLY AND SMOOTH CONSOLIDATION OF LAWS.

IN THE WAKE OF ADOPTING THE NEW SET OF GUIDELINES, THE GOVERNMENT, ON THE 29TH OF LAST MONTH, SET UP A CONFERENCE UNDER DEPUTY CHIEF CABINET SECRETARY TEIJIRO

FURUKAWA, CONSISTING OF BUREAU DIRECTOR GENERAL LEVEL OFFICIALS FROM ITS MINISTRIES AND AGENCIES CONCERNED. THE GOVERNMENT WILL PROMOTE MUTUAL COOPERATION PLANNING BETWEEN JAPAN AND THE U.S. IN ANTICIPATION OF POSSIBLE EMERGENCIES AROUND JAPAN, AND WILL ALSO STUDY RELEVANT LAWS. THE GOVERNMENT INTENDS TO PRESENT BILLS TO THE DIET AT ITS ORDINARY SESSION NEXT YEAR AT THE EARLIEST, AIMING AT EARLY LEGISLATION.

AS JAPAN'S REAR SUPPORT FOR U.S. MILITARY ACTIVITIES, THE NEW SET OF GUIDELINES HAS INCORPORATED LAND, SEA AND AIR TRANSPORTATION INSIDE JAPAN OF PERSONNEL, MATERIALS, FUEL, ETC. TRANSPORTATION, HOWEVER, IS AN AREA IN WHICH "U.S. FORCES ARE EXPECTING CIVILIAN COOPERATION FOR THE GREATER PART OF JAPAN'S REAR SUPPORT FOR THEM" (ACCORDING TO MASAHIRO AKIYAMA, ADMINISTRATIVE DEPUTY DIRECTOR GENERAL OF JAPAN'S DEFENSE AGENCY). TEMPORARY INCREASE OF WORKERS AT U.S. MILITARY BASES IS ALSO STIPULATED ON THE LIST OF ITEMS FOR COOPERATION. IN ORDER TO HAVE BILATERAL COOPERATION ACTUALLY FUNCTION IN THE EVENT OF A NEIGHBORING EMERGENCY, HOW TO ENSURE CIVILIAN COOPERATION WILL BECOME A VITAL TASK.

AS FOR CIVILIAN COOPERATION IN THE EVENT OF A NEIGHBORING CRISIS, HOWEVER, CIVILIAN CIRCLES MIGHT REFUSE TO EXTEND COOPERATION FOR SUCH WILL BE "ACCOMPANYING DANGER." FOR THIS REASON, THE LDP'S NATIONAL DEFENSE DIVISION HAS LOOKED INTO A NUMBER OF ISSUES PREDICTED TO COME UP IN THE PROCESS OF LEGAL CONSOLIDATION FOR NEIGHBORING EMERGENCIES, AND THE LDP DIVISION HAD BEEN RECOGNIZING THE NECESSITY OF TAKING LEGAL MEASURES (PUNITIVE REGULATIONS) IN ORDER TO FORCE COOPERATION AND TAKING COMPENSATORY MEASURES INCIDENT TO SUCH LEGAL MEASURES.

REGARDING CIVILIAN COOPERATION, HOWEVER, THE CURRENT SDF LAW ACTUALLY "PROVIDES NO PUNITIVE REGULATIONS" EVEN WHEN JAPAN IS UNDER AN ARMED ATTACK (OR IN THE EVENT OF AN EMERGENCY IN JAPAN), SAYS JDA DIRECTOR GENERAL FUMIO KYUMA. THEREFORE, THE GOVERNMENT HAS JUDGED THAT ESTABLISHING PUNITIVE REGULATIONS IN A LAW RELATING TO NEIGHBORING EMERGENCIES WOULD NOT BE CONVINCING TO THE GENERAL PUBLIC.

COMMENTARY: BILL TO AVOID IRRITATING THE SDP

IN ITS STEP TO LEGAL CONSOLIDATION ANTICIPATING EMERGENCY SITUATIONS AROUND JAPAN, THE GOVERNMENT HAS FIRMED UP ITS INTENTION OF NOT ESTABLISHING ANY PUNITIVE REGULATIONS DESIGNED TO ENSURE CIVILIAN COOPERATION. THIS IS BECAUSE THE GOVERNMENT IS THINKING TO ITSELF THAT THE GOVERNMENT WILL HAVE TO COMPLETE ITS LEGAL CONSOLIDATION APPROACH AS EARLY AS POSSIBLE SO AS TO HAVE THE NEW SET OF JAPAN-U.S. DEFENSE COOPERATION ACTUALLY FUNCTION, AND THAT THE GOVERNMENT WANTS TO ELIMINATE EVERY POSSIBLE FACTOR OF ANXIETY THAT COULD BECOME AN OBSTACLE TO THAT APPROACH.

ACCOMPANYING THE CHANGES OF THE POST-COLD WAR INTERNATIONAL SITUATION, NEIGHBORING EMERGENCIES ARE NOW

"MORE LIKELY TO OCCUR" (ACCORDING TO LDP POLICY AFFAIRS RESEARCH COUNCIL CHAIRMAN TAKU YAMASAKI) THAN IN THE CASE OF AN ARMED ATTACK ON JAPAN. THE U.S. GOVERNMENT ALSO IS LOOKING FORWARD TO SEEING JAPAN'S LEGAL CONSOLIDATION BEING DONE AT AN EARLY DATE, AS U.S. DEPUTY ASSISTANT SECRETARY OF DEFENSE CAMPBELL HAS SAID THAT "THE NEXT 6-8 MONTHS WILL BE IMPORTANT."

CONCERNING ITS LEGAL APPROACH IN THE WAKE OF ADOPTING THE UNCLAS SECTION 04 OF 09 TOKYO 008652

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 OCTOBER 3

NEW SET OF GUIDELINES, THE HASHIMOTO GOVERNMENT IS GOING TO "MAKE EFFORTS FOR A SETTLEMENT -- INCLUSIVE OF THE CHOICE OF REVISING LAWS AS WELL -- WITH AN AGREEMENT OF THE THREE PARTIES (I.E., THE LDP, SDP, AND SAKIGAKE PARTY) WHICH PROP UP THE HASHIMOTO GOVERNMENT," SAYS FOREIGN MINISTER KEIZO OBUCHI. IN THE SDP, HOWEVER, THERE IS A FEELING OF RELUCTANCE. THE PARTY'S HEAD, TAKAKO DOI, HAS NOTED: "WE NEED TO PAY SERIOUS ATTENTION TO THE TREND OF MAKING LIGHT OF OUR CIVIL RIGHTS IN TIMES OF EMERGENCY."

IN PARTICULAR, THE GOVERNMENT'S TAKING COMPULSORY MEASURES ACCOMPANIED BY PUNITIVE REGULATIONS WOULD REMIND THE PUBLIC OF ITS PREWAR, WARTIME "DRAFTING AND COMMANDEERING" ACTIONS. SO, THE GOVERNMENT, IN ORDER TO PRIORITIZE ITS ACTUAL CONSOLIDATION OF LAWS, HAD TO DRAW UP A BILL THAT WOULD NOT IRRITATE THE SDP AS MUCH AS POSSIBLE.

THE DISASTER RELIEF LAW PROVIDES THAT PREFECTURAL GOVERNORS AND OTHER LOCAL GOVERNMENT HEADS MAY ISSUE AN ORDER OF ENGAGEMENT IN PUBLIC SERVICES TO THOSE ENGAGED IN SUCH CATEGORIES AS MEDICAL TREATMENT, CIVIL ENGINEERING AND CONSTRUCTION, AND TRANSPORTATION. THOSE NOT FOLLOWING THAT ORDER, ACCORDING TO THE LAW'S PROVISIONS, MAY BE CONDEMNED TO A PRISON TERM OF LESS THAN SIX MONTHS OR MAY BE OTHERWISE PUNISHED WITH A FINE OF LESS THAN 50,000 YEN.

UNDER THE SDF LAW AS WELL, THE JDA DIRECTOR GENERAL AND OTHER CENTRAL GOVERNMENT OFFICIALS MAY ISSUE A SIMILAR ORDER OF ENGAGEMENT IN PUBLIC SERVICES WHEN THERE IS AN ORDER OF DEFENSE OPERATIONS (FROM THE PRIME MINISTER) IN

THE EVENT OF AN EMERGENCY IN JAPAN. HOWEVER, THE SDP PROVIDES NO PUNITIVE REGULATIONS, AND THERE WERE ARGUMENTS IN THE COURSE OF JDA'S STUDIES UP TO NOW ON EMERGENCIES LEGISLATION, INSISTING ON THE NECESSITY OF PROVIDING PUNITIVE REGULATIONS FROM THE ASPECT OF THE BALANCE OF LAWS.

THIS TIME THE GOVERNMENT HAS DECIDED NOT TO PROVIDE PUNITIVE REGULATIONS. YET, THE GOVERNMENT WILL STILL LIKELY HAVE TO STUDY THE PROPRIETY OF SUCH REGULATIONS IN ITS FUTURE TASK.

(YOICHI TOYOTA, POLITICAL SECTION)

PRIME MINISTER IN DIET ON CONTINGENCY COOPERATION WITH U.S.: QTHE DECISION WILL BE OUR OWNQ (ASAHI - PAGE 1)

PRIME MINISTER RYUTARO HASHIMOTO, RESPONDING YESTERDAY TO QUESTIONS DURING JOINT LOWER AND UPPER HOUSE INTERPELLATIONS, WAS ASKED REGARDING COOPERATION WITH THE UNITED STATES AT THE TIME OF A "SITUATION IN AREAS NEAR JAPAN," AS CONTAINED IN THE NEW GUIDELINES FOR DEFENSE COOPERATION BETWEEN JAPAN AND THE U.S. HE SAID, "WHETHER WE WILL CARRY OUT COOPERATION WITH THE UNITED STATES WILL BE A JUDGMENT WE MAKE ON OUR OWN FROM THE POSITION OF SECURING THE NATIONAL INTERESTS OF JAPAN." HE WAS RESPONDING TO CRITICISM THAT IN THE EVENT OF U.S. FORCES BEING MOBILIZED, JAPAN WOULD AUTOMATICALLY COOPERATE. REGARDING THE JUDGMENT OF WHETHER IT WERE A "SITUATION IN AREAS NEAR JAPAN," HE STATED, "JAPAN AND THE U.S. WILL EACH MAKE A JUDGMENT INDEPENDENTLY." THE QUESTIONS WERE POSED BY CHIKARA SAKAGUCHI (LOWER HOUSE, SHINSHINTO (NEW FRONTIER PARTY)) AND MICHIIRO KANEKO (LOWER HOUSE, JAPAN COMMUNIST PARTY (JCP)).

THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN) AND JCP HAVE CRITICIZED THE NEW GUIDELINES AS "LEADING TO A MECHANISM TO AUTOMATICALLY ENTER A WAR," SO IT APPEARS THAT HASHIMOTO DECIDED TO STRESS "OUR OWN JUDGMENT" FOR THAT REASON.

UNCLAS SECTION 05 OF 09 TOKYO 008652

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 OCTOBER 3

JAPAN 5 PERCENT GREENHOUSE GAS REDUCTION TARGET:
OPPOSITION EVEN WITHIN THE GOVERNMENT (ASAHI - TOP PLAY)

IT WAS REVEALED YESTERDAY THAT AMBASSADOR FOR GLOBAL ENVIRONMENT AFFAIRS TOSHIAKI TANABE HAS FLOATED A PROPOSAL WITH THE UNITED STATES GOVERNMENT FOR A TARGET TO REDUCE GREENHOUSE GASES THAT WOULD BE PROMOTED AS JAPAN'S EFFORT AT THE KYOTO CONFERENCE ON GLOBAL WARMING UNDER THE FRAMEWORK CONVENTION ON CLIMATE CHANGE IN DECEMBER. THE PROPOSAL IN OUTLINE CALLS FOR: 1) A FIVE PERCENT REDUCTION (IN GREENHOUSE GAS EMISSIONS BY 2010) BASED ON 1990 EMISSIONS; 2) THE INTRODUCTION OF A "FLEXIBLE METHOD" IN THE IMPLEMENTING BY WHICH DIFFERENCES IN TARGETS WILL BE RECOGNIZED DEPENDING ON THE COUNTRY; 3) THE TARGET WILL BE FOR FIVE YEARS INCLUDING 2010; AND METHANE AND NITROUS OXIDE WOULD BE ADDED TO CARBON DIOXIDE AS THE GASES SUBJECT TO THE TARGET. THE REACTIONS OF MAJOR COUNTRIES INCLUDING AUSTRALIA, CANADA, THE EUROPEAN UNION, AND OTHERS WILL BE WATCHED CAREFULLY, WITH THE DIRECTION BEING OF ANNOUNCING THE PROPOSAL EARLY NEXT WEEK. AT THAT POINT, SUBSTANTIVE DISCUSSIONS OF THE REDUCTION TARGET WILL START.

NEED TO PERSUADE U.S. ON EMISSIONS TARGET IS PARAMOUNT
(NIHON KEIZAI - PAGE 5)

IN THE BACKGROUND OF THE GOVERNMENT'S DECISION TO SET A TARGET TO REDUCE GREENHOUSE GAS EMISSIONS BY 5 PERCENT BY THE YEAR 2010 FROM THE 1990 LEVELS, THERE WAS A DESPERATE DESIRE TO INITIATE NEGOTIATIONS AS SOON AS POSSIBLE WITH THE UNITED STATES, WHICH PRODUCES THE LARGEST PORTION OF ALL GLOBAL EMISSIONS OF CARBON DIOXIDE. THE KEY TO OBTAINING RESULTS IN THE KYOTO CONFERENCE OF PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE LIES IN THE U.S., BUT THAT COUNTRY HAS YET TO COME UP WITH A TARGET. SINCE THE 5 PERCENT CUT WILL COMPEL IT NOW TO MAP OUT ADDITIONAL MEASURES TO CONSERVE ENERGY BY PLACING SOME RESTRICTIONS ON ENERGY USE, THE GOVERNMENT WILL LIKELY FIND IT DIFFICULT TO COME UP WITH DOMESTIC COUNTERMEASURES WHILE TENDING TO THE EXTERNAL NEGOTIATIONS.

"I CANNOT EVEN BUDGE AN INCH BECAUSE OF THE CALL FOR ZERO REDUCTION." "A 7 PERCENT CUT TARGET IS NECESSARY TO WIND UP THE KYOTO CONFERENCE." LATE ON SEPTEMBER 25, SUCH SHARP EXCHANGES WERE OVERHEARD AT A HOTEL IN TOKYO WHERE THE MINISTRY OF FOREIGN AFFAIRS (MOFA) AND THE ENVIRONMENT AGENCY, BOTH OF WHICH HAVE INSISTED ON A LARGE REDUCTION, AND THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI), WHICH HAS NEGATIVELY REACTED TO ANY REDUCTION TARGET WITHOUT PREPARING ENERGY-SAVING MEASURES, WERE ALTERCATING. IRRITATED, DEPUTY CHIEF CABINET SECRETARY FURUKAWA AND OTHER OFFICIALS OF THE PRIME MINISTER'S OFFICIAL RESIDENCE (KANTEI) SENT THE MITI OFFICIALS OUT OF THE ROOM AND WITHOUT THEIR PRESENCE, THEY DECIDED TO START SECRET NEGOTIATIONS WITH THE U.S., FOCUSING ON A 3 TO 7 PERCENT REDUCTION TARGET.

GIVING TOP PRIORITY TO LAUNCHING NEGOTIATIONS WITH THE U.S, THE GOVERNMENT THUS ADOPTED ITS OWN TARGET, DESPITE

THE GAPS IN VIEW LEFT UNRESOLVED IN THE GOVERNMENT. JAPAN, WHICH CHAIRS THE UPCOMING CONFERENCE, HAS BEEN ACCUSED OVERSEAS OF DELAYING ITS DECISION ON ITS OWN TARGET. WITH ONLY TWO MONTHS LEFT UNTIL THE CONFERENCE, THE DEPUTY CHIEF CABINET SECRETARY AND OTHER KANTEI OFFICIALS ENDED UP PUSHING THEIR WAY THROUGH OVER THE OPPOSITION OF MITI OFFICIALS.

"THERE IS NO NEED TO OBTAIN THE KANTEI'S UNDERSTANDING. WHILE WATCHING MOVES BY THE U.S., I WOULD LIKE YOU TO CONDUCT NEGOTIATIONS ON A NUMERICAL TARGET." ON THE UNCLAS SECTION 06 OF 09 TOKYO 008652

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 OCTOBER 3

AFTERNOON OF THE 25TH, PRIME MINISTER RYUTARO HASHIMOTO INSTRUCTED THE EXECUTIVE OFFICIALS OF MOFA, MITI AND THE ENVIRONMENT AGENCY, INCLUDING GLOBAL ENVIRONMENT AMBASSADOR TANABE, AT HIS OFFICE. THE AMBASSADOR, WHO VISITED THE U.S. ON THE 29TH, PRESENTED A PLAN TO APPROVE FLEXIBLE APPLICATION OF A REDUCTION TARGET ON EACH COUNTRY, BASED ON THE 5 PERCENT CUT. THIS PROPOSAL IS AIMED TO MOLLIFY STRONG PUBLIC OPPOSITION TO THE REDUCTION TARGET IN U.S.

YET, JAPAN STILL REMAINS "UNABLE TO READ" (MOFA OFFICIAL) WHAT APPROACH THE U.S. WILL TAKE. SOME TAKE A PESSIMISTIC VIEW, A MITI OFFICIAL REMARKING: "THE U.S. MIGHT NOT COME UP WITH A PLAN AT THE VERY LAST MINUTE BEFORE THE KYOTO CONFERENCE OPENS." WHAT IS WORSE, THE JAPANESE PLAN IS EXPECTED TO MEET THE FIERCE OPPOSITION OF THE EUROPEAN UNION (EU) AS IT HAS INSISTED THAT EMISSIONS BE CUT BY 15 PERCENT.

MITI AS WELL HAS TURNED ABOUT ITS STRATEGY TACTFULLY FROM THE STANCE OF OPPOSING THE REDUCTION TARGET, CLAIMING "THERE IS NO BACKING FOR REALIZING IT." THE MINISTRY HAS ASKED THE MINISTRIES CONCERNED, SUCH AS THE MINISTRY OF TRANSPORT (MOT), TO WORK OUT ENERGY-SAVING MEASURES, PREMISED ON THE 5 PERCENT CUT. BUT ONCE IT IS MADE CLEAR THAT THE 5 PERCENT CUT WILL AFFECT PEOPLE'S LIVELIHOOD IN SOME FORM, THE GOVERNMENT WILL FACE THE NEXT BLOCK OF ASKING FOR THE PEOPLE'S UNDERSTANDING.

AMBASSADOR TO OECD TAKAHASHI APPOINTED TO RESTARTED TALKS WITH NORTH KOREA IN BEIJING (TOKYO SHIMBUN - PAGE 2)

THE GOVERNMENT HAS DECIDED TO APPOINT MASAJI TAKAHASHI, FORMERLY AMBASSADOR FOR THE REPRESENTATIVE OFFICE AT THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD), TO BE GOVERNMENTAL REPRESENTATIVE FOR THE PLENARY MEETING OF NEGOTIATIONS ON DIPLOMATIC NORMALIZATION WITH THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA). THIS DESIGNATION WILL BE FORMALLY APPROVED AT A CABINET MEETING TODAY AND ANNOUNCED AFTERWARD.

JAPAN AND NORTH KOREA SAW THE LAST SERIES OF (OFFICIAL) BILATERAL NEGOTIATIONS END AT THE EIGHTH SESSION IN NOVEMBER 1992. SINCE THEN, SUCH BILATERAL TALKS HAVE BEEN SUSPENDED. FIVE YEARS HAVE PASSED SINCE THEN, AND DURING THAT TIME, REPRESENTATIVES OF BOTH COUNTRIES HAVE BEEN REPLACED, SO NOW IT WAS DECIDED TO HOLD THE FIRST RESUMED TALKS IN PYONGYANG AND THE SECOND ONE IN TOKYO AND THE THIRD ONE AND MEETINGS TO FOLLOW IN BEIJING. REFERRING TO THE TIMING FOR THE FIRST ROUND OF RESUMED NEGOTIATIONS, A HIGH-LEVEL FOREIGN MINISTRY (MOFA) OFFICIAL INDICATED AN OUTLOOK YESTERDAY THAT IT MIGHT BE HELD WITHIN THE YEAR.

JAPAN AND NORTH KOREA IN LATE AUGUST AGREED IN THE PRELIMINARY MEETING IN TOKYO (AT THE FOREIGN MINISTRY DEPUTY BUREAU DIRECTOR GENERAL LEVEL) TO HOLD THE NINTH PLENARY SESSION AS SOON AS POSSIBLE. FOLLOWING THIS, TAKAHASHI HAS BEEN SELECTED. THE JAPANESE SIDE IS NOW READY FOR THE NEGOTIATIONS.

TAKAHASHI WILL ALSO SERVE AS AMBASSADOR FOR THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION (KEDO), A CONSORTIUM TO SUPPLY LIGHT WATER REACTORS TO NORTH KOREA.

MASAJI TAKAHASHI:

HE PASSED THE FOREIGN SERVICE EXAMINATION IN 1960. AFTER GRADUATING FROM TOKYO UNIVERSITY'S LAW FACULTY IN 1961, HE JOINED MOFA. HE HAS SERVED IN SUCH POSITIONS AS DIRECTOR GENERAL OF THE IMMIGRATION BUREAU, DIRECTOR OF THE JAPAN INTERNATIONAL COOPERATION AGENCY; AMBASSADOR TO UNCLAS SECTION 07 OF 09 TOKYO 008652

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 OCTOBER 3

THE OECD MISSION. HE IS 61 AND HAILS FROM HOKKAIDO.

NORTH KOREA TELLS CHOSEN SOREN NOT TO SEND CONGRATULATORY MISSION THERE IN OCTOBER (MAINICHI - PAGE 3)

A JAPAN-NORTH KOREA RELATIONS SOURCE REVEALED YESTERDAY THAT A "CONGRATULATORY DELEGATION TO THE NORTH" -- PLANNED BY THE GENERAL FEDERATION OF KOREAN RESIDENTS IN JAPAN (CHOSEN SOREN) FOR SECRETARY KIM JONG IL'S OCTOBER 10 ASSUMPTION OF OFFICE AS KOREAN WORKERS PARTY GENERAL SECRETARY -- HAS BEEN CANCELED AT THE INSTRUCTION OF NORTH KOREAN AUTHORITIES.

A MOVE TO PROMOTE SECRETARY KIM TO THE GENERAL SECRETARY'S POST HAS SURFACED SINCE A DECISION MADE BY PARTY LEADERS AT PYONGAN NAM DO WAS REPORTED. IN RESPONSE, CHOSEN SOREN HAS WORKED UPON INFLUENTIAL COMMERCE AND INDUSTRY FIGURES TO SEND A DELEGATION TO THE NORTH. ITS DELEGATION WAS SUPPOSED TO LEAVE FOR THE NORTH FROM NIIGATA HARBOR ON THE 6TH. EACH MEMBER WAS PREPARING TO GIVE A "SOUVENIR" WORTH ABOUT 10 MILLION YEN, ACCORDING TO THE SOURCE

A KOREAN PENINSULA SOURCE IN TOKYO HAS EXPLAINED ABOUT THE CANCELLATION: "CHOSEN SOREN IS AN OFFICIALLY RECOGNIZED NORTH KOREAN ORGANIZATION IN JAPAN. THE UPCOMING CEREMONY IS PROBABLY FOR MEMBERS IN THE NORTH ALONE. PERHAPS (CHOSEN SOREN) WILL BE INVITED WHEN (KIM) BECOMES PRESIDENT." ANOTHER SOURCE HAS REVEALED THAT A NUMBER OF PROMINENT JAPANESE FIGURES WERE PLANNED TO TRAVEL TO THE NORTH LATER THIS MONTH. THE SOURCE ADDED: "I HEAR THAT SECRETARY KIM ORDERED THE POSTPONEMENT OF (CHOSEN SOREN'S NORTH KOREA TRIP) UNTIL LATER THIS MONTH BECAUSE HE WOULD THEN BE ABLE TO RECEIVE THE DELEGATION WITH A FORMAL TITLE. I THINK THAT MEANS HE WILL BECOME PRESIDENT." HE THUS REVEALED THE OBSERVATION THAT THE CEREMONY FOR KIM'S ASSUMPTION OF OFFICE AS GENERAL SECRETARY WOULD BE HELD AMONG CLOSE MEMBERS ALONE AND THAT HE WOULD BECOME PRESIDENT LATER THIS MONTH.

BIG THREE AUTOMAKERS BLAST U.S.-JAPAN AUTO TRADE IMBALANCE; CONGRESS LISTENING (ASAHI - PAGE 12)

(WASHINGTON, OCTOBER 1, KAZUHIKO YAMASE) THE PROBLEM OF AN IMBALANCE IN BILATERAL AUTO TRADE HAS ALL OF A SUDDEN SURFACED IN THE UNITED STATES. PRESIDENT CLINTON PLANS TO CALL IN EXECUTIVES OF THE BIG THREE AUTOMAKERS TO DISCUSS WAYS TO DEAL WITH THIS PROBLEM. IN ADDITION, THE UNITED STATES TRADE REPRESENTATIVE (USTR) IS SCHEDULED TO COME UP WITH YET ANOTHER MEASURE TO BOOST AUTO EXPORTS TO JAPAN IN NEGOTIATIONS SCHEDULED TO BE HELD ON THE 8TH WITH JAPAN'S INTERNATIONAL TRADE AND INDUSTRY MINISTRY (MITI). HOWEVER, THERE IS A HEAVY IMPRINT THAT SUCH MEASURES ARE AIMED AT THE "U.S. CONGRESS, WHICH IS STRENGTHENING A STANCE OF CLOSELY MONITORING THE GOVERNMENT'S TRADE POLICY." JAPAN'S AUTO PROBLEM IS ON THE VERGE OF TURNING INTO A DOMESTIC ISSUE IN THE U.S.

STATISTICS COMPILED BY THE COMMERCE DEPARTMENT REVEALED

THAT EXPORTS OF U.S. CARS TO JAPAN DURING THE JANUARY - JULY PERIOD THIS YEAR PLUNGED TO 1.124 BILLION DOLLARS, DOWN 38.1 PERCENT FROM THE SAME PERIOD THE YEAR BEFORE. THIS IS IN STARK CONTRAST WITH AN INCREASE IN IMPORTS OF JAPANESE CARS TO 13.51 BILLION DOLLARS, UP 16.7 PERCENT.

THE CONGRESS HAS LAUNCHED INTO DELIBERATIONS ON THE FAST TRACK NEGOTIATING AUTHORITY FOR PACKAGE APPROVAL BY THE PRESIDENT; UNDER THE SYSTEM, THE CONGRESS IS TO TAKE A SEVERE STANCE TOWARD THE CLINTON ADMINISTRATION'S TRADE POLICY REGARDING WHETHER THE PRESIDENT IS WORTHY OF BEING ENTRUSTED WITH SUCH A POWER. FOR THE U.S. GOVERNMENT, WHICH STILL BOASTS THE BILATERAL AUTO ACCORD CONCLUDED IN UNCLAS SECTION 08 OF 09 TOKYO 008652

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 OCTOBER 3

1995 AS A "SUCCESS STORY," THE IMBALANCE IN THE AUTO AREA IS BEGINNING TO BECOME A SORE ISSUE.

THE USTR IS FACING A POLICY DILEMMA, BECAUSE IT IS DIFFICULT FOR THE U.S. TO SHARPLY INCREASE ITS AUTO EXPORTS TO JAPAN, WHERE DOMESTIC DEMAND IS QUICKLY COOLING DOWN.

IT DID NOT INCLUDE THE AUTO AND AUTO PARTS AREA IN ITS "PRIORITY WATCH LIST" -- A RATHER STRONG WARNING -- BUT INSTEAD JUST EXPRESSED CONCERN OVER THE MATTER IN THE NEWLY ESTABLISHED ITEM OF "BILATERAL PROBLEMS.". SOME RELATED SOURCE POINTED OUT THAT THE USTR IS PRESSED TO MAKE HARD RESPONSES TO THE SITUATION, SAYING, "IF WE MAKE AUTOS ALONE A MAJOR ISSUE, IT WILL INCUR CRITICISM FROM THE CONGRESS, BECAUSE IT IS AN AREA THAT CANNOT BE SETTLED EASILY; BUT IF WE DO NOT TAKE ANY STEPS, WE WILL BE CRITICIZED AS KOWTOWING TO THE JAPANESE."

FOLLOWING REPEATED NEGOTIATIONS HELD WITH MITI AND JAPANESE MANUFACTURERS IN AUGUST AND SEPTEMBER, THE USTR AFTER A FOLLOW-UP MEETING OF THE 1995 AUTO AND AUTO PARTS AGREEMENT PLANS TO MAP OUT ADDITIONAL MEASURES ON: (1) INCREASING AUTO DEALERSHIPS IN JAPAN; AND (2) STEPPING UP SALES OF U.S.-MADE AUTO PARTS. HOWEVER, THE MEASURES ARE UNLIKELY TO HAVE IMMEDIATE EFFECTS.

IN THE MEANTIME, THE BIG THREE ARE SEEKING IMPROVEMENT OF THE AUTO IMBALANCE IN GUIDANCE FOR A HIGHER YEN RATE.

EXECUTIVE DIRECTOR CARD OF THE AMERICAN AUTOMOBILE MANUFACTURERS' ASSOCIATION IS REPEATEDLY CRITICIZING THE U.S. GOVERNMENT'S MEASURE, CITING THAT THE ISSUE IS THE "PROBLEM OF A WEAKER YEN."

TOWARD THIS CRITICISM, THE GOVERNMENT'S SIDE, SUCH AS TREASURY SECRETARY RUBIN, CATEGORICALLY STATED THAT "A STRONG DOLLAR IS IN THE U.S. INTERESTS" AND "WE WILL NOT MAKE FOREIGN EXCHANGE RATES A TOOL FOR TRADE ISSUES." IN A MEETING BETWEEN THE BIG THREE AND PRESIDENT CLINTON SET FOR THE 2ND, THE ADMINISTRATION IS POISED TO ONCE AGAIN EXPLAIN TO THE BIG THREE ITS BASIC POLICY APPROACH TOWARD FOREIGN EXCHANGE. AT THE SAME TIME, IT INTENDS TO PLAY UP ITS STANCE OF TACKLING THE MARKET-OPENING ISSUE AS "COLLATERAL FOR SUCH A POLICY LINE" (U.S. GOVERNMENT OFFICIAL).

"IMPOSSIBLE TO STATE JAPAN IS NOT IMPLEMENTING AGREEMENT," MITI VICE MINISTER REBUTS

REFERRING TO A REPORT THE U.S. GOVERNMENT MAPPED OUT, BASED ON THE NEW SUPER 301 PROVISION, MITI VICE MINISTER OSAMU WATANABE SAID TO A NEWS CONFERENCE, "WE THINK THAT IT IS A PROPER JUDGMENT THAT JAPANESE PRODUCTS WERE NOT SPECIFIED IN ITEMS SUCH AS PRIORITY COUNTRY/PRACTICES OR A PRIORITY WATCH LIST." IN THE NEWLY ESTABLISHED CLASSIFICATION OF "BILATERAL ISSUES," THE U.S. EXPRESSED ITS CONCERN OVER PROGRESS IN MARKET-OPENING IN THREE AREAS -- AUTOS AND AUTO PARTS, FLAT GLASS AND PAPER AND PAPER PRODUCTS. THE VICE MINISTER SHOWED HIS VIEW ON THIS POINT: "WE WERE AWARE THAT THE U.S. HAS BEEN CONCERNED ABOUT THOSE AREAS, BUT IT IS NOT POSSIBLE FOR IT TO STATE THAT JAPAN IS NOT OBSERVING THE CONTENTS OF THE (1995) AGREEMENT."

AS TO THE BILATERAL ACCORD ON AUTOS AND AUTO PRODUCTS, THE U.S. HAS BEEN DISSATISFIED THAT THERE HAS BEEN NO INCREASE IN AUTO DEALERSHIPS THAT HANDLE AMERICAN CARS, BUT JAPAN IS REBUTTING, SAYING, "AN INCREASE IN THE NUMBER OF DEALERSHIPS IS A UNILATERAL PROJECTION BY THE U.S. IT IS NOT A MATTER INCLUDED IN THE AGREEMENT."

U.S. SENDS OUT WARNING SIGNAL TO JAPAN ON THREE AREAS OF UNCLAS SECTION 09 OF 09 TOKYO 008652

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 OCTOBER 3

(WASHINGTON, OCTOBER 2, RYOSUKE HARADA) IN CONNECTION WITH ITS ECONOMIC POLICY TOWARD JAPAN, THE CLINTON ADMINISTRATION HAS BEEN SENDING JAPAN A SERIES OF WARNING SIGNALS. IT INDICATED ITS CONCERN AT THE RECENT BILATERAL FINANCE MINISTERIAL TALKS OVER PROSPECTS FOR JAPAN'S DOMESTIC DEMAND. THEN ON OCTOBER 1, IT ISSUED A REPORT THAT SPECIFICALLY MENTIONED THREE AREAS, INCLUDING "AUTOMOBILES AND AUTO PARTS," AS SPECIFIC TRADE PROBLEMS. THE U.S. ADMINISTRATION HAS BEEN TAKING A STANCE OF AVOIDING ISSUES FROM DEGENERATING INTO DISPUTES BUT SINCE JAPAN HAS NOT RESPONDED EFFECTIVELY IN ANY OF THESE THREE AREAS, NO ONE CAN NOW PREDICT WHETHER THE U.S. WILL GO NO FURTHER THAN SOUNDING THE ALARM.

IF THE ECONOMIC SITUATION AND THE TRADE IMBALANCE CONTINUE -- REGARDING WHICH TREASURY SECRETARY RUBIN SAID, "AS FAR AS THE STATISTICS SHOW, JAPAN'S POLICY TARGET HAS YET TO BE ACHIEVED" -- JAPAN CAN NO LONGER AFFORD A WAIT-AND-SEE STANCE. SHACKLED BY ITS FISCAL POLICY, JAPAN HAS NO PANACEAS LEFT. BUT THE EXPECTATIONS OF SOME IN THE U.S. GOVERNMENT ARE BEGINNING TO RISE, ONE OFFICIAL SAYING, "WITH BUSINESS CONFIDENCE WORSENING, JAPAN WILL HAVE TO SERIOUSLY THINK ABOUT RESPONSE MEASURES." CRANE

```
<^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
```

[illegible]

TOR: 971002235230 M2960299
<^TOR>971002235316 M2960301
<^TOR>971002235332 M2960303
<^TOR>971002235452 M2960304
<^TOR>971002235508 M2960305
<^TOR>971002235529 M2960306
<^TOR>971002235619 M2960307
<^TOR>971002235702 M2960308
<^TOR>971002235744 M2960309

DIST:
SIT: NSC

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
008. cable	Re: Charge Dinner (4 pages)	10/03/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

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
009. cable	Re: Referendum Bill (3 pages)	10/03/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[09/22/1997 - 10/03/1997]

2016-0420-F
sb1910

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]