Two key concepts in San Francisco Peace Treaty 1951: General MacArthur’s peace treaty plan and Ambassador J. F. Dulles’s idea of ‘Residual Sovereignty’ of Ryukyu Islands (abstract)

YABUKI Susumu, Emeritus Professor of Yokohama City University
July 31, 2015.

I. J. F. Dulles’s idea of ‘Residual Sovereignty’ of Ryukyu Islands

Although ‘Residual Sovereignty’ over Ryukyu Islands was not stipulated in the San Francisco Peace Treaty, this concept, articulated by Ambassador J.F. Dulles, was all important within of the Treaty.

In Chapter II “Territory,” Article 2 of the Treaty, Japan expressly “renounces all right, title and claim” to a list of conquered territories including Korea, “Formosa and the Pescadores,” “the Spratly Islands and to the Paracel Islands.”

Chapter II Article 3 of the Treaty reads: “Japan will concur in any proposal of the United States to the United Nations to place under its trusteeship system, with the United States as the sole administering authority..[delineation inter alia of the area including the ‘Ryuku Islands and the Daito Islands.’]. Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of these islands, including their territorial waters”.

Sovereignty over the Ryuku Islands (including the Senkakus) is not mentioned anywhere in the Treaty. Article 3 is completely silent on the matter. Only later, in a speech by Ambassador Dulles on the Treaty, was the concept of “residual sovereignty” explicitly set forth. in Article 3, but is implicit in the conferring only of ‘administrative rights’ on the United States; that is, that over the Ryukus Islands, the Japan would have “residual sovereignty,” while the U.S. would have “administrative rights.” The division of ‘residual sovereignty’ and ‘administrative rights’ was compromise between immediate return and eternal holding of Ryukyu Islands.

Article 3 stipulated that while, on one hand, the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of these islands, on the other hand, the U.S. must propose to the United Nations to place them under its trusteeship system. Actually under the Cold War regime, U.S. did not propose it to the UN until the return of the Islands, including the Senkakus in 1972. This is the direct turning point of the Senkaku/Diaoyu-dao conflict.

II. General MacArthur’s idea of ‘the Peace Treaty Problem’

General MacArthur’s Memorandum on the Peace Treaty Problem was written on June 14, 1950 at Tokyo. It was shown to Mr. Dulles by June 22, and three days after, on June 25, 1950 the
North Korean army attacked South Korea, crossing the 38th Parallel.  

MacArthur criticized Alternative Security Arrangement I written by Rusk as follows:
12. The first proposed security arrangement, providing for a collective security agreement to be entered into concurrently with the conclusion of a treaty of peace, with bases made available to the United States, could not now fail to be interpreted as dictated by primary American security requirements—with accent upon the defense of the United States rather than the defense of Japan. Such interpretation would reflect a comparatively recent change in Japanese thinking largely brought about by ill-advised statements made by influential persons\(^2\) in the United States laying great stress upon the need for Japanese bases in the United States Western Pacific defense line as a means of preserving United States security. This has aroused a wave of intense nationalistic opposition within Japanese political circles which has been fanned by Communist propaganda that the reservation of such military bases to the United States would be a move toward the "colonization" of Japan and an aggressive threat against the mainland of Asia. In these circumstances, while such a collateral agreement is entirely possible of legal consummation, its value to the United States would be limited by the bitterness and resentments which would thereafter dominate the Japanese mind.

MacArthur also criticized Alternative Security Arrangement II written by Pentagon as follows:
13. The second proposed security arrangement providing for a partial peace with retention under limited application of the present regime of control would be worse than maintaining the status quo, as the resulting situation would be little different from that which now exists, where under there has been a progressive relaxation of internal political control and the basis established for the lifting of restraint on external activity as individual nations invite resumption of bilateral intercourse, and far short of what the Japanese have a right to expect from formal treaty action. While the proposed arrangement would legalize and hasten an enlarged scope of Japanese autonomy in its international affairs, it might be viewed as a betrayal by the United States by many Japanese, who would neither understand nor voluntarily accept any formal treaty arrangement which failed to restore full autonomous authority in the conduct of Japanese public affairs. There would be no convincing argument to justify in the eyes of the Japanese the retention of such controls in a formal treaty for which they have worked, and been led to believe offered the means toward the restoration of sovereign freedom. They have heretofore fully understood and accepted the fact that the delay in the restoration of such freedom has been due to the procedural difficulties preventing

\(^1\) Memorandum by the Supreme Commander for Allied Powers  (MacArthur),  *FRUS, 1950, Vol.VI,* pp. 1213-1221

\(^2\) It seems to me MacArthur criticized George Kennan using the word ‘influential persons’.
the holding of a peace conference, but once a formula is found for arriving at a peace settlement, even if only based upon partial representation of the Allied Powers, it would be impossible to explain with any semblance of sincerity or validity the failure to grant the same. Further than this, such failure would furnish the Communists with a propaganda weapon against which there would be no defense, and it would convince many Japanese who have loyally supported the occupation and worked diligently to achieve its stated objectives, that the aims and purposes of the United States conform indeed to the line of Communist propaganda. Such an arrangement would find little willing Japanese support and arouse much bitter opposition. Its easily discernible weakness would lie not only in its failure to accord the Japanese full political autonomy, but even more in its patent effort to mask the continued occupancy of military bases behind the pretended need for indefinite extension of the existing regime of Allied control.

Finally, MacArthur proposed his own Alternative Security Arrangement III as follows:

That a normal treaty be consummated embodying, however, a security reservation to the effect that so long as "irresponsible militarism" exists in the world as a threat to "peace, security and justice" in Japan, the pertinent security conditions of the Potsdam Declaration shall be deemed unfulfilled and, in view of the attendant threat to unarmed Japan's "new order of peace, security and justice," points in Japanese territory continue to be garrisoned by the Allied Powers signatory thereto through United States forces; that when such threat from "irresponsible militarism" ceases to exist, all provisions of the surrender terms shall be deemed fulfilled and all Allied garrisons shall be permanently withdrawn from Japan. Douglas MacArthur

In his memorandum MacArthur quoted Potsdam Declaration as follows:

"(6) There must be eliminated for all time the authority and influence of those who have deceived and misled the people of Japan into embarking on world conquest, for we insist that a new order of peace, security and justice will be impossible until irresponsible militarism is driven from the world.

(7) Until such a new order is established and until there is convincing proof that Japan's war-making power is destroyed, points in Japanese territory to be designated by the Allies shall be occupied to secure the achievement of the basic objectives we are here setting forth.

(12) The occupying forces of the Allies shall be withdrawn from Japan as soon as these objectives have been accomplished and there has been established in accordance with the freely expressed will of the Japanese people a peacefully inclined and responsible government."

This quotation shows MacArthur was very loyal to the spirits of Potsdam Declaration up to the very beginning of Korean War.