米国管理下の南西諸島状況雑件　沖縄関係　財産関係（講和条約発効前の米軍による財産損害補償問題）（第二巻）

89TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 972

AUTHORIZING A CONTRIBUTION TO CERTAIN INHABITANTS OF THE RYUKYU ISLANDS

SEPTEMBER 9, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ZABLOCKI, from the Committee on Foreign Affairs, submitted the following

REPORT

[To accompany S.J. Res. 32]

The Committee on Foreign Affairs, to whom was referred the joint resolution (S.J. Res. 32) to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury to persons, and for use of and damage to private property, arising from acts and omissions of the U.S. Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952, having considered the same, report favorably thereon with amendments and recommend that the joint resolution as amended do pass.

The amendments are as follows:

Page 2, line 4, immediately after "persons" insert "(excluding municipalities)".

Page 3, line 17, immediately after "claim" and before the period insert the following: "; except that no remuneration on account of such services rendered on behalf of any association of claimants by any agent or attorney (including organizations thereof) shall exceed 1 per centum of the aggregate amount so paid on the claims involved".

PURPOSE AND NECESSITY FOR LEGISLATION

The primary purpose of this legislation is to authorize a contribution of not to exceed $22 million to certain inhabitants of the Ryukyu Islands for claims for death and injury to persons, and for use of and damage to private property arising from acts and omissions of the U.S. Armed Forces, or members thereof, after August 15, 1945 (the date of the Japanese surrender) and before April 28, 1952 (the date of the Treaty of Peace with Japan).

50-006—65——1

During the 7-year occupation of the Ryukyu Islands by the U.S. Armed Forces approximately 80,000 Ryukyuans suffered various damages arising from acts or omissions of the U.S. Armed Forces and later submitted claims totaling over $53 million. The total claims of $53 million were reduced through review to $22 million proposed by this joint resolution. These are not war claims. They do not involve damages which occurred during the war nor for postwar rehabilitation of war-damaged areas. Basically the claims are for damages suffered during the occupation period and fall into two categories: First, claims for torts committed by U.S. military personnel, resulting in injury to or the death of Okinawans or damage to their private property. Second, claims for the requisitioning of their property—mostly agricultural land—for use by the military.

Why were these damage claims not paid during the occupation period as is customary? The Honorable Stanley R. Resor, Secretary of the Army, told the committee:

> In practice, occupation authorities have usually transferred to the local governments the burden for making such payments, either at the time of requisition or in the peace settlement. This was U.S. policy in both World Wars. Even though the precise obligation in international law for paying claims arising from death or personal injury suffered by residents of occupied territories, due to acts or omissions of occupation forces or their members, is less clear than that concerning requisitioned property, U.S. policy has also been to transfer this obligation to the local governments in both World Wars.
>
> Why were these policies not followed in Okinawa? It was due to a unique combination of circumstances, resulting largely from the fact that, pursuant to the Potsdam Declaration, Okinawa was removed from Japanese control at the end of the war and administered directly by the United States during the entire period of the occupation. Thus, the Japanese Central Government was stripped of its powers in Okinawa and could not logically be held responsible for paying claims. On the other hand, there was no financially responsible indigenous governmental authority on Okinawa which could conceivably have paid them.

Subsequent to the occupation, the failure of the United States to pay these claims stems from the fact that all such claims were waived in the Japanese Peace Treaty of 1952. Article 19(a) of that Treaty reads as follows:

> Japan waives all claims of Japan and its nationals against the Allied Powers and their nationals arising out of the war or out of actions taken because of the existence of a state of war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present treaty.

Therefore, the United States has no legal obligation to pay the claims of Ryukyuans arising from the presence, operations, or actions of U.S. forces in the pretreaty period. On the other hand, the Japanese Government similarly denies any legal liability on its part

for pretreaty damages since it had no administrative authority in the area and under article 3 of the treaty continues to have no administrative authority there.

Because of this the claimants through no fault of their own have been left uncompensated for damages which occurred during the 7 years of U.S. occupation. During this period as well as up to the present time, the Ryukyu Islands and its inhabitants have played a major role in our defense effort in the Far East. The prospects are that they will continue to do so for some time. The proposed payments, in the opinion of the committee, will provide effective redress for an acknowledged inequity and promote the American image of fairplay throughout the area.

RESTRICTIVE LEGISLATIVE PROVISIONS

The proposed joint resolution, as amended by the committee, contains several restrictions on the use of funds authorized to be appropriated.

1. The committee amended the joint resolution to exclude municipalities from the definition of persons that the High Commissioner could determine to be a meritorious claimant.

Information furnished the committee revealed 38 municipalities (cities and towns) of various sizes have claims totaling approximately $960,000. As previously explained, the principal justification for the payment of these claims is not a legal, but a moral obligation. In the view of the committee it is hard to conceive how the United States could have a continuing moral obligation toward municipalities of the Ryukyu Islands, especially in consideration of the many millions of dollars of U.S. economic aid that has been granted to the Government of the Ryukyu Islands over the years. This economic development assistance does not directly meet our moral obligation to the inhabitants in the sense that they receive cash which can be used for purposes of a personal nature. However, our annual economic aid in the public sector for education, power, transportation, sewer and water systems, government services, etc. does benefit the various municipalities as a community. Therefore, the committee does not believe that the payment of damages, as a moral obligation, should be extended to cities and towns.

2. None of the funds appropriated to pay claims may be used to pay claims, or portion thereof, which have been satisfied by contributions made by the Government of Japan.

Although the Japanese Government has denied all legal liability for pretreaty claims, it made a $2.8 million solatia payment to Ryukyuan pretreaty claimants. The Japanese Government stipulated that should the Ryukyuans succeed in obtaining compensation from the U.S. Government that these solatia payments would be repaid. The United States does not agree with this position and the amounts covered by the solatia payment have been deducted from the claims proposed to be paid under this legislation. For this reason a prohibition against the use of funds appropriated under this joint resolution to satisfy claims already paid by the Japanese Government has been included.

3. Section 2 of the joint resolution which authorizes not to exceed $22 million to carry out its provisions, also provides that any funds unobligated 2 years after the effective date of the appropriation shall

revert to the Treasury. It is estimated that a very small amount, if any, would remain unobligated at the end of 2 years because the claims have been tightly screened and are ready for almost immediate payment. Nevertheless, this provision will assure that the claim settlement process does not drag out and create burdensome administrative difficulties.

4. Section 3 of the bill provides that fees for services on behalf of claimants shall not exceed 5 percent of the total amount paid on the claims. It also provides that fees already paid (meaning retainers) shall be considered in arriving at the total amount allowed to be received for services rendered, and further provides penalties for any violations.

The committee amended this section to further provide that no remuneration on account of services rendered on behalf of any association of claimants by any agent or attorney, including organizations thereof, shall exceed 1 percent of the aggregate amount paid on the claims involved.

It is the committee's understanding that all of the claimants have been organized into an association of claimants in the Ryukyu Islands for the purpose of facilitating the processing of their claims. This association has been and is represented in Washington by one American law firm. Therefore, the effect of this amendment would be to limit the fees that can be paid by the claimants directly or through the association to this firm. Under the joint resolution as it passed the Senate an estimated $1,100,000 could have been paid for services. Under the resolution, as amended, approximately $210,000 would be allowable. From this amount would be deducted retainer fees already paid, which the committee is informed is $80,000, leaving only an estimated $130,000 additional that could be paid. The 1 percent permitted by the amendment is considerably below the 5 to 10 percent generally allowed for claim services of this nature. Nevertheless, the committee believes this is a reasonable amount to allow for services in this instance in consideration of the extent to which U.S. services and facilities were available to the claimants. The committee also believes that any attempt to disband the association or otherwise take steps to avoid the limitation imposed would be considered in violation of this law and subject to the penalties provided for such violations.

BACKGROUND

The presence of U.S. Armed Forces in the Ryukyu Islands constituted a military occupation from June 21, 1945, until April 28, 1952. During this period, certain damages were caused to residents of the Ryukyus by various acts and omissions of the U.S. Armed Forces or their members. These damages ranged from the uncompensated use of real and personal property, taken over for the use of the occupying forces, to tortious acts by members of the forces.

In 1961, after receiving numerous petitions regarding Ryukyuan pretreaty claims, the U.S. Government agreed to review the entire problem. In order to carry out the review, the High Commissioner of the Ryukyu Islands established a joint Ryukyuan-American Committee which completed its study and submitted a unanimous report on March 23, 1962 (see appendix). The High Commissioner reviewed the joint committee's report, supported its conclusions, and recommended that appropriate action be taken to obtain congressional

approval for the payment of the pretreaty claims. As a result, the Department of the Army submitted Executive Communication 2472 dated September 1, 1964, and resubmitted Executive Communication 311 to the Speaker of the House of Representatives January 8, 1965 (see appendix).

COMMITTEE ACTION

The Subcommittee on the Far East and the Pacific of the Committee on Foreign Affairs held a public (and an executive session) hearing on July 28, 1965, to receive testimony on House Joint Resolution 251, introduced by the Honorable Spark M. Matsunaga, of Hawaii. The House joint resolution was identical to the draft resolution contained in Executive Communication 311 submitted by the Department of the Army to the Speaker of the House of Representatives, January 8, 1965. Testimony in support of House Joint Resolution 251 was received from the Honorable Spark M. Matsunaga, as well as executive department witnesses, including Hon. Stanley R. Resor, the Secretary of the Army; Lt. Gen. Albert Watson II, the High Commissioner of the Ryukyu Islands; and Mr. Samuel D. Berger, Deputy Assistant Secretary of State for Far Eastern Affairs.

Subsequent to the subcommittees' hearings on House Joint Resolution 251, on July 28, 1965, the Senate acted upon an identical measure, Senate Joint Resolution 32. This joint resolution was passed by the Senate on August 11, 1965 and referred to the Committee on Foreign Affairs. The Subcommittee on the Far East and the Pacific in executive session on September 8, 1965, voted unanimously to report Senate Joint Resolution 32, with amendments, to the full committee for action. The Committee on Foreign Affairs on September 9, 1965, voted to report the measure favorably to the House.

CONCLUSIONS AND RECOMMENDATIONS

The Joint Ryukyuan-American Committee (established in 1961) examined very carefully all of the evidence which was submitted in connection with the claims covered by the proposed joint resolution and concluded that they were meritorious. The committee agrees. Certainly the individuals who suffered damages as a result of the activities of the U.S. Armed Forces are entitled to adequate compensation. In the opinion of the committee, the payment of the claims in question will not only advance the welfare of the people involved, but will promote the security interests, foreign policy, and foreign relations of the United States. It should be noted, however, that the committee is of the opinion that the payment of these claims constitutes full and final settlement for all U.S. obligations pertaining to the period of occupation, August 15, 1945, to April 28, 1952. Accordingly, the committee recommends that the House approve Senate Joint Resolution 32.

北米局長
参事官
北米課長

送　付　公　信

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沖縄講和発効前損失補償問題
上院公聴会証言テキスト（8月4日開催）

井上上院議員
フォン　〃
レソー陸軍長官
ワトソン高等弁務官
バーガー国務次官補代理

備　考

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本信写送付先：　　　　　　　　　　（別添省略）

文書課受信　40.8.13

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STATEMENT ON S.J.RES. 13 AND S.J.RES. 32 BEFORE SPECIAL SUBCOMMITTEE ON CLAIMS LEGISLATION, COMMITTEE ON FOREIGN RELATIONS, U.S. SENATE
BY SENATOR DANIEL K. INOUYE
WEDNESDAY, AUGUST 4, 1965

Mr. Chairman:

I appear before this Committee in support of S.J. Res. 13 and S.J.Res. 32, which would authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury to persons, and for use of and damage to private property, arising from acts and omissions of the United States Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952.

I am gratified to have this opportunity to speak on behalf of this resolution, the purpose of which I have supported since I was a Representative and which I am happy to see is finally receiving the close attention which it merits. I hope that with the matter before you now, the Committee will act on these Department of Defense recommendations and fulfill an obligation to the people of the Ryukyu Islands.

I am happy to support the Defense Department's proposal to secure compensation for the inhabitants of Okinawa who have suffered from acts arising from the presence of United States armed services there in the pre-Treaty period. The efforts of the Department are necessary, thoughtful and timely.

The distinguished members of this Committee are quite familiar with the main issues involved, I am sure, and it will not be necessary to speak at length on the work of the Joint U.S.-Ryukyuan Committee. At this particular time I would like to discuss the major points of the Defense Department's case and to place the entire matter in historical perspective, emphasizing again the need for this government to effect compensation.

The years following the Battle of Okinawa were ones of extreme hardship for the people of the Ryukyu Islands. Like many other areas in the world, their economy is badly dislocated. The ravages of war leveled most of the island's buildings, and the lives of these people were changed considerably. The social, economic, and political disruption meant a profound transformation in their lives, and it required many years for the situation to assume a normal state.

Beyond the suffering caused by war, Okinawa was permanently altered by the necessity to retain our bases there to deter totalitarian aggression. Japanese administration was removed, and control passed to the United States which had early recognized the strategic significance of the area and which continues to do so. The 1952 Peace Treaty with Japan gave to the United States the right to continue exercising control over Okinawa, thus retaining the status quo which had existed since 1945.

During the period between the cessation of hostilities and the signing of the peace treaty, i.e., 1945-1952, there existed a situation in which no provision was made to cover any accidents which naturally arise anywhere when armed forces are stationed in great numbers and assigned numerous functions under trying circumstances. Although the United States adheres to the provisions of the Hague Convention Number IV of 1907, which requires occupation forces to compensate individuals or municipalities for property taken or used, this provision was unfortunately ignored in the military build-up. Since there was no authorized local government which could be held responsible for the claims for the use of land by the military, thus increasing the scarcity of land available for agriculture, these claims have remained unsettled

until the present day.

I would like to cite two cases which I hope will suffice to demonstrate the hardships created by the lack of a provision to enable the settlement of claims.

Saburo Nagamine heads a family of six persons, only two of whom work to contribute to the family's income. After the war, all of his land was seized for military purposes. In June 1952, some 60 per cent of the relatively small amount of land was returned to him and the remainder is under lease by the United States.

Mr. Nagamine's claim for pre-Treaty rental is $593.44. In addition, he seeks an additional $960.32 in restoration compensation to make his land fit again for other purposes. He has had to clear concrete and stone from the land, and the work is still incomplete. Because his claim belongs to the pre-Treaty category, he has had to borrow against his military rent to finance the operation.

Shunko Nakamura owns a grocery shop but was formerly engaged in agriculture until the military appropriated his land. His wife works as a housekeeper, and of his six children, only one, his oldest daughter, is engaged in gainful employment. His older son goes to college and the others go to high school or primary school; this education requires some $700 per year.

Mr. Nakamura has had to rent the land on which his present house stands and pays $144 for the lot. Their house is old and decrepit and is in danger of collapse in a typhoon. If the claim is paid, the Nakamuras will finally be able to repair their home.

These cases are fairly representative of many others. The claims are essentially relatively small but affect families whose livelihood depends on every available resource.

It is unfortunate that nothing was done to effect compensation at the time of the signing of the Japanese Peace Treaty in 1952, or even before. Such an oversight is particularly distressing since no one has ever denied the justice of these claims or the moral obligation for someone to pay. Perhaps it was Okinawa's unique status as a nominal Japanese possession under American administration which resulted in the unfortunate situation. However, at last the United States government has, under a plan submitted by the Defense Department, proposed to right a very old wrong.

Thirteen years have passed since the signing of the Peace Treaty. That some of these claims will be almost 20 years old is a sorry reflection of the initial confusion which surrounded the original claims issue. The passing of the years, however, has allowed us to see this matter in clearer perspective. The removal of Japanese authority and the concomitant creation of Okinawa as the major cornerstone in our Far East military establishment has meant that the United States is fully responsible to the inhabitants of Okinawa to see that their interests are protected.

It is, of course, true that the United States is bound by no legal convention that requires us to settle these claims. Japanese sovereignty ceased to exist with the signing of the Peace Treaty. Any responsibility to effect compensation also ceased at that time. Such fine points of international law should not, however, obscure the fact that the United States did in 1945 assume full responsibility for the protection and administration of the islands. In the process we, as the occupying

force, were clearly answerable to a number of accidents and unfortunate incidents. Justice and simple morality demands redress for the Okinawan people.

I am not here to describe the settlement process. I understand that the representatives from the Department of Defense are fully prepared to do so. The sum is not a large one, but its payment will nevertheless have a great impact on future American-Okinawan relations. Affecting almost half the people of Okinawa directly or indirectly, the settlement of the claims issue will provide ample proof that the United States is indeed morally responsible and concerned with their welfare. It is no secret that our relations with the Okinawans have at times been strained, and I believe it is imperative that this measure be approved as further demonstration of our good will. Just compensation requires no defense, and I believe that we shall benefit enormously from the renewed faith in America among the Okinawan people.

Statement of U.S. Senator Hiram L. Fong (R-Hawaii)
Before Foreign Relations Subcommittee on S. J. Res 13,
and S. J. Res. 32, Ryukyu Islands Claims
August 4, 1965

Mr. Chairman: I appreciate the opportunity to appear before your distinguished Committee today to testify in behalf of S. J. Res. 13, which I introduced on January 6, 1965, and S. J. Res. 32, introduced by the Chairman and my colleague, Senator Inouye, on January 22. Both resolutions provide for payment to inhabitants of Okinawa for deaths, injuries, property damage, and land use that occurred after the termination of hostilities with Japan and before the effective date of the Japanese Peace Treaty in 1952. Both resolutions are substantially the same. Both resolutions request authorization for $22,000,000. The only difference is that S. J. Res. 13 has been revised in S. J. Res. 32 by the Secretary of the Army. As the changes are of a technical nature, I request to be a co-sponsor of the Fulbright resolution, S. J. Res. 32.

The legislative proposal of the Department of Defense, S. J. Res. 32, is based on an extensive study and review in the field by the Joint Ryukyuan-American Committee. The Committee consisted of representatives of the United States Civil Administration of the Ryukyu Islands and of the Government of the Ryukyu Islands working together. This Committee reported its findings to the High Commissioner of the Ryukyu Islands. He, in supporting the report,

recommended that the Department of the Army take appropriate steps to obtain Congressional authority to pay the claims which were adjudged meritorious.

The joint resolution seeking $22 million would authorize the payment of about 180,000 claims submitted by the people of Okinawa, primarily for deaths and injuries to persons, for use of land, for destruction of personal and real property, for damage to agricultural crops, and for loss of fishing rights during the period subsequent to actual war hostilities.

Briefly, these claims may be classified as follows:

1. Land rentals comprising about 141,600 claims, totaling about $15 million.
2. Restoration of lands for any damage done to property, amounting to about $2.5 million.
3. Fruit trees, timber, bamboo, etc., totaling about $1,030,000.
4. Personal injuries and death caused by personnel of the U.S. Armed Forces, involving about $830,000.
5. Destruction of buildings valued at about $610,000.
6. Loss of inshore fishing rights, amounting to about $560,000.

In addition, there are fourteen or fifteen other classes of meritorious claims making up the balance of the $22 million.

Out of the 180,000 claims covered by the proposed resolution, about 80,000 individual claims are for smaller amounts. Each of these may average about $275 ($22 million divided by 80,000). But each claim may represent an average family of five persons, or about 400,000 ultimate beneficiaries. This is about half of the total population of the Ryukyu Islands.

This proposed legislation, therefore, directly affects the well-being of many people. These are people, as I know very well from those whom I have known in Hawaii, and those I have contacted during my trip to Okinawa in 1959, whose life for many generations has been attached to the soil and for whom their farm, however small, represents not only their livelihood but a settled, stable, traditional way of life. Despite the changes wrought by war and the existence of our Bases there, Okinawa remains essentially an agrarian society. Despite the improved conditions of recent years, it remains comparatively poor in rural villages. The several hundred dollars (on an average) that these payments will help per family will mean a great deal in terms of the necessities of a household, for the improvement of their home, for the education of their children. Among the payments that are provided are claims for loss of life and for personal injuries to

their loved ones. These are small in total but they are big in terms of maintaining our good will and understanding with these most gracious, cultured and friendly people.

In view of the fact that Okinawa is of great strategic importance to the United States, this continued friendly relation with the local people is vital and significant. The main island of Okinawa is a bastion of our strength in the Far East where we can move with freedom of action. In these moments of airstrikes in Viet Nam, the importance of that establishment should need no further emphasis.

In the Japanese Peace Treaty of 1952, Japan waived all claims against the United States of Japanese nationals, and this has been regarded as removing any legal liability of the United States to the inhabitants of the Ryukyu Islands who suffered injury or death, or whose property was damaged by the U. S. Armed Forces during the occupation of Okinawa. The Treaty, also, granted the United States full administrative, legislative and judicial powers over the inhabitants of the Islands, leaving Japan with residual sovereignty.

For all intents and purposes, the United States has exercised exclusive powers of administration since the Japanese surrendered in 1945.

In paying claims arising from death or personal injury suffered by residents of occupied countries, due to acts or omissions

of occupation forces, the United States policy in both World Wars has been to transfer the claim money to the local governments to make such payment. But in the case of Okinawa, pursuant to the Potsdam Declaration, the Japanese Government was stripped of its power over the islands. The United States Government then did not have any government to ~~receive the claim funds~~ arrange for payment. There was no local sovereign power in Okinawa which could be financially responsible. Had Japan retained administrative jurisdiction over these island inhabitants, ~~the United States would have paid the claims to~~ the Japanese Government would have effected payment under supervision of the Supreme Command. ~~for its distribution.~~ But this was not the situation. The United States, as the administering authority in Okinawa, has the responsibility of seeing that these claims are paid direct.

I urge the Committee to act quickly and favorably on the Joint Resolutions pending before you.

STATEMENT PREPARED FOR DELIVERY BY
HONORABLE STANLEY R. RESOR, SECRETARY OF THE ARMY
BEFORE THE SPECIAL SUBCOMMITTEE ON CLAIMS LEGISLATION
OF THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE

Mr. Chairman and Members of the Committee:

I welcome this opportunity of appearing in support of Senate Joint Resolution 32. This is an Administration proposal; it is part of the program of the President, and it is supported by the Secretary of Defense and the Secretary of State. Since the Department of the Army has been designated as the executive agency of the Department of Defense for the civil administration of the Ryukyu Islands, I am representing the Department of Defense at this hearing.

The joint resolution before you would authorize the payment of approximately 180,000 claims, submitted by the inhabitants of Okinawa for damages arising from acts or omissions of the U.S. Armed Forces, during the 7-year period following the armistice and prior to the Treaty of Peace with Japan. This is not a war-claims bill. It does not involve payment for damages which occurred during the war nor for the postwar rehabilitation of war-damaged areas. On the contrary, these claims fall into two familiar peacetime categories: first, claims for torts committed by U.S. military personnel, resulting in injury to or the death of Okinawans or damage to their private property. Second, claims for the requisitioning of their property--mostly agricultural land--for use by the military.

Normally, under international law and practice, just compensation in such circumstances would be required, by or on behalf of the occupation forces. Surprising though it may seem, not a single cent of compensation (other than a few rental payments made by us at the end of the Occupation, and a relatively small Japanese gratuitous payment made in 1957) has been received by any of the approximately 80,000 Okinawans who suffered injury or death or whose property was, in effect, confiscated by U.S. Armed Forces during the occupation of Okinawa. The failure of the U.S. to pay these claims stems from the fact that all such claims were waived in the Japanese Peace Treaty of 1952. In the Administration's judgment, however, the equitable and moral obligation of the United States continues unsatisfied. The purpose of the bill before you is to correct this injustice.

Certain background information will place this matter in proper focus. The Ryukyu Islands extend southwesterly from Japan to Taiwan. Okinawa is the largest of these islands. It has about 85% of the total Ryukyuan population of almost a million persons. All the claims covered by the proposed resolution relate to Okinawa.

The U.S. Forces seized Okinawa in the last battle of World War II. Following up the policy first expressed in the Cairo Declaration, on July 26, 1945, the Potsdam Declaration announced that Japan would be stripped of its former imperial holdings, and that its sovereignty would be limited to the four main islands of the Japanese mainland, including such minor offshore islands as the Allied Powers should determine. The Ryukyus were not among these islands. They were therefore administered by the United States--separately from Japan itself.

Although consideration was given, during the late forties, to retaining U.S. bases in the Ryukyus, the future status of these islands remained in limbo until January 1950. At that time, Secretary of State Acheson stated that the United States would continue to hold important defense positions in the Ryukyus, as part of the defense perimeter running along the Aleutians to Japan and thence to the Ryukyus. The outbreak of the Korean War in June 1950 underscored the importance of our Ryukyuan base for the defense of the free world, and confirmed our determination that Okinawa should be retained under U.S. control for an indefinite period. The value of this base has been vindicated by the important role which it played in the Korean War and is now playing in support of the free world's commitments in Southeast Asia.

Because of such strategic considerations, the Treaty of Peace with Japan provided that the United States would retain full jurisdiction over the Ryukyu Islands, for an indefinite period. The Government of Japan has stated its desire for the reversion of administrative control over Okinawa, and the United States Government has repeatedly stated that it looks forward to the day when the security interests of the free world in the Far East will permit their restoration to full Japanese sovereignty. Meanwhile, however, Presidents Eisenhower, Kennedy, and Johnson have all given public notice that, in order to protect the security of the free world, the political status of this area will remain unchanged, as long as conditions of threat and tension continue to exist in the Far East.

Thus, for the last twenty years, the United States has held and exercised all powers of administration, legislation, and jurisdiction

over the territory and inhabitants of these islands. Our announced policy is that the United States intends to continue to retain these powers as long as our military bases are needed there.

I turn now to the specific matter covered by the resolution which is before your committee. The surrender of all Japanese forces and the resultant general armistice took place on August 14, 1945, and the military occupation period encompassed by this resolution starts from that date. Certain damages were caused to residents of the Ryukyu Islands during the almost seven years between the armistice and the Peace Treaty of 1952. These damages were caused by various acts and omissions of the U.S. Forces. They ranged from the uncompensated use of real and personal property (taken over for occupation requirements) to tortious acts committed by members of the U.S. Forces.

It is a generally recognized principle of international law, particularly as reflected in the provisions of Hague Convention Number IV of 1907 (which has been ratified by both Japan and the United States), that individuals or municipalities whose property is used or taken by occupation forces should be fairly compensated for such use. In practice, occupation authorities have usually transferred to the local governments the burden for making such payments, either at the time of requisition or in the peace settlement. This was United States policy in both World Wars. Even though the precise obligation in international law for paying claims arising from death or personal injury suffered by residents of occupied territories, due to acts or omissions of occupation forces or their members, is less clear than that concerning

requisitioned property, United States policy has also been to transfer this obligation to the local governments in both World Wars.

Why were these policies not followed in Okinawa? It was due to a unique combination of circumstances, resulting largely from the fact that, pursuant to the Potsdam Declaration, Okinawa was removed from Japanese control at the end of the war and administered directly by the United States during the entire period of the occupation. Thus, the Japanese Central Government was stripped of its powers in Okinawa and could not logically be held responsible for paying claims. On the other hand, there was no financially responsible indigenous governmental authority on Okinawa which could conceivably have paid them.

It was not possible to use funds authorized by the Foreign Claims Act, because this statute specifically precludes making any payments to enemy nationals, which the Ryukyuans were during the entire period of the Occupation.

International custom provides that any deferred obligations incurred by an occupying power should be ultimately resolved in the peace settlement. Nevertheless, the Treaty of Peace with Japan did not provide for such a settlement. Article 19a of the treaty waived the claims of Japanese nationals (which include Ryukyuans) against the United States, but failed to make any provision for how these claims should be honored. The United States has taken the position that Article 19a absolved us from legal liability with regard to these claims. We therefore denied payment for them, except for certain claims relating to rentals for land and payments for damages caused thereto during the last part of the occupation period, as I should now like to explain.

A number of factors converging in early 1950 (including our decision to maintain a worldwide defense perimeter, as reflected by the above-noted remark of Secretary Acheson) resulted in the U.S. decision that, beginning with FY 1951, we would pay our own way in the Ryukyus. Thus, as of July 1, 1950, the principle of uncompensated requisitioning of Ryukyuan private property was abandoned in favor of leasehold arrangements, with rentals to be paid by the U.S. Government; and with correlative provisions for compensating landowners for damages caused to their property during that period. From that date on, we paid rentals from appropriated funds for all real estate held by U.S. Forces in the Ryukyus. 1/

Some of these rentals were paid before the treaty entered into force; the remainder have been paid subsequently. 2/

The Government of Japan similarly has denied any legal liability on its part for pretreaty claims in Okinawa. Nevertheless, in 1957 it made gratuitous payments of about $2.8 million to these claimants. These payments have been deducted from the claims covered by the proposed legislation, and a specific provision has been included, precluding disbursement of funds appropriated thereunder for claims already satisfied by the Government of Japan.

1/ These rental arrangements were undertaken on the basis of implied leases, ultimately executed in the posttreaty period by virtue of the retroactive provisions of Civil Administration Proclamation No. 26, dated December 5, 1953.

2/ The above-mentioned proclamation qualifies, under Article 19b of the treaty, as exempting these particular pretreaty claims from the waiver provision of Article 19a thereof. The already satisfied pretreaty claims, of course, are not included among the claims covered by the proposed joint resolution, which covers land claims for only the three-and-a-half year period from January 1, 1947 through June 30, 1950.

Some 180,000 claims are covered by the proposed legislation, involving a total of about 80,000 individual Okinawan claimants--representing, with an average of five persons to a family, about 400,000 ultimate beneficiaries. The fact that almost half of the population of the Ryukyus is involved in this matter reveals the widespread interest in the proposed joint resolution, throughout the entire archipelago. The vast majority of the claims are for small amounts. The average amount to be received by an individual claimant is $275 ($22 million divided by 80,000). However, compared with the yearly per capita income of $319 in Okinawa, this is a significant amount.

The bulk of the claims were submitted to the U.S. High Commissioner during the early years after the Peace Treaty. The claimants were reminded of Article 19a of the treaty, and told that the claims could not be honored, because the U.S. Government had no legal liability for them. These consistent turndowns resulted in the presentation of numerous petitions, requesting the U.S. Government to modify its position.

In 1960, acting on the High Commissioner's continued recommendations, the Department of the Army, with the approval of the Secretary of Defense and the concurrence of both the Secretary of State and the Director of the Bureau of the Budget, directed the High Commissioner to review the entire subject and to hold discussions with the Ryukyuan claimants, their representatives, and the Government of the Ryukyu Islands. In his public announcement to this effect in April 1961, General Caraway, the High Commissioner, noted that the United States thereby assumed no legal responsibility to settle these claims; and stated that they were being reviewed because of the concern of the United States, as the administering authority in Okinawa, for the well-being of the Okinawan people. Advance copies of this annoucement were distributed to the President of the Senate, Speaker of the House, members of the concerned committees in both the Senate and House, including the Senate Foreign Relations Committee.

The High Commissioner subsequently established a Joint Ryukyuan-American Committee which reviewed the evidence in accordance with standards that had previously been developed with regard to claims submitted to the U.S. Government by residents of other areas in the Far East. The Committee submitted a unanimous report to the High Commissioner. He transmitted it to the Department of the Army, fully supporting the Committee's conclusions and recommending that appropriate action be taken to seek congressional authorization to pay those claims which were adjudged meritorious. The legislative proposal now before you is a direct result of the Committee's study and of the High Commissioner's approval.

Although amounts totalling about $53 million were originally claimed, the total amount of meritorious claims was adjudged, in the course of the Joint Committee's review, to be slightly under $22 million--a reduction of about 60%.

In summary, during the 7-year military occupation of the Ryukyus by the United States Armed Forces, approximately 80,000 Ryukyuans suffered damages arising from the acts or omissions of the United States Armed Forces. To date, with minor exceptions, these individuals have received no compensation. It is clear that under international law and practice, these persons would normally be entitled to just compensation by or on

behalf of the occupying forces. It has been the general practice of the United States to transfer this obligation to the local government. But, in the Ryukyus, from the beginning of the occupation to the present day, the United States has had the sole jurisdictional authority and continues to have. Accordingly, it is the view of the Administration that the United States has an equitable and moral obligation, although not a legal obligation, in this case, to pay for the damages caused by its Armed Forces. This Committee's favorable consideration of the resolution now before you and its ultimate passage by the Congress would satisfy this equitable and moral obligation.

To assist in this presentation, Lt. General Albert Watson, II, has come from his assigned post in Okinawa. General Watson has been High Commissioner of the Ryukyu Islands (as well as Commanding General of the Army forces in that area) since August 1st of last year. He is thus thoroughly familiar with the feelings and needs of the Ryukyuan people, as well as of the military importance of these islands to our national security and to the security of the free world. General Watson is accompanied by two members of his staff, who served on the Joint Committee which reviewed these claims. Mr. Eugene V. Slattery is an attorney of the Legal Affairs Department of the U.S. Civil Administration of the Ryukyus. The other is Mr. Felipe T. Santos, a supervisor in the Real Estate Division of the U.S. Army Engineer District on Okinawa.

Because this proposal may involve questions relating to foreign-policy considerations and to the interpretation of relevant provisions of the Treaty of Peace with Japan, the Department of State is represented here

by The Honorable Samuel D. Berger. He is formerly U.S. Ambassador to Korea and now Deputy Assistant Secretary of State for Far Eastern Affairs.

Subject to your desires, Mr. Chairman, I should like to ask General Watson to speak next, to described how the Joint Committee conducted its review and what were its principal findings. Ambassador Berger would then cover the Peace Treaty and foreign-policy implications. Mr. Chairman, I thank you and the members of the Committee for the privilege of appearing before you. This, sir, completes my statement.

STATEMENT PREPARED FOR DELIVERY BY
LIEUTENANT GENERAL ALBERT WATSON, II
HIGH COMMISSIONER OF THE RYUKYU ISLANDS
BEFORE THE SPECIAL SUBCOMMITTEE ON CLAIMS LEGISLATION
OF THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to appear before this Committee. My purpose is to provide you with additional background information regarding the Joint U.S.-Ryukyuan Committee and its deliberations, together with some detailed information regarding the categories of pretreaty claims.

My service as High Commissioner of the Ryukyu Islands dates back to the first day of August 1964. Nevertheless, the present legislative proposal began to take shape back in 1961.

As stated by Secretary Resor, this matter came about because of the fact that all claims against the United States, arising out of actions of the U.S. Forces in the Ryukyus during the Occupation, were waived in the Treaty of Peace with Japan (signed at San Francisco), which entered into force on April 28, 1952. On April 6, 1961, the then High Commissioner (General Caraway) announced that the United States Government was prepared to review this matter in detail. He announced that he would establish a Joint Committee, whose mission would be to conduct this review, to assemble and evaluate all pertinent information, and to make recommendations to the High Commissioner.

Pursuant to this announcement, as Secretary Resor mentioned, the High Commissioner appointed four U.S. members, while the Chief Executive of the Government of the Ryukyu Islands appointed four Ryukyuan members. The U.S. members included Mr. John P. King, then President of the U.S. Land Tribunal in USCAR; Mr. Eugene Slattery, an attorney of USCAR's Legal Affairs Department (here present); Mr. Felipe T. Santos, a supervisor in the Real Estate Division of the U.S. Army Engineer District on Okinawa (here present); and Mr. Richard Rose, then Chief of the Land Section in USCAR's Legal Affairs Department. Heading the Ryukyuan membership was Mr. Ryojun Kugai, Director of the Legal Affairs Department of the Government of the Ryukyu Islands. The other three Ryukyuan members were Mr. Choko Kuwae, a member of the Ryukyuan Legislature and President of the Association which was formed by the pretreaty claimants to advance their cause; Mr. Hiroshi Makino, a prominent Ryukyuan attorney; and Mr. Ibi Nakamoto, formerly mayor of the City of Naha.

This Committee met nineteen times, between May 10 and December 29, 1961, and reviewed, in detail, the written evidence in support of these claims, which had been assembled over a period of several years by representatives of the claimants. Claims for the rental of real property are supported by oral and written evidence of use and occupation of the involved lands by the U.S. Government. Claims for personal injury or death and damage to personal or real property are supported by written evidence of claimants and Ryukyuan officials; this written evidence is largely in the form of statements, affidavits, investigative reports, and police records made at the time the damages were suffered. All of the voluminous documentary evidence has been preserved and is on file in the Ryukyu Islands. The Committee also made numerous on-site inspections of the claimed damages, particularly in connection with released lands.

The Committee agreed that the United States would incur no cost or liability whatsoever regarding the handling or disposal of these claims,

and that, should the United States make ex gratia payments for them, the disbursements would be made by the Government of the Ryukyu Islands, at no expense to the United States. All of the Joint Committee's decisions were unanimous, and I believe that the conclusions reached are fair and equitable. The then High Commissioner approved the conclusions and recommendations of the Joint Committee which have been incorporated in the Administration's proposal which you are now considering.

The meritorious claims fall into 21 distinct categories, which are recapitulated in the tabulation attached to my statement. Perhaps it would be helpful if I were to comment briefly on each category.

1. Land Rentals.

This is by far the largest of all the categories, comprising about 141,600 claims and totalling almost $15 million. I should perhaps elaborate on why the pretreaty period during which the Committee found rental claims to be meritorious was limited to the three-and-a-half years from January 1, 1947 through June 30, 1950. The Joint Committee did not accept rental claims for the latter part of 1945 and all of 1946, because the Ryukyuan inhabitants were still dispersed during this period, the lands were vacant, and no crops were planted. The loss of crop production is the agreed basis for calculating all rentals of agricultural lands, and there was no gainful use to which nonagricultural lands could have been put during this almost total disruption. The Committee therefore established January 1, 1947 as a somewhat arbitrary, but roughly accurate, beginning date of the period during which it regarded rental claims as having merit. Further, as Secretary Resor has explained, the Committee regarded this period as terminating on June 30, 1950, because

of the fact that the U.S. Forces, as of July 1st of that year, began to pay for real estate used by them, under leasehold arrangements. The meritorious pretreaty land-rental claims therefore encompass a period of only 3½ years, or just about half of the occupation period.

I shall not attempt to detail for you at this point the somewhat complicated method developed for determining the productivity of the various agricultural lands held by the U.S. Forces during the pretreaty period, and the relative valuation of other lands. This method can be explained now, should you wish to explore this matter. In any event, I believe that the formulae established by the Joint Committee for the rental value of both agricultural and commercial lands are fair, practical, and in accordance with objective values in the Ryukyu Islands at the time. It is my understanding that the same standards have been successfully applied in many other situations in the Far East, particularly in Korea and Japan, in resolving legal claims with regard to land rented by U.S. Forces.

2. Restoration of Lands.

The claims in this category amount to slightly over $2.5 million. These particular claims are based on the principle (which is observed by U.S. Forces throughout the world) that any person or organization leasing or renting real estate is obliged to restore the property involved to its condition when leased, or to make appropriate reimbursement for any damage done thereto during the period of the lease. Fee value of the land was the basis when the cost of restoration would equal or exceed the fee value.

As with the land-rental claims of the first category, we are likewise concerned here only with damages caused during the 3½ years between January 1, 1947 and June 30, 1950. Further, we are dealing only with

damages caused during that period to lands which have subsequently been released. The Joint Committee decided not to regard any alterations caused during the pretreaty period to lands which are still under lease to U.S. Forces as constituting meritorious claims--because, in its opinion, these alterations (such things as housing areas, hospitals, air bases, roadways, pipelines, and other permanent-type installations) should not be regarded as "damages," but rather as definite improvements, increasing the value of the lands. I concur in this view.

All of the restoration claims relate to lands which have already been released by the U.S. Forces to their owners. As already indicated, the Joint Committee found no meritorious claims to be supported by reason of the alterations caused to lands still under lease to the U.S. Forces.

3. Water Rights.

The U.S. Forces took over two water-points, or large springs, without compensation. They have a combined flow of 1,500,000 gallons of water per day. The owners of the water-points formerly used the water for irrigation of crops, for domestic purposes, and for generating small amounts of electricity. The monetary damages suffered by the water owners amount to about $50,000.

4. Personal Injuries and Death.

Damages in the amount of about $830,000 for personal injuries and deaths were caused by personnel of the U.S. Forces. These tortious damages resulted from accidents (involving motor vehicles, aircraft, and marine vessels), ammunition and gasoline explosions, and physical violence. From August 15, 1945 to April 28, 1952, 346 Ryukyuans were killed and 382 injured in such ways. Although no official compensation has been paid for these

damages, donations amounting to about $7,000 were paid by American personnel to the victims of an explosion of ammunition; these gifts have been deducted from the meritorious claims approved by the Joint Committee for said deaths and injuries.

5. Growing Crops.

Growing crops, valued at about $5,000, were destroyed on lands taken over by U.S. Forces.

6. Fruit Trees, Mulberry Trees, and Teaplants.

These damages amounted to about $430,000. The trees and plants were several years of age, and bearing. The cost of each tree or plant was based upon its fair-market value at the time of destruction.

7. Standing Trees and Bamboos.

Timber trees (pine, bamboo, etc.) were damaged, in the amount of about $600,000.

8. Firewood and Charcoal Material.

Hardwood trees, suitable for firewood and charcoal, were damaged, in the amount of about $18,000. This category involves almost 16 million board-feet of wood.

9. Rental for Buildings.

604 buildings were occupied by U.S. Forces, without compensation, from August 15, 1945 to April 28, 1952. These rentals total about $74,000.

10. Buildings Destroyed.

3,255 buildings, having at the time of destruction a reasonable value of about $610,000, were destroyed by U.S. Forces in making lands available for U.S. housing and other necessary buildings.

11. Wells.

1,332 wells were destroyed, with a total value of about $110,000.

12. Tombs.

941 tombs were destroyed, with a total value of about $80,000.

13. Reservoirs.

52 reservoirs were destroyed, with a total value of about $65,000.

14. Stone Walls.

1,994 stone walls were destroyed, with a total value of about $390,000.

15. Water Tanks.

219 water tanks were destroyed, with a total value of about $14,000.

16. Collapsed and Destroyed Lands.

Extensive amounts of land were destroyed by tidal and water action, arising from the destruction of sea walls and the diversion of natural watercourses by U.S. Forces. The lost land had a reasonable value of about $235,000.

17. Destruction of Sugar Mill.

A sugar mill was destroyed by U.S. Forces, causing a loss to the owners in the sum of about $8,000.

18. Loss of Inshore Surface Fishing Rights.

The U.S. Forces excluded nine fishing cooperatives from taking fish in inshore waters. The cooperatives had been licensed to fish in these waters for many years. They utilized 243 fishing vessels, and 712 fisherman. The Committee found that the fishing cooperatives had suffered damage in the sum of about $560,000, for which they have received no compensation.

19. Removal and Relocation of Buildings.

The U.S. Forces requisitioned certain lands, from which the owners were compelled to remove 3,751 buildings, at their own expense, in the sum of about $220,000.

20. Severance Damage.

Many pipelines, power lines, and other utilities required the taking of lands consisting of only a portion of the individual holdings. In many cases, this caused measurable damage to the landowner, because of the resultant severance of one portion of his property from the remainder. Damages caused by this piecemeal taking of land amount to about $14,000.

21. Property Damages by Tortious Acts.

Because of negligence on the part of U.S. Forces for their personnel, damagesin the amount of about $80,000 were caused to buildings and other property in connection with 257 incidents, such as aircraft accidents and ammunition explosions--the most notable of which was the explosion of an ammunition-laden LCT at a wharf on Ie-Jima Island during August 1948.

This completes my comments on the various categories of meritorious claims. I trust that my remarks will give you a general idea of how the Joint Committee went about its work, and of what findings it reached. I deeply regret that Judge King, who chaired the Joint Committee, is not here personally to give you more details of the Committee's work and to answer such questions as you may have about this portion of our presentation. He has been suffering from a serious heart-condition for some time, and it has recently worsened to the point where the doctors have determined that it would be medically imprudent for him to come back to Washington, as had been planned, to participate in these hearings.

Judge King's background and experience amply justified his selection by the then High Commissioner to chair the Joint Committee. Prior to becoming a civilian official of the U.S. Civil Administration of the Ryukyu Islands some eight years ago, he had had 40 years of distinguished service with the Regular Army, from which he retired in the rank of colonel in 1956. His military experience covers the Mexican Border Incident of 1916, World War I, World War II, and the Korean War. He graduated from Stanford University Law School with the degree of Juris Doctor, and has been an active member of the California Bar since 1925. Most of his military career was spent as an attorney in the Judge Advocate General's Corps, and, for his last 22 years in the service, most of his professional time was devoted to reviewing claims submitted by foreigners against the United States. During 1943, when stationed in Hawaii, he personally reviewed claims involving loss of and damage to crops and trespass upon lands. From 1944 to 1945, he was in New Guinea and the Philippines, reviewing claims relating to damage to and loss of trees, crops, and personal property. From 1945 to 1951, as President of Foreign Claims Commission No. 173, he reviewed such claims in Korea; and from 1951 to 1956 he was similarly engaged in Japan.

During his more than eight years of civilian service with USCAR, his regular assignment has been President of the U.S. Land Tribunal, which adjudicates matters relating to the valuation of all lands leased by the U.S. Forces in the Ryukyus. At the same time, he also served as Associate Justice of USCAR's Appellate Court. In assuming the chairmanship of the Joint Committee, Judge King brought to this task not only demonstrated legal competence and extensive experience in the claims field, but also knowledge of the Japanese language and wide-ranging familiarity with the

laws and customs of various peoples of the Far East. I have taken the time to give you this thumbnail sketch of Judge King, in his unfortunate absence, because I believe that you should know the kind of man who chaired this important Committee and guided it in reaching conclusions, findings, and recommendations based on solid factual analysis and endorsed by the High Commissioner and the Executive Branch.

In conclusion, I believe that favorable consideration of this resolution by your Committee and by the Congress would discharge an equitable obligation of the United States in the Ryukyu Islands and throughout the Free World.

Gentlemen, this concludes my statement.

Attachment:
Tabulation of Claims

RECAPITULATION OF MERITORIOUS CLAIMS

CATEGORY		AMOUNT
1.	Land Rentals	$14,939,539.00
2.	Restoration of Lands	2,518,718.71
3.	Water Rights	50,377.00
4.	Personal Injuries and Death	831,032.69
5.	Growing Crops	5,019.00
6.	Fruit Trees, Mulberry Trees, and Teaplants	431,066.00
7.	Standing Trees and Bamboos	609,834.00
8.	Firewood and Charcoal Material	18,399.00
9.	Rentals for Buildings	73,908.00
10.	Buildings Destroyed	610,982.00
11.	Wells	111,281.00
12.	Tombs	81,468.00
13.	Reservoirs	65,569.00
14.	Stone Walls	393,423.00
15.	Water Tanks	13,807.00
16.	Collapsed and Destroyed Lands	236,469.00
17.	Destruction of Sugar Mill	8,376.00
18.	Loss of Inshore Surface Fishing Rights	562,607.00
19.	Removal and Relocation of Buildings	219,259.00
20.	Severance Damage	13,293.00
21.	Property Damages by Tortious Acts	80,097.00
	Total Damages	$21,874,524.40

STATEMENT PREPARED FOR DELIVERY BY
THE HONORABLE SAMUEL D. BERGER,
DEPUTY ASSISTANT SECRETARY OF STATE FOR FAR EASTERN AFFAIRS,
BEFORE THE SPARKMAN AD HOC SUBCOMMITTEE ON CLAIMS LEGISLATION
OF THE COMMITTEE ON FOREIGN RELATIONS,
UNITED STATES SENATE
AUGUST 4, 1965

Mr. Chairman, and Members of the Committee:

I have been asked to appear before you today to provide the views of the Department of State on Senate Joint Resolution 32, authorizing an ex gratia contribution to certain Ryukyuan inhabitants for death and injury of persons, and for use of and damage to private property, arising from acts and omissions of the United States Armed Forces before the entry into force of the Peace Treaty with Japan.

As you know, the President has delegated to the Secretary of Defense the responsibility for the administration of the Ryukyu Islands as long as the United States finds it necessary to govern them. To the extent that the pre-Treaty claims question is an internal Ryukyuan matter, the Department of State supports the views of the Department of Defense expressed earlier by Secretary Resor and the other representatives of that Department. There are, however, two foreign policy questions raised by the proposed legislation on which the Department of State wishes to comment.

First, there is the relationship of the proposed legislation to the Treaty of Peace with Japan (TIAS 2490). Article 19 (a) of that Treaty reads as follows:

"Japan waives all claims of Japan and its nationals against the Allied Powers and their nationals arising out

of the war or out of actions taken because of the existence of a state of war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present Treaty."

It is our view that residents of the Ryukyu Islands are nationals of Japan and that the Ryukyu Islands were Japanese territory in the period "prior to the coming into force of the present Treaty" as specified in this paragraph. We therefore believe that the United States has no legal obligation to pay the claims of Ryukyuans arising from the presence, operations or actions of United States forces in the Ryukyus in the pre-Treaty period.

The Japanese Government similarly denies any legal liability, on its part, for pre-Treaty damages in the Ryukyus, since it had no administrative authority in this area during the pre-Treaty period and continues, under Article 3 of the Treaty, to have no administrative authority there. It further denies that the waiver provision of Article 19(a), which established U.S. nonliability for such claims, generated any corresponding liability for them, on the part of Japan.

Since both the United States, in its capacity as the former occupying authority, and Japan, in its capacity as nominal sovereign, deny legal liability for the claims of Ryukyuans for damages suffered in the pre-Treaty period, individual Ryukyuans would appear to have no recourse but to appeal, through the Government of the Ryukyu Islands, for redress to the United

States as the present administering authority. The Department of Defense has already commented on the validity of these claims and their relationship to other United States programs in the Ryukyus.

Second, I call the Committee's attention to the fact that the Japanese Government, while denying legal liability, appropriated 1 billion yen ($2.8 million) in 1957 as an ex gratia payment to Ryukyuans having claims for damages suffered in the pre-Treaty period. This payment was made as an "advance" against future payment in full by the United States, and a Japanese Cabinet decision was made to the effect that the 1 billion ex gratia payment would be considered reimbursable to Japan in the event of a later U.S. settlement covering losses sustained by Ryukyuans during the pre-Treaty period.

Both the United States and Japan are now contributing to economic development and social welfare in the Ryukyus, and we expect that the settlement by the United States of these pre-Treaty claims will contribute substantially to our common objectives. Utilization of a part of such settlement to reimburse the Japanese Government for its earlier ex gratia payment would reduce by that much the effectiveness of the U.S. payment in stimulating economic growth in the Islands. In connection with the preparation of the Administration's proposal on the settlement of these claims, the Department of State has brought these considerations to the attention of the Japanese Government, requesting that it now waive its claim to reimbursement for its 1957 payment. Although the Japanese Government is in sympathy and agreement with the objectives underlying

the U.S. request that it waive these claims, it informs us that it can reverse its earlier Cabinet decision only through certain legislative action which would adversely affect its legal position with regard to outstanding claims in areas other than the Ryukyus.

Because the Government of Japan considers it should be reimbursed if full payment is made by us, a provision has been inserted to provide that United States payment not cover payment already made by Japan. We anticipate no reaction from the Government of Japan as a result of its inclusion which would adversely affect the close, amicable relations which exist between our countries.