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OPERATIONS COORDINATING BOARD
Washington 25, D. C.

June 10, 1954

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MEMORANDUM TO: Members of OCB Working Group on NSC 125/2
SUBJECT : Briefing by Ambassador Allison

The following is a summary of the discussion at today's meeting of the OCB, agenda item 1, Briefing by Ambassador Allison, and is transmitted as of possible interest to the members of the working group.

Ambassador Allison prefaced his remarks by stating that the FUKURYU MARU incident had provided an opportunity to reassess US-Japanese relations and has brought to the surface a number of factors previously submerged, the existence of which had nonetheless been suspected by the Embassy. Ambassador Allison understood that a telegram from the Far East Command had been sent to Washington similar in most respects to his summary of May 20.

The discussion was principally concerned with the matter of compensation. The Ambassador outlined his talks with the Foreign Office particularly in respect to the outrageous figure first presented to the Embassy. Ambassador Allison stressed that prompt settlement is essential to the US interests. He suggested \$750,000 as a likely figure, mentioning a possible range of \$500,000 to \$1,000,000.

In response to a question from the Chairman, Mr. Salisbury of AEC stated that the Commission lawyers had found no legal authority for payments of the type in question.

In connection with Ambassador Allison's proposed consultation with Congressional leaders, with a view to securing an appropriation for the amount necessary for settlement, the members of the Board generally agreed that Congressional debate on the matter was undesirable.

Governor Stassen then noted that the payments would be a yen rather than a dollar cost and requested Dr. Moyer to look into the possibility of shipping additional wheat to Japan to generate counterpart for use in such a payment.

Mr. Harding suggested that the Attorney General be requested to look into this matter.

The chairman summed up this part of the discussion with a request that the OCB staff look into the matter of payment checking also with the proper Budget officials. In order of apparent desirability, he listed the alternative methods of payment as (1) use of counterpart

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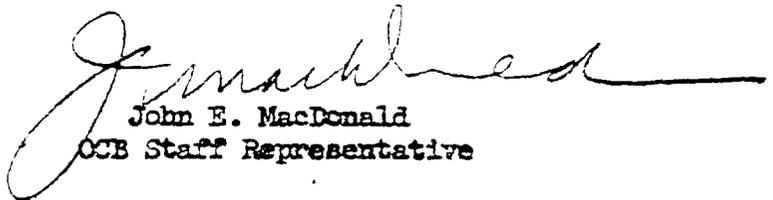


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from wheat shipments (and raised the question of the legality of its release for this purpose); (2) (3) AEC funds.

Ambassador Allison and Mr. Salisbury both commented on the apparent helpfulness of the visit to the US by Dr. Tsuzuki, and Mr. Murphy noted that reports of Japanese origin concerning the improved condition of the FUKURYU MARU fishermen should be repeated to the Japanese.

Mr. Dulles inquired of Ambassador Allison concerning the usefulness in this instance of the coordinating committee in Tokyo. The Ambassador replied that it had been in abeyance for several months and that means of reactivating it were currently under study. Ambassador Allison was not certain whether it was needed.


John E. MacDonald
OCB Staff Representative

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