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VIW P-11

VISIT OF PRIME MINISTER IKEDA
TO WASHINGTON
June 20-23, 1961

June 14, 1961

United States Administration of the Bonin Islands
 (to be raised only at Japanese initiative)

Anticipated Position of the Japanese Government

1. The Japanese will express appreciation for the United States payment of the sum of six million dollars as settlement of the claims of former residents of the Bonin Islands who have been unable to return to their homes since the end of the war due to United States occupation of these islands and their closure to civilian occupancy.

2. The Japanese will mention the still-fervent hope of the former residents to return to their homes in the not too distant future. In this connection, the Japanese will advert to growing sentiment in Japan that there may no longer be any military necessity for restricting civilian access to the Bonins, and may request information as to the nature of the use of these islands by the United States.

Recommended United States Position

1. Free World interests in the Pacific area, including those of Japan, require the continued use of the Bonin Islands for military purposes, and considerations of a security nature make impossible the repatriation of the former inhabitants as long as this continues to be the case. It is this circumstance which led the United States to tender the sum of six million dollars to the Japanese Government in full settlement of all claims -- prospective as well as retrospective -- arising out of United States use of these islands, the United States Congress having authorized the payment to the former inhabitants on this basis.

2. In the strictest confidence, the Japanese may be informed that the Bonin Islands are now being utilized as an auxiliary naval facility, particularly for submarines and destroyers. In addition, a standby airbase, and weather and navigational facilities exist on Iwo Jima. Other very important military uses are foreseen for these islands in the future. We therefore see no possibility for the return of the former inhabitants in the foreseeable future.

Discussion

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The problem

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Discussion

The problem of compensation for the former residents of the Bonin Islands has been a minor but persistent irritant in U. S.-Japanese relations since the entry into force of the Japanese Peace Treaty in April, 1952, which placed the Islands under U. S. jurisdiction, while maintaining Japanese residual sovereignty. Shortly before the end of World War II the Bonin Islanders were evacuated to Japan by the Japanese Government to remove them from an area of probable hostilities. After occupying the islands, the United States permitted some 135 former residents of partially occidental ancestry to return to their homes in 1946. It was believed that these former residents, because of their partial occidental ancestry, had been subject to discrimination in wartime Japan, and for this reason it was thought desirable from a humanitarian standpoint to permit them to return to the Bonins, where they still reside.

Shortly after this, it was decided by the former State-War-Navy Coordinating Committee that the Bonin Islands for security reasons should be closed to all other settlement. Subsequent reviews have resulted in reaffirmation of this policy. The inability of the islanders to return has created serious economic and social hardships for them, however, and has been a source of friction between Japan and the United States. The Islanders, numbering approximately 7,000, have established a league in Japan to press their claims for relief, and prominent conservative politicians in Japan have championed their cause. They have also received the widespread sympathy of the Japanese people.

Repeated representations on their behalf have been made by the Japanese Government, with Prime Minister Kishi raising the matter in his 1957 and 1960 talks with President Eisenhower. The cause of the Bonin Islanders was also urged by Japanese Foreign Ministers in 1957, 1958 and 1960. Originally, the Japanese pressed for repatriation of all former Islanders. This was later modified to repatriation for a smaller group. In 1955, Secretary Dulles informed the Japanese Foreign Minister that the Defense Department opposed return of the former inhabitants for valid security reasons. Mr. Dulles reiterated this stand to Prime Minister Kishi in 1957, and to Foreign Minister Fujiyama in 1958. In 1960, Secretary Herter reaffirmed this position to both the Foreign Minister and the Prime Minister. Despite the preference of the Islanders and the Japanese Government for repatriation, the Japanese Government ultimately accepted the United States position on this issue, and decided to ask compensation for the former residents.

The first Japanese claim in the Islanders' behalf amounted to \$12.5 million, but after lengthy negotiations the Japanese indicated that the sum of \$6 million would be acceptable as full settlement of the claims of the former residents. This sum was appropriated by the Congress as Public Law 86-678, and a check in that amount was passed to the Japanese Government on June 8, 1961 (Japan time), after an exchange of diplomatic notes. This exchange stipulated that acceptance of this payment constituted full settlement of all claims of Japan and its nationals concerned against the United States arising from measures taken by the United States which have resulted in the inability of the Japanese nationals concerned to enjoy the use, benefit or exercise of property rights or interests, tangible or intangible,

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until such time as the islands are returned to Japanese administration.

Although the Japanese Government is thus aware of the considerations which prohibit the return of the Islanders at any time in the foreseeable future, and have accepted the United States tender as full satisfaction of all claims, they apparently feel that domestic political considerations necessitate that they continue to press the Islanders' hopes for a return to their former homes. Nevertheless, it is believed that it should be made clear to the Japanese that the U. S. is unwilling to consider repatriation at this time, and that it is precisely for this reason that Congress was willing to appropriate the compensation payment.

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