April 23, 1954

MIMORANDUM FOR: Mr. Gerard C. Smith Department of State



The Commission has noted Ambassador Allison's cables Nos. 2522 of April 15 and 2513 of April 24, and believes that the Ambassador's recommendation, that negotiations be undertaken for a lump-sum settlement of the compensation claims arising out of the Fukuryu Maru incident, indicates appropriate approach to this problem. In the course of a meeting of representatives from the Atomic Energy Commission, State Department, and Bureau of the Budget on April 20, it was determined, as you are aware, that the negotiation of a final lump-sum settlement with the Japanese Covernment, including a review of the sources from which funds would be made available for this purpose, falls properly within the scope of the State Department's functions. In this connection the Commission wishes to emphasize its willingness to lend whatever technical assistance may be required.

As you know, by letter dated March 26, 1953 from the General Namager to the Secretary of State, the Commission transferred to the Department \$25,000 with a view that these funds would be used by the Ambassador as assistance to him in obtaining the cooperation of the Japanese Government in furthering the Commission's objective of learning as much as possible concerning the effects of this incident. It is our understanding that no interim compensation has been paid from these funds and in view of the Ambassador's proposal to undertake negotiations for a lump-sum settlement, it appears that the funds transferred to the Department will not be needed for the purposes indicated in the General Manager's letter of March 25. We prefer not to request the return of these funds at this time since an occasion may arise in which the Commission's research objective described in the March 25 letter might be facilitated by the use of this money. In the meanwhile, of course, it should be understood that these funds should not be used as a part of the lump-sun payments covering long term and final scitlement.

CC: AAWells/GC
J.A.Miller/F
H.C.Brown/EM

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