

INCOMING TELEGRAM

Department of State

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Rec'd: July 10, 1954
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FROM: Tokyo
TO: Secretary of State 408050

NO: 79, July 10, 2 p.m.

SPECIAL ASSISTANT TO THE SECRETARY
S/AS

JUL 10 1954

PRIORITY

Reference Department telegram 47.

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I discussed on Wednesday with Okazaki general outlines of what US would be willing to do regarding compensation. Okazaki said considerable difficulty was being experienced by Foreign Office with other Ministries such as Ministry of Agriculture and Fisheries, who were insisting that compensation be made for indirect as well as direct damages. However, Okazaki said that all Ministers had now agreed that claims totaling approximately \$7 million were unreasonable and that US could not be expected to pay compensation to fishermen who had put out to sea and returned after they had known about experience of FUKURYU MARU. Minister of Agriculture was insisting that payment should be made to those fishermen whose ships were out at same time as FUKURYU MARU and who, therefore, had no advance knowledge of risks. He estimated total of damage suffered by such ships as result disposal of catch approximated 300 million yen (\$833,000). Foreign Office was being pressed to get payment for this amount in addition to estimated 300 million yen direct damage.

I informed Okazaki that I was empowered to offer immediate settlement involving payment to Japanese Government of \$750,000 which would in fact compensate for broadest possible interpretation of direct damages. I went on to say I thought I could probably offer an additional \$100,000 which would be definitely in the nature of a political gesture. Okazaki said that he and Yoshida had already agreed that this would be reasonable but they were being strongly pressed by other government agencies. I then went on to say that I could not promise any additional funds would be available although such might be the case. However, I was certain that it would not be possible to obtain a sum greater than \$1 million without the necessity of going to Congress for a special appropriation. I pointed out that if this were necessary it would not only mean delay but would undoubtedly cause considerable criticism of Japan and that all of the frustrations we had experienced in dealing with this matter would be brought to light with the probable creation of an anti-Japanese atmosphere which would be most regrettable particularly if Mr. Yoshida planned to

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-2- 79, July 10, 2 p.m., from Tokyo.

go to the US in September. Okazaki said he fully understood and agreed on the undesirability of having to bring the matter before Congress. He asked me to give him several days in which to discuss the problem and promised to talk to me again early next week. He did say that he thought if compensation were to be made on ex gratia basis that it should be in round figures such as 700,000, 800,000 or best of all \$1 million. He thought that if figures such as \$750,000 or \$850,000 were involved it would create necessity for explaining in detail how the figure was reached and this would take away from overall effect of payment.

This morning's press carries brief story quoting informed sources as saying that US has offered \$1 million compensation but that Japanese are holding out for approximately 5½ million. I telephoned Okazaki and told him I was most distressed to see public mention of any figure and pointed out that as he knew, US had not made offer of million dollars. He said he was quite embarrassed and professed not to know source of story. He told me Foreign Office would hold press conference and in referring to press stories would say that no definite figure had yet been mentioned in our talks. He again said he hoped to be able to talk to me more definitely next week about final government reaction to our offer. Press has at same time quoted statements made at Upper House Fisheries Committee meeting July 7 by Minister of State Ando. Ando is reported to have said that Okazaki has been informed of opinion of Fisheries Committees of the two Houses as well as to Ando that in obtaining compensation for injuries he should not pursue "weak-kneed" foreign policy. He is further quoted as saying, "I want the US to compensate us for 'semi-direct injuries' too."

ALLISON

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U. S. Atomic Energy Commission
Division of Biology & Medicine
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