

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. cable	Re: Futenma Relocation (5 pages)	10/31/1997	P1/b(1)
002. cable	Re: Visit [to] Okinawa (2 pages)	11/04/1997	P1/b(1)
003. cable	Re: Request for November 22 (2 pages)	11/06/1997	P1/b(1)
004. cable	Re: Heliport Plan (4 pages)	11/07/1997	P1/b(1)
005. cable	Re: Futenma Relocation (5 pages)	11/07/1997	P1/b(1)
006. cable	Re: Futenma Relocation - Ambassador's Speech (6 pages)	11/10/1997	P1/b(1)

COLLECTION:

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

FOLDER TITLE:

[10/31/1997 - 11/10/1997]

2016-0420-F
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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 A9502 3040253-UUUU--RHEHAAA.
LINE2: ZNR UUUUU ZZH
LINE3: O 310253Z OCT 97
LINE4: FM AMEMBASSY TOKYO
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RHHMUNA/USCINCPAC HONOLULU HI//USIA//
RUEKJCS/JOINT STAFF WASHDC//J5//
RUEKJCS/SECDEF WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS OCTOBER 31

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 09 TOKYO 009502

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 31

TOP HEADLINES:

ASAHI: SAUDI ARABIA AIMING AT INCREASE IN JAPAN'S
INVESTMENT, WILL PROPOSE "JOINT OPERATION" OF OIL FIELDS
NOW UNDER ARABIA OIL'S TOTAL CONTROL AND "WIDE INCREASE"
IN CRUDE OIL IMPORTS DURING JAPANESE PRIME MINISTER'S
VISIT THERE (TRANSLATION BELOW)

NIHON KEIZAI: RESCUE MEASURE FOR (AFTEREFFECT) OF "MODERATE REPAYMENTS"; CONSTRUCTION MINISTRY CONSIDERING APPLYING SUCH MEASURE TO 700,000 PEOPLE WHO WERE FINANCED IN FISCAL 1993, 1994; TO CONSTRAIN SHARP RISE IN REPAYMENT STARTING IN SIXTH YEAR

TOKYO SHIMBUN: THREE FORMER NIKKO SECURITIES EXECUTIVES INCLUDING FORMER VICE PRESIDENT ARRESTED; CHARGED WITH THEIR APPROVAL FOR PAYOFFS; PRESIDENTS ADMITS ENTIRE COMPANY'S INVOLVEMENT BEFORE REPORTERS

MAINICHI: CHINA FOCUSING ON BARGAINING; "DIALOGUE" WITH DIFFERENT MOTIVES; WIDE GAP WITH U.S., WHICH DESIRES TO HAVE CLOSER TIES

YOMIURI: 800-COMPANY CONFERENCE TO BE ASKED TO SHUT OUT RACKETEERS; KEIDANREN LEADERS WILL GATHER AND MAKE ARRANGEMENT; ON NOVEMBER 7; SURVEY REPORT WILL BE SOUGHT (TRANSLATION BELOW)

SANKEI: PAYOFF SCANDALS INVOLVING EXTORTIONISTS; THREE NIKKO SECURITIES EXECUTIVES INCLUDING FORMER VICE PRESIDENT ARRESTED; ARREST OF 20TH PERSON BY TOKYO DISTRICT PUBLIC PROSECUTORS OFFICE; ON CHARGE OF HAVING GIVEN APPROVAL IN ADVANCE

VICE PRESIDENT GORE TO ATTEND NAGANO OLYMPIC; HILLARY CLINTON CONSIDERING VISIT ALSO (YOMIURI - PAGE 1)

IT WAS REVEALED YESTERDAY THAT AMERICAN VICE PRESIDENT GORE WOULD ATTEND THE OPENING CEREMONY OF THE NAGANO OLYMPIC GAMES. IN ADDITION, A VISIT TO JAPAN BY MRS. CLINTON FOR THE CLOSING CEREMONY IS NOW UNDER CONSIDERATION. COORDINATION IS NOW UNDERWAY BETWEEN THE JAPANESE AND U.S. GOVERNMENTS.

ACCORDING TO THE FOREIGN MINISTRY AND THOSE CONNECTED TO THE NAGANO OLYMPIC COMMITTEE, VICE PRESIDENT GORE WILL ATTEND THE OPENING CEREMONY ON FEBRUARY 7. THE POSSIBILITY OF MEETINGS BEFORE OR AFTER THE OPENING CEREMONY WITH THE EMPEROR AND PRIME MINISTER HASHIMOTO IS NOW BEING STUDIED.

IF MRS. CLINTON'S JAPAN TRIP IS REALIZED, SHE WILL PROVABLY ARRIVE IN JAPAN BEFORE FEBRUARY 22 WHEN THE CLOSING CEREMONY TAKES PLACE. A RESPONSIBLE U.S. EMBASSY OFFICIAL HAS ALREADY VISITED NAGANO CITY TO FIND OUT DETAILS ABOUT THE TRANSPORTATION NETWORK AND ACCOMMODATIONS.

BEGINNING OF A NEW TRIANGULAR RELATIONSHIP AMONG JAPAN, U.S., AND CHINA (YOMIURI - PAGE 3)

(WASHINGTON, OCTOBER 30, AKINORI UCHIDA) THE AGREEMENT REACHED BETWEEN THE UNITED STATES AND CHINA IN THE SUMMIT MEETING (BETWEEN PRESIDENT CLINTON AND PRESIDENT JIANG ZIEMIN) ON THE 29TH TO BUILD A "CONSTRUCTIVE AND STRATEGIC PARTNERSHIP" HAS NOW USHERED IN A NEW PHASE IN RELATIONS

AMONG THE U.S., CHINA AND JAPAN. IMPROVEMENT IN U.S.-CHINA TIES WILL CERTAINLY BOOST THE OVERALL RELATIONSHIP AMONG JAPAN, THE U.S. AND CHINA, BUT ON THE OTHER HAND, THERE WILL UNDENIABLY BE A SUBTLE EFFECT ON BOTH RELATIONS BETWEEN JAPAN AND THE U.S. AND BETWEEN JAPAN AND CHINA. JAPAN NOW MUST PURSUE A COURSE THAT KEEPS A BALANCE WITH BOTH THE U.S. AND CHINA.
UNCLAS SECTION 02 OF 09 TOKYO 009502

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.

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IN THE MEETING THAT DAY, PRESIDENT CLINTON VENTURED TO REFER TO THE JAPAN-U.S. DEFENSE COOPERATION GUIDELINES, STRESSING, "THEY DO NOT TARGET CHINA BUT AIM AT STABILIZING THE REGION." IN RESPONSE, CHINESE PRESIDENT JIANG ZEMIN TOUCHED ON THE HISTORY OF CHINA'S WAR WITH JAPAN AND WARNED THE U.S. AGAINST JAPAN EXPANDING ITS MILITARY ROLE, NOTING: "WE SHOULD NEVER FORGET THE LESSONS OF THE PAST."

SINCE IT IS UNCOMMON THAT THE U.S. AND CHINA IN THEIR TALKS TO EXCHANGE VIEWS ON JAPAN, IT MAY BE SAFE TO SEE THIS SCENE AS DEMONSTRATING THAT THE TWO LEADERS WERE HIGHLY AWARE OF A TRIANGULAR RELATIONSHIP AMONG JAPAN, THE U.S. AND CHINA.

THE JAPANESE SIDE BASICALLY HAS WELCOMED THIS MEETING AS "AN EFFORT TO BRING THE MOST REMOTE SIDE OF THE TRIANGLE CLOSER TO THE TWO OTHER SIDES" (DIPLOMATIC SOURCE IN THE U.S.). THE U.S. SIDE ALSO NOTES, "FOR NOW, NO ONE ADVOCATES CONTAINING CHINA AND INSTEAD THE FOCUS OF DEBATES IS ON HOW TO ENGAGE THAT COUNTRY IN MATTERS" (SOURCE AT THE DEPARTMENT OF DEFENSE). NO DOUBT THE THREE-WAY RELATIONSHIP IS MOVING IN THE DIRECTION OF COMING CLOSER TO ONE ANOTHER.

HOWEVER, IN THE MIDST OF THE "DIPLOMATIC GAME," JAPAN HAS NOT YET NECESSARILY DISPELLED ITS SENSE OF ALARM REGARDING THE RAPPROCHEMENT BETWEEN THE U.S. AND CHINA. ONE REASON IS THAT THE NUCLEAR POWER PLANT INDUSTRY, WHICH IS AWARE THAT THE U.S.-CHINA AGREEMENT FOR THE PEACEFUL USE OF NUCLEAR POWER WILL BE IMPLEMENTED SOON, THE RESULT OF STRONG LOBBYING ACTIVITY TOWARD THE U.S. CONGRESS. PRESSURE FROM "THE GROUP PROMOTING U.S.-CHINA TIES" EXISTS IN THE AMERICAN BUSINESS COMMUNITY. IN THE

AREA OF MILITARY EXCHANGES, THOSE BETWEEN THE U.S. AND CHINA HAVE GONE SEVERAL STEPS AHEAD OF THOSE BETWEEN JAPAN AND CHINA.

ADDITIONALLY, WHEN PRESIDENT JIANG VISITED PEARL HARBOR IN HAWAII, HE HIGHLIGHTED "U.S.-CHINA ALLIANCE" IN THE WAY OF CRITICIZING JAPAN'S PAST ACTS WITH THE PHRASE, "FASCIST AGGRESSION DURING WORLD WAR II." HIS REMARK HAS ENCOUNTERED STRONG NEGATIVE REACTIONS FROM JAPAN, FOR EXAMPLE, THE STATEMENT, "IT HAS HAD A NEGATIVE EFFECT ON CREATING A GOOD ATMOSPHERE FOR PREMIER LI PENG TO TRAVEL TO JAPAN NEXT MONTH" (SENIOR FOREIGN MINISTRY OFFICIAL).

IN CONTRAST, CHINA IS ALARMED BY A PROPOSAL BY JAPAN AND THE U.S. FOR A TRILATERAL SECURITY DIALOGUE AMONG JAPAN, THE U.S. AND CHINA, FEARING IT MAY REDRAW THE POWER MAP TO "TWO AGAINST ONE": JAPAN AND THE U.S. AGAINST CHINA. FOR NOW COORDINATION IS UNDERWAY IN THE DIRECTION OF HOLDING SUCH A DIALOGUE AT A PRIVATE-SECTOR-INSTITUTE LEVEL INSTEAD OF THE GOVERNMENTAL LEVEL.

NEXT MONTH, PREMIER LI IS TO VISIT JAPAN, AND AT THE TIME OF THE ASIA-PACIFIC ECONOMIC COOPERATION (APEC) FORUM'S INFORMAL SUMMIT CONFERENCE, SEPARATE SUMMIT TALKS ARE PLANNED. HOW TO BUILD A TRIANGULAR RELATIONSHIP AMONG JAPAN, THE U.S. AND CHINA WILL LIKELY CONTINUE TO HOLD THE SPOTLIGHT.

FOREIGN MINISTRY LEADER: JAPAN-U.S.-CHINA SECURITY DIALOGUE POSSIBLE IF AT PRIVATE LEVEL (YOMIURI - PAGE 2)

A HIGH-LEVEL OFFICIAL OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA) STATED LAST EVENING IN CONNECTION WITH A PROPOSED TRILATERAL SECURITY DIALOGUE AMONG JAPAN, THE UNITED STATES AND CHINA BEING SUGGESTED BY JAPAN AND THE U.S. TO CHINA: "THE CHINESE SIDE HAS REMARKED, 'IT'S TOO EARLY TO HOLD A DIALOGUE AT THE GOVERNMENT LEVEL, BUT HOLDING THE ONE AT THE PRIVATE-SECTOR LEVEL IS A GOOD IDEA.'" UNCLAS SECTION 03 OF 09 TOKYO 009502

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.

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THE OFFICIAL THUS REVEALED THAT IN HIS VIEW, A SECURITY DIALOGUE AMONG JAPAN, THE U.S. AND CHINA CARRIED OUT THROUGH PRIVATE-SECTOR RESEARCH INSTITUTES WOULD BE POSSIBLE."

THE JAPAN INSTITUTE FOR INTERNATIONAL AFFAIRS (HEADED BY SPECIAL GOVERNMENT ENVOY NOBUO MATSUNAGA), A MOFA-AFFILIATED THINK TANK, IS PROCEEDING WITH COORDINATION FOR JAPAN WITH THE U.S. AND CHINA. THE GOVERNMENT INTENDS TO BACK UP THE INSTITUTE.

WHEN IT COMES TO JAPAN, THE U.S. AND RUSSIA, A SECURITY DIALOGUE AT THE PRIVATE-SECTOR LEVEL HAS ALREADY BEEN STARTED, AND THIS HIGH-LEVEL OFFICIAL HINTED AT A POSSIBILITY OF ITS DEVELOPING INTO A FOUR-WAY SECURITY DIALOGUE AIMING AT STABILIZING THE ENTIRE ASIA-PACIFIC REGION, ADDING: "SOMETIME IN THE FUTURE, A SECURITY DIALOGUE MAY OCCUR AMONG JAPAN, THE U.S., CHINA AND RUSSIA."

MINSHUTOQS NAOTO KAN CRITICIZES VISIT TO PEARL HARBOR BY CHINAQS PRESIDENT JIANG (SANKEI - PAGE 2)

MINSHUTO (DEMOCRATIC PARTY OF JAPAN) HEAD NAOTO KAN IN A PRESS BRIEFING YESTERDAY EXPRESSED HIS DISPLEASURE WITH CHINESE PRESIDENT JIANG ZEMIN'S VISIT TO PEARL HARBOR PRIOR TO HIS TRIP TO THE MAINLAND UNITED STATES. HE STATED, "I FELT IT SOMEWHAT OUT OF PLACE FOR THE U.S.-CHINA SUMMIT MEETING TO DELIBERATELY EMPHASIZE AN EVENT CONNECTED WITH THE START OF THE WAR BETWEEN JAPAN AND THE UNITED STATES."

KAN SAID THAT IN HIS VIEW OF HISTORY "WE NEED TO PROPERLY SELF-REFLECT ON OUR ACT OF AGGRESSION AGAINST CHINA," BUT REGARDING PRESIDENT JIANG'S TRIP TO PEARL HARBOR, HE POINTED OUT: "HIS BEHAVIOR CAN BE UNDERSTOOD AS A PERFORMANCE DEMONSTRATING, ALBEIT IN A SUBTLE MANNER, THAT HIS COUNTRY WAS AMONG THE ALLIES THAT IN THE PAST STOOD AGAINST JAPAN FOR ITS ACTS. CONSIDERING JAPAN-CHINA TIES, I AM SOMEWHAT TROUBLED."

SAUDIS TO PROPOSE TO VISITING PRIME MINISTER HASHIMOTO JOINT OIL DEVELOPMENT PLAN WITH JAPAN (ASAHI - TOP PLAY)

(CAIRO, OCTOBER 30, DAIJI SADAMORI) DURING PRIME MINISTER RYUTARO HASHIMOTO'S SAUDI ARABIAN VISIT THAT STARTS NOVEMBER 8, SAUDI ARABIA IS PLANNING TO PROPOSE JOINT DEVELOPMENT OF OIL FIELDS IN KHAFJI IN A FORMER SAUDI ARABIA-KUWAIT NEUTRAL ZONE, NOW MONOPOLIZED BY ARABIAN OIL CO., LTD. (HEADQUARTERED IN TOKYO; PRESIDENT: KEIICHI KONAGA) IN COLLABORATION WITH WESTERN OIL FIRMS. THIS WAS REVEALED YESTERDAY BY SEVERAL OIL INDUSTRY SOURCES CLOSE TO THE SAUDI ARABIAN GOVERNMENT. IN ADDITION, SAUDI ARABIA IS EXPECTED TO REQUEST JAPAN TO INCREASE ITS CRUDE OIL IMPORTS FROM 1 MILLION BARRELS A DAY TO 1.5 MILLION BARRELS.

ARABIAN OIL, ESTABLISHED IN 1958 WITH SOME ASPECTS OF A STATE ENTERPRISE, HAS BEEN CONTINUING NEGOTIATIONS WITH SAUDI ARABIA FOR THE EXTENSION OF ITS DRILLING RIGHTS THAT WILL EXPIRE IN THE YEAR 2000. KHAFJI OIL FIELD IS ONE OF A FEW AREAS OVERSEAS WHERE JAPAN HAS DRILLING

RIGHTS.

LOOMING OVER THE JOINT DEVELOPMENT PROPOSAL IS SAUDI ARABIA'S INTENTION TO TAP JAPAN, WHICH IS EAGER TO SEEK OUT STABLE SUPPLIES OF ENERGY, TO ELICIT GREATER INVESTMENT AND ECONOMIC COOPERATION FROM IT.

NEITHER THE SAUDI ARABIAN GOVERNMENT NOR ARABIAN OIL HAS REVEALED ANYTHING FORMALLY ABOUT THE EXTENSION OF THE AGREEMENT. THE JAPANESE GOVERNMENT'S STANCE IS, "ANYTHING RELATED TO A FORMER NEUTRAL ZONE IS NOT UNCLAS SECTION 04 OF 09 TOKYO 009502

USIA

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INCLUDED IN THE AGENDA OF THE PRIME MINISTER'S SAUDI TOUR" (DIRECTOR GENERAL SEIICHIRO NOBORU, MIDDLE EASTERN AND AFRICAN AFFAIRS BUREAU, FOREIGN MINISTRY). BUT ACCORDING TO OIL INDUSTRY SOURCES IN TOKYO AND LONDON, SAUDI ARABIA HAS BEGUN LOOKING INTO THE OPTION OF LETTING NON-JAPANESE COMPANIES PARTICIPATE IN THE PROJECT IN THE FORMER NEUTRAL ZONE, AND HAS ALREADY TAPPED MAJOR WESTERN OIL COMPANIES.

REPORTEDLY, SAUDI ARABIA IS PLANNING TO STRENGTHEN ITS SECURITY ARRANGEMENT BY GRANTING KHAFJI FIELDS' MINING RIGHTS TO AMERICAN FIRMS AS WELL IN AN EFFORT TO PLACE THEM UNDER THE PROTECTION OF THE U.S. MILITARY FROM THE EXPERIENCE THAT THEY TURNED INTO BATTLE FIELDS DURING THE 1991 GULF WAR.

KUWAIT, WHOSE AGREEMENT WITH ARABIAN OIL WILL EXPIRE IN 2003, IS WATCHING CLOSELY SAUDI ARABIA'S MOVE, SEEMINGLY HOPING TO SHIFT THE PRESENT ARRANGEMENT TO A JOINT PROJECT.

JAPAN'S DAILY CRUDE OIL IMPORTS AMOUNT TO 4.5 MILLION BARRELS. OF IT, ABOUT 300,000 BARRELS COME FROM ARABIAN OIL CO.'S FORMER NEUTRAL ZONE. SOME ARE CONCERNED ABOUT THE PROJECT, ONE SAYING, "IF JAPAN ACCEPTS SAUDI ARABIA'S REQUEST FOR GREATER IMPORTS, THE JAPANESE CRUDE OIL MARKET'S SUPPLY-AND-DEMAND BALANCE WILL COLLAPSE" (OIL SOURCE STATIONED IN THE GULF AREA). THE JAPANESE GOVERNMENT HAS STRESSED THAT THE MAJOR GOAL OF PRIME MINISTER HASHIMOTO'S SAUDI TOUR WAS TO "STRENGTHEN BILATERAL RELATIONS FOR THE 21ST CENTURY." THE

GOVERNMENT, HOWEVER, HAS NOT REVEALED ANYTHING ABOUT INVESTMENT OR ECONOMIC COOPERATION.

JAPAN TO SEEK TO RESTORE DIALOGUE WITH IRAN IN SEARCH OF INDEPENDENT POLICY LINE (NIHON KEIZAI - PAGE 1)

JAPAN WILL RESUME EXCHANGES OF HIGH-RANKING OFFICIALS OF THE JAPANESE AND IRANIAN GOVERNMENTS. SUCH EXCHANGES HAVE BEEN FROZEN SINCE THE INCIDENT OF ASSASSINATION OF A KURD HAPPENED IN GERMANY THIS SPRING. THIS POLICY DECISION WAS REVEALED BY AN OFFICIAL OF THE MINISTRY OF FOREIGN AFFAIRS (MOFA) ON THE 30TH. IRANIAN VICE FOREIGN MINISTER AMINZADEH (TN: PHONETIC) WILL VISIT JAPAN IN MID-NOVEMBER FOR AN EXCHANGE OF VIEWS WITH FOREIGN VICE MINISTER YANAI. REACTING TO SOME CHANGES ARISING IN CIRCUMSTANCES IN IRAN, SUCH AS THE INAUGURATION OF PRESIDENT HASAMI (TN: PHONETIC), WHO TAKES A MODERATE AND PRAGMATIC STANCE, JAPAN WILL RESUME A POLICY DIALOGUE IN THE HOPES OF FINDING ITS OWN FOREIGN POLICY TOWARD THE MIDDLE EAST, DRAWING A LINE WITH WESTERN COUNTRIES, WHICH HAVE KEPT IRAN AT ARM'S LENGTH.

JAPAN AND IRAN HELD FOUR ROUNDS OF VICE MINISTERIAL PERIOD TALKS STARTING IN 1991. LAST MAY, DEPUTY FOREIGN MINISTER YANAI (AT THE TIME) VISITED TEHERAN.

FORMER PRIME MINISTER MIYAZAWA SAYS SDP MIGHT LEAVE COALITION BEFORE BUDGET COMPILATION (SANKEI - PAGE 2)

FORMER PRIME MINISTER KIICHI MIYAZAWA OF THE LIBERAL DEMOCRATIC PARTY (LDP) GAVE A SPEECH YESTERDAY AT A GENERAL MEETING OF THE FORMER MIYAZAWA FACTION IN WHICH HE SAID: "SINCE THE SOCIAL DEMOCRATIC PARTY (SDP) HAS TO REFLECT LABOR UNIONS' VIEWS IN A PACKAGE OF ADMINISTRATIVE REFORM MEASURES, IT WILL ONLY REMAIN IN THE COALITION CAMP UNTIL MID-DECEMBER." HE INDICATED IN HIS VIEW THAT THERE WAS A POSSIBILITY THAT THE SDP MIGHT LEAVE THE COALITION ARRANGEMENT BEFORE THE BUDGET FOR NEXT FISCAL YEAR IS COMPILED AT THE END OF THE YEAR.

IN ADDITION, REFERRING TO THE RECENT ECONOMIC SITUATION, MIYAZAWA POINTED OUT: "(THE PEOPLE) MAY WORRY ABOUT THE UNCLAS SECTION 05 OF 09 TOKYO 009502

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JAPANESE ECONOMY, BUT (POLITICIANS) HAVE DETERMINED TO CARRY OUT FISCAL STRUCTURAL REFORM, RECOGNIZING THAT THE ECONOMY WOULD BASICALLY BECOME DEFLATIONARY." TOWARD VIEWS CALLING FOR FISCAL DISBURSEMENTS AS AN ECONOMIC MEASURES, HE REMARKED: "THE ECONOMY WILL CHANGE BY INCREASING LAND LIQUIDITY AS WELL AS BY WISE HANDLING OF THE STOCK MARKET." HE MADE HIS VIEW CLEAR THAT THE GOVERNMENT SHOULD UPHOLD THE PRINCIPLE OF PUSHING AHEAD WITH ITS FISCAL RECONSTRUCTION PROGRAM.

KEIDANREN TO CALL IN 800 COMPANY MEMBERS TO LAY DOWN THE LAW ON CORPORATE RACKETEERS (YOMIURI - TOP PLAY)

TREATING THE RECENT CHAIN OF CORPORATE SCANDALS INVOLVING SOKAIYA RACKETEERS AS A SERIOUS SITUATION, KEIDANREN (FEDERATION OF ECONOMIC ORGANIZATIONS) YESTERDAY DECIDED TO HOLD ON NOVEMBER 7 ITS FIRST JOINT EMERGENCY MEETING OF THE BOARD OF DIRECTORS AND THE BOARD OF TRUSTEES. THE SCALE OF THE MEETING WILL BE LARGE, BRINGING TOGETHER TOP EXECUTIVES OF ABOUT 800 MAJOR MEMBER FIRMS. AT THE MEETING, CHAIRMAN TOYODA WILL DIRECTLY APPEAL TO THE PARTICIPANTS TO ABIDE BY THE "CORPORATE ACTION CHARTER," GUIDELINES FOR CORPORATE BEHAVIORS. AT THE SAME TIME, THE PARTICIPANTS WILL ONCE AGAIN BE ASKED TO AGREE TO ERADICATE CONNECTIONS WITH SOKAIYA RACKETEERS. KEIDANREN HAS SO FAR WRESTLED WITH PREVENTION OF THE RECURRENCE OF SUCH SCANDALS. THE SITUATION IS, HOWEVER, SO ABNORMAL THAT AS MANY AS NINE EXECUTIVE MEMBERS HAVE RESIGNED FROM THEIR POSTS, TAKING THE BLAME. CRITICISM IS BEGINNING TO BE HEARD AGAINST KEIDANREN'S LAX APPROACH TO THE PROBLEM. UNDER SUCH CIRCUMSTANCES, AT THE JOINT MEETING, THE PARTICIPANTS WILL BE ASKED TO SCRUTINIZE THEIR COMPANIES' ACTIVITIES EVEN INTO LOWER REACHES OF THE ORGANIZATIONS IN LIGHT OF WHETHER THERE ARE ANY CONNECTIONS WITH SOKAIYA RACKETEERS. THEY WILL ALSO BE ASKED TO SUBMIT REPORTS ON THE RESULTS OF SUCH SURVEYS.

UNDER NORMAL CONDITIONS, KEIDANREN HOLDS A MEETING OF THE BOARD OF TRUSTEES (ADVISORY PANEL TO THE CHAIRMAN) ONCE A YEAR AND THE BOARD OF DIRECTORS ONCE A MONTH. THE JOINT MEETING SET TO BE HELD THIS TIME IS AN "EXTREMELY EXCEPTIONAL MEASURE" (SENIOR MEMBER).

IN THE PROPOSED MEETING, CHAIRMAN TOYODA AND CORPORATE BEHAVIOR COMMITTEE CHAIRMAN NASU WILL TAKE THE INITIATIVE IN REAFFIRMING THE OBSERVATION OF THE CORPORATE BEHAVIOR CHARTER" LAID DOWN AS GUIDELINES FOR PREVENTING SCANDALS INVOLVING MEMBER FIRMS AND REQUESTING THE PARTICIPANTS TO CONDUCT SURVEYS OF THEIR COMPANIES REGARDING CONNECTIONS WITH SOKAIYA RACKETEERS. KEIDANREN IS ALSO CONSIDERING HANDING OVER MANUALS ON HOW TO DEAL WITH SOKAIYA RACKETEERS, NOW BEING DRAFTED, TO ITS MEMBERS.

THERE IS ALSO A PLAN FOR HAVING MEMBER COMPANIES SUBMIT COVENANTS PLEDGING THAT THEY WILL NEVER HAVE ANY CONNECTIONS WITH SOKAIYA RACKETEERS IN THE FUTURE. FINAL ARRANGEMENTS FOR THE JOINT MEETING WILL BE MADE AFTER CHAIRMAN TOYODA, WHO IS NOW VISITING CHINA, RETURNS HOME.

IN KEIDANREN, NINE EXECUTIVE OFFICERS, SUCH AS THE VICE CHAIRMAN AND PERMANENT COMMITTEE MEMBERS, QUITTED THIS YEAR, TAKING RESPONSIBILITY FOR SCANDALS OCCURRED AT COMPANIES TO WHICH THEY BELONGED. SCANDALS INVOLVING SOKAIYA RACKETEERS IS BEGINNING TO SPREAD TO COMPANIES TO WHICH THE INCUMBENT VICE PRESIDENT BELONGED, SUCH AS MITSUBISHI ELECTRIC MACHINERY AND HITACHI.

CHIEF CABINET SECRETARY ASKS MINISTRIES TO ADD MORE DEREG MEASURES TO ECONOMIC PACKAGE (NIHON KEIZAI - PAGE 5)

CHIEF CABINET SECRETARY KENZO MURAOKA YESTERDAY EVENING CALLED SENIOR OFFICIALS FROM 13 MINISTRIES AND AGENCIES, INCLUDING THE FINANCE AND INTERNATIONAL TRADE AND UNCLAS SECTION 06 OF 09 TOKYO 009502

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 31

INDUSTRY MINISTRIES, TO THE PRIME MINISTER'S OFFICIAL RESIDENCE WHERE HE ASKED THEM TO AUGMENT THEIR DEREGULATION (PROPOSALS) FOR INCLUSION IN THE GOVERNMENT'S ECONOMIC STIMULUS PACKAGE. MURAOKA SAID, "WE MUST REACH A DECISION ON REVISING THE TAX SYSTEM IN DECEMBER, AND IT IS IMPORTANT THAT WE LINE UP SHOWCASE ITEMS IN THE DEREGULATION AREA. SINCE I WOULD LIKE TO FINISH UP THE PACKAGE IN MID-NOVEMBER, I WOULD LIKE YOUR COOPERATION." HE ASKED EACH MINISTRY AND AGENCY TO REPORT TO HIM NEXT WEEK SOMETIME WHAT DECISIVE DEREGULATION MEASURES THEY ARE PROPOSING IN SUCH AREAS AS DATA COMMUNICATIONS OR LAND AND HOUSING.

GOVERNMENT REPORT SHOWS 68 PERCENT OF DEREGULATION WAS QEFFECTIVEQ (NIHON KEIZAI - PAGE 5)

THE MANAGEMENT AND COORDINATION AGENCY (MCA) YESTERDAY COMPLETED ITS SURVEY OF THE STATE OF IMPLEMENTATION OF THE DEREGULATION PROMOTION PLAN ADOPTED BY THE CABINET IN MARCH AND REPORTED THE RESULTS TO THE DEREGULATION SUBCOMMITTEE (CHAIRMANED BY YOSHIHIKO MIYAUCHI) OF THE ADMINISTRATIVE REFORM COMMITTEE. AS A RESULT OF TABULATIONS OF THE OPINIONS OF 711 BUSINESS EXECUTIVES REGARDING 54 ITEMS INCLUDED IN THE PROMOTIONAL PLAN THAT WERE CONSIDERED TO HAVE A LARGE ECONOMIC IMPACT, THOSE WHO REPLIED "EFFECTIVE" OR "EFFECTIVE BUT I WOULD LIKE TO SEE IT EASED SOME MORE" JOINTLY REACHED 68.2 PERCENT.

ONLY 14.3 PERCENT SAID THEY WERE "INEFFECTIVE."

SPECIFICALLY, IT WAS POINTED OUT THAT THE SHIFT FROM AN APPROVAL TO A NOTIFICATION SYSTEM FOR CHARGES FOR PORTABLE COMMUNICATIONS DEVICES LIKE POCKET PHONES "ALLOWED US TO ECONOMIZE OFFICE MANAGEMENT AND LOWER CHARGES FREELY." OPINIONS REGARDING THE EFFECTIVENESS OF EASING RESTRICTIONS ON THE INITIAL RATE FOR TAXIS WERE SPLIT.

ACCJ, IN DOOR KNOCK AT NAGATA-CHO, REQUEST DEREGULATION AND CORPORATE TAX CUT (NIHON KEIZAI - PAGE 5)

THE AMERICAN CHAMBER OF COMMERCE IN JAPAN (ACCJ) ANNOUNCED YESTERDAY THAT IT HAD COMPILED A LIST OF REQUESTS, INCLUDING A 10 PERCENT CUT IN THE CORPORATE TAX RATE AND IMMEDIATE IMPLEMENTATION OF DEREGULATION, AND HAS SENT THEM TO DIETMEMBERS OF MAJOR POLITICAL PARTIES IN JAPAN. AT A NEWS CONFERENCE YESTERDAY, ACCJ EXECUTIVE DIRECTOR CHARLES DUFFY POINTED OUT, "REDUCING THE CORPORATE TAX RATE WILL ACTIVATE INVESTMENT AND REVITALIZE THE JAPANESE ECONOMY."

THE ACCJ REPORT ALSO COMPILED A REPORT ON THE LDP'S BILL TO AMEND THE COMMERCIAL LAW WHICH STATES: "IT IS A NEEDLESS EXPENSE TO SEEK ADDITIONAL PERSONNEL AS INSPECTORS WHO WOULD HAVE STRONG AUTHORITY EVEN OVER FOREIGN COMPANIES NOT LISTED ON THE STOCK EXCHANGE." IT SOUGHT THAT THE APPROPRIATE SUBJECT FOR THE RULE TO TIGHTEN INSPECTION SHOULD BE LIMITED TO COMPANIES LISTED ON THE EXCHANGE. IN ADDITION, THE ACCJ FOCUSED ITS REQUEST ON EASING RESTRICTIONS IN THE MEDICAL EQUIPMENT AREA, STATING THAT IF IT BECAME EASIER TO APPLY STATE-OF-THE-ART MEDICAL TECHNOLOGY, MEDICAL COSTS IN JAPAN WOULD BE REDUCED.

FINAL DOMESTIC AGREEMENT REACHED IN THE HARBORS DISPUTE ON NEW CONSULTATION FORMULA (NIHON KEIZAI - PAGE 7)

AGREEMENT WAS REACHED YESTERDAY AMONG THREE PARTIES -- JAPANESE AND FOREIGN SHIPPERS' ASSOCIATIONS AND THE MINISTRY OF TRANSPORT (MOT) OVER THE INTRODUCTION OF A NEW SYSTEM TO ALLOW SHIPPING COMPANIES TO HOLD DIRECT NEGOTIATIONS WITH CARGO-HANDLING FIRMS IN A DRIVE TO REFORM THE LONG-STANDING LABOR-MANAGEMENT PRIOR CONSULTATION SYSTEM FOR CARGO HANDLING SERVICES IN JAPAN. UNCLAS SECTION 07 OF 09 TOKYO 009502

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 31

WITH THIS, ALL DOMESTIC PROCEDURES HAVE NOW BEEN COMPLETED IN THE PACKAGE OF PORT PRACTICE IMPROVEMENT MEASURES, WHICH HAS BEEN ADOPTED BY THE JAPANESE AND UNITED STATES GOVERNMENT. THE PORT ISSUE, WHICH WAS BOGGED DOWN TO THE EXTENT THAT THE U.S. IMPOSED SANCTIONS AGAINST JAPAN, IS NOW EXPECTED TO BE WRAPPED UP SHORTLY.

THE NEW SYSTEM WILL BE SET UP SEPARATELY FROM THE EXISTING ONE, UNDER WHICH THE JAPAN HARBOR TRANSPORTATION ASSOCIATION (JHTA), COMPOSED OF PORT CARGO-HANDLING COMPANIES, SERVES AS AN INTERMEDIARY IN NEGOTIATIONS. UNDER THE NEW SCHEME, SHIPPERS WILL FIRST NEGOTIATE DIRECTLY WITH COMMISSIONED CARGO-HANDLING FIRMS ON CHANGES IN CARGO-HANDLING SCHEDULES, AND THEN THE CARGO-HANDLING FIRMS WILL HOLD NEGOTIATIONS WITH THE LABOR UNIONS REPRESENTING LONGSHOREMEN. IN ORDER TO AVOID TROUBLE BREAKING OUT BETWEEN THE TWO PARTIES CONCERNED, MOT WILL PLAY A CERTAIN ROLE BY "GIVING APPROPRIATE ADVICE IN ACCORDANCE WITH THE PERTINENT LAWS." SHIPPING COMPANIES WILL HAVE THE RIGHT TO CHOOSE ONE OF THESE TWO SYSTEMS.

THE DOCUMENT OF AGREEMENT INCLUDED THE WORDING "THE NEW SYSTEM IS EXPECTED TO GO INTO EFFECT ON DECEMBER 1," BUT IN INTRODUCING THE SYSTEM, A NEW ACCORD BETWEEN SHIPPERS AND LABOR UNIONS IS NEEDED.

THE PACKAGE OF PORT PRACTICE IMPROVEMENT MEASURES FEATURES THREE POINTS: MAKING THE EXISTING PRIOR CONSULTATION SYSTEM MORE TRANSPARENT, AS AGREED ON BY THE FOUR PARTIES INVOLVED ON THE 28TH; AND REACHING A GOVERNMENT-TO-GOVERNMENT AGREEMENT TO SIMPLIFY THE PROCEDURES NECESSARY TO OBTAIN A LICENSE FOR CARGO-HANDLING SERVICES; IN ADDITION TO THE NEW SYSTEM. THE GOVERNMENT WILL SOON SEND A LETTER UNDER THE NAME OF AMBASSADOR TO THE U.S. SAITO TO U.S. SECRETARY OF STATE ALBRIGHT. WITH THIS, A FINAL AGREEMENT IN THIS ISSUE WILL BE WRAPPED UP. THE FOCUS WILL SHIFT TO WHETHER THE U.S. FEDERAL MARITIME COMMISSION WILL DROP THE SURCHARGES FOR OCTOBER AND BEYOND IMPOSED ON JAPANESE THREE SHIPPING COMPANIES.

GOVERNMENT TO EXPAND BUSINESS AREA ALLOWED TO FOREIGN LAWYERS (YOMIURI - PAGE 2)

THE "FOREIGN ATTORNEYS' PROBLEMS RESEARCH COUNCIL" ORGANIZED BY LAWYERS, CORPORATE EXPERTS AND OFFICIALS OF THE JUSTICE MINISTRY (MOJ) AND THE MINISTRY OF FOREIGN AFFAIRS (MOFA) YESTERDAY COMPILED PROPOSALS CALLING FOR EASING PROFESSIONAL RESTRICTIONS IMPOSED ON FOREIGN ATTORNEYS WHO ARE PRACTICING IN JAPAN TO LINE UP WITH THE QUALIFICATIONS THEY ACQUIRED ABROAD. IT HAS SUBMITTED THEM TO MOJ. THE STEP IS ORIGINALLY IN RESPONSE TO A REQUEST MADE BY THE EUROPEAN UNION (EU), BUT DEREGULATION

IN SUCH AN AREA HAS THE EFFECT OF INCREASING LAWYERS WHO CAN DEAL WITH INTERNATIONAL LAWSUITS, WHICH ARE EXPECTED TO RISE IN THE FUTURE. IN RESPONSE TO THE PROPOSALS, THE GOVERNMENT PLANS TO SUBMIT AN AMENDMENT TO THE FOREIGN ATTORNEYS LAW TO NEXT YEAR'S REGULAR DIET SESSION.

THE PROPOSALS CALL FOR (1) MAKING IT POSSIBLE FOR FOREIGN ATTORNEYS TO JOINTLY PRACTICE WITH JAPANESE LAWYERS ON INTERNATIONAL LEGAL AFFAIRS; AND (2) ENABLING THEM TO PRACTICE IN THIRD COUNTRIES (COUNTRIES WHERE THEY ACQUIRED THE ATTORNEY'S CERTIFICATE AND COUNTRIES OTHER THAN JAPAN), SUBJECT TO WRITTEN ADVICE BY ATTORNEYS IN RELEVANT COUNTRIES.

OF THE ABOVE PROPOSALS, (1) IS A MEASURE DESIGNED TO AMEND THE CURRENT LAW, WHICH LIMITS THE BUSINESS SCOPE ALLOWED FOR FOREIGN ATTORNEYS TO THE DRAFTING OF CONTRACTS AND CONSULTATION ON LEGAL MATTERS, SO THAT FOREIGN ATTORNEYS CAN ASSIST IN PROXY PRACTICES FOR UNCLAS SECTION 08 OF 09 TOKYO 009502

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 31

LAWSUITS OF AN INTERNATIONAL NATURE. TO BE CONCRETE, THE MEASURE IS EXPECTED TO OFFER SUCH BENEFITS AS THAT FOREIGN ATTORNEYS WILL BECOME ABLE TO ENGAGE IN PROXY PRACTICE IN CASES THAT REQUIRE OTHER COUNTRIES' LEGAL KNOWLEDGE, SUCH AS LAWSUITS FILED BY FOREIGN AFFILIATES, ARMED WITH LAWS OF BOTH JAPAN AND THE HOME COUNTRY OF THE FOREIGN AFFILIATES.

NOISE POLLUTION AT YOKOTA AND ATSUGI BASES WORSENS
(TOKYO SHIMBUN - PAGE 23)

THE TOKYO METROPOLITAN GOVERNMENT'S ENVIRONMENTAL PROTECTION BUREAU ON THE 20TH MADE PUBLIC THE RESULTS OF ITS MONITORING OF AIRCRAFT NOISE AROUND TOKYO INTERNATIONAL AIRPORT AT HANEDA AND AROUND THE U.S. FORCES JAPAN'S YOKOTA AIR FORCE BASE (STRETCHING OVER AKISHIMA CITY AND SOME OTHER MUNICIPALITIES) AND ATSUGI NAVAL AIR STATION (LOCATED IN YAMATO CITY AND OTHER MUNICIPALITIES IN KANAGAWA PREFECTURE). NOISE LEVELS IN MOST AREAS NEAR HANEDA WERE BELOW THE ENVIRONMENTAL STANDARD LEVEL. HOWEVER, THE RESULTS SHOWED NO IMPROVEMENTS IN THE NOISE LEVELS OF AREAS AROUND YOKOTA AFB AND ATSUGI NAS, INDICATING THAT LOCAL RESIDENTS

LIVING IN THE VICINITY OF THE TWO BASES STILL HAVE BEEN IN A SEVERE SITUATION.

THE ENVIRONMENTAL STANDARD LEVEL -- AN INDICATOR IN TERMS OF THE WEIGHTED EQUIVALENT CONTINUOUS PERCEIVED NOISE LEVEL (WECPNL) WITH SUCH FACTORS AS NOISE FREQUENCY AND HOURS ADDED TO THE NOISE LEVEL -- IS SET BELOW 70 FOR RESIDENTIAL QUARTERS AND BELOW 75 FOR OTHER AREAS. PEOPLE LIVING IN AN AREA WHERE THE LEVEL OF NOISE IS HIGHER THAN THAT STANDARD LEVEL WOULD SUFFER FROM NOISE, THE LEVEL OF WHICH, IN A TERRIBLE CASE, IS EQUIVALENT TO OR HIGHER THAN THAT UNDER AN ELEVATED RAILWAY BRIDGE, OFFICIALS SAY.

IN THE METROPOLITAN WARDS OF SHINAGAWA AND OTA, AIRCRAFT NOISE LEVELS WERE MONITORED THROUGHOUT THE YEAR AT A TOTAL OF FIVE FIXED POINTS IN AREAS AROUND HANEDA. AS A RESULT, AIRCRAFT NOISE WAS HIGHER THAN THE STANDARD LEVEL ONLY AT HEIWAJIMA. IN THE MONITORING OF AIRCRAFT NOISE AT 10 OTHER SPOTS AS WELL (FOR A PERIOD OF ONE WEEK), IT WAS HIGHER THAN THE STANDARD LEVEL ONLY AT THE OTA MARKET. THE LEVEL OF AIRCRAFT NOISE IN THOSE AREAS HAS CONTINUED TO IMPROVE OVER THE PAST FOUR OR FIVE YEARS BECAUSE OF SUCH CIRCUMSTANCES AS THAT HANEDA AIRPORT'S WEST TERMINAL OPENED IN 1993 AND ITS NEW OFFSHORE-EXTENDED RUNWAY HAS BEEN INCREASINGLY USED.

IN THE CASE OF AIRCRAFT NOISE IN AREAS NEAR YOKOTA AFB, NOISE LEVELS WERE LIKEWISE MONITORED IN THE CITIES OF AKISHIMA, MUSASHI MURAYAMA, AND FUSSA AND ALSO IN THE TOWN OF MIZUHO. AS A RESULT OF THE FIXED-POINT MONITORING OF AIRCRAFT NOISE IN THOSE FOUR AREAS, THE LEVEL OF AIRCRAFT NOISE WAS HIGHER THAN THE STANDARD LEVEL AT TWO POINTS. IN THE MONITORING OF AIRCRAFT NOISE AT 22 SPOTS (FOR A PERIOD OF TWO WEEKS), IT EXCEEDED THE STANDARD LEVEL AT 7 POINTS. THE HIGHEST (WECPNL) LEVEL OF AIRCRAFT NOISE WAS 86, WHICH WAS RECORDED AT A BUSINESS OFFICE IN THE TOWN OF MIZUHO. AIRCRAFT NOISE WAS OVER THE STANDARD LEVEL AT A TOTAL OF NINE POINTS, AND ITS LEVEL WAS HIGHER THAN 80 AT FIVE OF THOSE NINE POINTS.

ADDITIONALLY, AIRCRAFT NOISE WAS MONITORED ALSO IN THE CITY OF MACHIDA, A LOCALITY SITUATED CLOSE TO ATSUGI NAS. AS A RESULT OF THE MONITORING OF AIRCRAFT NOISE THERE AT ONE FIXED POINT AND AT NINE SPOTS (FOR A PERIOD OF EIGHT WEEKS), IT WAS ABOVE THE STANDARD LEVEL AT EIGHT POINTS.

BASED ON SUCH RESULTS, TOKYO'S METROPOLITAN GOVERNMENT WILL REQUEST THE CENTRAL GOVERNMENT AND THE USFJ TO UNCLAS SECTION 09 OF 09 TOKYO 009502

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 31

IMPLEMENT NOISE CONTROL MEASURES. AT HANEDA AIRPORT,
ANOTHER NEW OFFSHORE RUNWAY HAS BEEN IN USE SINCE THIS
MARCH, SO FURTHER IMPROVEMENTS CAN BE EXPECTED IN AREAS
AROUND THE AIRPORT. AS FOR THE USFJ, HOWEVER, THERE HAS
BEEN NO PROGRESS IN ITS EFFORTS FOR REDUCING THE LEVEL OF
AIRCRAFT NOISE.

GOVERNMENT TO READY NORTHERN OKINAWA DEVELOPMENT PLAN IN
NOVEMBER (MAINICHI - PAGE 2)

NOW THAT THE CITY OF NAGO IN OKINAWA PREFECTURE HAS
DECIDED TO HOLD A REFERENDUM OF ITS RESIDENTS ON DECEMBER
21 FOR THEIR VOTE ON THE PROPRIETY OF CONSTRUCTING A SEA-
BASED HELIPORT FOR THE U.S. MILITARY IN WATERS OFF THE
CITY, THE CENTRAL GOVERNMENT FIRMED UP ITS INTENTION ON
THE 30TH TO WORK OUT NEXT MONTH A PACKAGE OF (ECONOMIC)
PROMOTIONAL MEASURES FOR THE NORTHERN PART OF THE ISLAND
PREFECTURE, IN ADDITION TO PRESENTING AN OUTLINE OF THE
PLAN TO THE LOCAL COMMUNITY. ALL THE MORE BECAUSE THE
OUTCOME OF SUCH VOTING WILL DIRECTLY LEAD TO THE FUTURE
COURSE OF THE CONSTRUCTION PLAN, THE CENTRAL GOVERNMENT
WILL DO ITS UTMOST TO OBTAIN THE LOCALITY'S
UNDERSTANDING, BUT THERE IS NO KNOWING ITS OUTCOME.

THE SCHEDULE OF VOTING, INITIALLY EXPECTED TO TAKE PLACE
IN JANUARY OF NEXT YEAR, IS NOW MOVED UP. THE CENTRAL
GOVERNMENT TAKES IT THAT THE MUNICIPAL GOVERNMENT OF NAGO
CITY IS NOW INCLINING TO APPROVE THE CONSTRUCTION PLAN
AND HAS THEREFORE SHOWN A SIGN OF HEADING TOWARD AN EARLY
SETTLEMENT OF THE PROBLEM FOR FEAR OF ITS GETTING
ENTANGLED. THE JAPAN DEFENSE AGENCY IS NOW READY TO COME
UP WITH AN OUTLINE OF ITS CONSTRUCTION IMPLEMENTATIONAL
PLAN FOR THE LOCALS. IN PARTICULAR, JDA IS NOW MAKING
MUCH OF OBTAINING OKINAWA PREFECTURE'S UNDERSTANDING
SINCE THE PREFECTURAL GOVERNMENT HAS BEEN ASSUMING A WAIT-
AND-SEE ATTITUDE.

ON THIS ISSUE, PRIME MINISTER RYUTARO HASHIMOTO HAS NOW
CLARIFIED HIS INTENTION OF RESPECTING THE CITY'S CHOICE
OF VOTING: "THE GOVERNMENT WILL NOT GO AHEAD WITH THE
CONSTRUCTION WORK WITHOUT CONSULTING WITH THE LOCAL
COMMUNITY." IF THE REFERENDUM CLEARLY SHOWS THE
CITIZENS' NEGATIVE OPINION AGAINST THE HELIPORT
CONSTRUCTION, THE PROPOSED RELOCATION OF THE (FUTENMA)
AIRFIELD MIGHT BE CALLED OFF, AND THE PROBLEM OF REDUCING
THE (U.S.) MARINES, NOW QUIETED DOWN FOR A WHILE, MAY BE
REIGNITED. CRANE

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RUEBBEA/USDOT WASHDC
SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 5

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 10 TOKYO 009594

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 NOVEMBER 5

TOP HEADLINES:

ASAHI: TRIAL ON SARIN GAS ATTACKS ON SUBWAYS: TOKYO
DISTRICT PUBLIC PROSECUTORS OFFICE TO CONSIDER
APPLICATION OF ATTEMPTED MURDER TO DEFENDANT CULT HEAD
MATSUMOTO AND OTHER MEMBERS; PRIORITY GIVEN TO SPEEDING
UP EXAMINATION; AIM IS TO AVOID DISTRUST OF JUDICIARY

NIHON KEIZAI: THREE RESERVE FUNDS, SUCH AS BONUSES, LIKELY TO BE REPEALED; FINANCE MINISTRY'S PLAN FOR TAX SYSTEM REFORM IN FISCAL 1998; SIX-YEAR TRANSITION ACTION; A 2.5 PERCENT CUT IN CORPORATE TAX KEPT IN MIND

TOKYO SHIMBUN: PROTECTION MEASURES FOR SECURITIES INVESTORS TO BE STEPPED UP; WITH SANYO SECURITIES' BUST AS OCCASION; COMPELLING COLLECTION OF DONATIONS FROM BROKERAGE HOUSES AND ABOLITION OF 2-BILLION-YEN COMPENSATION UPPER LIMIT REGARDING TRUST FUND; FINANCE MINISTRY AIMS AT IMPLEMENTING THESE MEASURES NEXT JULY

MAINICHI: RESTRUCTURING OF CENTRAL GOVERNMENT OFFICES: GOVERNMENT, LDP OUTLINE THEIR PLAN; "ENVIRONMENTAL SAFETY MINISTRY" AS INDEPENDENT BODY; CONCEPT OF ONE OFFICE AND 12 MINISTRIES AND AGENCIES FIRMLY RETAINED (TRANSLATION BELOW)

YOMIURI: NOMURA SECURITIES' EXCESSIVE ENTERTAINMENT APPROACHES TO SPECIAL PUBLIC CORPORATIONS (TOKUSHU HOJIN); AT EXPENSE OF OVER 10 MILLION YEN ANNUALLY TO 10 SOME ODD ORGANIZATIONS; WITH AIM OF GETTING CHIEF MANAGING UNDERWRITER'S POST FOR ISSUANCE OF FOREIGN BONDS; DISTRICT PROSECUTORS OFFICE SEIZURES RELEVANT VOUCHERS (ARTICLE IN ENGLISH ED.)

SANKEI: INDUSTRIAL STRUCTURAL PANEL PROPOSES 10-POINT CUT IN CORPORATION TAX; TO CLARIFY IT IN REVISING TAX SYSTEM FOR NEXT FISCAL YEAR

LDP EXECUTIVE COUNCIL MEMBERS CALL FOR FISCAL DISBURSEMENTS TO RESCUE ECONOMY (SANKEI - PAGE 3)

IN A LIBERAL DEMOCRATIC PARTY (LDP) EXECUTIVE COUNCIL MEETING, HELD YESTERDAY, FORMER PRESIDENT YOHEI KONO AND OTHER MEMBERS CALLED FOR STRONG ECONOMIC MEASURES INVOLVING FISCAL DISBURSEMENTS, SUCH AS ADDITIONAL PUBLIC WORKS PROJECTS. IN RESPONSE, SECRETARY GENERAL KOICHI KATO AND POLICY AFFAIRS RESEARCH COUNCIL (PARC) CHAIRMAN TAKU YAMASAKI REITERATED THEIR POLICY DIRECTION OF GIVING FOREMOST PRIORITY TO FISCAL RECONSTRUCTION AND NOT TAKING ANY ECONOMIC MEASURES THAT WOULD REQUIRE FISCAL DISBURSEMENTS.

IN YESTERDAY'S MEETING, KONO POINTED OUT: "IN VIEW OF THE PRESENT BUSINESS AND ECONOMIC CONDITIONS, IS IT ENOUGH FOR US TO JUST PASS THE FISCAL STRUCTURAL REFORM BILL, FETTER (FISCAL MANAGEMENT) AND SET A FRAMEWORK? THE (DE FACTO) BANKRUPTCY OF SANYO SECURITIES HAS FUELED THE UNEASINESS OF THE GENERAL PUBLIC." KONO ASKED YAMASAKI: "IS ECONOMIC RECOVERY POSSIBLE WITHOUT FISCAL DISBURSEMENTS?"

FORMER CHIEF CABINET SECRETARY SEIROKU KAJIYAMA URGED SPEEDING UP MEASURES SO THAT FINANCIAL INSTITUTIONS WOULD INCREASE LENDING, REMARKING, "WITH THE BIG BANG COMING UP, BANKS ARE RELUCTANT ABOUT LENDING MONEY TO (THE PRIVATE SECTOR). GOVERNMENT-AFFILIATED FINANCIAL

INSTITUTIONS ARE NOT EAGER ABOUT THAT, EITHER. WE HAVEN'T TAKEN ANY MEASURES DESPITE THE FACT THAT WE ARE ALL AWARE THAT AN ECONOMIC STIMULUS PACKAGE WITHOUT FINANCIAL STEPS IS NOT JUST POSSIBLE. IF NOTHING IS DONE, JAPAN WILL COLLAPSE."

MEANWHILE, FORMER CONSTRUCTION MINISTER SHIZUKA KAMEI
UNCLAS SECTION 02 OF 10 TOKYO 009594

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 NOVEMBER 5

INDICATED THE NEED TO DRAW A CLEAR LINE BETWEEN SHORT-TERM ECONOMIC MEASURES AND FISCAL RECONSTRUCTION, WHICH IS A MID- TO LONG-TERM TARGET. KAMEI ADDED: "(ECONOMIC) JUDGMENTS BY PRIME MINISTER RYUTARO HASHIMOTO AND ECONOMIC PLANNING AGENCY DIRECTOR GENERAL KOJI OMI HAVE NOW CHANGED. FISCAL DISBURSEMENTS AND FISCAL RECONSTRUCTION ARE NOT CONTRADICTORY TO EACH OTHER. SECRETARY GENERAL KATO AND OTHER EXECUTIVES SHOULD PERSUADE THE GOVERNMENT TO (MAKE FISCAL DISBURSEMENTS)."

YAMASAKI, HOWEVER, REJECTED SUCH AN APPROACH, ARGUING, "FISCAL STRUCTURAL REFORM IS PART OF THE PRIME MINISTER'S PUBLIC PLEDGE. THE GOVERNMENT AND THE LDP HAVE BEEN WORKING HARD TO ACHIEVE THAT GOAL AS A TEAM. A PARC CHAIRMAN IS NOT STRONG ENOUGH TO CHANGE (THE GOVERNMENT'S POLICY DIRECTION)." SECRETARY GENERAL KATO SIDED WITH YAMASAKI AND NOTED, "IT IS THE PRIME MINISTER'S CONCLUSION NOT TO CARRY OUT LARGE-SCALE PUBLIC WORKS PROJECTS JUST TO BOOST THE ECONOMY. THE PRIME MINISTER IS RESPONSIBLE FOR ALL DECISIONS ABOUT FISCAL STRUCTURAL REFORM. WE WILL CONTINUE BACKING THE PRIME MINISTER'S POLICY DIRECTION AS A PARTY."

OKINAWA PREFECTURE PLANS TO PROMOTE FREE TRADE ZONE BY 2005 (ASAHI - PAGE 1)

OKINAWA PREFECTURE HAS COMPLETED ITS PROPOSED PACKAGE OF ECONOMIC PROMOTIONAL MEASURES, WHICH ARE CENTERED ON THE CREATION OF A PREFECTURE-WIDE FREE TRADE ZONE, WITH TARIFFS ELIMINATED BY THE YEAR 2005. IN THE PREFECTURE'S SEPTEMBER DRAFT, THE AIM WAS TO INTRODUCE SUCH A SCHEME BY THE YEAR 2001, BUT AS A RESULT OF STRONG OBJECTIONS FROM THE INDUSTRIAL COMMUNITY WHICH SEEKS TO MAINTAIN THE CURRENT PROTECTION POLICY, THE TARGET DATE WAS DELAYED BY FOUR YEARS. THE PREFECTURE PLANS TO URGE ITS

IMPLEMENTATION IN SUCH FORA AS THE CENTRAL GOVERNMENT'S OKINAWA POLICY COUNCIL, BUT CENTRAL GOVERNMENT OFFICES ARE INDICATING STRONG RELUCTANCE TO SUPPORT IT OWING TO THE REQUEST THAT WOULD CREATE TWO SYSTEMS IN ONE COUNTRY. THERE ARE STRONG OBJECTIONS ALSO IN THE PREFECTURAL ASSEMBLY THAT 2005 WOULD BE TOO EARLY, SO WHETHER THE PREFECTURAL PROPOSAL CAN BE REALIZED OR NOT IS A DELICATE ISSUE.

BUT OKINAWAQS ECONOMIC PROMOTIONAL PLAN LACKS ATTRACTIVENESS EVEN IN THE PREFECTURE (ASAHI - PAGE 10)

ANALYSIS: THE ECONOMIC PROMOTIONAL PACKAGE COMPILED BY OKINAWA PREFECTURE HAS GREATLY RETREATED FROM THE FIRST CONCEPT OF BOLDLY PUSHING AHEAD WITH LIBERALIZATION. THIS HAPPENED BECAUSE OF IT REFLECTED THE STRONG OBJECTIONS RAISED BY THE AGRICULTURAL PRODUCERS AND MANUFACTURERS IN THE PREFECTURE. ALTHOUGH ECONOMIC CIRCLES IN THE PREFECTURE ASSERTED THAT "THE CONTENTS WILL RAISE THE STATURE OF OKINAWA" (AKIRA SAKIMA, CHAIRMAN OF THE BANK OF OKINAWA), THE CHALLENGE THAT REMAINS IS LAYING OUT A PATH TOWARD INDEPENDENCE AND AWAY FROM RELIANCE ON PUBLIC WORKS.

KIYOHICO FUKUSHIMA, SENIOR RESEARCH AT NOMURA RESEARCH INSTITUTE'S HEADQUARTERS FOR SOCIAL AND INDUSTRIAL RESEARCH POINTS OUT:

"SINCE THE CONDITIONS FOR LOCATING INDUSTRY (THERE) ARE NOT GOOD, OKINAWA MUST HAVE A PLAN THAT IS ATTRACTIVE TO THE EXTENT THAT IT SEEMS TO HAVE GONE OVERBOARD. AS A RESULT OF GIVING PRIORITY CONSIDERATION TO INDUSTRY ALREADY IN THE PREFECTURE, THE CONTENTS HAVE BECOME DIFFICULT FOR MAINLAND INDUSTRIES OR FOREIGN COMPANIES TO UNDERSTAND."

HIROYA YOSHIKAWA, A PROFESSOR AT OKINAWA UNIVERSITY, ALSO STATED:
UNCLAS SECTION 03 OF 10 TOKYO 009594

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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 5

"IN DEBATING INDUSTRIAL PROMOTIONAL MEASURES SUCH AS THE FREE TRADE ZONE, IT WAS A MISTAKE TO MIX IN THE ISSUE CLOSE TO SOCIAL SECURITY OF PROTECTING INDUSTRIES THAT

HAVE NO COMPETITIVENESS SUCH AS SUGAR CANE GROWERS."

GOVERNMENT TO PRESENT BASIC HELIPORT PLAN TO NAGO CITY RESIDENTS TODAY (MAINICHI - PAGE 2)

THE GOVERNMENT TODAY WILL PRESENT TO OKINAWA PREFECTURE, NAGO CITY AND OTHER RELEVANT MUNICIPALITIES A BASIC PLAN FOR CONSTRUCTING A SEA-BASED HELIPORT TO REPLACE THE ONE AT FUTENMA AIR STATION. JAPAN DEFENSE AGENCY (JDA) DIRECTOR GENERAL FUMIO KYUMA WILL VISIT OKINAWA TODAY TO MEET WITH GOVERNOR MASAHIRO OTA AND NAGO MAYOR TETSUYA HIGA TO EXPLAIN THE PROJECT AND OBTAIN THEIR UNDERSTANDING.

THE GOVERNMENT YESTERDAY HELD A MEETING AT THE "FUTENMA AIR STATION RELOCATION HEADQUARTERS" AND ADOPTED THE BASIC PLAN. IN ADDITION, THE MEETING DECIDED TO DISSEMINATE TENS OF THOUSANDS OF PAMPHLETS IN OKINAWA AS WELL AS TO HOLD EXPLANATION MEETINGS IN NAGO CITY. THE MEETING REAFFIRMED THE POLICY DIRECTION TO DO EVERYTHING POSSIBLE TO WIN LOCAL SUPPORT, TARGETING AT A NAGO CITY REFERENDUM ON THE HELIPORT PROJECT SLATED FOR DECEMBER 21.

THE GOVERNMENT HAS ALREADY DECIDED TO LIST TWO CONSTRUCTION METHODS IN ITS BASIC PLAN, NAMELY, A QUICK-INSTALLATION PLATFORM (QIP) AND A PONTOON METHOD. (ITARU JINRA)

GOVERNMENT PLAN PUBLIC RELATIONS CAMPAIGN TO CONVINCE OKINAWA TO ACCEPT HELIPORT PLAN (NIHON KEIZAI - PAGE 2)

AT A MEETING OF RELEVANT MINISTRIES AND AGENCIES PARTICIPATING IN THE FUTENMA AIR STATION RELOCATION HEADQUARTERS YESTERDAY, THE GOVERNMENT DECIDED TO CARRY OUT A FULL-SCALE PUBLIC RELATIONS CAMPAIGN TO OBTAIN LOCAL UNDERSTANDING TOWARD THE HELIPORT CONSTRUCTION PROJECT IN NAGO CITY, OKINAWA.

TARGETING THE LOCAL REFERENDUM THAT WILL TAKE PLACE ON DECEMBER 21, THE GOVERNMENT IS PLANNING TO DISSEMINATE TENS OF THOUSANDS OF PAMPHLETS, AS WELL AS TO HOLD HELIPORT EXPLANATION MEETINGS AT VARIOUS PARTS OF THE CITY. "WE OF COURSE ARE NOT ALLOWED TO CARRY OUT AN ELECTION-LIKE CAMPAIGN, BUT WE WOULD LIKE TO SUPPLY INFORMATION AT EVERY POSSIBLE OPPORTUNITY," SAID A DEFENSE AGENCY OFFICIAL. THE CABINET PRESS SECRETARY IS WORKING AS A MEMBER OF THE HELIPORT CONSTRUCTION HEADQUARTERS. THE CAMPAIGN BUDGET IS LIKELY TO COME FROM THE GOVERNMENT PUBLIC RELATIONS OUTLAYS.

THE GOVERNMENT NO LONGER HAS SEIROKU KAJIYAMA AS ITS CHIEF CABINET SECRETARY. IN ADDITION, THE REAPPOINTMENT OF OKINAWA'S VICE GOVERNOR YOSHIMOTO, AN ACTIVE COORDINATOR BETWEEN THE CENTRAL GOVERNMENT AND OKINAWA, HAS BEEN TURNED DOWN BY THE PREFECTURAL ASSEMBLY. NEITHER SIDE HAS ANYONE TO PLAY A BRIDGING ROLE. NEVERTHELESS, ONE DEFENSE AGENCY OFFICIAL SAID ABOUT THE

LOCAL REFERENDUM: "IT WAS SOMETHING WE DIDN'T EXPECT, BUT THIS SORT OF DECISIVE SITUATION MAKES IT EASIER FOR US TO TAKE ACTION." THE GOVERNMENT'S PUBLIC RELATIONS DRIVE IS EXPECTED TO GAIN MOMENTUM AS IT MOVES TOWARD THE "DECEMBER SHOWDOWN."

YUKIO OKAMOTO TO QUIT POST OF PRIME MINISTERIAL ASSISTANT FOR OKINAWA AFFAIRS (TOKYO SHIMBUN - PAGE 3)

PRIME MINISTERIAL ASSISTANT FOR OKINAWAN AFFAIRS YUKIO OKAMOTO IS LIKELY TO RESIGN HIS POST, TAKING THE OCCASION UNCLAS SECTION 04 OF 10 TOKYO 009594

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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 5

OF THE 25TH ANNIVERSARY CEREMONY FOR THE REVERSION OF OKINAWA TO JAPAN SET FOR THE 21ST. THIS WAS REVEALED LAST NIGHT BY A GOVERNMENT SOURCE.

OKAMOTO, WHO ONCE SERVED IN THE MINISTRY OF FOREIGN AFFAIRS IN SUCH POSITIONS AS DIRECTOR OF THE FIRST NORTH AMERICAN DIVISION, HAD BEEN WORKING AS AN INTERNATIONAL CONSULTANT, BUT WHEN THE SECOND HASHIMOTO ADMINISTRATION WAS LAUNCHED LAST NOVEMBER, HE WAS APPOINTED TO THE POST OF PRIME MINISTERIAL ASSISTANCE "WITHOUT PAY" WHEN THE SYSTEM OF SUCH ASSISTANTS WAS ADOPTED.

SINCE THEN, HE HAS WORKED WITH THE THEN CHIEF CABINET SECRETARY SEIROKU KAJIYAMA, WRESTLING WITH SUCH PROBLEMS AS REVISION OF THE SPECIAL LAND-LEASE LAW FOR UNITED STATES FORCES (TOKUSOHO), CONSTRUCTION OF AN OFFSHORE HELIPORT, AND OKINAWA ECONOMIC PROMOTIONAL MEASURES.

THE REASONS FOR HIS RESIGNATION ARE NOT CLEAR, BUT IT IS POSSIBLE HE MADE UP HIS MIND TO RESIGN BECAUSE HE FELT THE OKINAWAN PROBLEM HAS REACHED A CERTAIN LEVEL OF RESOLUTION WITH A SET OF ECONOMIC STIMULUS MEASURES FOR THE NORTHERN PART OF OKINAWA EXPECTED TO BE READY SOON, FOR INSTANCE. IT ALSO MAY REFLECT KAJIYAMA'S RESIGNATION FROM HIS POST IN THE RECENT CABINET RESHUFFLE.

DEFENSE CHIEF ASSURES DIET THAT MINE REMOVAL UNDER DEFENSE GUIDELINES IS CONSTITUTIONAL (SANKEI - PAGE 3)

THE LOWER HOUSE BUDGET COMMITTEE CONTINUED ITS INTENSIVE DELIBERATIONS ALSO ON THE AFTERNOON OF THE 4TH REGARDING

ECONOMIC STIMULATION, POLITICAL ETHICS, ADMINISTRATIVE REFORM, AND FOREIGN RELATIONS. REGARDING THE PLANNED CONSTRUCTION OF A SEA-BASED HELIPORT IN OKINAWA PREFECTURE ALONG WITH THE TIMETABLED REVERSION OF THE U.S. FORCES' FUTENMA AIR STATION SITE THERE, PRIME MINISTER RYUTARO HASHIMOTO STATED: "I EARNESTLY HOPE THAT THEY WILL AVOID REACHING ANY CONCLUSION THAT MAY CALL OFF THE PLAN OR MAY ENDANGER THE LOCAL RESIDENTS BEFORE WE CAN FIND OUT ANOTHER SOLUTION." SO REMARKING, THE PRIME MINISTER HAS EXPRESSED HIS STRONG HOPE FOR NAGO CITY'S UNDERSTANDING SINCE THE CITY IS THE CANDIDATE LOCALITY WHERE A REFERENDUM IS SCHEDULED TO BE HELD NEXT MONTH (ON THE PROPRIETY OF CONSTRUCTING AN OFFSHORE HELIPORT FOR THE U.S. MILITARY). THIS WAS A REPLY TO A QUESTION ASKED BY KOSUKE UEHARA (OF THE SOCIAL DEMOCRATIC PARTY).

ON THE OTHER HAND, JAPAN DEFENSE AGENCY DIRECTOR GENERAL FUMIO KYUMA, REFERRING TO MINESWEEPING ACTIVITIES INCORPORATED IN THE NEWLY ADOPTED SET OF JAPAN-U.S. DEFENSE COOPERATION GUIDELINES, HAS STRESSED HIS VIEW TO THE EFFECT THAT CONDUCTING SUCH ACTIVITIES IS WITHIN THE SCOPE OF CONSTITUTIONALITY, REMARKING: (1) MINESWEEPING OPERATIONS WILL BE CONDUCTED ONLY WHEN THERE IS AN OBSTACLE TO THE TRAFFIC OF JAPANESE VESSELS AND FISHING BOATS; AND (2) SUCH ACTIVITIES WILL BE CONDUCTED WITHIN A SPHERE OF AREAS DISTINGUISHED FROM AREAS WHERE COMBAT OPERATIONS ARE BEING CONDUCTED. REFERRING ALSO TO THE CASE WHERE U.S. NAVAL SHIPS MAY PASS THROUGH DEMINED SEALANES, JDA DIRECTOR GENERAL KYUMA STATED: "AS A CONSEQUENCE WE MAY CONTRIBUTE TO THE U.S. MILITARY'S OPERATIONS. BUT THAT IS NOT THE PURPOSE OF CONDUCTING SUCH ACTIVITIES." WITH THIS, KYUMA HAS INDICATED HIS PERCEPTION THAT THERE IS NO PROBLEM. HE WAS REPLYING TO A QUESTION ASKED BY ZENMEI MATSUMOTO (OF THE JAPAN COMMUNIST PARTY).

JOINT U.S.-JAPAN MINE REMOVAL EXERCISE IN NIIGATA
(MAINICHI - PAGE 1)

THE GROUND SELF-DEFENSE FORCE ON THE 4TH OPENED ITS ANTIPERSONNEL LAND MINE DISPOSAL TRAINING TO THE PRESS AT UNCLAS SECTION 05 OF 10 TOKYO 009594

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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 5

ITS SEKIYAMA MANEUVER RANGE IN NAKAGO VILLAGE, NIIGATA PREFECTURE. IT IS PART OF JAPAN-U.S. JOINT FIELD TRAINING THAT HAS BEEN CONDUCTED ON A SCHEDULE FROM THE 3RD TO THE 15TH FOR THE FIRST TIME UNDER THE REVISED SET OF JAPAN-U.S. DEFENSE COOPERATION GUIDELINES.

THE MINE DISPOSAL TRAINING WAS CARRIED OUT WITH THE PARTICIPATION OF 800 MEN FROM THE GSDF'S 1ST DIVISION (HEADQUARTERED AT NERIMA WARD, TOKYO) AND FROM THE 3RD MARINE DIVISION, CALIFORNIA.

ANTIPERSONNEL LAND MINES CAN KILL OR WOUND EVEN CHILDREN AND OTHER NONCOMBATANT CIVILIANS. THEREFORE, A WORLDWIDE CAMPAIGN HAS BEEN MOUNTING FOR SCRAPPING ALL SUCH LAND MINES. THE JAPANESE GOVERNMENT HAS NOW DECIDED TO SIGN A TOTAL BAN TREATY TO BE INKED IN DECEMBER THIS YEAR. HOWEVER, THE GSDF WILL CONTINUE TO CARRY OUT MINE DISPOSAL TRAINING EVEN AFTER THE TREATY IS SIGNED BECAUSE "INTRUDING ENEMY TROOPS MAY USE ANTIPERSONNEL LAND MINES" (ACCORDING TO A GSDF OFFICER).

PRIME MINISTER NEXT TRAVELS TO SAUDI ARABIA IN SEARCH OF ENERGY SECURITY (NIHON KEIZAI - PAGE 2)

PRIME MINISTER RYUTARO HASHIMOTO IS NOW SET TO PROPOSE DURING HIS VISIT TO SAUDI ARABIA STARTING ON THE 8TH A "COMPREHENSIVE PARTNERSHIP FOR THE 21ST CENTURY" IN THREE SECTORS -- "POLITICS," "ECONOMICS" AND "EDUCATION." THE AIM IS TO SOLIDIFY BILATERAL TIES THROUGH EXCHANGES IN WIDE-RANGING AREAS WITH SAUDI ARABIA, WHICH HAS THE LARGEST AMOUNT OF NATURAL GAS RESERVES IN THE WORLD, AND TO SECURE THE STABLE SUPPLY OF ENERGY, IN ANTICIPATION OF AN ENERGY SHORTAGE THAT MIGHT OCCUR IN EAST ASIA IN THE FUTURE. THE PRIME MINISTER WILL PROPOSE MEASURES TO ACTIVATE CABINET-LEVEL EXCHANGES AND TO TRAIN ENGINEERS WHO WOULD HELP REFORM THE STRUCTURE OF THE SAUDI ECONOMY.

IN THE POLITICAL FRONT HASHIMOTO IS READY TO REITERATE THE NEED TO ACTIVATE MUTUAL VISITS BETWEEN CABINET MINISTERS AND HIGH-RANKING GOVERNMENT OFFICIALS, THE AIM BEING THAT THE UPCOMING TOUR WILL PROMPT BOTH SIDES TO PROMOTE A POLITICAL DIALOGUE BETWEEN THE TWO COUNTRIES. HE THEN WILL CONVEY HIS INTENTION TO INVITE LEADERS IN THE SAUDI ROYAL FAMILY, INCLUDING PRINCE ABDALLAH, WHO SERVES AS FIRST DEPUTY PRIME MINISTER, TO VISIT TO JAPAN. HASHIMOTO IS ALSO EXPECTED TO EXCHANGE VIEWS OVER THE IRANIAN AND IRAQI SITUATIONS AND THE MIDDLE EAST PEACE ISSUE. HE THEN WILL REVEAL JAPAN'S WILLINGNESS TO STRENGTHEN TIES WITH THE MEMBER COUNTRIES OF THE GULF COOPERATION CONFERENCE (GCC), WHERE SAUDI ARABIA ASSUMES LEADERSHIP.

IN THE ECONOMIC FIELD, HE WILL PRESENT MEASURES TO UPGRADE THE ENVIRONMENT FOR INVESTMENT IN JAPAN IN RESPONSE TO A REQUEST FROM SAUDI, STEMMING FROM THE JUDGMENT THAT DEEPENING INTERDEPENDENT RELATIONS IN THE ECONOMIC FRONT IS ESSENTIAL IN ORDER FOR JAPAN TO SECURE STABLE SUPPLY OF ENERGY.

IN THE EDUCATION AREA, THE FOCUS WILL BE ON THE DEVELOPMENT OF HUMAN RESOURCES, EYEING THE CIRCUMSTANCE IN SAUDI ARABIA WHERE, WITH THE SHARP RISE IN THE POPULATION, THE PROBLEM OF JOB MARKET FOR YOUNG PEOPLE IS BECOMING SERIOUS. CONCRETELY, HASHIMOTO IS SET TO REVEAL THAT JAPAN INTENDS TO BACK UP SAUDI'S EFFORT TO HAVE ITS ECONOMY EMERGE FROM ITS PROCLIVITY OF DEPENDING ON OIL, BY PROPOSING THE MEASURES TO (1) PROVIDE KNOW-HOW ON THE COMPUTER EDUCATION SYSTEM; (2) TO TRAIN TEACHERS FOR SCIENCE AND MATHEMATICS; AND (3) DISPATCH EXPERTS ON THE EDUCATION SYSTEM AND CURRICULUM. HE IS PLANNING TO OFFER COOPERATION ALSO FOR ENVIRONMENT ISSUES, INCLUDING SEA ANTI-POLLUTION MEASURES, AND FOR MEDICAL TECHNOLOGY.

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USIA

FOR: USIA D/P, I/GEA, I/RF, I/RFW, EA, R/MR; STATE FOR EAR/J; STATE PASS TO USTR/PUBLIC AFFAIRS OFFICE; 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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 5

-- PRIME MINISTER DETERMINED TO FIGHT BACK IN DIPLOMACY

ON THE HEELS OF THE SUCCESS IN THE JAPAN-RUSSIA SUMMIT MEETING, SIGNS HAVE APPEARED AT LAST FOR THE HASHIMOTO ADMINISTRATION TO BUOY UP FROM ITS LOW PROFILE STANCE AFTER (THE DEBACLE OVER) THE CABINET RESHUFFLE IN SEPTEMBER. PRIME MINISTER HASHIMOTO HOPES TO SCORE MORE POINTS IN DIPLOMACY, HIS FORTE, BY HIS VISIT TO SAUDI ARABIA PLANNED FROM THE 8TH AND BY THE JAPAN-CHINA SUMMIT MEETING ON THE 11TH. YET, WITH STORMY NEGOTIATIONS PREDICTED IN THE GOVERNMENT AND RULING CAMP OVER ADMINISTRATIVE REFORM AND ECONOMIC PUMP-PRIMING MEASURES, WHETHER HE WILL BE ABLE TO COUNTER WITH DIPLOMACY REMAINS FAR FROM CERTAIN.

HOKKAIDO AND OKINAWA DEVELOPMENT AGENCY DIRECTOR GENERAL MUNEO SUZUKI SAID: "THE MEETING ENDED IN A GREAT SUCCESS. IT CAN BE LABELED AS A HISTORICAL MEETING. THE PRIME MINISTER'S LEADERSHIP LED THE MEETING TO A SUCCESS."

CHIEF CABINET SECRETARY KENZO MURAOKA REMARKED: "WE SAW SIGNIFICANT ADVANCE, AND THE OUTCOME WAS VERY SATISFACTORY."

DURING AN INFORMAL MINISTERIAL MEETING HELD AFTER THE CABINET MEETING ON THE 4TH, SUCH VOICES HIGHLY EVALUATING THE PRIME MINISTER'S DIPLOMATIC SKILL WERE HEARD IN

SUCCESSION, REFLECTING HIS SUCCESS IN REACHING AN AGREEMENT WITH RUSSIA FOR THE FIRST TIME TO PROMOTE NEGOTIATIONS ON A BILATERAL PEACE TREATY WITH THE DEADLINE SET AT THE YEAR 2000. ALL THE PARTICIPANTS THEN REACHED A CONSENSUS TO SUPPORT THE PRIME MINISTER.

KEEPING IN MIND THE EXPERIENCE IN WHICH THE PRIME MINISTER'S POSITION AT THE CENTER BEGAN TO STRENGTHEN SHORTLY AFTER HE MET PRESIDENT CLINTON IN 1996 -- WHEN THE TWO SIGNED AN ACCORD TO REVERT FUTENMA AIR STATION -- OFFICIALS CLOSE TO THE PRIME MINISTER WERE OVERHEARD SAYING, "WE MIGHT EXPECT THE SAME IMPACT AS THAT OF THE AGREEMENT ON FUTENMA."

RULING CAMP DELEGATION SET TO GO TO NORTH KOREA ON NOVEMBER 11 (TOKYO SHIMBUN - PAGE 2)

THE LIBERAL DEMOCRATIC PARTY (LDP), THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY WILL SEND THEIR DELEGATION (CONSISTING OF NINE MEMBERS WITH LDP GENERAL COUNCIL CHAIRMAN YOSHIRO MORI AS THE RESPONSIBLE LEADER) TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (NORTH KOREA). THE DELEGATION WILL VISIT THE NORTH FOR FOUR DAYS FROM THE 11TH. THE PURPOSE IS TO PAVE THE WAY FOR RESUMPTION OF BILATERAL TALKS FOR DIPLOMATIC NORMALIZATION, TAKING THE OPPORTUNITY OF KIM JONG IL HAVING JUST ASSUMED THE POSITION OF SECRETARY GENERAL (OF THE KOREAN WORKERS PARTY (KWP)). BUT THE DELEGATION CARRIES ON ITS SHOULDERS SUCH HEAVY TASKS AS HOW TO HANDLE THE JOINT DECLARATION ISSUED IN 1990 BY THE LDP, THE JAPAN SOCIALIST PARTY (PREDECESSOR OF THE SDP) AND THE KWP, IN WHICH "THE POST-WAR 45 YEARS OF COMPENSATION" IS SPECIFIED, AS WELL AS INVESTIGATIONS OF THE ALLEGED ABDUCTIONS OF JAPANESE. (IKUO SATO)

-- HEAVY LOAD

"POST-WAR COMPENSATION IS NOT NECESSARY. IF IT IS MADE, THAT WOULD BE NONSENSE DIPLOMATICALLY, AND THERE IS NO SUCH A CASE FOUND IN THE INTERNATIONAL COMMUNITY. WE HAVE PRECISELY TOLD THAT POINT TO THE NORTH KOREAN SIDE." MORI IN THIS WAY ARTICULATED TO THE PRESS CORPS REGARDING "POST-WAR COMPENSATION" AS WAS INCLUDED IN THE 1990 JOINT DECLARATION.

THIS DECLARATION, AT THAT POINT OF TIME WHEN IT WAS UNCLAS SECTION 07 OF 10 TOKYO 009594

USIA

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 5

RELEASED, CAME UNDER CRITICISM AT HOME AND IN THE REPUBLIC OF KOREA (ROK), WITH THE CRITICISM BEING, "IT IS STRANGE THAT EVEN THE POST-WAR MATTERS WILL BE COVERED BY COMPENSATION." IT LATER BECAME ONE OF THE REASONS WHY NEGOTIATIONS FOR NORMALIZING DIPLOMATIC TIES REACHED A DEADLOCK. THIS PROBLEM ALSO STOOD IN THE WAY OF COMPILING "AN ACCORD" IN 1995, WHEN THE LDP, THE SDP AND THE SAKIGAKE VISITED THE NORTH.

IN THE RULING CAMP, SOME OBSERVE THAT "IN VIEW OF THE ECONOMIC LANDSCAPE IN RECENT YEARS, THE NORTH MAY NOT STRONGLY DWELL ON THE POST-WAR COMPENSATION MATTER" (SENIOR SDP MEMBER). BUT NO PRIOR TALKS HAVE BEEN HELD TO DATE, MAKING IT DIFFICULT TO CONJECTURE HOW THE NORTH KOREANS WILL BEHAVE.

MEMBERS OF THE PLANNED DELEGATION ARE CONSIDERING SHELVING THIS JOINT DECLARATION IN EFFECT BY CONCLUDING A NEW AGREEMENT.

-- AGENDA

THE INVITATION SENT BY THE NORTH STATES: "WE FIRMLY BELIEVE THAT THE TWO COUNTRIES CAN GET A CONSENSUS ALONG THE INTERESTS OF THE TWO COUNTRIES' PEOPLES IF PARTY-TO-PARTY TALKS ARE HELD FROM VARIOUS STANDPOINTS REGARDING PENDING ISSUES RAISED BY BOTH, SUCH AS THE HUMANITARIAN ONE."

ON THE "HUMANITARIAN ISSUE," THE LDP HAS INTERPRETED IT AS INCLUDING THE ALLEGED ABDUCTIONS OF JAPANESE, SO IT INTENDS TO TRY TO FIND A CLUE TO INVESTIGATING THEM. IN THE PARTY, SOME STRONGLY OBJECTED TO SENDING A MISSION TO THE NORTH BECAUSE OF THE SUSPECTED KIDNAPPINGS, AND AT A MEETING YESTERDAY OF THE GENERAL COUNCIL, THERE APPEARED REQUESTS, SUCH AS, "WE SHOULD TAKE A LOFTY STANCE."

MEANWHILE, THE SDP'S VIEW ON THE HUMANITARIAN ISSUE IS, "THE HUMANITARIAN ISSUE PROBABLY MEANS FOOD AID." ON THE QUESTION OF HOW FAR THE NORTH KOREAN SIDE WILL ACTUALLY GO INTO THE ALLEGED ABDUCTIONS, THE TWO PARTIES ARE WIDE APART.

-- MEETING

IN THE PLANNED VISIT TO THE NORTH BY THE DELEGATION, WHETHER TO MEET WITH GENERAL SECRETARY KIM IS ALSO A KEY POINT.

MORI HAS ALREADY TRANSMITTED TO THE NORTH HIS DESIRE TO HOLD A CONVERSATION WITH GENERAL SECRETARY KIM, NOTING: "WE AS REPRESENTATIVES OF THE THREE (RULING) PARTIES WILL VISIT THE NORTH AT ITS INVITATION, SO IT IS THE INTERNATIONAL PRACTICE TO EXCHANGE GREETINGS WITH THE

HEAD (OF THE PARTY THAT SENT THE INVITATION)."

IF A MEETING WITH THE DELEGATION OCCURS, IT WILL BE THE FIRST ONE AMONG FOREIGN DELEGATIONS AFTER KIM ASSUMED THE POST OF GENERAL SECRETARY. BUT THE DOMINANT VIEW IS, "IT WOULD BE DIFFICULT TO MEET BECAUSE OUR DELEGATION DON'T HAVE ANY GIFT FOR THAT COUNTRY" (SENIOR LDP MEMBER). CHANCES OF HOLDING A MEETING (WITH KIM) ARE NOT NECESSARILY GOOD.

ON THE OTHER HAND, IT WAS LEARNED THAT MEMBERS OF THE HIJACK GROUP WHO WENT TO NORTH KOREA BY HIJACKING THE JAPAN AIR LINES' "YODO-GO" PLANE WERE ASKING FOR A MEETING WITH THE DELEGATION. THESE HIJACKERS ARE LIKELY TO ASK THE DELEGATION TO REALIZE A RETURN HOME BY THEMSELVES AND THEIR FAMILY MEMBERS. THIS MATTER IS LIKELY TO BE ADDED AS A DIFFICULT ISSUE TO THE TASKS THE DELEGATION HAS ALREADY SHOULDERED.

UNCLAS SECTION 08 OF 10 TOKYO 009594

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 NOVEMBER 5

JAPAN HOLDS WORKING TALKS WITH THE U.S. ON ITS SIGNING THE ANTIMINE TREATY (YOMIURI - PAGE 2)

FOLLOWING THE JAPANESE GOVERNMENT'S DECISION TO SIGN THE INTERNATIONAL TREATY ON A TOTAL BAN ON ANTIPERSONNEL LAND MINES, TWO-DAY WORKING-LEVEL NEGOTIATIONS WITH THE UNITED STATES STARTED YESTERDAY AT THE FOREIGN MINISTRY. THE OBJECTIVE OF THE NEGOTIATIONS IS TO MAKE COORDINATION OF VIEW WITH THE U.S., WHICH HAS INDICATED A POLICY STANCE OF NOT SIGNING THE TREATY. THE NEGOTIATIONS WILL FOCUS ON OBTAINING U.S. UNDERSTANDING TOWARD JAPAN'S POLICY COURSE AND THE HANDLING OF LAND MINES POSSESSED BY U.S. FORCES STATIONED IN JAPAN. THE MEETING IS ATTENDED BY JAPANESE AND AMERICAN OFFICIALS RESPONSIBLE FOR FOREIGN AND DEFENSE AFFAIRS.

PRIME MINISTER ASKS EU LEADERS TO USE JAPAN'S GAS REDUCTION PLAN AT KYOTO CONFERENCE (YOMIURI - PAGE 2)

THE WORK OF FINALIZING A TARGET FOR REDUCING GREENHOUSE GAS EMISSIONS IS IN DIFFICULT STRAITS WITH THE HOLDING OF THE 3RD CONFERENCE OF PARTIES OF THE UN FRAMEWORK ON CLIMATE CHANGE (COP3) TO BE HELD IN DECEMBER JUST AHEAD.

IN SUCH A CONTEXT, PRIME MINISTER HASHIMOTO INTENDS TO SEND PERSONAL LETTERS TO THE TOP LEADERS OF THE EUROPEAN UNION (EU) IN ORDER TO BREAK THE IMPASSE. THE CONTENTS OF THE LETTER WERE REVEALED YESTERDAY.

ACCORDING TO WHAT HAS BEEN REVEALED, THE LETTER CALLS FOR FUTURE NEGOTIATIONS TO "BE EXPEDITED, BASED ON THE JAPANESE PROPOSAL, WHOSE PRINCIPLE IS A 5-PERCENT REDUCTION." AS A REASON FOR THAT, THE LETTER POINTS OUT THAT THE EU PLAN IS UNFAIR BECAUSE WHILE IT UNIFORMLY SEEKS A 15-PERCENT REDUCTION FROM COUNTRIES OTHER THAN EU MEMBER NATIONS, WITHIN THE REGION, IT ALLOWS DIFFERENTIALS BY NATION IN THE REGION OF A 40-PERCENT INCREASE FOR PORTUGUESE TO A 30 PERCENT REDUCTION FOR LUXEMBOURG. IN ADDITION, THE PERSONAL LETTER UNDERScores THAT "EU PROPOSAL WOULD BE DIFFICULT TO OBTAIN AGREEMENT FROM OTHER INDUSTRIALIZED NATIONS," POINTING OUT THE FOLLOWING PROBLEMS: (1) RESPONSIBILITY RELATIONSHIP BETWEEN THE EU AND INTRA-EU NATIONS IN THE CASE OF SOME COUNTRIES MISSING THE TARGET IS UNCLEAR; (2) IF A LARGE-SCALE INCREASE IN EMISSIONS IS ALLOWED FOR SOME COUNTRIES, IT WOULD BECOME DIFFICULT TO CALL ON DEVELOPING COUNTRIES TO MAKE A REDUCTION EFFORT IN THE FUTURE.

THE PERSONAL LETTER WAS HANDED OVER TO ITALIAN PRIME MINISTER PRODI ON THE 3RD BY AMBASSADOR FOR GLOBAL AFFAIRS TOSHIKI TANABE, WHO WAS DISPATCHED TO THAT COUNTRY AS A SPECIAL ENVOY OF THE PRIME MINISTER. IN ADDITION, THE GOVERNMENT PLANS TO DISPATCH THE PARLIAMENTARY VICE MINISTERS OF THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI) AND THE ENVIRONMENT AGENCY TO THE UK, GERMANY, THE NETHERLANDS AND FRANCE IN THE MIDDLE OF THIS MONTH TO HAVE THEM HAND OVER THE PERSONAL LETTER.

HOWEVER, CONSIDERING THAT THERE IS A WIDE GAP BETWEEN THE JAPANESE PROPOSAL AND THE EU PROPOSAL AND THAT THE JAPANESE PROPOSAL CALLS ON EVERY COUNTRY TO REDUCE EMISSIONS OF SUCH GASES, THE EU IS BOUND TO PUT UP STRONG RESISTANCE TO IT.

THE U.S. HAS PROPOSED A ZERO REDUCTION OVER THE 1990 LEVEL. A NUMBER OF COUNTRIES FROM THE EU TO DEVELOPING COUNTRIES IS CRITICIZING SUCH A PROPOSAL AS "FAR TOO NEGATIVE." IN THE MEANTIME, THE EU PROPOSAL IS MEETING PERSISTENT OPPOSITIONS FROM INDUSTRIALIZED COUNTRIES. FOR INSTANCE, THE EU PROPOSAL, WHICH AIMS AT 15 PERCENT REDUCTION AS A TARGET FOR ALL OF THE 15 INTRA-EU NATIONS, ALLOWS A 5-PERCENT INCREASE TO SWEDEN, BUT NORWAY, WHICH UNCLAS SECTION 09 OF 10 TOKYO 009594

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 NOVEMBER 5

ITS NEIGHBORING NATION, WILL HAVE TO REDUCE 15 PERCENT,
BECAUSE IT IS NOT AN EU MEMBER.

JAPAN SENDING ENVOY TO U.S. TO TRY TO ELICIT FLEXIBILITY
ON GLOBAL WARMING ISSUE (MAINICHI - PAGE 3)

(WASHINGTON, NOVEMBER 3, SHIRO HISEGAWA) NOW THAT A
PRIOR MEETING HELD IN BONN IN PREPARATION FOR THE 3RD
CONFERENCE OF PARTIES OF THE UN FRAMEWORK ON CLIMATE
CHANGE (COP3) (KYOTO CONFERENCE ON PREVENTION OF GLOBAL
WARMING) TO BE HELD IN DECEMBER ENDED IN DISCORD,
PARLIAMENTARY FOREIGN VICE MINISTER MASAHIKO KOMURA OF
THE JAPANESE GOVERNMENT FLEW INTO WASHINGTON AS A SPECIAL
ENVOY OF PRIME MINISTER RYUTARO HASHIMOTO. HE MET WITH
UNITED STATES UNDER SECRETARY OF STATE WIRTH (FOR GLOBAL
AFFAIRS). DURING THE MEETING, KOMURA ASKED THE U.S.
GOVERNMENT TO TAKE A FLEXIBLE MEASURE, AIMING AT REACHING
A CONSENSUS.

AT THE MEETING HELD IN BONN, JAPAN, THE U.S., THE
EUROPEAN UNION (EU) REMAINED FAR APART OVER NUMERICAL
TARGETING FOR REDUCING EMISSIONS OF GREENHOUSE GASES AND
THE ISSUE OF PARTICIPATION BY DEVELOPING COUNTRIES.
PARLIAMENTARY VICE MINISTER KOMURA REQUESTED THE U.S.,
WHICH HAS PRESENTED THE MOST MODERATE PLAN OF A ZERO-
REDUCTION, TO "MAKE EFFORTS TO INCREASE THE REDUCTION
LEVEL."

IN RESPONSE, UNDER SECRETARY WIRTH CLARIFIED THE OUTLOOK
THAT FINAL COORDINATION WILL CONTINUE INTO THE KYOTO
CONFERENCE, NOTING, "IT IS NECESSARY TO BOIL DOWN
NUMERICAL COORDINATION AT KYOTO." AT THE SAME, HE
CONVEYED TO THE JAPANESE GOVERNMENT THAT THE U.S.
GOVERNMENT IS GIVING FIRST CONSIDERATION TO THE ISSUE OF
PARTICIPATION BY DEVELOPING COUNTRIES, CITING, "THE
PROBLEM OF DEVELOPING COUNTRIES IS MORE DIFFICULT THAN
(SETTING NUMERICAL TARGETS)."

THE U.S. IS CALLING ON "DEVELOPING COUNTRIES TO ACCEDE TO
THEIR OBLIGATION TO REDUCE EMISSIONS OF GREENHOUSE GASES
AT THE KYOTO CONFERENCE," PUSHED BY STRONG OPPOSITION
FROM THE U.S. CONGRESS AND THE INDUSTRIAL SECTOR. THE
U.S. CALL REGARDING THE PROBLEM OF PARTICIPATION BY
DEVELOPING COUNTRIES IS STRICTER THAN THAT OF JAPAN,
WHICH SUGGESTS THAT "DISCUSSION ON THE STRENGTHENING OF
COUNTERMEASURES TO BE TAKEN BY DEVELOPING COUNTRIES BE
STARTED AFTER THE KYOTO CONFERENCE."

GOVERNMENT/LDP PROPOSE MAKING ENVIRONMENTAL SAFETY AGENCY
(MAINICHI - TOP PLAY)

THE GOVERNMENT AND LIBERAL DEMOCRATIC PARTY (LDP) OUTLINED ON THE 4TH A PLAN TO STREAMLINE THE CENTRAL GOVERNMENT MINISTRIES AND AGENCIES. THEIR COORDINATION WAS CARRIED OUT IN ORDER TO EASE THE CONFUSION CAUSED BY THE LDP'S REQUESTS REGARDING THE INTERIM REPORT COMPILED BY THE CONFERENCE ON ADMINISTRATIVE REFORM (CAR; CHAIRED BY PRIME MINISTER RYUTARO HASHIMOTO). THE FEATURES OF THE NEW PLAN INCLUDE: (1) THE INTERIM REPORT'S PROPOSAL OF REALIGNING THE PRESENT OFFICES INTO "ONE OFFICE AND 12 MINISTRIES AND AGENCIES" BE RETAINED; (2) ESTABLISHMENT OF AN "ENVIRONMENTAL SAFETY MINISTRY," AS THE INTERIM REPORT SUGGESTED, WHILE NOT ADOPTING THE LDP'S REQUEST THAT AN "AGRICULTURE AND ENVIRONMENT MINISTRY" (BY INTEGRATING THE MINISTRY OF AGRICULTURE, FORESTRY AND FISHERIES AND ENVIRONMENT AGENCY) BE ESTABLISHED; AND (3) NO SEPARATION OF THE RIVER BUREAU FROM THE MINISTRY OF CONSTRUCTION (MOC), BUT THE SETTING UP OF A "NATIONAL CONSOLIDATION MINISTRY" BY UNIFYING THE MOC, THE MINISTRY OF TRANSPORT (MOT) AND NATIONAL LAND AGENCY. THE GOVERNMENT AND LDP ARE NOW HURRIEDLY WORKING ON OTHER ISSUES, SUCH AS WHAT TO DO WITH THE THREE POSTAL SERVICES, THE STATUS OF THE PERSONNEL WHO WILL STAFF UNCLAS SECTION 10 OF 10 TOKYO 009594

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 NOVEMBER 5

INDEPENDENT AGENCIES, AND WHETHER TO REMOVE THE FISCAL AND FINANCIAL SECTORS FROM THE MINISTRY OF FINANCE.

SDP AGAINST CREATING EXTERNAL AGENCIES AS PART OF ADMINISTRATIVE REFORM (MAINICHI - PAGE 2)

THE THREE RULING PARTIES -- LIBERAL DEMOCRATIC PARTY (LDP), SOCIAL DEMOCRATIC PARTY (SDP) AND SAKIGAKE PARTY - YESTERDAY HELD A MEETING OF THEIR (JOINT) ADMINISTRATIVE REFORM COUNCIL TO DISCUSS THE ISSUE OF ESTABLISHING INDEPENDENT ADMINISTRATIVE AGENCIES. THE SDP, WHICH IS ALSO SUPPORTED BY THE LABOR UNIONS OF THE CENTRAL GOVERNMENT OFFICES, EXPRESSED ITS OPPOSITION TO THE NOTION OF AN AGENCY SYSTEM, FEARING THAT THE PERSONNEL WHO WILL STAFF SUCH BODIES WOULD LOSE THEIR STATUS AS STATE EMPLOYEES. THE THREE PARTIES FAILED TO REACH A CONCLUSION.

ON THE QUESTION OF ADOPTING AN AGENCY SYSTEM, LABOR

UNIONS SUPPORTING THE SDP HAVE REQUESTED THAT THE STATUS OF INDEPENDENT AGENCIES' PERSONNEL BE KEPT AS STATE EMPLOYEES. FORMER PRIME MINISTER TOMIICHI MURAYAMA AND OTHER SDP LEADERS, TOO, HAVE DIRECTLY ASKED THIS OF PRIME MINISTER HASHIMOTO. HOWEVER, MANY LDP MEMBERS HAVE INSISTED THAT THE EMPLOYEES BE "NON- CIVIL SERVANTS" IN PRINCIPLE. SO THE LDP HAS YET TO PUT TOGETHER A CONSENSUS. CRANE

SECT: SECTION: 01 OF 10
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SUBJ: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 6

TOP HEADLINES:

TEXT:
UNCLAS SECTION 01 OF 09 TOKYO 009655

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; OMNAVFORJAPAN/PA.

E.O. 12958: N/A

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 6

TOP HEADLINES:

ASAHI: DAIWA SECURITIES ALSO SEES SCANDALS SPREAD TO ITS
TOP EXECUTIVES; DISTRICT PROSECUTORS TO QUESTION FORMER
VICE PRESIDENT; WILL START FULL-FLEDGED INVESTIGATION
POSSIBLY TODAY

NIHON KEIZAI: EVEN INDIVIDUAL FAMILIES WILL BE CONNECTED

BY OPTICAL FIBER NETWORKS; REALIZATION IN 2005 BY FRONTLOADING PLAN; INTERNET CONNECTION CHARGES WILL BE SET AT 10 YEN FOR THREE MINUTES ACROSS THE COUNTRY; AS PILLAR OF ECONOMIC STIMULUS PACKAGE NOW UNDER STUDY IN GOVERNMENT, LDP

TOKYO SHIMBUN: INDEPENDENT CONSTRUCTION AT INTERCHANGES OF EXPRESSWAYS WILL BE APPROVED; OUTLINE OF LDP'S "SECOND STEP" PLAN OUTLINED; PROMOTION OF LIBERALIZATION TO PRIVATE SECTOR AS PUMP-PRIMING MEASURES; OPTICAL FIBER LINES FOR "RIVERS" MAY BE AVAILABLE TO PRIVATE SECTOR

MAINICHI: TOKYO DISTRICT PUBLIC PROSECUTORS OFFICE TO QUESTION FORMER DAIWA SECURITIES VICE PRESIDENT AND OTHER EXECUTIVES ON CHARGE OF PAYOFFS; TRANSFER OF 200 MILLION YEN TO DEFENDANT KOIKE'S ACCOUNT HAD BEEN APPROVED

YOMIURI: JAPAN HIGHWAY PUBLIC CORPORATION, FINANCE CORPORATION OF LOCAL PUBLIC ENTERPRISE HAD FREQUENTLY BEEN ENTERTAINED BY INDUSTRIAL BANK OF JAPAN; IN CONNECTION WITH ISSUANCE OF GOVERNMENT-GUARANTEED BONDS; TOWARD 10 RANKING OFFICERS WITH 1 MILLION YEN AS MAXIMUM ENTERTAINMENT COST (ARTICLE IN ENGLISH ED.)

SANKEI: GOVERNMENT'S ADMINISTRATIVE REFORM PANEL OUTLINES FINAL REPORT; PLANNED TWO NATIONAL LAND-RELATED MINISTRIES WILL BE CHANGED INTO AGRICULTURE-FORESTRY-FISHERIES MINISTRY AND NATIONAL LAND PRESERVATION MINISTRY; THREE POSTAL SERVICES WILL FALL UNDER INDEPENDENT ADMINISTRATIVE AGENCY; "ONE OFFICE AND 12 MINISTRIES AND AGENCIES" WILL BE RETAINED (TRANSLATION BELOW)

QUESTIONABLE WHETHER LOCAL UNDERSTANDING IN OKINAWA CAN BE OBTAINED FOR HELIPORT PLAN (MAINICHI - PAGE 2)

REPRESENTING THE GOVERNMENT, JAPAN DEFENSE AGENCY (JDA) DIRECTOR GENERAL FUMIO KYUMA YESTERDAY VISITED OKINAWA TO PRESENT TO LOCAL LEADERS THE GOVERNMENT'S BASIC PLAN TO CONSTRUCT A SEA-BASED HELIPORT OFF NAGO CITY TO REPLACE THE ONE AT THE U.S. MARINES FUTENMA AIR STATION. THE GOVERNMENT'S ACTION WAS DRIVEN BY A SENSE OF ALARM THAT THE CLOCK WAS TICKING FOR ITS COORDINATION WITH LOCAL RESIDENTS, WITH THE APPROACH OF A DECEMBER 21 NAGO CITY REFERENDUM ON THE HELIPORT PROJECT. THE GOVERNMENT'S PLAN IS CHARACTERIZED BY ITS SPECIAL CONSIDERATION TO REDUCE POSSIBLE ADVERSE EFFECTS ON LOCAL LIVELIHOOD AND BOOST THE LOCAL ECONOMY IN A BIT TO OBTAIN LOCAL UNDERSTANDING. THE GOVERNMENT PLANS TO CARRY OUT PR ACTIVITIES BY DISSEMINATING TENS OF THOUSANDS OF PAMPHLETS AND HOLDING EXPLANATION MEETINGS. A ROCKY PATH IS FORESEEN BEFORE WINNING UNDERSTANDING FROM LOCAL PEOPLE, WHO HARBOR THE QUESTION "WHY RELOCATION WITHIN OKINAWA?"

-- A GAP

OKINAWA GOVERNOR MASAHIDE OTA: "ABOUT THE HELIPORT

PROJECT, THERE ARE VARIOUS OPINIONS IN OKINAWA, NOT TO MENTION NAGO CITY."

JDA DIRECTOR GENERAL FUMIO KYUMA: "I KNOW THE PREFECTURE HAS ITS OWN POSITION, BUT I BELIEVE (THE GOVERNMENT) HAS BEEN PLAYING A DUAL ROLE IN SHOULDERING OKINAWA'S PAIN WITH YOU, THE PEOPLE."

UNCLAS SECTION 02 OF 09 TOKYO 009655

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 NOVEMBER 6

IN THE SESSION, DIRECTOR GENERAL KYUMA MERELY BRIEFED THE GOVERNMENT'S PLAN, AND THERE WERE NO QUESTIONS FROM GOVERNOR OTA. THEIR EXCHANGES OF WORDS IN THE LAST FEW MINUTES UNDERLINED A DEEP FISSURE BETWEEN THE CENTRAL GOVERNMENT AND OKINAWA. THE GOVERNMENT'S PLAN WAS ACCOMPANIED BY A LIST OF COMPARATIVE NOISE LEVELS BETWEEN THE FUTENMA AIR STATION AND THE PLANNED OFFSHORE HELIPORT, AS IF TO STRESS THE NEW HELIPORT'S STRONG POINTS. THE GOVERNMENT'S INTENTION TO WIN SUPPORT FROM RELEVANT MUNICIPALITIES WAS EVIDENT. DIRECTOR GENERAL KYUMA STRESSED IN A PRESS MEETING: "THE HELIPORT PROJECT IS A SUPERB OPTION FOR OKINAWA." NEVERTHELESS, LOCAL REACTION, INCLUDING THAT FROM NAGO CITY, HAS LACKED ENTHUSIASM.

IN ADDITION, REAPPOINTMENT OF VICE GOVERNOR MASANORI YOSHIMOTO, WHO HAS BEEN SERVING AS A MEDIATOR BETWEEN THE CENTRAL GOVERNMENT AND OKINAWA, HAS BEEN REJECTED BY THE PREFECTURAL ASSEMBLY. UNDER SUCH CIRCUMSTANCES, COMMUNICATION CHANNELS HAVE NOT BEEN WORKING PROPERLY.

-- WARINESS

WHAT CONCERNS THE GOVERNMENT MOST IS THE HELIPORT'S POSSIBLE EFFECTS ON THE CORAL REEF. THE REASON IS BECAUSE IT HAS NOW BECOME KNOWN THAT THE "PONTOON TYPE" WOULD DESTROY THE ENTIRE CORAL REEF DIRECTLY BENEATH THE HELIPORT.

A JDA OFFICIAL SAID, "WE HAVE LET OKINAWA KNOW HONESTLY ABOUT ALL THE BAD EFFECTS." HE ADDED: "WE WILL TAKE EVERY POSSIBLE MEASURE TO KEEP IT INTACT BY A BREAKWATER. IF NECESSARY, WE WILL HAVE TO CONSIDER REMOVING CORAL TO OTHER PLACES." AT THE SAME TIME, HE EXPRESSED WARINESS

THAT CORAL MAY BE USED AS A SYMBOL BY THE ANTI-HELIPORT GROUP.

THE GOVERNMENT HAS ALSO REVEALED THAT NOISE WOULD BE CONSTRAINED TO A LEVEL BELOW THE STANDARD LEVEL IN RESIDENTIAL AREAS. BUT THE GOVERNMENT'S PLAN IS NOT SUPPORTED BY ANY CONCRETE DATA ON NOISE LEVELS AT VARIOUS SPORTS OR DIFFERENTIALS BETWEEN TWO CONSTRUCTION METHODS.

THE GOVERNMENT LISTED TWO CONSTRUCTION METHODS -- A METHOD TO CONSTRUCT A PLATFORM SUPPORTED BY STEEL PILLARS DRIVEN INTO THE SEABED, AND ANOTHER TO CONSTRUCT STEEL PONTOONS PROTECTED BY A BREAKWATER. THE LATTER, THAT WOULD BE CONSTRUCTED THREE KILOMETERS OFFSHORE, MIGHT HAVE AN ILL EFFECT ON CORAL, AND THE FORMER, THAT WOULD BE CONSTRUCTED 1.5 KILOMETERS OFF THE COAST, MIGHT INCREASE THE NOISE LEVEL.

-- PUMP PRIMING

IN THE CHAPTER ON "ECONOMIC EFFECTS," THE GOVERNMENT LISTED VARIOUS GRANTS TO LOCAL GOVERNMENTS, AS WELL AS TO PROMISE TO GIVE "FULL CONSIDERATION" SO AS TO PLACE ORDERS TO LOCAL COMPANIES.

YESTERDAY, CHIEF CABINET SECRETARY KANEZO MURAOKA, WHO IS IN CHARGE OF OKINAWA AFFAIRS, EMPHASIZED IN A PRESS MEETING THAT THE GOVERNMENT WOULD COMPILE WITHIN THIS MONTH AN ECONOMIC PACKAGE FOR THE NORTHERN PART OF OKINAWA, INCLUDING NAGO CITY. HE ALSO SUGGESTED THE GOVERNMENT'S INTENTION TO OBTAIN LOCAL SUPPORT BY LINKING THE HELIPORT PROJECT WITH THE LOCAL REVITALIZATION PROGRAM. HOW SUCH A STRATEGY WILL WORK REMAINS TO BE SEEN.

PRIME MINISTER RYUTARO HASHIMOTO HAS MADE IT CLEAR THAT HE WOULD RESPECT THE OUTCOME OF THE LOCAL REFERENDUM, NOTING, "WE WILL NOT CONSTRUCT A HELIPORT BY GOING OVER UNCLAS SECTION 03 OF 09 TOKYO 009655

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 NOVEMBER 6

THE HEADS OF LOCAL CITIZENS." THE GOVERNMENT NOW HAS TO WALK A TIGHTROPE IN ORDER TO DELIVER ON THE AGREEMENT REACHED WITH THE UNITED STATES ONE AND HALF A YEARS AGO FOR REVERSION OF THE FUTENMA AIR STATION.

JOINT U.S.-JAPAN EXERCISE JOINED FOR FIRST TIME BY U.S.
PLANES STATIONED IN KOREA (TOKYO SHIMBUN - PAGE 1)

SINCE THE REVISION OF JAPAN-U.S. DEFENSE COOPERATION GUIDELINES, JAPAN'S SELF-DEFENSE FORCES AND U.S. ARMED FORCES HAVE BEEN CARRYING OUT A SERIES OF JOINT TRAINING EXERCISES. MEANWHILE, HOWEVER, IT BECAME KNOWN ON THE 5TH THAT A UNIT OF FIGHTER PLANES FROM THE U.S. FORCES IN THE REPUBLIC OF KOREA HAS BEEN PARTICIPATING IN SUCH JOINT TRAINING THAT HAS BEEN CONDUCTED BY THE AIR SELF-DEFENSE FORCE AND U.S. FORCES ON A SCHEDULE FROM THE 3RD TO THE 14TH. IT APPARENTLY IS LINKED TO REINFORCING COOPERATION FOR A POSSIBLE EMERGENCY ON THE KOREAN PENINSULA.

THE UNIT IS FROM THE 8TH FIGHTER WING, WHICH IS DEPLOYED TO AN AIR BASE LOCATED AT KUNSAM IN THE SOUTHWESTERN PART OF SOUTH KOREA, AND SIX F-16 FIGHTER PLANES ASSIGNED TO THE WING CAME FLYING ACROSS TO THE ASDF'S CHITOSE BASE TO PARTICIPATE IN THE JOINT TRAINING.

THE JAPAN-U.S. JOINT TRAINING OF THE ASDF AND THE USFJ STARTED IN 1978, AND THE TRAINING THIS TIME IS THE 179TH ONE. HOWEVER, THERE HAS BEEN NO SUCH PRECEDENT BEFORE FOR THE PARTICIPATION OF FIGHTERS FROM THE U.S. FORCES IN THE ROK.

THOSE F-16 FIGHTERS FROM THE U.S. FORCES IN THE ROK ARE BELIEVED TO BE PARTICIPATING IN DOGFIGHT TRAINING AND ALSO IN EXERCISES WITH A COMBINATION OF ANTI-SHIP AND ANTI-AIRCRAFT EXERCISES BETWEEN U.S. WARSHIPS AND FIGHTERS THEMSELVES. THE U.S. FORCES IN THE ROK, USUALLY CONDUCTING JOINT EXERCISES WITH THE ROK'S AIR FORCE, WILL HAVE AN OPPORTUNITY TO LEARN DIRECTLY OF THE ASDF'S TACTICAL SKILLS. AT THE SAME TIME, THEY WILL ALSO HAVE AN ADVANTAGE THAT CAN TIGHTEN THE JAPAN-U.S.-ROK TIES.

THE JOINT TRAINING EXERCISES THIS TIME -- NOW BEING CONDUCTED WITH THE JOINING OF THE THREE USFJ SERVICES OF THE AIR FORCE, NAVAL FORCES (AIR UNIT), AND MARINES (AIR UNIT) -- ARE PLANNED FOR DOGFIGHT TRAINING AMONG FIGHTER PLANES THEMSELVES AND AIR DEFENSE COMBAT DRILLS WITH THE ASDF, USING PATRIOT GROUND-TO-AIR MISSILES. AS ONE OF THE FEATURES OF SUCH TRAINING, THE ASDF AND USFJ UNITS PARTICIPATING IN THE ONGOING EXERCISES, FOLLOWING THE PREVIOUS JULY BILATERAL JOINT TRAINING EXERCISES, ARE NOW MAKING USE OF THE "G" TRAINING AIRSPACE SITUATED OFF KOMATSU (ISHIKAWA PREFECTURE) IN THE SEA OF JAPAN FACING THE KOREAN PENINSULA.

WHILE THE ASDF HAS 30 AIRPLANES JOIN THE TRAINING, THE U.S. AIR FORCE HAS SENT A TOTAL OF 78 PLANES, INCLUDING CARRIER-BORNE AIRCRAFT ASSIGNED TO THE U.S. AIRCRAFT CARRIER INDEPENDENCE, AS THE LARGEST NUMBER OF AIRPLANES FOR THE YEAR'S JOINT TRAINING. IN ADDITION, THE USAF HAS ALSO DISPATCHED FOR THE FIRST TIME TWO EC-130H ELECTRONIC JAMMING PLANES FROM ITS STATESIDE BASE AT DAVISMONSON

(TN: PHONETIC), ARIZONA, APPARENTLY FOR EVEN MORE ACTUAL WARFARE EXERCISES.

ON THE 6TH, THE MARITIME SELF-DEFENSE FORCE AND THE U.S. 7TH FLEET WILL ALSO START THEIR BILATERAL JOINT TRAINING IN THE SEA OF JAPAN.

GOVERNMENT CAUTIOUS ABOUT YELTSIN'S PROPOSED TERRITORIAL ISSUE ACTION PROGRAM (ASAHI - PAGE 2)

IT HAS BEEN REVEALED THAT RUSSIAN PRESIDENT YELTSIN
UNCLAS SECTION 04 OF 09 TOKYO 009655

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 NOVEMBER 6

PROPOSED DURING LAST WEEKEND'S SUMMIT MEETING WITH PRIME MINISTER HASHIMOTO THAT A BILATERAL "ACTION PROGRAM" BE DRAWN UP TO RESOLVE THE LONG-STANDING NORTHERN TERRITORIAL DISPUTE, BUT THINKING IN THE JAPANESE GOVERNMENT IS THAT THIS PROPOSAL MAY NOT DIRECTLY LEAD TO A SOLUTION OF THE TERRITORIAL DISPUTE OR TO THE CONCLUSION OF A PEACE TREATY. ONE REASON IS THAT AFTER THE SUMMIT MEETING, NEGATIVE VIEWS ALONG THE LINE OF "CONCLUDING A PEACE TREATY IS ONE THING BUT SOLVING THE TERRITORIAL DISPUTE IS ANOTHER" ARE EMERGING AMONG THE CONSERVATIVE GROUP IN RUSSIA. CONSIDERING THESE CIRCUMSTANCES, JAPAN WILL CAUTIOUSLY OBSERVE MOVES ON THE RUSSIAN SIDE, INCLUDING THE POLITICAL SITUATION IN WHICH THE PRESIDENT IS NOW PLACED AND HIS HEALTH PROBLEM. AT THE SAME TIME JAPAN WOULD LIKE TO GIVE SHAPE TO THE PROPOSAL THROUGH SUCH OCCASIONS AS THE PLANNED DIALOGUE BETWEEN JAPANESE AND RUSSIAN FOREIGN MINISTERS.

DEPUTY VICE FOREIGN MINISTER MINORU TANBA IN AN INTERVIEW GIVEN TO THE ASAHI SHIMBUN REVEALED THAT PRESIDENT YELTSIN HAD PROPOSED AT THE RECENT SUMMIT MEETING THAT AN "ACTION PROGRAM" BE ESTABLISHED TO INCLUDE SPECIFIC PROCEDURES THAT WOULD BE NECESSARY TO RESOLVE THE NORTHERN TERRITORIAL DISPUTE. BUT HE HAS YET TO DISCLOSE ANY DETAILS.

ON THE NORTHERN TERRITORIES ISSUE, CONSERVATIVE FORCES IN RUSSIA AND LOCAL GOVERNMENT OFFICIALS IN THE FAR EASTERN REGION OF RUSSIA, AMONG OTHERS, ARE OBJECTING TO RETURNING THESE DISPUTED ISLANDS AND HAVE TAKEN A HARD-LINE STANCE ON THIS ISSUE. THE PRESIDENT HIMSELF

PREDICTED AT A PRESS CONFERENCE ON NOVEMBER 2 THAT NEGATIVE REACTIONS WOULD ARISE IN HIS COUNTRY, NOTING: "THERE WILL BE SOME WHO WILL CRITICIZE WHAT I SAID."

BEING AWARE OF SUCH A MOOD IN RUSSIA, TANBA APPRECIATED THE PRESIDENT'S PROPOSAL AS A "BRAVE DECISION," BUT ON THE OTHER HAND HE IS CAUTIOUS ABOUT AN OPTIMISTIC VIEW GAINING STRENGTH, SHOWING HIS ANXIETY THAT "SEEING THE DOMESTIC DEBATE IN RUSSIA AFTER THE SUMMIT, IT REMAINS SOMEWHAT UNCLEAR WHETHER THE PRESIDENT'S IDEA IS AGREEABLE TO THE RUSSIAN PEOPLE OR GOVERNMENT OFFICIALS CONCERNED."

STILL, THIS IS UNDOUBTEDLY A FAVORABLE OPPORTUNITY FOR JAPAN TO SETTLE THIS OUTSTANDING DISPUTE NOW WHEN THE PRESIDENT, WHOSE POLITICAL BEDROCK IS RELATIVELY STABLE, TAKES THE STANCE OF VIGOROUSLY GRAPPLING WITH THE TERRITORIAL DISPUTE. EXCHANGES OF KEY OFFICIALS BETWEEN THE TWO COUNTRIES ARE NOW EXPANDING MORE THAN EVER BEFORE. FOLLOWING FOREIGN MINISTER PRIMAKOV'S VISIT TO JAPAN ON THE 12TH, PRIME MINISTER CHERNOMYRDIN IS TO VISIT JAPAN AROUND NEXT FEBRUARY AND IN APRIL PRESIDENT YELTSIN WILL VISIT JAPAN. FROM JAPAN, FOREIGN MINISTER OBUCHI'S RUSSIA VISIT IN EARLY NEXT YEAR IS NOW BEING CONSIDERED, AND IN THE LATTER HALF OF NEXT YEAR, PRIME MINISTER HASHIMOTO IS PLANNING TO MAKE A STATE VISIT TO MOSCOW.

FURTHERMORE, THE NOTION OF MAKING USE OF THE VICE-MINISTER-LEVEL PEACE TREATY WORKING GROUP, WHICH HAS BEEN SUSPENDED SINCE MARCH, IS SURFACING, SO PREPARATIONS FOR WORKING-LEVEL TALKS WILL ALSO BE PROMOTED. THE MINISTRY OF FOREIGN AFFAIRS INTENDS TO DISCUSS HOW TO FACILITATE THE WORK OF FLESHING OUT THE PROPOSAL THROUGH A SERIES OF BILATERAL CONSULTATIONS.

U.S. WILL NOT OBJECT TO JAPAN'S SIGNING ANTI-PERSONNEL MINE TREATY (ASAHI - PAGE 2)

IN RESPONSE TO THE JAPANESE GOVERNMENT'S DECISION TO SIGN A TREATY FOR THE TOTAL BAN OF ANTIPERSONNEL LAND MINES, THE JAPANESE AND U.S. GOVERNMENTS HELD CONSULTATIONS OF UNCLAS SECTION 05 OF 09 TOKYO 009655

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 NOVEMBER 6

OFFICIALS AT THE BUREAU DEPUTY DIRECTOR GENERAL LEVEL AT THE MINISTRY OF FOREIGN AFFAIRS ON THE 4TH AND 5TH. IN THE MEETING, A U.S. OFFICIAL SAID TO THE JAPANESE SIDE: "JAPAN'S SIGNING IS A MATTER THAT IS COMPLETELY UP TO JAPAN TO DECIDE, AND IT'S NOT A MATTER FOR US TO SAY THIS OR THAT." THE U.S. OFFICIAL IN THIS WAY INDICATED THAT THE U.S. GOVERNMENT HAS NO INTENTION OF OBJECTING TO JAPAN'S SIGNING THE TREATY.

AMONG THOSE PRESENT AT THE MEETING FROM THE JAPANESE GOVERNMENT WERE MOFA'S DEPUTY DIRECTOR GENERAL FOR ARMS CONTROL AND SCIENTIFIC AFFAIRS AKIO SUDA AND THE DEFENSE AGENCY'S DEFENSE COUNCILLOR YOSHIAKI HOTSUKI. ON THE U.S. SIDE WERE DEPUTY ASSISTANT SECRETARY OF STATE NEWSOM AND DEPUTY ASSISTANT SECRETARY OF DEFENSE DODGEN. THE JAPANESE GOVERNMENT PREDICTS THAT THERE WILL BE NO PROBLEM IN THE U.S. FORCES JAPAN'S POSSESSION OF ANTIPERSONNEL LAND MINES EVEN IF JAPAN SIGNS THE TREATY.

GOVERNMENT HASTENING TO PASS FISCAL REFORM BILL TO AVOID PRESSURE AT UPCOMING SUMMIT (MAINICHI - PAGE 3)

THE FISCAL STRUCTURAL REFORM BILL WILL BE DISCUSSED IN THE UPPER HOUSE STARTING TOMORROW. A GENERAL INTERPELLATION ON THE BILL WILL BE CARRIED OUT FROM EARLY IN THE NEXT WEEK IN SPECIAL COMMITTEE ON ADMINISTRATIVE AND FISCAL REFORM AND THE TAX SYSTEM.

THE GOVERNMENT AND THE LIBERAL DEMOCRATIC PARTY (LDP) HOPE TO ENACT THE BILL BY THE 20TH, KEEPING IN MIND THE UNOFFICIAL SUMMIT MEETING (THE 25TH) OF THE ASIA-PACIFIC ECONOMIC COOPERATION (APEC) FORUM IN VANCOUVER, CANADA, WHICH PRIME MINISTER RYUTARO HASHIMOTO WILL ATTEND.

THE GOVERNMENT'S DECISION TO SPEED UP THE LEGISLATION IS BASED ON THE ANTICIPATION THAT IN THE JAPAN-UNITED STATES SUMMIT TO BE HELD ON THE OCCASION OF THE APEC FORUM, THE U.S. MIGHT PRESS JAPAN FOR DOMESTIC DEMAND-EXPANSION MEASURES, INCLUDING DISBURSEMENTS OF GOVERNMENT FUNDS, GIVEN THE SLOW ECONOMIC RECOVERY IN JAPAN AND THE UPWARD TREND OF THE NATION'S TRADE SURPLUS WITH THE U.S. THE GOVERNMENT HAS A DESIRE TO HAVE THE BILL THAT OBLIGATES EXPENDITURE CUTS ENACTED, IN AN EFFORT TO AVERT SUCH FOREIGN PRESSURE.

HORSETRADING IN THE RULING CAMP ON THE ECONOMIC STIMULUS PACKAGE (NIHON KEIZAI - PAGE 2)

BOTH THE RULING AND OPPOSITION CAMPS ARE MOVING INTO HIGH GEAR OVER STEPS TO BOLSTER THE NATION'S SAGGING ECONOMY. THE THREE RULING PARTIES AGREED TO CONSIDER A POSSIBLE POLICY TAX CUT. THE LIBERAL DEMOCRATIC PARTY (LDP) HAS ALSO STARTED THE WORK OF CONSIDERING THE SECOND TRANCHE OF ECONOMIC MEASURES, BUT THE PARTY EXECUTIVE IS HAVING DIFFICULTY FINALIZING ANYTHING, "FETTERED" BY THE POLICY OF FISCAL RECONSTRUCTION. THE MEANTIME, IN THE OPPOSITION CAMP, THE SHINSHINTO (NEW FRONTIER PARTY), THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN) AND THE TAIYOTO (SUN

PARTY) ARE POISED TO TAKE A CONCERTED STEP IN DEMANDING INCOME TAX CUTS WORTH 2 TRILLION YEN.

THE ECONOMIC STIMULUS MEASURES THE LDP ECONOMIC COUNTERMEASURES AD HOC PANEL IS PLANNING AS THE SECOND STEP OF AN ECONOMIC PUMP-PRIMING PACKAGE INCLUDE: (1) PROMOTION OF SOCIAL INFRASTRUCTURE DRAWING ON PRIVATE-SECTOR VITALITY AND THE FISCAL INVESTMENT AND LOANS PROGRAM (FILP); (2) DEREGULATION REGARDING PROMOTION OF RESIDENTIAL LAND IN AREAS DESIGNATED FOR URBANIZATION ADJUSTMENT IN URBAN AREAS.

CONSOLIDATION OF INFRASTRUCTURE USING PRIVATE-SECTOR VITALITY IS CALLED A "PRIVATE FINANCE INITIATIVE (PFI)." UNDER THIS SYSTEM, PRIVATE COMPANIES INVEST FUNDS FOR UNCLAS SECTION 06 OF 09 TOKYO 009655

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 NOVEMBER 6

CONSTRUCTION OF HIGHWAYS AND BRIDGES; THEY THEN RECOVER THE COSTS THROUGH TOLLS. AFTER A CERTAIN FIXED PERIOD, THEY SHIFT THE MANAGEMENT AND CONTROL OF THOSE FACILITIES TO THE STATE OR LOCAL GOVERNMENTS CONCERNED. HOWEVER, PARTICIPATION OF PRIVATE COMPANIES CANNOT BE EXPECTED FOR PROJECTS WITH SCARCE PROSPECTS FOR FUNDS RECOVERY, SUCH AS HIGHWAYS IN DEPOPULATED AREAS. FOR THIS REASON, THE LDP WILL LOOK INTO A POSSIBILITY OF INJECTING INTEREST-FREE FILP FUNDS FROM GOVERNMENT-RUN FINANCIAL INSTITUTIONS TO COVER PORTIONS OF EXPENSES SO THAT THE BURDEN OF COMPANIES THAT WILL CARRY OUT PROJECTS WILL BE ALLEVIATED.

THE PROPOSAL FOR PROMOTING RESIDENTIAL LAND IN AREAS DESIGNATED FOR URBANIZATION ADJUSTMENT IN URBAN AREAS IS AIMED AT CONSTRUCTING SECOND HOUSES FOR URBAN RESIDENTS AND HOUSES WITH VEGETABLE GARDENS FOR OLD-AGE PENSIONERS. IN ACCORDANCE WITH THIS POLICY LINE, CONSIDERATION WILL BE GIVEN TO A POSSIBILITY OF AMENDING SOME SECTIONS OF THE CITY PLANNING LAW AND ENACTING ANEW A GARDEN CITY LAW. THE LDP HOPES THAT UNDER SUCH A MEASURE 500,000 SUBURBAN-TYPE HOMES COSTING ABOUT 20 MILLION YEN ON AVERAGE CAN BE CONSTRUCTED A YEAR.

HOWEVER, THE SNAG OF THOSE ECONOMIC PUMP PRIMERS IS THAT THEY PRODUCE NO IMMEDIATE EFFECTS. AS IT STANDS, AN INCREASING NUMBER OF LDP MEMBERS, CENTERING ON A GROUP

OPPOSED TO THE CURRENT PARTY EXECUTIVE, ARE CALLING FOR FISCAL DISBURSEMENTS, BY GIVING FIRST CONSIDERATION TO STEPS TO STIMULATE THE ECONOMY INSTEAD OF FISCAL RECONSTRUCTION. SOME ARE BEGINNING TO SAY, "IF THE RECESSION BECOMES MORE SERIOUS, WE WILL BE PLACED IN A SITUATION WHERE FISCAL DISBURSEMENTS HAVE TO BE LOOKED INTO" (SENIOR MEMBER OF THE POLICY AFFAIRS RESEARCH COUNCIL).

THE LDP, THE SOCIAL DEMOCRATIC PARTY (SDP) AND THE SAKIGAKE PARTY AT YESTERDAY'S MEETING OF THE RULING PARTIES' ECONOMIC COUNTERMEASURES ADVISORY PANEL AGREED TO LAUNCH THE WORK OF CONSIDERING A CONCRETE PLAN FOR A POLICY TAX CUT AS A CARDINAL FEATURE OF THE PLANNED ECONOMIC STIMULUS PACKAGE. DISCUSSION BY THE ADVISORY PANEL WILL FOCUS ON NEW TAX PREFERENTIAL MEASURES TO BE APPLIED TO THE PURCHASES OF HOUSES AND EDUCATION EXPENSES. THE SDP HAS PROPOSED RAISING DEDUCTIBLE AMOUNTS FROM THE INCOME OF HOUSEHOLDS THAT HAVE SEVERELY HANDICAPPED PERSONS OR ELDERLY FAMILY MEMBERS.

THE LDP HAS PROPOSED AS A TAX-CUT SCALE "APPROXIMATELY 300 BILLION YEN," BUT THE SDP WAS DISSATISFIED WITH THE PROPOSAL, REASONING, "IF FISCAL STRUCTURAL REFORM IS PROMOTED, MORE RESOURCES TO FINANCE TAX CUTS CAN BE SQUEEZED OUT." NO CONCLUSION WAS REACHED.

AS FOR SPECIAL 2-TRILLION-YEN-SCALE TAX BREAKS IN THE INCOME AND LOCAL TAXES AS SOUGHT BY THE SDP, THE LDP AND THE SAKIGAKE ONCE AGAIN STRONGLY OPPOSED THE PROPOSAL, SAYING, "IN ORDER TO SECURE FUNDING RESOURCES FOR TAX CUTS, THE ISSUANCE OF DEFICIT-COVERING BONDS IS ABSOLUTELY NECESSARY." DISCUSSION ENDED ALONG DIVERGENT LINES.

OPPOSITION CAMP COORDINATING REQUEST FOR INCOME TAX CUT (NIHON KEIZAI - PAGE 2)

THREE OPPOSITION PARTIES -- THE SHINSHINTO (NEW FRONTIER PARTY), THE MINSHUTO (DEMOCRATIC PARTY OF JAPAN) AND THE TAIYOTO (SUN PARTY) -- YESTERDAY HELD NEGOTIATIONS AMONG THEIR POLICY-MAKING OFFICIALS AND REACHED AN AGREEMENT IN GENERAL ON MAKING THE FOLLOWING REQUESTS OF THE GOVERNMENT: (1) 2-TRILLION-YEN-SCALE INCOME TAX CUT; (2) LOWERING EFFECTIVE CORPORATE TAX RATES BY 10 PERCENT; (3) SCRAPPING THE SECURITIES TRADING TAX; AND (4) REVIEWING UNCLAS SECTION 07 OF 09 TOKYO 009655

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 NOVEMBER 6

THE TAX SYSTEM TO PROMOTE LAND LIQUIDITY.

THEIR JOINT ACTION FOR MAPPING OUT ECONOMIC STIMULUS MEASURES IS MOTIVATED BY THE JUDGMENT THAT "UNLESS OPPOSITION PARTIES ACT ON THEIR OWN, WE WILL NOT BE ABLE TO DISPLAY OUR RAISON D'ETRE" (SENIOR MEMBER OF THE MINSHUTO). THERE IS ALSO THE CALCULATION THAT IF THEY FALL IN STEP WITH THE SDP AND THE JAPANESE TRADE UNION CONFEDERATION REGARDING THEIR REQUESTS FOR INCOME TAX CUTS, THEY COULD RATTLE THE HASHIMOTO ADMINISTRATION. THE SHINSHINTO EXECUTIVE ALSO INTENDS TO CHECK MICHIIKO KANO, WHO IS CALLING FOR A "UNITED FRONT AMONG OPPOSITION PARTIES," BY PROMOTING A JOINT STRUGGLE BY OPPOSITION PARTIES NOT ONLY FOR DIET STEERING BUT ALSO ON THE POLICY FRONT. THE SHINSHINTO AND THE MINSHUTO REMAINED AT ODDS OVER FUNDING RESOURCES FOR INCOME TAX CUTS: THE SHINSHINTO CONDONING AN INCREASE IN THE ISSUANCE OF DEFICIT-COVERING BONDS AND THE MINSHUTO GIVING PRIORITY TO FISCAL RECONSTRUCTION. NEGOTIATIONS WILL BE RESUMED ON THE 10TH. A COMPROMISE PROPOSAL NOW FLOWING AMONG OPPOSITION PARTIES WOULD MAKE IT A PRINCIPLE THAT "FUNDING RESOURCES SHOULD BE SECURED THROUGH PUBLIC SPENDING CUTS" AND "THE AGGREGATE AMOUNT OF GOVERNMENT BONDS SHOULD NOT BE AUGMENTED. HOWEVER, IF THE ISSUANCE OF CONSTRUCTION GOVERNMENT BONDS IS REDUCED, DEFICIT-COVERING BONDS CAN BE ISSUED."

SLOW GOING IN CIVIL AVIATION NEGOTIATIONS
(ASAHI - PAGE 12)

JAPAN-UNITED STATES CIVIL AVIATION TALKS ARE HUNG UP BECAUSE OF THE LACK OF UNITY IN THE AMERICAN INDUSTRY AND THE U.S. GOVERNMENT'S TURNABOUT IN POSTURE TO BE TOUGH IN NEGOTIATIONS AFTER LEARNING AGAIN THROUGH THE ONGOING PORT-PRACTICE TALKS THAT JAPAN WILL ACCEPT U.S. REQUESTS IF THE U.S. IMPOSES SANCTIONS. OFFICIAL TALKS ARE SCHEDULED FOR THE 14TH AND 15TH IN SAN FRANCISCO, BUT BOTH SIDES REMAIN UNABLE TO SET A NEW DEADLINE FOR SETTLEMENT DESPITE THE ORIGINAL DEADLINE SET AT THE END OF SEPTEMBER ALREADY RUNNING OUT.

THE TALKS SEEMED TO MAKE HEADWAY AFTER "WINDING UP PHILOSOPHICAL DISCUSSION" (OFFICIAL OF THE MINISTRY OF TRANSPORT (MOT)) WHEN THE U.S. IN A SESSION IN SEPTEMBER REVEALED A STANCE OF NOT CLINGING TO AN "OPEN-SKIES FORMULA" FOR FULL LIBERALIZATION OF THE CIVIL AVIATION AREA.

SINCE THEN, HOWEVER, THE U.S. HAS NOT INDICATED A WILLINGNESS TO PUT DOWN WHAT IT INSISTED IN THE PAST NEGOTIATIONS. REGARDING THE NUMBER OF FLIGHTS TO BE ALLOCATED TO LATECOMER CARRIERS, WHICH HAVE NO RIGHT TO INITIATE SERVICES ON THEIR OWN WILL, THE U.S. HAS NOT BUDGED ON THE CALL FOR "A TOTAL OF 91 WEEKLY FLIGHTS THAT

DEPART FROM NARITA AND KANSAI AIRPORTS AND NO RESTRICTION ON THE NUMBER FOR THOSE FROM LOCAL AIRPORTS," BUT JAPAN INSISTS ON "70 WEEKLY FLIGHTS AT THE MOST."

NORTHWEST AIRLINES (NWA) HAS OPPOSED THE POLICY LINE OF "PUSHING AHEAD LIBERALIZATION UNDER A FOUR-YEAR TRANSITIONAL ACCORD" AS AGREED UPON BETWEEN THE TWO GOVERNMENTS. THE TRANSPACIFIC FLIGHT MARKET IS VIEWED A CASH COW, COMMANDING A 30 PERCENT SHARE OF TOTAL SALES IN THE PASSENGER FLIGHT MARKET. REFLECTING THIS, NWA APPARENTLY IS UNWILLING TO SEE MORE COMPETITORS.

AFTER THE U.S. GOVERNMENT TURNED AROUND THE STANCE OF STICKING TO AN OPEN-SKIES ACCORD, NWA PRESENTED A NEW DEMAND FOR ABOLISHING THE UPPER LIMIT OF AIRFARES, WHICH IS UTTERLY UNACCEPTABLE FOR JAPAN. MANY OBSERVERS READ THIS DEMAND AS "A STRATEGY TO DELAY NEGOTIATIONS."

IN THE MEANTIME, UNITED AIRLINES (UA) HAS INSISTED ON THE UNCLAS SECTION 08 OF 09 TOKYO 009655

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.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS NOVEMBER 6

NEED FOR AN EARLY CONCLUSION OF THE TALKS, AIMING TO INCREASE THE NUMBER OF THEIR FLIGHTS ON THE CHICAGO-TOKYO ROUTE. AMERICAN AIRLINES, WHICH IS PLANNING TO JOIN HANDS WITH JAPAN AIRLINES, HAS CALLED FOR SPEEDING UP THE TALKS, FOCUSING ON THE FACT THAT (THE AGREEMENT) INCLUDES THE CLAUSE ON AN EXPANSION OF TIE-UP FORMULAS.

OTHER AMERICAN COMPANIES AS WELL HAVE CALLED FOR REALIZATION OF THEIR OWN INTERESTS TO THE MAXIMUM, CONTINENTAL AIRLINES TAKING THE STANCE THAT "IF OUR COMPANY IS ALLOWED TO INITIATE SERVICES BETWEEN NEW YORK AND TOKYO AND BEN HOUSTON AND TOKYO, WE WILL ACCEPT AN OPEN-SKIES POLICY," AND TWA STRESSING "IT IS VITAL FOR OUR COMPANY TO OBTAIN THE RIGHT TO OPEN THE ROUTE BETWEEN SAINT LOUIS."

REPORTEDLY, THE U.S. GOVERNMENT HAS PRESENTED THESE CARRIERS' REQUESTS WITHOUT PLACING AN ORDER OF PRIORITY. A JAPANESE NEGOTIATOR COMPLAINED, "REGARDING HOW FAR THESE COMPANIES CAN MAKE A CONCESSION, THE U.S. GOVERNMENT HAS NOT UNDERSTOOD THEIR REAL INTENTION, SO NEGOTIATIONS WILL GO NOWHERE."

WHAT IS WORSE, THE U.S. HAS BEGUN TO TAKE A TOUGH NEGOTIATING STANCE. A RESPONSIBLE NEGOTIATOR ON THE JAPANESE SIDE ANALYZES THAT SUCH A POSTURE REFLECTS THE RESPONSE JAPAN MADE IN THE ONGOING CARGO-HANDLING TALKS.

THE U.S. GOVERNMENT AND CONGRESS HAS TAKEN THE VIEW THAT "BECAUSE THE U.S. ISSUED SANCTIONS THAT PLACED AN EMBARGO ON JAPANESE SHIPS, WE SUCCEEDED IN DRAWING A CONCESSION OUT OF JAPAN." IN RESPONSE, A MOT OFFICIAL GRUMBLED, "WE ENDED UP LETTING THE U.S. BELIEVE THAT JAPAN WILL COMPROMISE IF SANCTIONS ARE SLAPPED ON US AND THAT SANCTIONS ARE EFFECTIVE." A U.S. NEGOTIATOR IN AN UNOFFICIAL MEETING WITH A JAPANESE OFFICIAL WAS QUOTED AS SAYING, "REFLECTING THE ATMOSPHERE IN THE U.S. GOVERNMENT AND CONGRESS, IF I CONTINUE TO TAKE A TOUGH STANCE TOWARD JAPAN, I CAN BE A HERO."

ADMINISTRATIVE REFORM PANEL FINALIZES RESTRUCTURING PLAN FOR CENTRAL GOVERNMENT OFFICES (SANKEI - TOP PLAY)

THE GOVERNMENT YESTERDAY OUTLINED A FINAL REPORT ON THE RESTRUCTURING OF THE CENTRAL GOVERNMENT OFFICES WHICH IS DUE TO BE COMPILED ON DECEMBER 3 BY THE CONFERENCE ON ADMINISTRATIVE REFORM (CAR; CHAIRED BY PRIME MINISTER RYUTARO HASHIMOTO). REGARDING THE ITEMS THAT THE CAR'S INTERIM REPORT SAID WOULD REQUIRE A POLITICAL DECISION, THE GOVERNMENT HAS FEATURED TWO POINTS: (1) IT RETRACTED THE NOTION OF CREATING A NATIONAL DEVELOPMENT MINISTRY AND A NATIONAL PRESERVATION MINISTRY BUT PROPOSED THE ESTABLISHMENT OF A NATIONAL LAND CONSOLIDATION MINISTRY AND AN AGRICULTURE AND FISHERIES (FOOD) MINISTRY; AND (2) IT PROPOSED THAT THE THREE STATE-RUN POSTAL SERVICES BE ADMINISTERED BY AN EXTERNAL ADMINISTRATIVE AGENCY. MEANWHILE, THE GOVERNMENT HAS UPHELD THE NOTION OF ESTABLISHING AN ENVIRONMENTAL SAFETY MINISTRY AND A COMMUNICATIONS AND BROADCASTING COMMITTEE, AS THE CAR'S INTERIM REPORT SUGGESTED. IT ALSO AIMS AT STREAMLINING THE PRESENT CENTRAL GOVERNMENT OFFICES BY MERGING (THE CURRENT LINEUP) INTO "ONE OFFICE AND 12 MINISTRIES AND AGENCIES." THE LIBERAL DEMOCRATIC PARTY (LDP) HAS ALSO GENERALLY AGREED TO THE GOVERNMENT'S DRAFT PLAN.

PRIME MINISTER HASHIMOTO, MAKING UP HIS MIND NOT TO ADOPT THE PROPOSAL TO CREATE A "TRANSPORT AND COMMUNICATIONS MINISTRY" AS REQUESTED BY THE LDP'S COMMUNICATIONS AND TRANSPORTATION DEPARTMENTS, TRANSMITTED THIS INTENTION YESTERDAY TO RELEVANT OFFICIALS AND LDP MEMBERS IN CHARGE OF THE ADMINISTRATIVE REFORM DRIVE. WHILE BOILING DOWN DETAILS, THE GOVERNMENT AND RULING PARTIES AIM AT PUTTING TOGETHER VIEWS IN THE DIRECTION OF RESPECTING THE UNCLAS SECTION 09 OF 09 TOKYO 009655

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 NOVEMBER 6

GOVERNMENT'S DRAFT AT THE CONCENTRATE DELIBERATIONS TO BE
HELD FOR FOUR DAYS FROM THE 17TH BY THE CAR.

HOWEVER, IT IS APPARENT THAT LDP DIETMEMBERS ASSOCIATED
WITH THE PARTY'S COMMUNICATIONS AND TRANSPORTATION
DEPARTMENTS, AS WELL AS CERTAIN MINISTRIES INCLUDING THE
MINISTRY OF POSTS AND TELECOMMUNICATIONS (MPT) AND
MINISTRY OF TRANSPORT (MOT) WILL FIGHT FOR A ROLLBACK AT
AN INFORMAL LDP EXECUTIVE COUNCIL MEETING TO BE HELD ON
THE MORNING OF THE 16TH. AS IT STANDS, IT IS UNCERTAIN
THE GOVERNMENT'S DRAFT PLAN WILL BE ABLE TO BE BROUGHT TO
THE TABLE OF THE CONCENTRATE DELIBERATIONS.

THE GOVERNMENT'S DRAFT WRITES THAT THE THREE POSTAL
SERVICES WILL BE ALL TRANSFERRED TO AN INDEPENDENT
AGENCY, REVISING THE INTERIM REPORT'S SUGGESTION THAT
PART OF THEM SHOULD BE HANDLED BY A PRIVATE-SECTOR
COMPANY. THE STATUS OF PERSONNEL WHO WILL STAFF THE BODY
WILL BE A DIFFERENT TYPE OF STATE EMPLOYEE.

THE DRAFT ALSO SUGGESTS REVIEWING THE NOTION OF CREATING
TWO NATIONAL LAND-RELATED MINISTRIES. THE RVER BUREAU,
WHICH WAS TO HAVE BEEN MERGED INTO A NATIONAL LAND
PRESERVATION MINISTRY, WILL BE TRANSFERRED TO A NATIONAL
LAND DEVELOPMENT MINISTRY. A NATIONAL LAND CONSOLIDATION
MINISTRY WHICH WOULD INCLUDE THE CONSTRUCTION MINISTRY
WILL BE CREATED. THE PROPOSED NATIONAL LAND PRESERVATION
MINISTRY WILL BE REVAMPED INTO AN AGRICULTURE AND
FISHERIES (AND FOOD) MINISTRY.

NOT ACCEPTING THE IDEA OF CREATING A TRANSPORT AND
COMMUNICATIONS MINISTRY, THE THREE TELECOMMUNICATIONS-
CONNECTED BUREAUS OF MPT WILL ESTABLISH A COMMUNICATIONS
AND BROADCASTING COMMITTEE, A KIND OF AN INDEPENDENT
ADMINISTRATIVE COMMITTEE, UNDER A GENERAL AFFAIRS
MINISTRY, AS THE INTERIM REPORT PROPOSED. THE MINISTRY
OF TRANSPORT WILL BE INTEGRATED INTO A NATIONAL LAND
CONSOLIDATION MINISTRY TOGETHER WITH THE CONSTRUCTION
MINISTRY.

WHILE UPHOLDING THE CONCEPT OF UPGRADING THE ENVIRONMENT
AGENCY TO A MINISTRY, AN ENVIRONMENTAL SAFETY MINISTRY
WILL BE ESTABLISHED SO THAT ITS RESPONSIBILITIES WILL BE
EXPANDED. THE GOVERNMENT HAS NOT ADOPTED THE NOTION OF
ABOLISHING THE SYSTEM OF APPOINTING A FULL-TIME MINISTER
TO THE NATIONAL PUBLIC SAFETY COMMISSION, WHICH HAD BEEN
CALLED BY FORCES THAT SOUGHT THE ESTABLISHMENT OF A
TRANSPORT AND TELECOMMUNICATIONS MINISTRY. AS THE
INTERIM REPORTS SUGGESTED, THE NATIONAL POLICY AGENCY AND
THE MARITIME SAFETY AGENCY WILL COME UNDER THE NATIONAL

PUBLIC SAFETY COMMISSION.

THE GOVERNMENT HAS SHELVED THE ISSUE OF UPGRADING THE JAPAN DEFENSE AGENCY TO A MINISTRY IN CONSIDERATION OF THE SOCIAL DEMOCRATIC PARTY. ALTHOUGH IT HAS GIVEN UP SEPARATING THE NATIONAL TAX ADMINISTRATION AGENCY FROM THE FINANCE MINISTRY, COORDINATION WILL BE CONTINUED BY ELIMINATING "CONTRgL OF PERSONNEL CHANGES" BY FINANCE CAREER BUREAUCRATS OR BY PUTTING OFF A CONCLUSION. THE GOVERNMENT INTENDS TO APPOINT A SPECIAL MINISTER WHO IS CONCURRENTLY RESPONSIBLE FOR THE OKINAWA PROMOTION AND NORTHERN TERRITORIAL ISSUES, BUT NOT SET UP A FULL-TIME MINISTER FOR HOKKAIDO AFFAIRS. CRANE

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INFO: RUEHKOF/AMCONSUL FUKUOKA PRIORITY 7425
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 4331
SUBJ: MEDIA REACTI, U.S.-JAPAN SECURITY; TOKYO

LEAD STORIES: ALL SIX TOKYO PAPERS GAVE PROMINENT FRONT-PAGE PLAY ON THURSDAY MORNING TO TALKS BETWEEN JDA DIRECTOR GENERAL KYUMA AND OKINAWAN OFFICIALS ON

TEXT:
UNCLAS TOKYO 009683

USIA

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

E.O. 12958; N/A
SUBJECT: MEDIA REACTI, U.S.-JAPAN SECURITY; TOKYO

LEAD STORIES: ALL SIX TOKYO PAPERS GAVE PROMINENT FRONT-PAGE PLAY ON THURSDAY MORNING TO TALKS BETWEEN JDA DIRECTOR GENERAL KYUMA AND OKINAWAN OFFICIALS ON WEDNESDAY. DURING THEIR MEETINGS, KYUMA PRESENTED TO LOCAL OFFICIALS THE OUTLINES OF AN OFF-SHORE HELIPORT FOR U.S. MARINES TO BE BUILT IN OKINAWA PREFECTURE.

1. "EFFORTS SHOULD BE MADE TO DEEPEN NAGO CITIZENS' UNDERSTANDING OF A SEA-BASED HELIPORT" THE TOP-CIRCULATION, MODERATE YOMIURI EDITORIALIZED (11/6),

"JAPAN DEFENSE AGENCY DIRECTOR GENERAL KYUMA VISITED OKINAWA PREFECTURE ON WEDNESDAY, AND EXPLAINED TO OKINAWAN OFFICIALS THE OUTLINES OF A SEA-BASED HELIPORT PLANNED TO BE BUILT OFF CAMP SCHWAB, A USMC CAMP, IN THE PREFECTURE.

"CONSTRUCTION OF THE OFF-SHORE HELIPORT IS A PREREQUISITE FOR RELOCATING FUTENMA MARINE CORPS AIR STATION -- A FOCAL POINT IN THE CONSOLIDATION AND REDUCTION OF AMERICAN MILITARY BASES IN OKINAWA PREFECTURE.

"IF THE HELIPORT CONSTRUCTION PLAN DOES NOT PROCEED SMOOTHLY, IT WILL HAVE A NEGATIVE EFFECT ON THE BASE CONSOLIDATION PLAN ITSELF. WE HOPE THAT KYUMA'S EXPLANATION WILL HELP INCREASE UNDERSTANDING OF THE PLAN ON THE PART OF THE LOCAL GOVERNMENTS AND RESIDENTS OF NAGO CITY...

"THE CENTRAL GOVERNMENT WILL SHORTLY HOLD PUBLIC HEARINGS AT SIX LOCATIONS IN NAGO CITY TO ENHANCE UNDERSTANDING OF THE PLAN. IT IS IMPORTANT THAT LOCAL REQUESTS OR CONCERNS BE REFLECTED IN THE FINAL PLAN, WHICH WILL ALSO SPELL OUT SAFETY AND ENVIRONMENTAL MEASURES. THE GOJ NEEDS TO HOLD FURTHER DISCUSSIONS ON THESE MATTERS WITH THE U.S." CRANE

SECT: SECTION: 01 OF 01

SSN: 9683

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RUEHKOF/AMCONSUL FUKUOKA 7431
RUAYJAA/COMPATWING ONE KAMI SEYA JA
SUBJ: JAPANESE DAILY PRESS SUMMARY 11/07/97

TEXT:
UNCLAS SECTION 01 OF 17 TOKYO 009748

DEPT FOR E, P, PM, EB, EAP/J AND S/AL
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TAGS: PGOV, PINR, JA
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- (3) Offshore Heliport Presentation: Citizens' Voting to Determine Future Course
- (4) Municipalities to Enact Information-disclosure Ordinances within Next Fiscal Year; "We Should Do, Since the Government will Do"
- (5) Oiso Koiso Column: Teetering Personal Consumption Is Attributable to Five Factors
- (6) Rising Temporary Employment with Promotion of Deregulation; New Rules Now Needed for Protection of Workers
- (7) MAGAZINE ARTICLE: Government Economists Deeply to Blame for Disseminating Information that Causes Confusion; Interview with Heizo Takenaka (Professor at Keio University)

ARTICLES:

- (1) EDITORIAL: The Governor Should Display His Ability to the Full in Dealing with the Sea-Based Heliport Issue

SANKEI (Page 2) (Full)
November 7, 1997

The problem of relocating the United States Marines' facilities at Futenma Air Station in Okinawa Prefecture has now entered a new phase with the central government's showing of a proposal for the construction of a sea-based heliport off Camp Schwab in Nago City which is now viewed as the candidate site. Nago City is to hold a referendum on December 21 to ask whether residents agree or disagree with the construction plan. It seems likely that the showing of the construction proposal will have a subtle effect on the referendum, but it is inconceivable that the relocation site will be any other place than the waters off Nago City. If this sea-based heliport plan fails to be realized, the overall problem of bases of U.S. forces on Okinawa bases, which appears to be moving forward, could strike a reef. Governor Masahide Ota, who still assumes a wait-and-see attitude toward the relocation problem, should now demonstrate his leadership capability.

The Okinawa bases issue made rapid headway the moment the U.S. gave consent to the return of

Futenma Airfield, as had been strongly called for by Governor Ota. However, this problem brought on a heated debate later over the location of an alternative site but in the end waters off Nago
UNCLAS SECTION 02 OF 17 TOKYO 009748

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City wer selected as a "final" candidate site. At some point in this process, Governor Ota had agreed to a proposal for constructing a heliport as an annex to Kadena Air Base, allowing people to interpret his move as being positive. But around the time when the notion of constructing it off Nago City was emerging, his stance inscrutably shifted to one of detachment. He gave as his reason, "It is the matter that concerns the central government and the city."

In mulling over the Okinawa bases issue, substitute sites are an indispensable element. The central government is making efforts, linking steps for solution of the problem to a set of economic promotional measures, which it will take for the prefecture and its residents. But now that the central government revealed a specific construction proposal that includes consideration for the environment and other matters based on the report by the "Special Action Committee on Okinawa (SACO)," we think the responsibility of the Governor is to crystallize his prefectural government's position in dealing with the offshore heliport problem.

The referendum to take place next month has no binding force. Moreover, we have pointed out already our apprehension about the effect of a referendum, visibly or invisibly, on important administrative affairs and policies of the central government, such as security. The Okinawa bases issue is a crucial matter that could determine the course of the security of our country, depending on future developments. We believe part of the responsibility for that aggravated state of the bases problem should lie with the Governor, who has been less than eager for the construction of an alternative facility.

The decision on the return of Futenma airfield has moved forward extensively the knotty Okinawa bases problem, which had hardly made headway over the past 20 years. This decision came in compliance with the Governor's strong desire. However, the return is premised on the construction of an alternative facility. If the plan for construction of a facility off Nago City sinks, the possibility of the return of Futenma airfield will also vanish. Taking this all into consideration, the Governor should demonstrate his strong leadership in bringing to fruition the construction of this facility.

(2) EDITORIAL: Basic Heliport Plan Reveals Insufficiency of Survey

MAINICHI (Page 5) (Full)
November 7, 1997

The Government has drafted a basic plan for constructing a heliport to replace the one at the U.S. Marines Futenma Air Station in Okinawa, the site scheduled to be returned to Japan.

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Japan Defense Agency (JDA) Director General Fumio Kyuma on the 5th briefed Mayor Tetsuya Higa of Nago City, the city chosen for the project, and Okinawa Governor Masahide Ota. The two local leaders, however, went no further than to state, "We would like to have a council of experts look into it," (Higa) and "We will continue to watch the public trend intently" (Ota).

It is perfectly understandable why they have to take cautious attitudes. Nago City will carry out a referendum on the heliport project on December 21. This means that without seeing its outcome, the local side cannot make any decision or move.

The Government's plan lists two construction methods: the quick-installation platform (QIP)

technique and the pontoon method. About 2,500 U.S. Marines and 60 helicopters belonging to the Futenma Air Station will move to the new heliport that will measure 1,500 meters long and 600 meters wide.

In order to ensure safety, flights will be allowed only over the sea to avoid residential and school areas and flights after 10:00 p.m. will be restricted voluntarily. As a result, the Government's plan says, that the noise level of the residential area closest to the heliport will be held down below the criterion set by the Environmental Agency.

At the same time, the paper points out possible adverse effects on the coral reefs and seaweeds. The report explains that "damage can be kept to a minimum" by selecting a spot with less coral and seaweeds or by transplanting them to other places for proliferation and reproduction.

As for economic effects, the program lists grants for the base, placement of orders to local companies, and a creation of jobs.

The Government needs to supply Nago City with sufficient data so that citizens there will be able to make appropriate decisions in the upcoming referendum. In that respect, the basic plan that includes both pluses and minuses suggests the Government's intention to provide materials openly for the local decision.

Nevertheless, the plan lacks clarity in some parts. For instance, the section about the noise level is supported only by a projection with no hard data. Such a plan is insufficient to convince the citizenry and the local government. Some people have indicated that suggesting a noise level was not possible without actually flying helicopters.

In addition, the anti-heliport group is calling for an assessment of environmental impact. Director General Kyuma has indicated that he would consult with the Environment Agency. It is also important to listen to an opinion of a third party. The
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Government should respect such opinions of local residents, continue a full-fledged survey, and let the people know what it found.

On November 21, the Government hosts the 25th anniversary of the reversion of Okinawa, Prime Minister Ryutaro Hashimoto attending. There, the Government plans to unveil an Okinawa stimulus package as well as to reveal its thinking toward the U.S. base problem.

Okinawa Prefecture has adopted a set of "industrial measures to create an international city," a program to make the entire prefecture into a free trade zone by the year 2005. The Prime Minister should take necessary steps for it. Meanwhile, the environment for security in Northeast Asia has been improving. Under such circumstances, the Prime Minister is urged to come up with a bold plan to realign and reduce the U.S. bases in Japan.

The Government's basic plan opens with the phrase, "The sea-based heliport can be removed when it becomes unnecessary." We hope to hear from the Prime Minister's mouth that such a statement is not a mere lip service. Without it, the Government will not be able to obtain understanding from the people of Nago City and Okinawa.

(3) Offshore Heliport Presentation: Citizens' Voting to Determine Future Course

ASAHI (Page 3) (Full)
November 6, 1997

A blueprint for the construction of a sea-based heliport along with the proposed reversion of the U.S. Forces' Futenma Air Station site was unveiled on the 5th in an outline of facilities shown by the central government. It has been nearly one year since the Japan-U.S. Special Action Committee on Okinawa (SACO) released its final report. The government has now come up with its plan to construct such an offshore heliport in return for the overall reversion of the Futenma airfield as earnestly desired by the people of Okinawa Prefecture. Will it really be constructed as planned by the government? Its future course is up to the outcome of Nago City's plebiscite set for the 21st of next month.

(Political Section, Naha Branch Bureau)

Government on economic offensive for support

"I wish to have your understanding with your consideration for our sincerity." On November 5, Japan Defense Agency Director General Fumio Kyuma, who was visiting the city of Nago, made that request to the city's mayor, Tetsuya Higa.

The government, in its basic plan for an offshore heliport, says that it will "minimize" the possible effects on the natural environment. On the other
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hand, it details a variety of economic effects, such as placing orders with local firms, employing local workers, procuring foodstuffs and daily necessities for those engaged in construction work ... The government is about to take the offensive in order to ensure local support, with a referendum being scheduled to be held in Nago City on the 21st of next month.

The government has so far been baffled in its calculations. It took time to iron out the projected heliport's scale with the U.S. military. Moreover, Seiroku Kajiyama, who used to play the role of a coordinator, has now resigned as Chief Cabinet Secretary. And, Lieutenant Governor Masanori Yoshimoto, who was a point of contact with the central government, is not expected to be reappointed.

The scheduled plebiscite adds a heavy load on that. JDA Director General Kyuma late last month directed administrative officials to "find out the previous turnouts of voters in Nago City, including those in the days of medium-size (multiple-seat) constituencies." From now on, JDA will distribute about 40,000 copies of a pamphlet to the local residents. JDA Parliamentary Deputy Director General Hiroyasu Kurihara and Defense Facilities Administration Agency Director General Jiro Hagi will visit there to give explanations.

If the heliport plan should bog down, it would deal a serious blow to Prime Minister Ryutaro Hashimoto, who launched the reversion process for Futenma

airfield. With U.S. Secretary of Defense Cohen being scheduled to visit Japan later this month, some in the government are concerned about the possible aftermath effect on Japan-U.S. relations.

Okinawa Prefecture, Nago City leave what's in mind unsaid

"I guess that if they don't know even about the outline, the prefecture's government probably can't take any action," said a central government official. The central government, which has repeatedly asked Okinawa Prefecture for its cooperation, is now hoping for Governor Ota's "action." Yet there has been no visible change in the prefectural government's course of action to "clarify our opinion after seeing the results of Nago City's voting." The central government, after its briefing of the Okinawa prefectural government side on the outline of its heliport construction plan, asked if the prefectural government had any question about it. The prefectural government side, however, answered: "There's nothing today." This answer also indicated such.

The Okinawa prefectural government, in fact, had determined as of September that it would have to clarify its attitude regarding the planned construction of an offshore heliport after receiving the central government's explanation.
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Some of the prefectural government's senior officials were beginning to say that it would be unavoidable to accept the plan if the central government would promote such measures as ensuring the safety of local residents and continuing special reversion-related measures.

In the meantime, however, such an atmosphere has changed completely with Nago City's establishment of a citizens' voting ordinance. The prefectural government last year implemented a prefectural referendum on the problem of U.S. military bases in the prefecture. All the more because of such

circumstances in the past, the prefectural government cannot ignore the local community's opinion.

On the other hand, Nago City's Mayor Higa is still in a position to "oppose the construction plan in principle." However, the city's municipal office has now decided to ask its citizens to pick one from among four optional answers to a question, instead of choosing between only two options as to if they are for or against the heliport construction plan. Moreover, the mayor recently participated in a meeting of organizations that are conditionally in favor of the plan. Therefore, the group of citizens in opposition to the heliport construction plan is taking a serious view of such facts in a growing sense of crisis, one saying: "If we don't see an overwhelmingly large number of votes against the heliport construction plan, the mayor might approve it."

Nago City is now becoming distrustful of the prefectural government because it is not willing to try to go between the central government and the city. The city and the prefectural government have been as cold as ice toward each other since Mayor Higa approved the central government's proposal of a preliminary feasibility study in April.

Citizens concerned about environmental deterioration

In the city of Ginowan, where the U.S. Forces' Futenma airfield is located, there is Okinawa Prefectural Chubu Commercial High School, which is situated about 1.5 kilometers south of the airfield runway -- almost at the same distance as that between the basically planned location of an offshore heliport and the nearby local community.

The city's municipal base countermeasures office has been monitoring noise at seven points in the city. At a monitoring spot near the high school, the weighted equivalent continuous perceived noise level (WECPNL) in September was 61.0 on average. It was lower than the environmental standard level set at 70.0 by the Environment Agency. However, noise in excess of 90 decibels -- a level equivalent to that "in a noisy factory" -- was sometimes monitored there.

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The high school's director, Katsuya Niizato, has noted: "The problem is danger, rather than noise. They might make an emergency landing in the city. Even if they set a seaside route for flights, they can't fly on that route, I guess."

The central government's basic plan has incorporated "flight restraint" hours from 10:00 p.m. through 6:00 a.m. At the Futenma airfield as well, (U.S. military aircraft's) night flights have been minimized in accordance with the Japan-U.S. Joint Committee's agreement. However, the city's base countermeasures office and other organs have monitored noise once a day or two between 10:00 p.m. and 12:00 a.m.

"The U.S. forces need night landing practice, too. That (flight restraint at night) is a principle, and there can be exceptions," said Tsuneo Kato, deputy director general of the Defense Facilities Administration Agency's Naha regional bureau, in a press conference, avoiding plain speaking.

The basic plan says (the heliport's) possible effects on the natural environment "will be minimized." On the other hand, however, a group of anti-heliport citizens has made a request in writing to JDA Director General Kyuma and others for an environmental assessment, claiming that "plant plankton will not grow in the (heliport's) extensive shade, and the food chain will be cut off." As seen from this, the locals are now intensifying their opposition.

(4) Municipalities to Enact Information-disclosure Ordinances within Next Fiscal Year; "We Should Do, Since the Government will Do"

ASAHI (Page 27) (Full)
November 5, 1997

Towns and Villages Reluctant but Tokyo and Wards
Focusing on Revisions

Municipalities in Tokyo are speeding up their drive to establish ordinances on disclosure of information. Hamura City issued an ordinance on October 1. Of the five cities that have none prepared, Koganei, Oume, Akishima and Akiruno Cities will deliberate on their respective draft

ordinances at assembly meetings in December. Higashimurayama is also making preparations to submit a draft at an assembly meeting next September. Within next fiscal year, the likelihood is all the 27 cities will have their respective ordinances. The Administrative Reform Committee released at the end of last year an "information disclosure bill." Such a step by the government prompted local governments to propel work to prepare ordinances. Many of the ordinances, already issued by Tokyo and the 23 wards, are below the level set in the government's bill, so these government offices are expected to focus on revision work.

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According to the Ministry of Home Affairs, in Japan 395 local governments have issued ordinances or general plans on disclosure of information as of April 1 of this year. In Tokyo, the Tokyo Metropolitan Government, all the 23 wards and 21 cities have already issued their respective ordinances.

Out of the six cities that have no regulations, Hamura City made the first move. The draft ordinance, worked out in accordance with a proposal report presented this February by a group composed of experts and recruited citizens, was adopted at the September assembly and will go into effect next April. In Tokyo, this will be the first case since Kiyose City enforced an ordinance in October, 1995.

The ordinance of Hamura City, falling suit with the government bill, includes a provision on regulators' "responsibility to give explanations." The provision goes: "The municipal government should perform the duty of explaining the proceedings of administrative activities to the citizens." It is also stipulated that the names and positions of public servants be made public in principle. Those who have the right to demand disclosing materials are limited to citizens and commuters, but the service will be free of charge.

Following receiving a recommendation by the "discussion panel to establish a system to disclose municipal information," Koganei City submitted a draft ordinance in the September Assembly meeting. Discussing the draft has been carried over to the next session and is expected to be enacted in the December meeting. Article 1 provides for "the right to know." It also stipulates that "anyone" can have the right to demand disclosure of information. The peruse charge is set at 100 yen per case but for citizens, this service will be offered without charge.

In Oume City, work on drawing out a draft is underway, based on a proposal report prepared this March by a similar panel to Koganei's. A feature of this report is that when the requested material cannot be found, the municipal side is required to report on the process of how nonexistence was found.

In Akishima City as well, an advisory panel to the mayor submitted a recommendation in July. The draft ordinance specifies "the right to know" and stipulates that "anyone" can be demandants for disclosure. The peruse charge is expected to be 100 yen per case.

Akiruno City is mappinout a draft ordinance, with the General Affairs Division taking the lead. This city was formed by combining Akikawa City and Itsukaichi City in September, 1995. Archives have been kept in the former two cities' government office buildings, and so "it will more time to

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introduce a unified document-control system." Some officials expect that even if the ordinance is adopted in the December meeting, one more year or so will be needed until it goes into effect.

Higashimurayama City comes in last in introducing an ordinance. An official of the Information Management Division remarked, "Even if we are

blamed that our city was negative toward disclosure of information, we have no excuses." An advisory panel to the mayor issued a recommendation for preparing an ordinance 12 years ago, but no action was taken. Reacting to moves by the government and other local governments, the city apparently decided to take action at last. The municipal office reportedly is planning to submit a draft ordinance in the September meeting next year. A responsible official stated, "Since we are the last among the cities, we cannot come up with a draft after those of the other cities."

On the other hand, there is no specific move observed for enactment of an ordinance among the 13 towns and villages in Tokyo.
Tokyo Government Office Need to Learn More Advanced Contents

(Analysis)

The draft ordinances and advisory panels' recommendations being prepared by the cities strongly reflect advanced provisions in the government's bill. For instance, although many local governments have limited documents subject to disclosure only to those that have already been publicized, Hamura City and other five cities that will soon introduce their respective ordinances are likely to widen the scope to "materials shared by organizations," in line with the government's bill. Regarding those who can request disclosure of information, Koganei and Akishima Cities will likely define "anyone," falling in line with the government.

In addition, each city includes in the category of magnet tape also magnet and optical discs, although the Tokyo Metropolitan Office limits them to video and recording tapes. There is even an official who speaks that floppy discs may be included in the future. Such an effect was produced due to the delay in introduction of ordinances.

Some parts are more progressive than those in the bill. Regarding the object institutions, all the ordinances include the assembly, and Koganei and Akishima Cities are willing to define "the right to know."

In response to the announcement of the government's bill, the Tokyo Metropolitan Government Office has commissioned the "discussion panel on a Tokyo information disclosure system" to study the possibility of revising its ordinance. If it aims
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at an open metropolitan government of which it can boast, it needs to assume a stance of learning progressive efforts from municipalities in Tokyo, not only pursuing the government's trends.

(5) Oiso Koiso Column: Teetering Personal Consumption Is Attributable to Five Factors

NIHON KEIZAI (Page 20) (Full)
November 6, 1997

First of all, sluggish personal consumption is ascribable to various changes in the environment surrounding income. Under the current trend of structural reform, social welfare is increasingly becoming part of individual responsibility. Under the efficiency wage system, wage differentials are increasing and many employees can no longer expect pay raise, unlike the traditional seniority wage system. In addition, companies are hiring more temporary employees dispatched by personnel agencies and part-time employees. All those conditions are working as a brake on private consumption.

The second factor is a "wise consumption" pattern. Consumers today tend to gather a vast amount of information in order to buy quality goods intellectually and selectively. With the so-called bubble economy long gone, today's consumers, who are leading a simple and modest lifestyle, do not buy anything unnecessary or non-urgent.

The third element that can explain the slow consumption trend is the outflow of domestic demand to foreign markets. As an improved living standard has taken root, people nowadays can afford to travel to Hawaii or Singapore to play golf or to enjoy shopping elsewhere in the world. Its consequence is an outflow of domestic demand.

Fourth is the absence of star products. Fifth is a wide range of negative effects on individual consumption resulting from low housing investment.

What should be done to boost personal spending?

Developing new attractive products is the central theme for industry circles. With the balance of private financial assets exceeding 1,200 trillion yen, the general public is "eager to spend money if there are truly attractive products." Wise consumers are waiting for goods and services that will make their purse strings loose. Hopes are pinned on small businesses that are strong in cultivating new market needs.

Another leverage for private consumption is an implementation of strong housing policy. Speaking from a medium term viewpoint, the single most important remaining area for the Japanese economy, which is entering a maturity period, is housing. Japan needs to push ahead with a "big and comfortable" housing policy in full gear. To that end, Japan needs to shift an axis of national

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policy to a multi-polarized nation as well as to carry out dynamic policy tax cuts by means of allowing housing loan exemptions from taxable income.

This fall, sales at department stores in the area of Kyoto City has gone up more than 20 percent from the previous year. In large part, their brisk sales are attributable to the Kyoto station building that opened this summer to "create a new city" as its ideal. I think it will only take bold planning and programs to invigorate potential purchasing power at the individual level.

(Ichireki)

(6) Rising Temporary Employment with Promotion of Deregulation; New Rules Now Needed for Protection of Workers; Consideration First Given to Improving Labor Conditions and Ensuring Workers' Rights

ASAHI (Page 4) (Full)
November 5, 1997

Commentary

Employment mobility is about to make a start in earnest in Japan. Firms are going ahead with personnel cuts, but on the other hand they are becoming more active in making use of non-regular workers, such as those on a temporary employment basis or part-timers. Behind this move is deregulation that is underway at a faster pace in order to greatly broaden the types of jobs temporary employment companies and private-sector job placement firms can offer. This sort of trend is commonly found in industrialized countries, though a few differences are recognized. But the fear (here in Japan) is that if new rules are not established to protect non-regular workers, such as securing workers' rights, improving labor conditions and setting relief measures for trouble, otherwise this move may simply help increase the number of workers who are convenient only for the corporate side. Deregulation of the labor sector should be promoted with the highest priority given to the position of workers, for it "will generate not only a plus factor but also a side-effect" (Labor Minister Bunmei Ibuki).

(Senior staff member Takao Nakagawa)

Halt to New Hiring

Twenty-three major temporary employment companies located in the Tokyo Metropolitan zone saw the number of workers they sent on a temporary employment basis increase by 30 percent-- up nearly twice as high as last year's -- in the first half of this year from the same period a year before.

Among them is Manpower Japan (headquarters in Tokyo), which regularly sends over 1,000 workers to a certain telecommunications firm. It says, "This
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is an evidence that temporary employment is being fully accepted with its being well understood" (President Hiroshi Ozaki). In July this year, a woman in her thirties, who was sent by another

temporary job placement firm to a first-tier bank, was asked by the bank side: "We would like you to work with our company as long as you can." The number of her fellow non-regular workers who likewise create documents on the personal computer or put data into it have already reached nearly 20. Meanwhile, hardly any regular workers who do almost the same job reportedly have been newly hired.

According to this year's special survey on labor force conducted by the Management and Coordination Agency (MCA), the percentage of the regular workers in the total of the workers was 76.8 percent, down 1.7 points from last year, recording the lowest rate ever since this survey began in 1985. During the past one year, 1.2 million persons have been hired, but 90 percent of them are non-regular workers, such as part-timers or temporary workers. Companies are firm in curtailing their personnel expenses, so the trend for hiring "non-regular workers" is building steam.

"I was fired all of sudden." "All I was forced to do was making copies." "My resume was circulated at a firm to which I was sent, and my privacy was violated." These kinds of complaints totaling 139 cases were reported to the trouble hotline for temporary employment and job placement that was opened in June by the temporary employment network (headed by lawyer Asami Nakano) and others. Thirty percent of them -- the largest number -- were related to "dismissal and cancellation of an employment contract." "Illegal temporary employment or double temporary employment" and "gaps in the conditions between the contract and the job" each accounted for more than 10 percent.

No Decline in Breaches of Contracts

The types of jobs covered by temporary employment were broadened from the 16 to 26 last December. At the same time the temporary employment business law was amended, thereby resulting in including protection measures for workers, such as imposing restrictions on a unilateral cancellation of a contract by a company to which a worker is sent and strengthening the complaint procedure system. But lawyer Nakano comments: "As far as the complaints we received are concerned, no improvement has been made in the working conditions."

This year, the Board of Audit surveyed the temporary employment industry across the board, reasoning that this industry has not properly collected social insurance premiums for the government-managed pension plan for corporate employees (kosei nenkin or the welfare pension system). A survey conducted last fall by the Japan

Temporary Employment Association (with a membership of 283 firms) also showed that more than 50 percent UNCLAS SECTION 13 OF 17 TOKYO 009748

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of firms in this industry have yet to join the welfare pension system, possibly a sizable amount of premiums expected to be additionally collected. Although the form of temporary employment is not somewhat acclimated to the present social insurance system, it is also a fact that there is no end to such job placement firms that evade joining the welfare pension system, which requires the corporate side to bear the burden of payment for premiums.

In an effort to deal with the temporary employment industry that has these problems, a fundamental direction will be hammered out within the year by the Central Employment Security Council (advisory panel to the labor minister). The employer side keenly calling for lifting the restrictions on temporary employment is heavily at odds with the labor side, whose basic position is to keep the present law system in place, but the Ministry of Labor (MOL) intends to facilitate in principle lifting the restrictions, in view of the Government's deregulation promotion plan as well as of the systems adopted in the United States and industrialized countries in Europe.

The U.S. and industrialized European countries have already lifted all restrictions on the jobs for temporary employment or do not have such restrictions from the beginning. Temporary workers are better protected there than in Japan with the so-called safety net for workers prepared in addition to a shorter period of employment than in Japan. The form of temporary employment adopted by them takes on a strong aspect of one-time employment after all.

Wide Wage Differentials

The period of temporary employment in Germany, for example, is one year at the longest and one and

half years in France. Even in countries which have no restrictions on such a period, the average period is "two weeks in the U.S. and nine weeks or so in the United Kingdom" (according to the MOL's survey). In addition, in Germany and France, if workers continue to work beyond the given period of employment, such workers are considered to have concluded an employment relationship with the company to which they are sent.

Meanwhile in Japan, the period of temporary employment is one year, allowing the period to be extended twice, so temporary workers virtually can work at the same company for three years or so. Additionally, it is a principle that the same wage rates are applied to the same job, and compared with Europe and the U.S. where wage differentials are small between regular workers and temporary workers, significant gaps exist here in Japan. This fact cannot be overlooked.

If the restrictions on the jobs for temporary employment are all lifted, temporary workers will
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serve as work force very convenient for the corporate side because their period of employment is limited and wage rates for them are low. It is then very likely that as substitutes for regular employees, temporary workers will be even more hired. But from the workers' point of view, it signifies their employment will become more unstable.

Japan's temporary employment system has as one option lifting all the restrictions on temporary employment, but even under the current system, there is a growing tendency that temporary workers are sent to work in the job area that is not covered by the present system. And many point out that there is no end to breaches of contracts by the corporate side. Considering these circumstances, we think it is not too late to lift the restrictions on temporary employment after protection steps for workers that are as good as

those in other countries are established based on a survey of the actual state of working conditions.

The International Labor Organization (ILO) in its general assembly in June this year adopted the No. 191 treaty (private-sector job placement office agreement) under which the temporary employment industry is formally recognized for the first time as a service business on the labor market. This action is part of international deregulation in the labor sector. Approval for it has been shown by the Japanese Government and representatives of the workers and the employees. The treaty strongly calls for a ban on all kinds of discriminations, such as age and sex, and for respect for privacy of workers and other matters. We need to take these things squarely.

Views Shown by Central Employment Security Council On Temporary Employment

- 1) -- Present System
- 2) -- Labor Side
- 3) -- Employee Side

Jobs Covered by Temporary Employment

- 1) 26 types of jobs, such as software development and office machine operation.
- 2) Maintaining the present system.
- 3) Liberalization in principle

Term of Temporary Employment

- 1) One year in principle, but possible to extend twice, allowing three or so years of employment in the end.
- 2) Maintaining the present system.
- 3) Removing the restrictions on the period of employment.

Sanctions

- 1) In the case of assigning temporary workers to
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jobs other than those covered by temporary employment or in the case of accepting such temporary workers who are sent by an unauthorized job placement firm, a recommendation for correction or announcement of the name of such a firm will be made.

2) In the case of illegally sending temporary workers to let them engage in the work that is not covered by the jobs for temporary employment, the firm that accepted such workers are obliged to directly hire them.

3) Be prudent about announcing firms that violate the system.

(7) MAGAZINE ARTICLE: Government Economists Deeply to Blame for Disseminating Information that Causes Confusion; Interview with Heizo Takenaka (Professor at Keio University)

SENTAKU (Page 3) (Full)
November, 1997 Issue

-- The Government and the Bank of Japan (BOJ) are still clinging to their "moderate recovery" scenario. The perception gap on the economy between the responsible government authorities and the private sector has never been wider. Have government economists completely misread economic conditions?

Takenaka: I don't think they necessarily failed to recognize the actual situation. Government economists are fully aware of the serious state of the Japanese economy and financial system. The problem lies in that government economists, though they acknowledge the real state of the economy, have spread wrong information, for various political motives, and consequently have confused the people.

-- Their announcements can be likened to those of the (wartime) Imperial Headquarters.

Takenaka: One of them, the government economic outlook, has especially created serious problems. The "1.9 percent growth for this fiscal year," set by the Government, had been viewed impossible to implement from the beginning a situation where approximately 9 trillion yen (about 2 percent of GDP) will be squeezed out of the private-sector's total income due to the consumption tax hike this fiscal year. The cruising speed for Japan's economic growth should be about 3 percent but this year's growth rate will be an estimated 1 percent. Fully aware of this, the Government showed the people an unachievable figure of "1.9 percent."

As expected, the economy began to slow down in April. As a result, an increasing number of people now take a pessimistic view, fearing that "the 1.9 percent growth rate is a long way off. It might be difficult to attain even the 1 percent target. Japan might experience a terrible recession in the future." In reality, however, it was only natural
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for the Japanese economy to take a downward turn to the 1 percent level, so there is no need for pessimism, but the Government's information has escalated the recessionary mood and driven down the people's expectations about the growth rate.

-- Why has the Government released an economic outlook that has only perplexed the people?

Takenaka: The Economic Planning Agency (EPA) has presented a higher growth rate in response to the Ministry of Finance's (MOF) desire of setting a higher estimated tax revenue and eliminating deficit-covering bonds in an initial budget. EPA and BOJ economists' posture of denying the judgment that Japanese economy is a downward swing stems from consideration to MOF, which has explained that once such a trend is acknowledged, a call for economic pump-priming measures will gather strength. Their stance of protecting the slogan of fiscal reform has prompted the government to come up with such an official economic judgment.

-- Politicians should assume the economic policy helm, but actually, they cannot take action based on their judgment because they are completely controlled by the government offices at Kasumigaseki.

Takenaka: Japanese policymakers do not have think-tanks that could counter government economists. Politicians are far from being able to exercise control over bureaucrats in a situation where all policy-related information is in the hands of the officials at Kasumigaseki. Under such circumstances, unless the Diet, political parties,

and business and academic circles enhance their policy-making capability and become forces strong enough to counter government economists, it will be impossible to break down the current bureaucracy-dominated structure.

-- If things are let slide, the Japanese economy will plunge into a recession with no way out. What measures do you think would lead to resolving this situation?

Takenaka: The major point is how to raise the people's expectations about the growth rate. The first order of business would be to revise the "1.9 percent growth" forecast which has bewildered the people. In order to obtain the citizens' understanding, politicians should not be afraid to explain to them that: "The economy will slow down this year as a reaction to fiscal reconstruction measures, but we ask you to tolerate this for the sake of your children's generation." Unless they do this, we do not want to see them calling for economic stimulus measures in order to boost the sagging national economy. In that case, the government's fiscal reconstruction scheme will be miscarried and the prospects will discourage. Out of a distrust that no one takes responsibility for the future of this nation, the people's
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"anticipated growth rate" would nose-dive.

The people have looked askance at the Hashimoto Cabinet's "six-reforms pledge," some pointing out that the vision is half-baked and that there is not enough enthusiasm. If the reforms are genuine and if drives are geared up, prospects will improve, despite the recession. It can be expected that with the people's pessimistic views disappearing, the "anticipated growth rate" will instantly shoot up.

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OA/Box Number: 520000

FOLDER TITLE:

[10/31/1997 - 11/10/1997]

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