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AEC 730/4

June 11, 1954

COPY NO. 18

ATOMIC ENERGY COMMISSION

COMPENSATION TO THE JAPANESE  
GOVERNMENT ON THE FUKURYU MARU CASE

Note by the Secretary

The General Manager has requested that the attached-  
Department of State documents be circulated for the information  
of the Commission.

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RG	COMMISSION
Collection	1951-1956 Secretariat Files
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ROY B. SNAPP

Secretary

CLASSIFICATION CANCELLED

BY AUTHORITY OF J. G. Hawthorne OC, DOE  
BY Memo DATE 3/12/81

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meaning of the espionage laws, Title 18, U.S.C.,  
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[REDACTED]

[REDACTED]

c. Damages to the fishing trade from expansion of the danger area necessitating a detour to fishing areas -- 125,764,241 yen, or \$349,345 U.S.

d. Damages to the tuna fishing industry from fall in tuna prices -- 891,883,112 yen, or \$2,477,453 U.S.

e. Damage resulting from market disruption sustained by fish wholesalers, middlemen, retailers -- 1,332,000,000 yen, or \$3,700,000 U.S.

f. Special expenses by central and local governments and by fishing cooperatives, such as inspection, purchase of Geiger counters, travel to Tokyo, publicity intended to quiet the tuna panic -- 36,465,000 yen or \$101,292 U.S.

3. Foreign Office representatives in a subsequent conversation indicated that they were well aware of the indirect and speculative nature of many of these claims; they stated the Ministry of Agriculture and Forestry and its fisheries agency was responsible for 2.4 and 2.5 billion yen total, and the Foreign Office was obliged to present their claim. They thought its amounts could be kept from the press and gave assurances that if the Foreign Office was questioned by the Diet regarding the compensation claim its replies would be evasive. Embassy officers made no comments; reviewed principles reference telegrams.

4. Meanwhile I had spoken with the Foreign Minister in an attempt to impress on him the desirability of quick and reasonable settlement, both for long range interests of our cooperation and for a more favorable atmosphere that would thereby be created for the Prime Minister's Washington visit. I said that I felt the urgency of the situation such that on my own authority I would undertake with him to explore a compromise settlement and would propose to my Government that it agree to a \$500,000 settlement, if I could have any assurance the Japanese Government would accept some such figure.

5. Okazaki said he thought \$500,000 was the minimum acceptable but that if he was "lucky" he could get an agreement on that figure. He promised to discuss the matter with the Ministers concerned and to inform me later of their reaction. This morning he telephoned to say it was not possible to give a final opinion of the Ministers, but that all agreed that an early lump sum settlement was desirable and that he thought it was worthwhile attempting to reach an agreement at the sum I suggested or "perhaps a little more." I told Okazaki that the claims submitted at the working level mentioned in paragraph 2 above seemed to me entirely unrealistic and that I would not wish to submit them formally to Washington. Should I do so I was certain it would create a bad atmosphere for Yoshida's visit and could well adversely affect Japan-American relations for some time to come. Okazaki told me to treat the document given Embassy officials merely as an informal statement and not as an official request for payment. He said that the estimated direct damage was approximately 300,000,000 yen (\$833,333). He stated he would do what he could over the week end to persuade the ministers concerned to accept a reasonable settlement and hoped I would be successful.

[REDACTED]

[REDACTED]

in getting Washington's approval to make an offer along the lines suggested.

6. Okazaki's estimate of 300 million yen corresponded with the Foreign Office working level statement yesterday that only items in paragraphs 2a, 2b, 2c were direct losses. These total 286,039,528 yen or \$794,554 U.S., and conform with the estimate in the Department's communication which just arrived. The Japanese Government now seems convinced the incident should be settled, and quickly. If I can be authorized to work out compensation at between \$500,000 and \$1,000,000, I believe we can dispose of the affair expeditiously, and without prolonged litigation or even resort to formal arbitration, costs of which might be considerably higher than the sum involved, with delays that would be politically most injurious; I doubt we can expect to do better.

7. I request urgent authorization to negotiate settlement in principle within the range of paragraph 5 amounts by May 31.

ALLISON

[REDACTED]

[REDACTED]

ENCLOSURE II

DEPARTMENT OF STATE

May 29, 1954

FROM: Secretary of State  
TO : American Embassy, Tokyo

The amounts cited in your paragraphs 2a, b and c include some questionable items such as losses from detours to fishing areas, and compensation for the boat which the Japanese Government has bought and retained for its own purposes. Difficult legal questions are involved, since we do not wish to create precedents which will later be used against us in other instances of claims for compensation. In addition, thinking here on the basis of earlier information from Tokyo had focused on approximately \$150,000 - \$300,000 as the first estimate of direct damages.

This will be impossible to give you authorization requested by May 31. It is suggested that you discuss the problem again with Okazaki and tell him you will take it up in Washington upon your return. It is hoped that any discussions of a figure do not go much, if any, above \$500,000, since on the basis of information available here it will be difficult to present justification to Congress for direct damages above that amount.

MURPHY

[REDACTED]

[REDACTED]

ENCLOSURE III

DEPARTMENT OF STATE

May 31, 1954

FROM: Tokyo

TO : Secretary of State

I discussed again with Okazaki this morning the compensation question and mentioned some of the considerations set forth in the Department's communication. Okazaki said that over the week end he had talked with Deputy Prime Minister, Finance Minister, and Minister of State Ando, who is in direct charge of this whole problem. All had agreed the best long-term interests of Japan were early settlement on a reasonable basis and that no attempt should be made by the Japanese Government to squeeze out of the Bikini affair everything possible. However, Okazaki said he had been surprised at the firm opinion held by the Ministers on what the amount of compensation should be. They were all agreed that from the Japanese psychological point of view the figure of 200,000,000 yen had great importance. The difference between 180,000,000 yen (\$500,000) and 210,000,000 yen was far more than actual figures. Therefore, any payment less than 200,000,000 yen would not solve the political-psychological problem. In addition, the Ministers concerned believed that the total direct damages amounted approximately to 300,000,000 yen. Okazaki said he would do everything in his power to obtain agreement in the neighborhood of 200,000,000 yen, but he was certain payment of 300,000,000 yen (\$833,333) would completely settle the matter to everyone's satisfaction. The local press is already speaking in terms of a billion yen settlement although Okazaki said the Foreign Office is doing everything possible to keep any figure out of the press.

In my considered opinion, this is primarily political, not a legal problem. An ex gratia payment of 300,000,000 yen should not be completely ruled out. Early payment of such an amount would not only go far to restore good feeling toward the United States, but it would, I am convinced, place the Japanese Government officials under moral obligation to the United States which they would not soon forget. An ex gratia payment which did not in any way refer to the itemized accounting could not be used to create undesirable precedents. If we say we will only pay direct damages and that these must all be strictly accounted for, we will be haggling with the Japanese for many months. We would probably end up by paying only slightly less than 300,000,000 yen now recommended and we would have done much in the process to exacerbate Japanese-American relations.

[REDACTED]

[REDACTED]

I shall wish to discuss this matter with the Secretary  
on my return.

ALLISON

[REDACTED]

[REDACTED]

ENCLOSURE I

DEPARTMENT OF STATE

May 29, 1954

FROM: Tokyo

TO : Secretary of State

1. The Foreign Office yesterday, at the working level, presented a lump sum estimate of damages to the Japanese Government and nationals arising from the FUKURYU MARU case which totaled 2,546,387,640 yen, or \$7,073,299, U.S. The estimate was accompanied by a 4-point pro memoria reciting that the Japanese Government:

a. Takes the view that the U.S. Government is responsible for failure to fix an adequate danger area and to take sufficient precautionary measures (at the time of the March 1 test);

b. Shares the view it is desirable to settle the compensation question by lump sum payment at the earliest possible date;

c. Deems the amount of compensation offered by the U.S. on May 21 inadequate;

d. Understands the distribution of compensation is to be left to its discretion.

2. Bases of the estimate of damages:

a. Damage to the FUKURYU MARU, including 12 months medical treatment, living expenses, solatium, and personal belongings of the crew; value of the ship; and loss to the owner -- 117,606,300 yen, or \$326,684 U.S.

b. Damages to 32 other fishing vessels from inspection delays, dumping contaminated catch, loss of revenue -- 42,668,987 yen or \$118,525 U.S.

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[REDACTED]