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Japanese Budgets for  
1946-47 and 1947-48

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*Japanese Financial Situation*

*208 - The Japanese Budgets for  
1946-47 and 1947-48*



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THE JAPANESE FINANCIAL SITUATION  
(208 series)

By: A. E. Rice, Economics Secretary

26 September 1949

1. Consultation with SCAP proposed by Subcommittee No. 3 of Committee No. 2 on 13 March 1947. Dropped from agenda of Committee No. 2 on 10 April 1947.

2. On 13 March 1947 Subcommittee No. 3: Financial and Monetary Problems reported to Committee No. 2 that the inflationary situation in Japan continued to be one of the gravest problems of the occupation. After citing various statistics, it recommended that the Commission send a consultation message to SCAP requesting a detailed report on the facts of the situation and action contemplated to cope with it.

3. The Australian and United Kingdom members opposed sending the consultation message on the grounds that it was SCAP's responsibility to handle particular crises. The Commission should not seek general information unless a policy decision were contemplated and then the inquiry should be specific. Ordinarily information could be obtained through diplomatic representatives in Japan or through the United States Government.

4. No objections to this viewpoint appear in the minutes, and the Secretariat having supplied some additional data, the subject was dropped from the agenda, not to arise again until the December 1948 US interim directive on economic stabilization in Japan (q.v.).

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C2-208RESTRICTEDC2-20813 March 1947FAR EASTERN COMMISSIONCOMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRSJAPANESE FINANCIAL SITUATIONNote by the Secretary General

1. Enclosure "A", a report by Subcommittee No. 3: Financial and Monetary Problems of Committee No. 2, regarding the Japanese financial situation, is circulated herewith for the consideration of COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS.

2. Enclosure "B" contains a draft consultation which the Subcommittee recommends be sent to the Supreme Commander for the Allied Powers.

NELSON T. JOHNSON  
Secretary General

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RESTRICTEDENCLOSURE "A"THE JAPANESE FINANCIAL SITUATION

The Japanese financial situation continues to be one of the gravest problems of the occupation. The gravity of the situation may be readily seen by reference to the following statistics:

	Million Yen			
	<u>Note Issue</u>	<u>National Debt</u>	<u>Savings Deposits</u>	<u>Ordinary Bank Deposits</u>
1940 Dec.	4,777	31,078*	12,015	24,671
1945 Sept.	41,426	176,881	46,018	103,249
Dec.	55,441	189,640	49,272	102,314
1946 Mar.	23,323	199,450	62,064	116,982
June	42,759	218,452	61,424	121,132
Sept.	64,435	223,052	58,829	124,193
Dec.	93,338	245,621		

\* March 1941

The Emergency Finance Measure carried out in February 1946 brought about a drastic decrease in the note issue from a peak of 61,824 million yen on 18 February to 15,204 million yen on 12 March. The decrease was short-lived, however, and the Feb. peak was surpassed in September, after which the increase accelerated. At the end of February 1947, circulation was about 105.5 billion yen.

A further indication of the growing inflation is given by the following indices of wholesale and retail prices published by the Bank of Japan.

Tokyo Price Indices

	<u>Retail Prices</u>					<u>Wholesale Prices</u>			
	July 1914 = 100					1933 average = 100			
	<u>Food</u>	<u>Fuel &amp; Light</u>	<u>Cloth- ing</u>	<u>Other</u>	<u>All Items</u>	<u>Material</u>	<u>Material</u>	<u>Fuels</u>	<u>All* Items</u>
1940 Dec	245	288	291	?	249	?	?	?	?
1945 Sep	459	541	252	495	434	326	383	272	306
Dec	1258	892	260	604	827	326	685	615	446
1946 Mar	2288	2716	455	1311	1634	326	1197	1473	866
June	3568	2716	2002	2400	2830	784	1955	1473	1430
Sep	3646	2716	2002	3246	3145	1482	2073	1473	1780
Dec	4732	3890	2002	3434	3720	1482	2023	2596	2060

\* Includes also cereals, other food, textiles, metals, fertilizers, industrial chemicals and miscellaneous.

As it would be natural to expect in the circumstances, there are many inconsistencies in the various price indices available, but the trend is unmistakable.

Enclosure "A"

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The major underlying cause of the inflationary trend is the huge deficit in the national budget. According to a Diet announcement in November 1945, borrowing accounted for 80% of the total outlay of 222 billion yen for financing the war from December 1941 to August 1945. In spite of emergency tax measures, this trend has continued during the occupation. The budget for 1946-47, which estimated expenditure at 56.1 billion yen, was balanced by the inclusion of 25.6 billion yen of anticipated revenue from the property tax. Three supplementary budgets were submitted, however, increasing expenditure to over 100 billion yen, the final deficit being approximately 23.5 billion yen.

A recent press report (New York Times 2 March 1947) revealed that the Japanese Government had submitted the 1947-48 budget with expenditures aggregating 114.5 billion yen. Of this, 27 billion yen was earmarked for occupation costs and 3 billion yen for reserve. Subsequent broadcasts indicate that large revenue increases are envisaged through tax increases and higher prices for Government monopoly commodities. Taxes are estimated to yield 69.5 billion yen of which income tax is estimated to produce 41.3 billion yen. Property tax is estimated to yield only 7.5 billion yen compared with 31.1 billion yen in 1946-47. Revenues from Government monopolies and properties are estimated at 25.9 billion yen and miscellaneous revenues at 14.2 billion yen. The deficit would then be only 4.9 billion yen.

The proposed income tax rates for earned income are reported as follows: a basic annual exemption of 4800 yen; for incomes below 10,000 yen, 20%; above 20,000, 35%; above 50,000, 50%; above 100,000, 60%; above 500,000, 70%; and above 1,000,000 75%.

Without more detailed information regarding the measures proposed during 1947-48 the Subcommittee is unable to pass judgment on their adequacy. The Subcommittee, therefore, recommends that Enclosure "B" be adopted as a consultation with the Supreme Commander for the Allied Powers in order to obtain the necessary information for a fuller investigation of the situation.



RESTRICTEDENCLOSURE "B"

Request for consultation with the Supreme Commander for the Allied Powers regarding the Japanese Financial Situation.

The Far Eastern Commission is concerned at the continued gravity of the Japanese financial and monetary situation and would appreciate a detailed report from the Supreme Commander for the Allied Powers on the facts of the situation and action contemplated to cope with it.



C2-208/1RESTRICTEDC2-208/13 April 1947FAR EASTERN COMMISSIONCOMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRSTHE JAPANESE BUDGETS FOR 1946-47 AND 1947-48Note by the Secretary General

The enclosure, a report on the Japanese Budgets for 1946-47, and 1947-48, prepared by the Secretariat, is circulated herewith for the consideration of COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS.

NELSON T. JOHNSON  
Secretary General

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RESTRICTEDE N C L O S U R ETHE JAPANESE BUDGETS FOR 1946-47 AND 1947-48

The Japanese Budget for 1946-47 originally estimated expenditure at 56.1 billion yen but this figure was gradually increased by the issue of supplementary budgets with the result that, after the submission of supplementary estimates on 11 March 1947, total expenditure for the year was estimated at 119.1 billion yen. This figure, however, included 21 billion yen for subsidies in the form of bonds to the Central Association of Life Insurance and the Central Association of Damage Insurance to indemnify them for losses due to the payment of war insurances. It was not expected that full payment would be made during 1946-47 and it was stated that the remainder would be disbursed in the next fiscal year. The net deficit, apart from the above 21 billion yen, was estimated at 23.5 billion yen and was to be covered by public borrowing. Other revenue amounting to 74.6 billion yen, included 31.1 billion yen from the proceeds of the capital levy and the war indemnity tax, 18.6 billion yen from income taxes and 7.7 billion yen from the profits of government monopolies. Expenses connected with the termination of the war, including housing for the occupation forces, amounted to 39.5 billion yen. Other large expenditure items included 8.0 billion yen for repatriation, 6.5 billion yen for economic stabilization, 6.5 billion yen transferred to Foodstuff Control and 4.2 billion yen for government investments. As some of these items do not appear in the 1947/48 budget it was not practicable to itemize them in the accompanying table in which the figures for the two years are compared.

Proceeds of the capital levy and the war indemnity tax were paid into a special account and part of the proceeds transferred to the general account represented public loans raised on the collateral of properties paid in kind. Other budget operations conducted through special accounts included the Monopoly Bureau, which conducted the sale of tobacco, tobacco paper, salt, brine and camphor, the Foodstuff Control, which supervised the distribution of staple foodstuffs, and the Government railway and communication services. National debt operations were also transacted through a special account but as no distinction was made between interest payments and the redemption and conversion of maturing loans, it has been impossible to disentangle these operations. Figures for these special accounts are also shown in the accompanying table.

In presenting the budget for 1947-48 the Finance Minister, Mr. Ishibashi, said that it had been compiled in accordance with the spirit of the Public Finance Law Bill which would be presented to the current Diet session. The practice of submitting supplementary budgets had been eliminated and the Government had adopted a new method of compiling an all-inclusive budget. He pointed out, however, that the presentation of additional budgets in the next or later Diet sessions might become inevitable due to unexpected circumstances. As a means of covering unexpected expenditures of small amounts, the amount of reserves had been increased to 3 billion yen as against 800 million yen in 1946-47.

Revenue estimates for 1947-48 show substantial increases over the previous year in many items, the principal increases being in income and liquor taxes and in income from Government monopolies.



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Income tax is estimated to yield 41.3 billion yen compared with only 12.0 billion yen in 1946/47 as a result of the proposed new tax law which prescribes the following rates:

<u>Yen</u>	<u>%</u>
Under 10,000	20
Over 10,000	25
15,000	30
20,000	35
30,000	40
40,000	45
50,000	50
70,000	55
100,000	60
200,000	65
500,000	70
1,000,000	75

In assessing taxable income salaries, wages, pensions and similar incomes are subject to a deduction of 20% or 6,000 yen whichever is the smaller. In addition all incomes are subject to a basic deduction of 4,800 yen. According to a radio broadcast from Tokyo on 13 March the government Tax Bureau estimated total taxable income during the current fiscal year at about 280 billion yen. The proceeds of the capital levy and war indemnity tax are expected to decline from 31.1 billion yen in 1946-47 to 7.5 billion yen in 1947-48. The deficit to be met by public borrowing is expected to decline from 23.5 billion yen in 1946-47 (excluding the 21 billion yen mentioned above) to only 4.9 billion yen in 1947-48.

On the expenditure side there is an increase in the amount provided for economic reconstruction. This includes expenditures of 10 billion yen in indemnities to financial organs in order to guarantee withdrawals from the No. 1 restricted accounts, 9.5 billion yen for public works and 7.1 billion yen for investments, principally in the Reconversion Finance Bank. Expenditure for social welfare is estimated to increase from 12.2 billion yen to 15.7 billion yen while an amount of 3.9 billion yen is appropriated for education and culture compared with 1.7 billion yen in 1946-47. Taxes apportioned to local Governments are also estimated to increase from 2.6 billion yen to 11.1 billion yen. On the other hand expenditure associated with the termination of the war is estimated to decrease from 39.5 billion yen to 27.0 billion yen and expenditures for the withdrawal of Japanese from abroad are reduced from 8.0 billion yen to 3.6 billion yen.

As a result of the issue of additional national bonds in 1946-47 expenses for public bonds are estimated to increase from 5.4 billion yen to 8.2 billion yen. In answer to a question regarding the interest payable on war bonds, Mr. Ishibashi stated that if the scope of war bonds were limited to those for the Manchurian and Sino-Japanese Incidents and the extraordinary war expenditures, interest would total 3.8 billion yen. For all the newly-issued bonds in the period 1931-1945 interest payments would be approximately 4.9 billion yen.



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JAPANESE BUDGETS FOR 1946-47 and 1947-48  
(All figures in billions of yen)

GENERAL ACCOUNT

<u>Revenue</u>	<u>1946-47</u>	<u>1947-48</u>	<u>Expenditure</u>	<u>1946-47</u>	<u>1947-48</u>
Income tax	12.0	41.3	Social Welfare		
Increased income tax	6.6	3.0	Adjustment of prices)		10.0
Legal person taxes	1.3	2.1	Other	12.2	5.7
Extraordinary profits tax	.6	-	Economic Reconstruction		
Liquor tax	2.2	14.1	Indemnities for Financial reconstruction	21.0*	10.0
Textile excise	.5	1.3	Investments	4.2	7.1
Commodity tax	1.2	3.3	Public works		9.8
Admission tax	.5	2.3	Distribution of commodities	12.5	2.2
Other taxes	1.2	1.4	Subsidy to Merchant Marine Commission		1.2
Stamp revenues	.3	.7	Trade Fund		.9
Income from government monopolies	7.7	22.7	Other		2.7
Receipts from other government enterprises and properties	1.4	3.2	Education and culture	1.7	3.9
Capital levy special a/c	31.1	7.5	Repatriation	8.0	3.6
Miscellaneous revenue	8.0	6.7	Termination of war	39.5	27.0
Public loans	44.5*	4.9	Local government apportionment	2.6	11.1
			National debt expenses	5.4	8.2
			Reserve	.8	3.0
			Other expenditure	11.2	8.4
	<u>119.1</u>	<u>114.5</u>		<u>119.1</u>	<u>114.5</u>

\*Supplementary budget of 11 March 1947 contained appropriation of 21.0 billion yen for subsidies in the form of bonds to the Central Association of Life Insurance and the Central Association of Damage Insurance to indemnify them for losses due to the payment of war insurances. It was not expected that full payment would be made in 1946-47.

CAPITAL LEVY SPECIAL ACCOUNT

<u>Revenue</u>	<u>1946-47</u>	<u>1947-48</u>	<u>Expenditure</u>	<u>1946-47</u>	<u>1947-48</u>
Capital levy	10.7	2.8	Transfer to General a/c	31.1	7.5
War indemnity tax	11.0	2.5	" " Debt Consolidation Special a/c	12.4	13.9
Properties paid in kind and transferred	1.7	7.8	Expenses		.2
Refunds of deposits in old accounts	1.4	2.0			
Public loan on collateral of properties paid in kind	18.7	6.5			
	<u>43.5</u>	<u>21.6</u>		<u>43.5</u>	<u>21.6</u>

MONOPOLY BUREAU SPECIAL ACCOUNT

<u>Revenue</u>	<u>1946-47</u>	<u>1947-48</u>	<u>Expenditure</u>	<u>1946-47</u>	<u>1947-48</u>
Sale of monopolies	10.1	28.6	Operation expenses	3.0	7.3
			Reserves		.3
			Surplus	7.1	21.0
	<u>10.1</u>	<u>28.6</u>		<u>10.1</u>	<u>28.6</u>



RESTRICTEDFOODSTUFF CONTROL SPECIAL ACCOUNT

<u>Revenue</u>	<u>1946-47</u>	<u>1947-48</u>	<u>Expenditure</u>	<u>1946-47</u>	<u>1947-48</u>
Sales of foodstuffs	17.8	29.6	Management expenses, etc.	6.3	39.2
Transferred from General a/c	6.5	.6	Transfer to Debt Con-		
Securities issued	.6	16.1	solidation Special a/c	18.7	7.2
Miscellaneous	.1	.1			
	<u>25.0</u>	<u>46.4</u>		<u>25.0</u>	<u>46.4</u>

GOVERNMENT RAILWAY SPECIAL ACCOUNT

<u>Revenue</u>	<u>1946-47</u>	<u>1947-48</u>	<u>Expenditure</u>	<u>1946-47</u>	<u>1947-48</u>
Transportation revenue	6.1	9.3	Operating expenses	10.1	17.8
Public bonds and loans	9.4	13.7	Construction & Im-		
			provement	4.2	2.7
Miscellaneous	.8	1.2	Miscellaneous	2.0	3.7
	<u>16.3</u>	<u>24.2</u>		<u>16.3</u>	<u>24.2</u>

COMMUNICATION ENTERPRISE SPECIAL ACCOUNT

<u>Revenue</u>	<u>1946-47</u>	<u>1947-48</u>	<u>Expenditure</u>	<u>1946-47</u>	<u>1947-48</u>
Receipts from operations	3.3	4.2	Management expenses	4.1	9.3
Public loan	2.9	2.2	Construction & Im-	1.9	1.6
			provement		
Borrowings (for deficit in			Miscellaneous	.4	1.2
maintenance & management)	-	5.3			
Miscellaneous	.2	.4			
	<u>6.4</u>	<u>12.1</u>		<u>6.4</u>	<u>12.1</u>



*Finance file*RESTRICTEDTranscript of Joint Mt  
Committees No. 1 & 2  
13 December 1946FAR EASTERN COMMISSIONCOMMITTEE NO. 1 - REPARATIONSCOMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRSTranscript of a Speech by Mr. Frank Tamagna before a Joint Meeting of  
Committees No. 1 and 2 held in the Main Conference Room, 2516 Massa-  
chusetts Ave., N. W., 13 December 1946REPRESENTATIVES PRESENT

Mr. R. H. Whitman, Chairman	(United States)
Major J. Plimsoll	(Australia)
Mr. C. Hebert	(Canada)
Dr. S. C. Wang	(China)
Mr. L. Bacquier	(France)
No Representative Present	(India)
Dr. H. M. J. Hart	(Netherlands)
No Representative Present	(New Zealand)
Mr. F. Rodriguez	(Philippines)
Mr. A. Korobochkin	(U.S.S.R.)
Mr. H. ... Graves	(United Kingdom)

GUEST SPEAKER

Mr. Frank Tamagna	(Formerly Economic Adviser on Finance on SCAP's Staff and now with the Federal Reserve Bank of New York.)
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SECRETARIAT

Mr. D. G. Badger, Secretary

Transcript of Joint Mt  
Committees No. 1 & 2  
13 December 1946



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MR. WHITMAN: Gentlemen, it was suggested that we have this meeting in order to give any interested members of the delegations of the Far Eastern Commission an opportunity to hear some comment on Japan and the Far East by Mr. Frank Tamagna, who was one of the financial experts in that part of the world and who has had the benefit not only of a considerable period at SCAP's staff as an economic adviser to the Economic and Scientific Section but also has had a chance to compare that with the situation in China where he was an adviser for about four months. He is now with the Federal Reserve Bank in New York. While Mr. Tamagna left Japan some time ago and hasn't been able to keep up with the situation in great detail since then, I believe that his experience there and his general background will enable him to tell us some very interesting things.

MR. TAMAGNA: Thank you very much. To start with, my remarks here should not be construed as representing the views of SCAP, the Chinese Government, or the Federal Reserve Bank, or for that matter any other agency. My views are strictly personal and are not official.

I was in Japan up until the middle of May. In the middle of May I went to China on behalf of SCAP to discuss exchange and trade problems with the Chinese Government. I came back to Japan at the end of May and at the beginning of June I went to Korea, where I stayed for about ten days. Then on June 14th I proceeded to China and I remained there until October 14th. I came back by way of India and Europe - I was in India for about two weeks, in Italy for a few days, and in London for about one week. I am giving you this outline in order that you may understand my time limits. That is, I have followed developments in China and Japan after my departure, but my first-hand information on Japan is up to the end of May only.

When I arrived in Japan at the end of January, the outstanding problem in the financial field was currency conversion. The Japanese had submitted recommendations, but SCAP had not agreed to the currency conversion formula, because it left too many loopholes. It was SCAP's feeling generally that the measure should freeze all liquid assets, such as deposits, and therefore the Japanese were asked to submit other proposals. They presented another proposal at the beginning of February, and I was assigned to work on it, finally what you know as the Regulation for the Freezing of Deposits was promulgated in the middle of February. The general theory was not to have a currency conversion but to have a freezing of liquid assets; to require the deposit of currency with banks and to freeze the deposits, subject to gradual and controlled releases.

Months later there was a great dispute as to whether the currency conversion had been a success or not. Personally, I never expected that the currency conversion would stop inflation. I never expected that it would automatically mean stabilization. SCAP insisted that the currency conversion should be accompanied by the establishment of the Economic Stabilization Board, and that this should be immediately followed by the setting up of two organs, one to allocate materials to factories in accordance with priorities and the other to control prices of consumer goods. However, the currency conversion was regarded from a political, rather than an economic standpoint, and the regulation was issued without the setting up of the Board. Later on there was the change of Government, and the new Government was too much interested in the constitutional reform to have time for economic measures. May and June passed without the Stabilization Board coming into



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existence, and it was only in July that it was set up and only in August that it began to operate.

The same, of course, happened in the case of the other two measures, the allocation of materials and price control. Although planned in March, they did not come into operation, I understand, until September, so that the effectiveness of the currency conversion and freezing of deposits was greatly decreased by the failure to take measures in the economic field. Still, despite this, Japan enjoyed a comparative financial stability in the period between March and June; prices were going up slower than before and there was a general trend toward stabilization. That trend, as you know, ended again with summer and prices resumed their rise due in part to the delay in the operations of the Economic Stabilization Board. However, the reason which I would consider to be the most important for this use is the rise in occupation costs.

In the first phase of the American occupation of Japan - from October through January and February - occupation costs were extremely low, simply because in Japan you cannot spend the money. It is not like in Europe where living needs may be largely met locally; Japanese living conditions are basically different and not fit for western occupation forces. Therefore, the American troops brought in their own supplies and did not use much Japanese goods. On the other hand, beginning in May, when it was decided that dependants would come to Japan, the Japanese Government was ordered to provide modern housing for dependants. It was clearly understood that this would have a great impact on the Japanese financial and economic system, and it did. On the other hand, the fact should not be overlooked that housing expenditures which are immediately inflationary, are at the same time reconstruction expenditures for two reasons: first, they forced the rapid reconversion of segments of Japanese industry, and secondly they helped the building industry to get going, now for the Americans, but to be ready also, beginning some time next year, to shift over to work for the Japanese. So that what is inflationary now may be regarded as the initial cost of reconstruction for Japan. I remember that the Japanese objected to that course, insisting that part of the cost should be paid for in foreign exchange.

Aside from this strictly economic and financial problem, there was another problem of great importance. That was the purge, in which probably you may be more interested. The directive of September, last year, provided for a political purge, an economic purge, and a financial purge--a purge in all lines of activity of Japanese life. In November, I understand, the first draft of the economic purge was prepared but the Chief of Staff decided that the political purge ought to be applied first and that the economic purge should wait for a later period. The political purge went into effect at the beginning of January. In February the Finance Division of the Economic and Scientific Section prepared a second draft of the purge and submitted it again to the Chief of Staff. The Chief of Staff decided that the purge should not be applied during the currency conversion, as this might fail if, for instance, the governor of the Bank of Japan and all the financial leaders down the line were to be removed. Therefore, it was decided to postpone the purge to some time after completion of the currency conversion. Of course, when the currency conversion was completed, the elections were to take place, and a new government was to come into power. Therefore, when the Finance Division again submitted the purge, the Chief of Staff again proposed delay because a new government was



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coming into power and it was inadvisable to undertake the financial purge at a time when the political purge was being greatly discussed and when, after all, we did not know who would be in charge of applying the purge. Therefore, the Finance Division postponed the purge to another time and waited until May. At that time the Chief of Staff decided that the purge draft was mainly financial, that a financial and economic purge was wanted, and the Finance Division should get together with the Industry Division of the Economic and Scientific Section to prepare a combined financial and economic purge. This was done and finally the Economic and Scientific Section submitted a draft of financial and economic purge which had been concurred in by the Government Section. Therefore, it was a SCAP purge as far as possible. The Chief of Staff, however, decided that it was too far reaching and deferred it again with a proposal that the Government Section prepare a new draft and submit it as a Government Section draft by way of implementing the political purge rather than making it an entirely new purge. That was done, I understand, in September.

The third problem which concerned us very much was the problem of war indemnities, the legacy of claims that the Japanese Government had left behind. They may be classified into three groups. One group consists of the clear-cut claims arising from wartime insurance, and that of course, is comparatively easy to ascertain and settle. Secondly, were the contractual claims, arising from contractual obligations assumed by the Japanese Government for delivery of industrial products which had not been consigned, or if consigned, had not been paid for, or which the factory had half finished and for which a claim had been made for what had been done. Even this second group does not present unsurmountable difficulties - it would require a considerable amount of time for checking claims, but it could be done. The third group is the really serious one. It is a complete mess of claims without any legal guarantee, without any supporting document; of claims arising from operations in connection with the war performed by industries or individuals through credit extended by banks upon instructions from the Ministry of Munitions, Ministry of Finance, Ministry of Commerce and Industry, Ministry of Agriculture, the war offices or any other agency or ministry; in many cases based on a telephone call, a simple memorandum, a check sheet, with no legal guarantee whatsoever; in many cases based simply on an overall order, such as an instruction or advice to the industries to move out of the town, in all cases, industries and individuals "understood" that they could borrow from the banks and the banks "understood" that any such lending would be covered by the war guarantee. Of course, there was no specific guarantee, or legal document or law or decree or any basis for it or any legality. The banks insisted that they were guaranteed because they would not have done the operation unless they had been so instructed. We, of course, insisted that unless they could prove they had done the operation on the basis of a legal order and extended credit on the basis of a law which provided for guarantee, there was no guarantee.

At the end of January SCAP suspended the payment of war indemnities, after such payments had gone up to about thirty billion yen and had been the main cause of inflation. SCAP moved from the freezing of these payments gradually towards the idea of not paying them at all, simply because it was difficult administratively to settle the mess of claims. In fact, claims which are not covered by a legal guarantee may be just as justified as those which are so covered, because there was no real differentiation made at the time the operation was effected.



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In March, SCAP called upon Mr. Cherne, director of the Research Institute of America to come to Japan and make a study of this financial aspect. Mr. Cherne made a report suggesting complete repudiation of the war claims. This was supported by the Finance Division and apparently, at one time at least, it was accepted by General MacArthur himself. After Mr. Cherne left, the Finance Division drafted a directive for the Japanese Government to that effect but the Chief of Staff turned it down, saying that it was confiscation without due process of law, and sent it back to the Finance Division. The members of the Finance Division decided that they could make it a confiscation with due process of law, and therefore applied a tax of one hundred percent to any claim submitted, making it possible to acknowledge a claim automatically and at the same time taxing it one hundred percent. This procedure apparently was accepted by the Chief of Staff and got through, as I understand that this is what the Japanese Government has decided to do.

Now, another thing I must mention is the tendency on the part of SCAP not to issue directives, but to get the Japanese Government to do what SCAP wanted without actual issuance of directives. This practice appeared first in the currency conversion, when the law was actually prepared in SCAP between Japanese officials and SCAP officers; it was prepared in English, then translated into Japanese and then retranslated into English. The retranslation into English was submitted to SCAP officially for approval, and SCAP decided not to approve it formally, but to indicate that there would be no objection to its issuance. This procedure was followed right along, and was adopted for the war indemnity liquidation. SCAP would tell the Japanese what was wanted, and that if they did not do it a directive would be issued. Then, when the Japanese decided to do it and submitted the law, SCAP would indicate that there would be no objection.

The fourth problem of importance is the banking reorganization, which is directly related to the war indemnities problem. Number one in the banking reorganization was the problem of the Yokohama Specie Bank, which had been an extremely good bank, efficient and highly organized in the past, and up to 1940 it had not participated in any war operations or preparations for war. So that there was a presumption in favor of the Yokohama Specie Bank. On the other hand, beginning in 1940 it had gone heavily into war financing and its assets and liabilities had grown tremendously through operations on behalf of military authorities in China, Dutch East Indies, the Philippines, etc. The bank had already been asked by SCAP to reorganize, and a suggestion had been made that the Yokohama Specie Bank submit a reorganization plan. When I got there I was put in charge immediately of the Yokohama Specie Bank and I called upon them to see what they had done. They had done nothing. They were moving very slowly, hoping that SCAP would pass away and finally they would be able to reinitiate the Yokohama Specie Bank. I made some studies of the balance sheet and finally submitted my recommendations in March. Again this was one of the cases in which it was decided not to issue a directive, and the problem was to convince the Japanese banking authorities to do what we wanted without ordering the Yokohama Specie Bank to do it. Finally SCAP agreed to a compromise under which the Yokohama Specie Bank would be reorganized as an internal bank, the capital would be liquidated entirely, the domestic assets would be transferred to the new bank, and foreign assets would be held pending liquidation and establishment of liabilities and responsibilities.



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For the other banks there was a big problem related to the war indemnities. The banks had given loans to industry either on a guarantee from the Government or on an expected guarantee from the Government. If the Government could not pay any of the claims, the industry could not pay the banks and the banks would be bankrupt. Our idea was to get the Government to pay the industries, but require the industries to pay the banks and then require the banks to pay the Bank of Japan, in order to close the circuit which had been created through the lending from the Bank of Japan to the banks and from the banks to the industries. The intention was to require industry to pay the banks beyond what they would get from the Government, to the extent of their capital thus losing it, if necessary, in order to save the banks; and also to require the banks to pay beyond what they would get from industry to the Bank of Japan even at the cost of eliminating their own capital. This idea was related to the Zaibatsu dissolution plan, because in that way it would be possible to wipe out the Zaibatsu shares in the industries and the banks, while leaving the minority shares. Thus a bank which, for instance, had borrowed one billion from the Bank of Japan and was paid only \$950,000,000, would still be required to pay one billion dollars and would have to pay \$50,000,000 from their own capital. The underlying idea was not to require payment on the minority shares which would be protected. That was the procedure suggested in order to solve the problem of indebtedness and to put the banks in a stable position, so that they could lend anew to industries.

Another problem connected with banking was the concentration and monopoly. Since 1927, but more intensively since 1936, banks had been forced to concentrate, the smaller banks merging with bigger banks. We thought that it would be possible to reverse the process if we allowed former shareholders from a small bank which had been merged with a big bank to apply from the Minister of Finance for the reconstitution of the small bank. It was suggested that, if 20 percent of the former shareholders of a small bank which had been merged with a big bank were to make such application, the Minister of Finance should decide whether to grant the "dismerger" or not. The "dismerger" would take place in the reverse way of the merger. That is, the former shareholders would take back those branches in the area where the former bank existed, together with the local assets and liabilities. Then, if there were any deficit between the local assets and local liabilities, this could be covered by government bonds and deposits with the Bank of Japan. This suggestion was embodied in the Edwards Report. It is not a question of going back to the 2,000 banks that existed in 1927. It is just to achieve a happy medium, and about 300 or 400 banks may be a reasonable number for Japan to have in order to assure a competitive market in the financial field, and in order to finance those small industries which may grow out of the dissolution of the big industries.

I think that I have given you the general terms of financial problems in Japan as they existed in June 1946, when I left. If you have any questions, I would be glad to discuss them.

MAJOR PLIMSOLL: Mr. Tamagna, it has been an extremely interesting and useful talk and I would like to hear a little more about this dissolution of banking. Four hundred banks seems to me to be a rather large number, particularly if you are thinking in terms of branch banking, which is not uncommon in Japan. I am giving you my personal opinion, but in these times of confusion in currency in Japan, it might be better not to encourage a break up of banks once they have merged provided you have strict control of credit, operation, lending policy, etc. Could you give some idea of what principle SCAP worked on in deciding that the best number was 300 to 400 banks?



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MR. TAMAGNA: The procedure outlined was this. First of all it was taken for granted that the Zaibatsu would be broken up, and that instead of having big industries, Japan was going to have medium and small sized industries. These industries will require local financing rather than central financing. The big problem with small industries has always been that they could not get adequate financing from the Mitsui Bank or Mitsubishi Bank, and small banks were no longer in a position to provide this kind of financing. Many of the small banks had been taken over entirely by the big banks and transformed into branches; whereas before they used to give local financial aid, later on they depended for their local financing upon the head offices. We found that these branches were no longer lending agencies but collecting agencies, so that they would collect the savings and credit the head office, and then the head office would make loans to the big industries which were connected with the bank itself. We had one important case in the Mitsubishi Bank and the Mitsubishi Heavy Industry. The Mitsubishi Heavy Industry borrowed large funds at the beginning of 1946 from the Mitsubishi Bank, which in turn was borrowing from the Bank of Japan. This borrowing was made against stocks of raw materials, which the industry had in very great quantities, and against claims on the Government. SCAP did not want the Government to pay such claims, but of course Mitsubishi did not know, although they had probably the feeling that sooner or later some settlement would be made for this kind of borrowing. We had to call in the people of the Mitsubishi Heavy Industry, tell them to stop borrowing from the Mitsubishi Bank and tell the Bank of Japan that they must not lend any more to the Mitsubishi Bank. This kind of tie-in was at the root of the problem of local industries being unable to obtain financing from big banks. Therefore the solution appeared to be the creation of local banks which would be tightly connected with local industries and would be able to foster the resumption of private ownership and operation of local industries.

The number of all banks is now 60 or 70. That includes every financial institution. In trying to develop local and regional banks in the future, with branches only in one province or region, there is no danger at all of going too far or too fast. When the twenty percent of former shareholders would apply for the re-constitution of a bank, approval would not be automatic. They simply would have the right to apply to the Minister of Finance for consideration as to whether their bank should be permitted to reconstitute or not.

CHINESE DELEGATE: When you left Japan, you had on the one hand the policy of liquidating the Zaibatsu and on the other hand the problem of getting production going. How did that affect production facilities and finances?

MR. TAMAGNA: The directive of September is very specific about the measures to be taken, even at the cost of hampering production. We found two positive developments in Japan. One was that those people who had owned industries in 1937 and 1940 were very eager to get back their industries. These people had been owners of these industries for twenty or thirty years, and because of a merger or simply because of the competitive position they could not exist along with the big industries. They were technically trained and financially able to run an industry. The other was that members of the managerial class seemed willing to buy the plants and to run them. They appeared very eager to become owners. Since the dissolution of the Zaibatsu was never intended to come down to the managerial levels, we thought that giving a free hand to local plant managers would have beneficial results



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on production, provided that financial facilities were made available for small and medium industries. This, of course, ties in with what we were saying about the banks, namely that we were to provide local banking facilities in order to allow local owners and managers to obtain local credits in order to produce. With centralized banking the supply of credit would have been dependent on Tokyo and then the problem of production would have become very serious.

CHINESE DELEGATE: However, I got the impression that there was a substantial portion of industry which was by no means of such a nature that it could be taken care of by a financial arrangement with technicians. I had in mind industries like, say, the fertilizing industry or coal mining, both of which SCAP is keenly interested in.

MR. TAMAGNA: These will probably be nationalized, and possibly the chemical industry also.

The liquidation commission would take over the stock and the industry would continue to run under the managerial control of the present managers. Any financing which would be required would be provided by the new Reconstruction Bank or other bank. The plant would be completely freed of past liabilities, if these will be settled jointly with the payment of war claims. There might be left a few debentures, but not many. Anyway, the value of the plant has gone up tremendously, usually much more than the value of the debentures outstanding, since very few debentures have been issued these days. Thus, the industry could borrow on the security of the plant.

The question of whether the stock of the big industries is going to be sold to the public or not is still open. Anyway, in most industries the Zaibatsu did not have a 100 percent interest. They had it in some of the big banks, but in many industries the control of the Zaibatsu was limited. In some cases they did not control more than 30 or 40 percent of the capital and in other cases they controlled 60 or 70 percent. SCAP's idea was to vest control in the minority shareholders. Managerial personnel would be appointed to the board of directors and would run the industry together with the minority shareholders. In Japan it is customary for the board of directors to be a combination of owners and managers, so that there would be continuity in running the industry. The managers would not be affected and would continue to remain on the board of directors. There would also be continuity because some of the minority shareholders would remain on the board of directors. So the question would be to replace the Zaibatsu directors. In many cases, as you probably know, the Zaibatsu purposely did not participate in the board of directors in proportion to their holdings, although they retained top control. In many cases you would find only one Zaibatsu man on the board of directors; all the other members of the Board of Directors were not Zaibatsu men but, of course, the Zaibatsu man had the controlling interest.

Another point to be particularly emphasized was that the liquidation of the Zaibatsu should not bring about technical disintegration. The factories or the industrial units could remain technically integrated so long as the financial control was dissolved. The holding company system was ruled out, but technical integration was to be maintained. Of course the question of how far one could go remained to be decided case by case, but the principle was laid down. Technical integration should be maintained as far as possible.



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CHINESE DELEGATE: I can understand that these industries which were controlled by the Zaibatsu are now run by this managerial group with financial support from the Government, when necessary. But there is still the possibility that there may be a majority holding within the remaining stock. Then the question is, has it been very widely stated to the public that the shares will not be in the hands of a few known Zaibatsu but among a very substantial number of shareholders?

MR. TAMAGNA: Usually the number of shareholders is very large. In many cases, even in banks, they run into 2, 3 or 4,000. I won't say that 3 or 4,000 is too many but I would consider it a substantial number of shareholders.

CHINESE DELEGATE: Of those non-Zaibatsu shares, will a substantial part of them be owned by a few?

MR. TAMAGNA: I don't think so, because the problem of the Zaibatsu was not that a few families owned too much wealth, but that they controlled too much wealth. They did not really own these industries. They owned only a small part of what they controlled, and the question of breaking up control is the important one. For instance, some of the Zaibatsu gained control through financial means. The Mitsui Bank would make loans to medium-sized businesses and carry the loan, until such time as the parent company decides that they want to take over that company. At that moment they would stop renewing the loan and then they would make a proposal for amalgamation. The owners would be compensated very well, and maintain minority participation but it would mean that the company would pass under Mitsui control as the loan would be converted into new stock. The Mitsui Company would get the stock and would pay the Mitsui Bank. Then the Mitsui Bank would be cleared of the loan to the private company, and the private company would become part of the Mitsui concern. That is why we want to change the centralized system of banking.

MR. WHITMAN: I wonder if you would like to comment on the future problem of stabilization in Japan. Perhaps it might be affected by or would influence the question of costs of reparations and removals of industrial plants next year.

MR. TAMAGNA: In April and May I made a study with Mr. Bogdan, who was Financial Adviser to the Economic and Scientific Section in SCAP, on the prospective situation and position of Japan in 1948. The result of the study was that by 1948, assuming the level of reparations as proposed by Pauley, or slightly modified (as for example in the case of shipping), Japan should be able to achieve comparative stability in foreign trade and employment at a level of production above 1936 and at a level of consumption below 1936. Japan would have to support a larger population than in 1936, but at the same time she would have an industrial capacity larger than in 1936 and a modified economic system. For instance, agriculture would be tremendously expanded. Reclamation of land is regarded as essential to progress by the Japanese themselves, and as reclamation in Hokkaido would make it necessary to allow a considerable chemical industry for fertilizer production, the chemical industry would be considerably expanded over 1936. At the same time you would have a machine and machinery industry in general also expanded above 1936, primarily because Japan would require more machinery for agriculture but also because exports of machinery would be considered an important part in the balance of trade. This does not mean heavy machinery. Our idea was to limit it strictly to light machinery - no heavy machinery, such as electric generators and locomotives should be exported, except from stockpiles. The textile industry could advance by 1948 to a level



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of approximately 6 million spindles, as compared with about 2 or 3 million a present. However, consumption of textile goods should be strictly limited in order to provide an exportable surplus. It should be limited to between one-third and two-thirds of 1936, which is not considered to be too little because it is much higher than in many other countries in the Far East and the standard of clothing in Japan is not too bad. It is probably still better than in Europe - in Italy or France, so that we were not too much concerned about that cut of one-third in cotton goods. The same, of course, for wool. The expansion in woollen goods production would have to be accompanied by strict limitation of wool consumption at home. The general conclusion is that in 1948 there might be around 2 to 3,000,000 unemployed. The export trade would be able to cover the basic requirements of Japan, assuming of course that Japan could fully utilize the industrial capacity which would be left, and assuming that there would be markets for Japanese production. We could not provide that. We would tell Japan you are allowed to retain such capacity, and on the basis of that capacity you can export all the surplus you are able to produce over your own consumption. We would not, of course, guarantee foreign markets to Japan. We would simply guarantee to Japan the possibility of exporting if they could compete in the foreign markets.

I have been always very confident of the possibility of economic stabilization in Japan because Japan, after all, came out of the war in much better condition than the European countries. The transportation system, which is crucial, has never been interrupted. The particular thing in which Japan has suffered most has been shipping, and that, of course, is a big problem because I understand that no decision yet has been reached as to how much oceanic shipping Japan should have, if any. Our study was based on the assumption of 1,500,000 tons of local shipping and no trans-oceanic shipping. Even on that basis we figured that Japan would be able to carry on. Of course, the assumption is that price control and allocation of materials will continue beyond 1948 and possibly 1950. Japan cannot expect to pass from a war economy to a free economy at a time when she has lost all foreign exchange balances. But, assuming that Japan will maintain such controls, and assuming that she will limit domestic consumption to basic needs, the conclusion was that Japan could recover by 1948 a position in production higher than 1936 and in individual consumption somewhere around 1930-1931. At the same time there would be a shift from heavy industry to light industry and from industrial production to agricultural production.

Reparations costs will unquestionably have an inflationary impact, and it may simply mean that the Japanese may have to delay their housing reconstruction, if they have to provide the means for packing and shipping the reparation goods. That is a problem of control and I think the Japanese can meet it, if they allocate higher priorities for reparations removals as compared with building reconstruction. I think that the Japanese should be asked to give higher priority to reparations because it is a short-term problem and not a long term program as housing reconstruction. If they try to do domestic reconstruction and reparations removals at the same time, they may meet with strong inflationary pressure. If proper and strong controls are applied, I don't see why they should have a runaway inflation. Inflationary development--yes, but I don't see the danger of a runaway inflation, if allocation of materials and price controls are maintained. I would not think however, that Japan could stabilize her currency and economy before 1948.



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CHINESE DELEGATE: You spoke about the housing question and reconstruction activities in Japan. How urgent is this factor as a minimum requirement?

MR. TAMAGNA: It is very urgent, there is no question about that. But, on the other hand, reconstruction has been going on. I could just look out of my window every morning and see a new shack coming up.

CHINESE DELEGATE: How urgent from the point of view of disease and unrest?

MR. TAMAGNA: Not particularly urgent. There was a dispersal of the people in the countryside and the people have not yet been allowed to return to the cities. That control, of course, will have to be maintained. During the war, as you know, there were terrific shortages of manpower in Japan, particularly in the rural areas. Japan, which had always been famous for an excess of manpower, at the end of the war had a great shortage of manpower which was particularly acute in the agricultural areas. I made a tour of Kyushu in March visiting every important center. I talked with various representatives from agriculture and industry and everybody agreed that agriculture could still absorb people. So there was practically no problem in the absorption of people in agricultural areas. Now, of course it is beginning to be a problem because agriculture has probably reached the saturation point. However, repatriation is also nearing its end.

I don't think that reparation costs will imply complete elimination of reconstruction. It will simply limit reconstruction to what is needed to prevent disease and unrest.

MR. WHITMAN: In your estimate of unemployment how many do you attribute to agriculture?

MR. TAMAGNA: I don't remember the figure, but we took into consideration the possibility that agriculture would employ a number slightly higher than the maximum optimum employment. The estimate of three million would include only those who declared themselves to be unemployed rather than the number corresponding to the maximum optimum employment. During the war and the period of industrial development industry drew upon agriculture for more workers, and agriculture could afford to lose some workers without decreasing production.

MR. WHITMAN: It would be higher than the number in 1940. Is that right?

MR. TAMAGNA: Yes, because of land reclamation which is considered to be a very important outlet for unemployment. People will be employed in the reclamation program and, of course, later on, others will settle down on the reclaimed land.

MR. GRAVES: I notice in the five-year plan of the Japanese Government, the rural population would number 50,000,000. That seems rather high.

MR. TAMAGNA: No, I don't think we got up to that figure for Japan.

MAJOR PLIMSOLL: Could you tell us something about the food collection, Mr. Tamagna? I think someone said you had done some work on that in China.



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MR. TAMAGNA: In China I worked on currency and banking -- not on that. In Japan it seems that the collection has not been too bad as compared with European countries. You always expect not to be able to collect part of the product. Japanese authorities were studying the introduction of a new ration card for clothing as an incentive to farmers to fulfill their quotas of rice delivery. Already at the time I left there, villages which had fulfilled their quotas received an extra allocation of clothing. In talking with people on Kyushu, the farmers insisted not so much on clothing but on fertilizer. Apparently the clothing situation is not too bad, except for people in the cities who were bombed out and lost everything. In the rural areas you find the people are still very well clothed, even in winter time. I did not see anyone there who did not have adequate winter clothing. The farmers who were polled said that if they could obtain fertilizers they could deliver more rice because they could produce more, and that the problem of the black market could be eliminated, if payment for a certain percentage of rice were made in fertilizer, or if the money paid for the rice could be used to purchase fertilizer at reasonable prices. I think that if you went out to Japan, you would find that more and more the Japanese live on fertilizers. They don't care much about clothing. They don't complain about food. They don't complain about housing. But fertilizer is really the item they want to get.

DR. WANG: How does the standard of living of the average factory worker compare with that of the farmer?

MR. TAMAGNA: Very badly. The farmers, of course, get what they want. That is true generally not only in Japan but everywhere. There are absolutely no real sufferers in villages. But, factory workers, while they make 500 to 600 yen, and some of the best may make 800 or 1,000 yen, find that they can't do much with their money. Government employees are in an even worse situation. They are still making only 200 or 300 yen, and if they live, say, in a suburb of Tokyo, they have to pay 100 yen for transportation.

MR. GRAVES: You mentioned that they don't complain about food.

MR. TAMAGNA: Well, they do complain about food in the large cities. But in the rural areas and in the small cities close to rural areas or directly connected with rural areas there is little or no complaint about food. In Tokyo the complaints became serious after April. Until that time apparently the distribution had been orderly and actually had been above the official ration, because people got emergency rations from Japanese sources. The Japanese police were entrusted with emergency rations which could be given in emergency cases. So, when people were repatriated and there was an immediate need for food, the family could go to the police station and receive emergency rations. Apparently the police were very liberal with these emergency rations and almost everybody got them. By the end of March emergency rations were over and then the distribution of rice slowed down; in some cases it was three weeks behind. It did not mean that the people did not get anything - they got millet or grain or other things which, technically, had the equivalent caloric content of rice. But Japanese complained, saying that although the doctors may say that these substitutes had equivalent caloric value, they did not have the same nutritive value. They did not feel happy the same as getting rice. But at no time was distribution suspended. Japanese always received something, either rice or something else. Then, another point is that, even in the city of Tokyo - and this also I got from most reliable Japanese sources - practically everybody, or a large part of the population,



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had accumulated 4 or 6 weeks' rice supply during the period preceding March, either by buying it directly from farmers or, in many cases, receiving it directly from relatives in the country, or by buying it in the black market in the city itself. The Government had issued so much propaganda about the food crisis which was expected to take place after April that everyone had become crisis-conscious and, therefore, the crisis did not take place because everyone was prepared for it.

MR. GRAVES: It would be true to say then that there is no starvation and no disease?

MR. TAMAGNA: I did not see any. I heard many forecasts that there would be, but at no time did I see any starvation, as I did in China, for instance, where there is starvation and famine.

MR. GRAVES: And no unrest?

MR. TAMAGNA: There have been some riots but they were very minor, and there were some cases of looting of former Japanese army stores of foodstuffs. Apparently these army food stores had been taken up by government agencies and the government agencies were illegally distributing food to their own members as a result, there were two or three cases of the people attacking these stores and getting the food out. But they were minor cases.

MR. KOROBOCHKIN: How large are the army stocks of food?

MR. TAMAGNA: Well, I don't think anybody knows. In one case the Ministry of Agriculture and Forestry was involved. Apparently the Ministry had stored food for use in air raids both for distribution to the employees of the Ministry and for general overall distribution. At the end of the war, apparently, the high officials of the Ministry had decided to put this food in store for the employees of the Ministry, and then the stores were raided. It was, of course, a big scandal, because the stores had not been declared and were held by a Ministry.

The same was true of textile goods. When the Textile Mission came to Japan, they discovered very large stores of textile goods which had not been reported by the Japanese Government to SCAP, as required. The Japanese Government stated that these had not been reported to it, that they were private stockpiles about which they did not know. Of course, it is possible that during the war Japanese were privately hiding stockpiles of food and clothing, but the fact remains that the Textile Mission discovered what the Japanese Government did not want to or could not discover.

MR. BADGER: When do you anticipate that there will be sufficient financial stability to establish a foreign exchange rate?

MR. TAMAGNA: Technically, a foreign exchange rate could be established even now. It has been established, for instance, in Italy at a much earlier stage, when the situation was even not as settled as it is now in Japan.

MR. BADGER: Wouldn't it be unwise to introduce it now before the financial purge, which may have a considerable effect on the financial situation?

MR. TAMAGNA: Well, I think a decision should be made as to whether the financial purge is going to be carried out or not. If not, we should give up the idea. As long as we keep talking,



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the Japanese are scared about it. If we do have it, the sooner the better. The same with the reparations settlement. These things are simply standing in the way of stabilization. The earlier the settlement, the better. But from the point of view of the exchange rate, as such, one would assume that the fixing of it would not be accompanied by freeing exchange operations. So that you could fix the exchange rate at any time, I think, and then, of course, you can alter it if necessary. It would not mean fixing an exchange rate which is going to be kept permanently. The Italian exchange rate has been kept far beyond the time when it was reasonable.

DR. WANG: What procedure is being adopted for the present limited amount of trade between Japan and other countries? I understand that the Japanese Government is instructed by SCAP to produce something and deliver the goods. That is all--they don't receive the money--SCAP keeps the accounts for all exchange transactions.

MR. TAMAGNA: Yes, the Japanese Government doesn't receive any foreign exchange; SCAP gets it. But the trade between Japan and China is strictly on a barter system. The problem has come up now about remittances by Japanese emigrants. China is retaining about 40 or 50,000 Japanese altogether; they have so far been kept on a compulsory basis, but China would like some of them to stay on a voluntary basis. The question comes up as to whether they could not transfer some of their savings to Japan. At first, SCAP asked that this transfer be made in U.S. dollars; China, of course, refused. The next proposal was to put these remittances into the trade balance, but China again refused. Just before I left China, Chinese officials went to Tokyo and reached a tentative agreement with SCAP officials, subject to approval by SCAP and the Chinese Government. The Japanese are indebted to China for the repatriation costs for the Japanese people who have been returned to Japan. The agreement would provide that the Japanese debit the repatriation account and pay out the money due for remittance from China; that is, the repatriation account would go down to the extent that the Chinese Government instructs the Japanese Government to pay the families of those Japanese who remain in China. That could be done through the Bank of Japan and the Central Bank of China on a banking basis. In September 1946 there were reported about 25,000 Japanese in Formosa, about 10 or 15,000 in Manchuria, and a few thousands in North and Central China.

MR. GRAVES: Are these Japanese being retained for trading purposes?

MR. TAMAGNA: No, they are mainly technicians. In Formosa the actual number of Japanese technicians was only about 7,000, plus their families. The Provincial Government in Formosa expected to repatriate practically everybody by the end of October or November. I don't know what the actual facts are.

MR. WHITMAN: Is there anything else? If not, I want to thank you very much for coming down and giving us this very interesting information. If there are any special questions the Committee thinks of later, we can pass them on when you are here next time.



*Finance file*

APPENDIX TO SUMMARY REPORT  
22nd Mt'g. - Committee No. 2

FAR EASTERN COMMISSION

COMMITTEE NO. 2 - ECONOMIC AND FINANCIAL AFFAIRS

APPENDIX TO THE SUMMARY REPORT OF THE  
22ND MEETING - 16 AUGUST 1946

Transcript of Remarks by Mr. Sherwood M. Fine made before Com-  
mittee No. 2: Economic and Financial Affairs at its Twenty-  
second Meeting, August 16, 1946, held in the Main Conference  
Room, 2516 Massachusetts Avenue, N. W.

REPRESENTATIVES PRESENT

Mr. R. H. Whitman, Acting Chairman	(United States)
Major J. Plimsoll	(Australia)
Mr. R. E. Collins	(Canada)
Dr. S. C. Wang	(China)
Mr. R. Douteau	(France)
Dr. G. A. P. Weyer	(Netherlands)
Mr. J. Reid	(New Zealand)
Mr. P. Llamas	(Philippines)
Mr. A. Korobochkin	(U.S.S.R.)
Mr. M. B. Thresher	(United Kingdom)

GUEST SPEAKER

Mr. Sherwood M. Fine	(Formerly Adviser to the Head of the Economic and Scientific Section of General Head- quarters, Supreme Com- mander for the Allied Powers)
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SECRETARIAT

Mr. D. G. Badger, Secretary  
Mr. W. D. Misfeldt, Asst. Secretary

Appendix to Summary Report  
22nd Mt'g. - Committee No. 2



P R O C E E D I N G S

CHAIRMAN: The second item on the agenda will be remarks from Mr. Fine, Economic Adviser to the head of the Economic and Scientific Section of the Supreme Commander for the Allied Powers. I haven't suggested what he should talk about and he will probably prefer to spend a considerable part of the time finding out the questions you wish answered.

MR. FINE: As a matter of fact, I would like to spend all of my time in replying to questions you may wish to raise at this time because the scope of ESS operations is very broad and impossible to cover adequately in the time available. There is a long distance between this headquarters and our headquarters in Tokyo and frequently there are rather considerable gaps in our information concerning what you are doing here, and I am sure you have questions on what we are doing out there.

CHAIRMAN: I wonder if you would want to say something about the current status of the tax legislation.

MR. FINE: The extraordinary tax measures in their present form have been the result of considerable discussion over a period of time between the Supreme Commander for the Allied Powers and the Ministry of Finance.

As it stood when I left, the Japanese Government was in the process of submitting bills to the Diet giving expression to the extraordinary tax measures that we had been discussing with them. The Ministry of Finance had come to us with various tax proposals which were designed to implement various directives. I would like to summarize briefly the tax program as it stood when I left. I imagine there have been no substantive changes in the last two weeks. First of all, instead of the two tax measures; namely, a capital levy and a tax on the increase in property values between two periods; the property tax has been eliminated and the rates of the capital levy tax have been appropriately increased. We feel that the revised capital levy will achieve virtually as much revenue as the original capital levy and the tax on increased property values combined. The capital levy is impressive in its graduation since its rates go up to 90%. It will, I think, in



effect achieve its goal which is mainly to raise very considerable revenue, and secondly, to achieve substantial redistribution of wealth according to accepted tax principles thereby reducing the present extreme differences in Japan. The second part of our program, while nominally a tax program, is in effect something else. This is a 100% tax on all war claims and indemnities. This was the subject of considerable controversy but we have, I believe, answered it to the satisfaction of the various governments concerned. There was, I believe, some 77,000,000,000 yen in war claims and indemnities which I take it you are all familiar with. Until recently about 11,000,000,000 yen had been paid out to individual claimants, largely private individuals in payment for claims for damaged property, chiefly dwellings. As it stands right now, the bill proposes a 100% tax on all war claims and indemnities beyond the first 30,000 yen. That 30,000 yen figure has been selected as a figure adequate enough to take care of normal replacement costs for dwelling places. Beyond that, all of the scheduled claims are going to be taxed at 100%. Now as a corollary of this proposition it must be appreciated that the corporations that are going to forfeit their outstanding war claims and indemnities are going to be embarrassed through their inability to pay outstanding bank loans. This raised the question as to how we would handle these losses which might be as high as 20,000,000,000 yen to 25,000,000,000 yen. These loans for the most part have been concentrated in the big five or I should say the big eight banks.

The issue has been resolved in this fashion. It was decided that instead of acceding to the Japanese program of a 100% government guarantee of all bank deposits, which would in effect underwrite all losses accruing to large depositors by passing that loss on to the government which would have to meet same out of general taxation, we thought it a more equitable proposition to assess losses where they actually fell. When I left Tokyo two alternatives were under consideration for minimum guaranteed deposits; one, a 30,000 yen guarantee per individual; the other, a guarantee of 4,000 yen for each member of a household with a



ceiling, based upon a maximum of eight people in a household, of 32,000 yen. Beyond that, insofar as losses were sustained by the banks, they would first have to be absorbed by reserves and undistributed profits then work into the depositors' accounts, ESS has developed a plan whereby losses sustained would be proportionately greater the larger the size of the account, with the foregoing basic minimum of guaranteed deposit.

This program while perhaps fairly complicated is equitable and consistent with modern tax theory. Are there any questions here at this point? I should like to avoid getting into the details of this because once I do I am sure it will be quite extended since it is a highly complicated program.

Q. What is your assessment of the effect of the attempt to pay the capital levy on liquid funds? Will it necessitate the disposal of assets?

MR. FINE: What has been attempted is the creation of hierarchy of claims. Japanese subject to the tax will first be obliged to pay in the form of currency until this medium has been exhausted; secondly, they will be obliged to pay in the form of government bonds; thirdly, in the form of securities and stocks; finally, in the form of other properties.

To achieve the minimum of economic disruption the plan permits payment in four equal installments over a period of twelve months so that there will be appropriate opportunity to liquidate assets not currently liquid. The first installment can probably be paid without too much difficulty in the form of cash on hand. Subsequently, there will be an opportunity to liquidate in the form of other assets.

Q. How about payment in kind?

MR. FINE: I am not sure whether that is to be permitted since it would obviously be difficult to accept such payment without any determination in advance of values. As a practical expedient I would imagine that it would not be an effective procedure. The liquidation would have to be in advance.

Q. They could lay down particular categories, such as land, which would be accepted. Some countries do that.



MR. FINE: Yes.

Q. I was just wondering where the purchasers are coming from?

MR. FINE: The program also provides for a means of supplying capital by means of the creation of a reconstruction financing agency which will be in a position to lend funds on the score of adequate collateral and reasonable risk. As far as the purchasers are concerned, there is the large class of small property holders, persons with limited assets but substantial in the aggregate. Further, there are the numerous cooperative associations, especially agricultural associations. However, in any concentrated liquidation there is bound to be a genuine problem.

Q. What extraordinary taxes do you think will be imposed in Japan? There is the capital levy -- will there be others?

MR. FINE: The capital levy as it stands is the only extraordinary tax and it is on individuals not corporations. The original tax discussed was a tax on corporate profits roughly over the last ten years. But, in effect, after we examined the balance sheets of corporations most of their accumulated profits would be nullified by virtue of the cancellation of outstanding war claims and indemnities and there wouldn't be any base upon which to derive revenue. Furthermore, even in those cases where there nominally was a difference between profits during the last ten years and war claims and indemnities, the corporation would be hard put to it to achieve payment. It would probably substantially impair current operations of the corporation.

Q. Would you say that the arrangements that are being made to meet the situation will play any part in the dissolution of the Zaibatsu?

MR. FINE: The dissolution of the Zaibatsu is quite a separate problem which is not being attacked by means of a capital levy or by cancellation of outstanding war claims and indemnities.

Q. Mr. Chairman, Mr. Fine has told us that the capital increment tax has been abolished.

MR. FINE: That's right.

Q. Why has that been done? Was implementation of the tax law too complicated?



MR. FINE: It was done entirely because of the administrative problem. The question of determining property values on two successive dates lends itself to obvious manipulation by those subject to the tax; namely, inflation of values as of the first date of estimation and deflation of values on the second date of estimation, so that the gap between the first and the second date would for the most part be eliminated and the revenue collected exceedingly small. What has been done is to make appropriate increases in the scheduled rates of the capital levy.

Q. And to go up as far as 90%?

MR. FINE: Yes.

Q. In connection with your reference to the reconstruction financing agency, I wonder if you could tell us what the present arrangements are for providing concerns with capital?

MR. FINE: Until the extraordinary tax goes into effect, there are the normal facilities afforded by the banking system. The raison d'etre for the reconstruction financing corporation lies in the likelihood that some of the larger banks may have to close their doors as a result of their inability to meet the demands of depositors. To minimize the consequent economic disruption there is being organized a government financed bank, comparable in many respects to the RFC in this country, which will act as a tiding-over agency during this period in which the banks are being reorganized.

Q. Yes, but at the present time is there not a freezing of withdrawals from the banks?

MR. FINE: At the present time, of course, all accounts of individuals are blocked beyond a certain level. Authorized withdrawals are permitted for legitimate business purposes which are scrutinized lest the entire conception underlying blocked currency be nullified. The Supreme Commander for the Allied Powers retains the right and does review the purposes for which large withdrawals are made from banking accounts. The proposition of reviewing every withdrawal for business purposes is a bit too complicated for us to undertake.

Q. Has the Supreme Commander for the Allied Powers any idea of the proceeds which will be yielded?



MR. FINE: The preliminary estimate of proceeds from the capital levy was something like 40,000,000,000 yen, but the very nature of the tax is such that it is extremely difficult to calculate precisely what is apt to be realized.

Q. Do you anticipate that twelve months might be a rather short time in which to collect?

MR. FINE: I think a case can be made that it is a short period, but, on the other hand, the entire nature of a capital levy is such that if you don't collect the revenue within a short period of time and if you do have inflation, the effect would be to create enormous inequities between those who pay now as opposed to those who pay next year or two or three years from now. You have to develop various complicated mechanisms which serve to compensate for the fact that those who pay in a subsequent period may be paying in yen substantially different from the yen represented in terms of current price levels. As a matter of fact a scrutiny of the experience of capital levies in other countries prompts the conclusion that most capital levies break down because the payments involved are spread over too long a period.

Q. I can see the desirability of collecting as soon as possible, but I wonder if you have any doubts as to its feasibility.

MR. FINE: The Japanese after long discussion with the Supreme Commander for the Allied Powers representatives are of the opinion that it is administratively feasible. As a matter of fact that was one of the parts of the program in which there was relatively no disagreement on fundamental principles.

Currently the Japanese will sustain a deficit of about 25,000,000,000 yen and the revenue accumulated as a result of the capital levy will more than eliminate that deficit. So merely from a revenue point of view the capital revenue could be justified as a means of extraordinary taxation designed to meet extraordinary expenditures incidental to reconstruction.

Q. How will this affect the national debt?



MR. FINE: It will permit a reduction of very roughly 10,000,000,000 yen. Of course, during any period in which you have a considerable increase in the price level the debt problem is substantially resolved.

Q. How will this capital levy be affected by the removal of facilities for reparations?

MR. FINE: The capital levy will not directly affect reparations. Are you referring to the problem of compensation to individuals of losses suffered by their property as a result of reparations removals?

Q. Yes.

MR. FINE: As far as that problem is concerned ESS hasn't developed any final formula as yet. The Japanese Government will in due course of time submit its own suggestion as to compensation to individuals for reparations withdrawals.

Q. Yes, but I would still like to know what portion of the revenue from the capital levy really comes from the portfolios that are identified with the plants that are to be removed as reparations.

MR. FINE: That is exceedingly difficult to answer. I should imagine it would be a small portion. Unfortunately, the statistics required to calculate the exact incidence of a capital levy on various classes of individuals in a country like Japan are terribly difficult to secure. That is, we could make fairly accurate calculations about the incidence of the capital levy in the United States having relatively superior statistics, but in Japan it is much more difficult.

Q. There have been some reports that the Japanese Government is planning to set up a reparations organization. Have you any information about it?

MR. FINE: I do believe they may have some sort of an advisor committee but ESS hasn't met with them.

Q. Where did they get the figure of two years for the completion of the program -- you don't know that, do you?

MR. FINE: No, it is not an official figure.

Q. Has it been of assistance to the Supreme Commander?



MR. FINE: Actual dismantling has not yet been undertaken. We are in the process of getting up appropriate forms; what the Army calls SOP, standard operating procedure, concerning the mechanics of dismantling, packing, and so forth.

Q. Is the Supreme Commander for the Allied Powers acting on its own initiative, or is the inventory based on some data submitted by the Japanese Government?

MR. FINE: The fundamental data must be secured from the Japanese Government. The actual appraisal of that data is something the Supreme Commander for the Allied Powers assumes responsibility for only after the Supreme Commander for the Allied Powers is convinced that we have accurate descriptions of the properties involved after examination.

CHAIRMAN: May I follow that up. Assuming reparations removals of 50%, does that mean the Japanese propose which of the plants will make up that 50%

MR. FINE: No.

CHAIRMAN: I didn't think they did. I wasn't quite sure.

MR. FINE: The Japanese make absolutely no recommendations in the entire reparations program. We have developed an inventory of every major class of equipment and machinery subject to reparations. It is a question of developing a removals program which is consonant insofar as is possible with the requests of the nations that are going to receive reparations.

Q. The position is that you are taking an inventory of the whole industry; you are not designating plants.

MR. FINE: We are designating plants for removal under the interim reparations program.

Q. And you will designate a portion?

MR. FINE: That's right.

Q. What are the principles?

MR. FINE: The principles in selecting plants are perhaps more cognizable to an engineer than to an economist, but there are certain clear economic principles involved; namely, trying to get efficient plants but also plants that are not integral parts of an operating system which, if disturbed by removal of



one or two elements, neutralizes all of the other parts. An important objective is minimizing unnecessary disruption of essential peacetime production.

CHAIRMAN: Would this be an illustration of your point? You wouldn't take a blast furnace from one plant, a coke oven from another, and maybe an open hearth furnace from a third.

MR. FINE: No, that would immobilize three plants.

Q. The Chinese suggested to the Reparations Committee that we lay down a policy statement on the principles to be followed by the Supreme Commander for the Allied Powers in choosing particular plants. Do you find any need of that in the Supreme Commander for the Allied Powers, are there any controversial points the Supreme Commander for the Allied Powers would like guidance on?

MR. FINE: Such advice secured from the Far Eastern Commission has been extremely useful and if you feel strongly about any aspects certainly that information would be appreciated. It is the sort of problem that ideally can be settled more simply in Japan than here in Washington. As far as principles concerning the selection, I believe the Supreme Commander for the Allied Powers would appreciate any expression you care to make but, nevertheless, with the awareness on your part that principles developed here possibly may be inconsistent with the realities in Japan.

Q. The Commission made a decision that, in choosing the plants, other things being equal, the choice should be influenced by the desire to liquidate the Zaibatsu. To what extent has that decision influenced the choice?

MR. FINE: A large portion of the plants designated are Zaibatsu owned facilities. It must be appreciated, however, that once the Zaibatsu is dissolved there is no point any longer in thinking of Zaibatsu plants.

Q. But seizing Zaibatsu plants is one way of dissolving it very conveniently.

MR. FINE: I think there could be some question raised as to whether or not reparations is the most effective way of breaking up the Zaibatsu. I think there are many more effective ways.



Q. The suggestion came originally from Mr. Pauley, I believe.

MR. FINE: Yes.

Q. Would you care to elaborate on the more effective ways that you can think of?

MR. FINE: The removal of Zaibatsu personnel from all key positions and responsible control in various sectors of the economy is an immediate and direct way of achieving the elimination of Zaibatsu control. Further, the breaking up of the existing financial structures of holding companies is the other most expeditious way of achieving elimination of Zaibatsu control. As soon as that is achieved, one is no longer justified in thinking in terms of the need of a supplemental program such as strategic Zaibatsu plant removals.

Q. Does the Supreme Commander for the Allied Powers make an inspection designation of plants?

MR. FINE: Certainly, inspection of plants is scrupulously observed. I am not sure I understand your point.

Q. You can designate plants entirely from the Japanese reports?

MR. FINE: No, in every case the designation plants is done by the Supreme Commander for the Allied Powers officials.

Q. And in every case the Supreme Commander for the Allied Powers actually has seen the plant?

MR. FINE: Yes, I couldn't imagine any program in which that would not be the case.

Q. The reason why I express apprehension, is that we have received so many informal communications from our colleagues in Tokyo that the Japanese are trying in every way to bring about the removals as reparations of those plants that are the least desirable for the Japanese.

MR. FINE: I should like to make clear that no maneuvers of that sort have succeeded.

Q. That is very, very gratifying to us, I assure you.

Q. You wouldn't be surprised that they are trying?

MR. FINE: Oh, that they are trying is, I am sure, no more than ordinary self-interest. We would be astonished, I think,



not to see it.

Q. I wonder if you could give us a very brief outline of the position of the export-import program in the next few months?

MR. FINE: Our import and export programs for the second half of 1946 have been formulated and submitted to Washington and afford, I think, a relatively accurate picture of prospects for trade for this year. In addition to that we have formulated a tentative program for the first half of 1947 that will be firmed up in the next few months. Predictions about the trade of a country in the economic position in which Japan finds itself are most difficult. It would be exceedingly difficult for anyone to make precise prognostications even about the volume of American trade in the next twelve months. As far as Japan is concerned it is infinitely more complicated because it doesn't have an accepted foreign exchange and free trade in any sense of the word. There is government to government trade. In addition, Japan hasn't had a market in many countries for key commodities for considerable periods and is confronted with the problem of establishing channels which have been disrupted in many areas for five and six years.

Further, of course, many of the things Japan wants she can't secure because of world shortages and while many such items may be included in the trade program there is a healthy suspicion that the program is not going to be realized.

Q. Are you planning for improvement in the balance of the first half of next year?

MR. FINE: Our problem, as we see it, is not a realization of any net balance. Our responsibility is to pay out of the proceeds of exports for essential imports. When I say essential imports I mean imports necessary to safeguard against disease and unrest and for safeguarding the personnel of the occupation. Now, of course, that is a program quite different from the normal foreign trade program of a peaceful unoccupied country.

Q. So that for the present the problem of the rate of exchange is not very great?



MR. FINE: No, it is not an urgent question so far; as long as trade is on a government to government basis, it doesn't assume the proportions of free trade.

Q. None of the proceeds are placed in the foreign trade of Japan?

MR. FINE: They are placed in an account under the Supreme Commander for the Allied Powers' name in the Treasury.

Q. How is the fertilizer production getting on at present?

MR. FINE: One of the fundamental problems confronting Japan right now is the enormous gap between fertilizer requirements and availability. For the past few years Japan has been applying no more than 10% to 15% of the pre-war average of fertilizers and as a result has sustained a very substantial reduction in crop yields. If we can increase fertilizer applications we can certainly reduce the need for exporting food to Japan. Along that line, we have tried to increase the output of fertilizer in indigenous plants to meet part of the fertilizer requirements. During the last six months Japan substantially increased output of commercial fertilizers. It has been one of the Supreme Commander for the Allied Powers' very successful investments.

Q. What are the plans for next year -- what percentage of total capacity would you expect?

MR. FINE: As far as the eventual scope which will be permitted in different segments of the fertilizer industry we, of course, don't know. Right now our problem is trying to increase fertilizer as much as we can to solve the immediate food problem.

Q. I don't think I made myself clear. The interim removal program didn't touch the fertilizer industry.

MR. FINE: That's right.

Q. So I wanted to know how well they are achieving the production of fertilizers.

MR. FINE: How well is really a statistical problem and to answer that I would have to have tables of fertilizer production in various plants over the last few years which I don't have. But I do say this: that fertilizer production has increased substantially over the last six months but, nevertheless, is far below fertilizer requirements.



CHAIRMAN: Are you able to get fertilizer production up close to capacity by mid-winter?

MR. FINE: Possibly. It is not merely a question of utilizing capacity. Japan must secure raw materials to utilize the plant and the Supreme Commander for the Allied Powers has no assurance that there has been any substantial easing of the supply of commercial fertilizer. Japan exported certain categories of fertilizers, but she imported the raw materials.

Q. Do you visualize the export of Japanese fertilizers in the near future? That's the vital question.

MR. FINE: I do not have sufficient material on hand to offer a satisfactory technical opinion but in terms of the shortage of fertilizer which is now plaguing Japan I would hesitate to say that Japan is likely to have fertilizer available for export.

Q. Well, of course, shortage of fertilizer is a plague of every nation.

MR. FINE: I would prefer not trying to answer that since I am not a fertilizer expert.

CHAIRMAN: Mr. Fine will be here at least another two weeks if the Committee wants him to come back before he leaves.

Thank you very much, Mr. Fine. I hope you will be available in case the Committee wishes to present further questions before you leave?

MR. FINE: Yes. Thank you.



# OFFICIAL GAZETTE

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MONDAY, NOVEMBER 11, 1946

## LAW

I hereby give My Sanction to the Commercial and Industrial Cooperative Union Law for which the concurrence of the Imperial Diet has been obtained, and cause the same to be promulgated.

Signed: HIROHITO, Seal of the Emperor

This ninth day of the eleventh month of the twenty-first year of Showa (November 9, 1946)

Countersigned:

Prime Minister  
YOSHIDA Shigeru  
Minister for Home Affairs  
OMURA Seichi  
Minister of Agriculture and Forestry  
WADA Hiroo  
Minister of Commerce and Industry  
HOSHIJIMA Niro  
Minister of Finance  
ISHIBASHI Tanzan

### Law No. 51

#### Commercial and Industrial Cooperative Union Law

##### Chapter I. General Provisions

Article 1. The commercial and industrial cooperative union has as its object keeping common installations necessary for rationalization of business management of its members by means of a compact combination of those engaged in commerce, industry or mining thus contributing to ameliorate and develop commerce, industry or mining.

Article 2. The commercial and industrial cooperative union shall be a juridical person.

Article 3. The name of a commercial and industrial cooperative union shall contain the words, "Commercial Cooperative Union," "Industrial Cooperative Union," "Mining Cooperative Union" or "Commercial and Industrial Cooperative Union" according to the type or types to which the business of the union members pertains.

No person other than a commercial and industrial cooperative union shall use in his name any appellation pertaining to a union specified in the preceding paragraph.

Article 4. A commercial and industrial cooperative union shall be registered in accordance with the provisions of an Imperial Ordinance.

Matters required to be registered by the provisions of the preceding paragraph shall not be set up against a third person until the registration thereof has been effected.

Article 5. No business tax shall be imposed on commercial and industrial cooperative unions.

Article 6. Domicile of a commercial and industrial cooperative union shall be deemed identical to the situation of its principal office.

##### Chapter II. Formation

Article 7. Persons qualified for membership of a commercial and industrial cooperative union shall be specified in the Articles of union provided that they must be in accordance with any of the following items:

1. Those who are engaged in commerce, industry or mining in a certain area;
2. Organizations formed by those referred to in the preceding item;
3. Organizations formed by both those referred to in item 1 and organizations referred to in the preceding item; or organizations formed by organizations referred to in the preceding item.

Article 8. In case where formation of a commercial and industrial cooperative union is intended, persons intending to be its members shall be its promoters, and if there is any person or persons proposing to be its members, a constituent general meeting with the consent of the promoters shall be convened at which the Articles of union and other necessary matters shall be determined and a sanction of the administrative authorities shall be obtained thereto.

The resolution at a constituent general meeting shall require the votes of not less than two-thirds of those intending to be the members.

Any person or persons intending to be the members may exercise vote or votes by proxy at the constituent general meeting.

The proxy mentioned in the preceding paragraph shall be one of those intending to be the members.

Article 9. The Articles of a commercial and industrial cooperative union shall be so composed as to enable its members to organize and put it in operation of their free will on the democratic principle and the following particulars shall be stated therein:

1. The objects,
2. The name,
3. The area,
4. The locality in which the office is situated,
5. The provisions concerning the qualification for membership,
6. The provisions concerning the admission and retirement of the members,
7. The amount of a share and the method of its payment,
8. The provisions concerning the disposition of surpluses and covering of losses,
9. The amount of reserve fund and the method of its deposit,
10. The provisions concerning rights and duties



of the members,

11. The provisions concerning the business and its execution,
12. The provisions concerning the officers,
13. The provisions concerning the conferences,
14. The provisions concerning the accounting,
15. The period of duration or grounds for dissolution, if such have been determined.

Article 10. Upon the grant of a sanction in accordance with the provisions of Article 8, the promoters shall without delay cause those intending to be the members to perform the first payment.

Article 11. A commercial and industrial cooperative union comes into existence when the registration of its formation has been effected in accordance with the provisions of an Imperial Ordinance.

#### Chapter III. Business

Article 12. A commercial and industrial cooperative union may carry on the following businesses:

1. Purchase, storage, transport, processing and sale of the commodities handled by the members, and other common facilities concerning the business of the members;
2. Inspection of the commodities handled by the members and/or of their installations for the production or processing;
3. Guidance, research and survey concerning the business of the members, and other business necessary for attainment of the object of the union. The commercial and industrial cooperative union may in addition to the businesses enumerated in the preceding paragraph, supply business fund to its members, stand surety for its members and receive deposits from its members.

The facilities of the union referred to in items 1 and 2 of paragraph 1 may be allowed to be utilized by those other than the members, but only in the case where utilization by its members may not be thereby impeded.

Article 13. A commercial and industrial cooperative union may issue exchange tickets for the commodities handled by the members, subject to a permission of the administrative authorities.

Article 14. In case where the union has issued exchange tickets, the members are under the obligation to give the goods handled by them in exchange for the tickets.

Article 15. If, in case a commercial and industrial cooperative union has issued exchange tickets, any of the members has become incapable of, or suspended, exchanging the tickets, the union shall be liable to pay the ticket holders within the extent of the amount entered in the tickets.

Article 16. In case where the commercial and industrial cooperative union which has issued exchange tickets sells commodities itself, the term "member" in the preceding three Articles shall mean to include the union.

Article 17. A commercial and industrial union carrying on the business of storage may issue warehouse warrants in respect of the goods deposited by the members, subject to a permission of the administrative authorities.

The commercial and industrial cooperative

union permitted as mentioned in the preceding paragraph shall, upon demand by a depositor who is a member, furnish him with a warehouse warrant.

The provisions of paragraph 2 of Article 627 and Article 628 of the Commercial Code shall apply mutatis mutandis to the warehouse warrant mentioned in paragraph 1 of this Article.

The provisions of Article 4, and Article 8 to Article 10 inclusive of the Warehousing Law shall apply mutatis mutandis to the case mentioned in paragraph 1 above.

Article 18. The warehouse warrant prepared by a commercial and industrial cooperative union permitted as mentioned in paragraph 1 of the preceding Article shall bear the words "commercial and industrial cooperative union warehouse warrant" with the appellation of the top of it of the relevant commercial and industrial cooperative union according to the provisions of paragraph 1 of Article 3.

No deposit receipt, instrument for pledge or warehouse warrant prepared by any person other than a commercial and industrial cooperative union shall bear any term suggestive of any warehouse warrants as mentioned in the preceding paragraph.

Article 19. The period of storage of the deposited goods for which a warehouse warrant is issued shall be not more than six months from the date of deposit.

The period prescribed by the preceding paragraph may be renewed within the extent of six months; provided that if the holder of the warrant at the time of renewal is not a member, it is limited to the cases where utilization by the members is not impeded thereby.

Article 20. The provisions of Article 616 to Article 619 inclusive and Article 624 to Article 626 inclusive of the Commercial Code shall apply mutatis mutandis to the case where a commercial and industrial cooperative union has issued warehouse warrants.

#### Chapter IV. Rights and Duties of the Members

Article 21. Any member shall hold at least one share. The amount of money denoting each share must be of the same amount.

Article 22. No member shall avail himself of a set-off against a commercial and industrial cooperative union in respect of the amount of shares to be paid to the union.

Article 23. A commercial and industrial cooperative union may so provide in the Articles of union that transfer of a share or shares of a member is subject to the approval of the union.

If a non-member intends to accept a transfer of a share or shares, he shall be subject to the provisions concerning admission.

The transferee of a share or shares shall succeed to the rights and duties of the transferer in respect of the share or shares.

Article 24. Each member shall possess one vote at a general meeting.

Article 25. Any member, with the consent of not less than one-fifth of the total number of the members, may demand convention of a general meeting by filing with the directors a written application which shall state the matters constituting the object of the meeting and the reasons for which it is to be convened.



Article 26. If any member deems the procedure for the convention of a general meeting or the manner in which a resolution has been adopted at the meeting is contrary to any Law or Ordinance or the Articles of union, he may apply to the administrative authorities for its annulment within thirty days from the date of the resolution.

Article 27. A commercial and industrial cooperative union may charge its expenditures on its members in accordance with the provisions of the Articles of union.

Article 28. A commercial and industrial cooperative union may collect rents and fees in accordance with the provisions of the Articles of union.

Article 29. The liability of a member of a commercial and industrial cooperative union shall be limited to the amount of shares subscribed for, except for the charge of expenditures mentioned in Article 27.

Article 30. Membership shall terminate in any of the following events:

1. Forfeiture of the qualification for membership,
2. Death or dissolution,
3. Bankruptcy,
4. Adjudication of incompetency,
5. Expulsion.

Any member may, despite the provisions of the preceding paragraph, withdraw at the close of any business year from a commercial and industrial cooperative union, but he must give his three months' notice thereof.

#### Chapter V. Administration

Article 31. A commercial and industrial cooperative union shall have directors and auditors.

The directors and auditors shall be elected at general meeting from among the members or executive officers of any juridical person who is a member; provided that the directors and auditors at the time of formation shall be elected at a constituent general meeting from among those intending to be its members or executive officers of any juridical person intending to be its member.

Two or less than two of the directors may, under special circumstances, be elected from among those who do not come under the preceding item.

The provisions of paragraph 2 of Article 41 shall apply mutatis mutandis to the case mentioned in the preceding paragraph.

Article 32. A director or auditor may be removed from office by a resolution adopted at a general meeting even during his term of office.

The provisions of paragraph 2 of Article 41 shall apply mutatis mutandis to the case mentioned in the preceding paragraph.

Article 33. In case a commercial and industrial cooperative union concludes a contract with any of its directors, an auditor shall represent the union. The same shall apply to any law-suit between a union and its director.

Article 34. An auditor shall not at the same time be a director or any officer of his union.

Article 35. The directors shall keep the Articles of union and the records of resolutions of general meetings at each office and the register of members at the principal office.

The register of members shall state the following particulars:

1. The full name or firm name and permanent residence of each member,
2. The number of shares held by each member, the amount paid and the date of such payments.

Any member or creditor of the union may demand inspection of any book or record of the union.

Article 36. The provisions of paragraph 1 of Article 44, paragraph 2 of Article 52, Article 53 to Article 55 inclusive and Article 59 of the Civil Code shall apply mutatis mutandis to directors and auditors of a commercial and industrial cooperative union.

Article 37. The directors shall convene at least once every year an ordinary general meeting in accordance with the provisions of the Articles of union.

The directors may convene an extraordinary general meeting whenever it is deemed necessary in accordance with the provisions of the Articles of union.

Article 38. In the event of vacancy of directorship a general meeting shall be convened by the auditors.

If the directors fail without reasonable cause to proceed to convene a general meeting within two weeks of the demand mentioned in Article 25, the auditors shall convene the general meeting.

Article 39. Resolutions at a general meeting shall be adopted by a majority of the votes of the members present at the meeting except for the case otherwise provided by the present Law or the Articles of union.

Article 40. A member may exercise his vote by proxy. In such a case he is deemed to be present at the meeting.

The proxy mentioned in the preceding paragraph shall be one of the members.

Article 41. In order to effect any of the following matters, with the exception of those provided for otherwise in the present Law, a resolution adopted at a general meeting shall be required:

1. The alteration in the Articles of union,
2. The dissolution and amalgamation of a union,
3. The business plan of every business year,
4. The budget of incomes and expenses and the method of charging and collecting expenditures,
5. The maximum of loan,
6. The expulsion of a member,
7. Other matters specified in the Articles of union.

The resolutions on the matters enumerated in item 1, item 2 and items 6 above shall be adopted by a majority of not less than three-fourths of the votes of the members present, who shall constitute not less than one half of the total number of the members except for the case otherwise provided in the Articles of union.

Any alteration in the Articles of union shall not of effect unless sanctioned by the administrative authorities.

Article 42. The directors shall submit to the auditors two weeks prior to the date appointed for an ordinary general meeting an inventory, a balance sheet, a business report and proposals relating to the disposal of surplus money which documents they shall keep at the principal office.

The directors shall submit the documents mentioned in the preceding paragraph, together with the opinions of the auditors thereon at each ordinary general meeting for approval.



Article 43. The provisions of Article 62, Article 64 and Article 66 of the Civil Code shall apply mutatis mutandis to the general meeting of a commercial and industrial cooperative union.

Article 44. When a commercial and industrial cooperative union has adopted a resolution authorizing reduction in the amount of each share, an inventory and a balance sheet shall be prepared within two weeks from the date of such resolution.

Within the period mentioned in the preceding paragraph public notice shall be given in accordance with the provisions of the Articles of union, to the creditors of the union to present their objections, if any, to the reduction within a fixed period and an individual notice to the same effect shall be given to each of the creditors known to the union, provided that such a fixed period shall not be less than thirty days.

Article 45. A creditor who fails to present any objection to the reduction of the amount of a share within the fixed period mentioned in paragraph 2 of the preceding Article shall be deemed to have given his consent to the reduction.

In case where a creditor has presented an objection, the commercial and industrial cooperative union may not effect the reduction of the amount of a share unless it discharges all obligations due to him or furnish adequate security.

Article 46. A union shall set aside as reserve fund at least one-tenth of the surplus money at each business year until such reserve fund has reached the amount determined in the Articles of union.

The amount of the reserve fund mentioned in the preceding paragraph shall not be less than one-half of the total amount of shares.

The reserve fund mentioned in paragraph 1 above shall not be used except for making good the losses.

Article 47. A union shall not dispose of surplus money until after it has made good all losses and has deducted therefrom the reserve fund mentioned in the preceding Article.

Article 48. A commercial and industrial cooperative union shall not repay a share or shares of its member except in case of termination of his membership.

A member whose membership is terminated may demand repayment of his shares in whole or in part in accordance with the provisions of the Articles of union.

Necessary matters concerning rights and duties of retired members for the union shall be provided for by an Imperial Ordinance.

Article 49. A commercial and industrial cooperative union may not acquire the shares of its members or take them in pledge.

Article 50. Notifications or notices by a commercial and industrial cooperative union to each of its members are sufficient if they are addressed to the permanent address entered in the register of members or to the one of which he has informed the union.

The notifications or notices mentioned in the preceding paragraph are deemed to have arrived at the members at the time of the usual delivery.

#### Chapter VI Supervision and Relief against Illegal Disposition

Article 51. In case where an act of a commercial and

industrial cooperative union has contravened any Law or Ordinance, a disposition based on a Law or Ordinance, or the Articles of union, the administrative authorities may annul a resolution of a general meeting or order removal of an officer or liquidator, or order to suspend the business or to dissolve the union.

Article 52. Upon application for a permission or sanction as provided for in the present Law, the administrative authorities shall not refuse the permission or sanction except in case where it is deemed to contravene a Law or Ordinance or to prejudice the public interests.

Article 53. Any person who has a complaint against a disposition of the administrative authorities based on the present Law or an Ordinance relative to the present Law may bring a petition at the administrative authorities or raise a Law suit at the Administration Court.

#### Chapter VII. Dissolution

Article 54. A commercial and industrial cooperative union shall be dissolved by reason of any of the following events:

1. Expiration of period or occurrence of any of the events specified in the Articles of union;
2. Resolution adopted at a general meeting;
3. Amalgamation of the union;
4. Bankruptcy of the union;
5. Order of dissolution in accordance with the provisions of Article 51.

The resolution for dissolution adopted at a general meeting shall be of no effect unless sanctioned by the administrative authorities.

Article 55. Amalgamation of a commercial and industrial cooperative union shall be of no effect unless sanctioned by the administrative authorities.

The provisions of Article 44 and Article 45 shall apply mutatis mutandis to amalgamation, of a commercial and industrial cooperative union.

Article 56. The amalgamation of commercial and industrial cooperative unions shall take effect when the union which continues to exist after the amalgamation or the union which comes into existence in consequence of the amalgamation effects registration in accordance with the provisions of an Imperial Ordinance.

Article 57. The commercial and industrial cooperative union which continues to exist after the amalgamation or the union which comes into existence in consequence of amalgamation succeeds to the rights and duties of the union which ceases to exist in consequence of the amalgamation.

Article 58. Upon the dissolution of commercial and industrial cooperative union except in the cases of amalgamation and bankruptcy, the directors shall become its liquidators.

When there is no person to become a liquidator in accordance with the preceding paragraph, or when there is no liquidator the law court may appoint liquidators upon application of any interested person or on its own authority.

The law court may on its own authority remove liquidators out of office whenever it is deemed necessary.

Article 59. After they have assumed office, the liquidators shall without delay investigate the existing state



of the union's property, and shall prepare an inventory and a balance sheet, and submit them at a general meeting for its approval.

Article 60. The liquidators shall obtain an authorization of the law court in respect to the method of liquidation and of disposal of the assets.

The law court may issue such an order as is necessary for its supervision whenever it is deemed necessary.

Article 61. The liquidators shall not dispose of the union's property unless after all the obligations of the union have been discharged.

Article 62. When the liquidation has been completed, the liquidators shall immediately prepare a report of the final accounts and submit it at a general meeting for approval.

Article 63. The provisions of Article 73, Articles 78 to 81 inclusive and Article 82, paragraph 2 of the Civil Code and those of Article 35, paragraph 2, Article 36, Article 37-2, Article 135-25, paragraphs 2 and 3, Article 136, paragraph 1, Articles 137 and 138 of the Non-litigant Procedure Law shall apply mutatis mutandis to the liquidation of a commercial and industrial cooperative union.

#### Chapter VIII. General Association of Commercial and Industrial Unions

Article 64. A Central Association of commercial and industrial cooperative unions may be formed for the purpose of guidance and liaison among commercial and industrial cooperative unions.

The central association of commercial and industrial cooperative unions shall be a juridical person.

Article 65. The name of the central association of commercial and industrial cooperative unions shall contain the words "Central Association of Commercial and Industrial Cooperative Unions."

No person other than the Central Association of Commercial and Industrial Cooperative Unions shall use in its name any term suggestive of the said association.

Article 66. In case where formation of the Central Association of Commercial and Industrial Cooperative Unions is intended, those intending to be its members shall be its promoters who shall convene a constituent general meeting with the consent of those qualified for its membership, at which the Articles of union and other necessary matters shall be determined, and shall obtain the sanction of the administrative authorities.

The consent mentioned in the preceding paragraph shall be sufficient with that of a majority of commercial and industrial cooperative unions at the time at which the formation is promoted.

The Central Association of Commercial and Industrial Cooperative Unions shall be one throughout the country.

Article 67. Any commercial and industrial cooperative union is qualified to be a member of the Central Association.

Persons other than those mentioned in the preceding paragraph may be qualified for membership of the Central Association in accordance with the provisions of the Articles of incorporation of the latter.

Article 68. The Central Association of Commercial and Industrial Cooperative Unions shall have the following officers:

One president,  
Several directors,  
Several auditors.

Article 69. The Central Association of Commercial and Industrial Cooperative Unions may conduct the inspection in respect to the business and assets of its member-unions in accordance with the provisions of an Imperial Ordinance.

Article 70. The provisions of Article 4, Article 6, Article 11, Article 24 to Article 27 inclusive Article 31, paragraph 2 to paragraph 4 inclusive, Article 32 to Article 34 inclusive, Article 36 to Article 43 inclusive, Article 50, Article 51, Article 54 and Article 58 to Article 63 inclusive shall apply mutatis mutandis to the Central Association of Commercial and Industrial Cooperative Unions.

#### Chapter IX. Penal Provisions

Article 71. In case where a commercial and industrial cooperative union or the Central Association of Commercial and Industrial Cooperative Unions has contravened the present Law, any Ordinance issued thereunder of any disposition made on the basis of the Law or Ordinance, the president, directors or auditors or liquidators thereof shall be liable to a fine not exceeding five thousand yen.

Article 72. Any person who has contravened the provisions of Article 3, paragraph 2, Article 18, paragraph 2 or Article 65, paragraph 2 shall be liable to a fine not exceeding one thousand yen.

Supplementary provisions:

Article 73. The day of enforcement of the present Law shall be provided by an Imperial Ordinance.

Article 74. The Commercial and Industrial Cooperative Union Law (hereinafter called the "old Law") is hereby abrogated, provided that the old Law shall remain in force within the limits in which it is applied mutatis mutandis by any other Law or Ordinance.

Article 75. The Central Union or Central Association of Commercial and Industrial Cooperative Unions which has been formed in accordance with the old Law and existent at the time of enforcement of the present Law shall continue to exist within three months after the enforcement of the present Law, despite of the provisions of the preceding Article.

The old Law shall, despite of the provisions of the preceding Article remain in force in respect of the unions and the Central Association mentioned in the preceding paragraph.

Concerning the application of the penal provisions to the acts committed before the enforcement of the present Law or during the period in which a union or the Central Association mentioned in paragraph 1 continues to exist as prescribed by the same paragraph, the previous provisions shall be in force even after the enforcement of the present Law or after the old Law remaining in force in accordance with the provisions of the preceding paragraph has ceased to have the force.

Any union or Central Association mentioned in paragraph 1 above existent at the expiration of the period mentioned in the same paragraph shall be dissolved at the expiration of the period.



In relation to the dissolution and liquidation of the union or Central Association mentioned in the preceding paragraph and the liquidation of the union or Central Association actually in course of liquidation at the expiration of the period mentioned in paragraph 1 above, the old Law shall remain in force until the liquidation is completed.

Article 76. Any utility union formed under the old Law and existent at the time of enforcement of the present Law shall be deemed to be a commercial and industrial cooperative union formed under the present Law.

The provisions of Article 18 shall not apply for a certain period to the warehouse warrants issued prior to the enforcement of the present Law by a commercial and industrial cooperative union mentioned in the preceding paragraph.

A commercial and industrial cooperative union mentioned in paragraph 1, shall effect necessary alteration in the Articles of union to obtain a sanction of the administrative authorities within three months of the date of enforcement of the present Law.

A commercial and industrial cooperative union which has failed to apply for the sanction within the period mentioned in the preceding paragraph shall be dissolved at the expiration of the said period.

Matters necessary for the registration of a commercial and industrial cooperative union mentioned in the preceding paragraph shall be determined by an Imperial Ordinance.

Article 77. Any person who is using a name containing the words mentioned in Article 3, paragraph 1 or Article 65, paragraph 1 shall alter the words within three months after enforcement of the present Law.

The provisions of Article 72 shall not apply during the period mentioned in the preceding paragraph to the person mentioned in the same paragraph.

Article 78. The following amendments are made to part of the Central Bank of Commercial and Industrial Unions Law:

In Article 1, paragraph 1, "commercial and industrial unions, commercial unions, association of commercial unions, commercial minor unions, industrial unions, association of industrial unions, industrial minor unions" shall read "commercial and industrial cooperative union."

In Article 3, paragraph 1, paragraph 3 and paragraph 4, "central union composed of control unions, and association of commercial unions, association of industrial union" shall read "commercial and industrial cooperative union composed of commercial and industrial cooperative unions."

In Article 7, paragraph 1, "commercial and industrial unions, commercial unions, association of commercial unions, commercial minor unions, industrial unions, association of industrial unions, industrial minor unions" shall read "commercial and industrial cooperative union."

In Article 27, paragraph 1, proviso, "commercial and industrial unions, commercial union, industrial unions" shall read "commercial and industrial cooperative union."

In Article 28, paragraph 1, item 6, and Article 29, paragraph 1, item 3, "commercial and industrial union, commercial unions, association of commercial unions, commercial minor unions, industrial union,

association of industrial unions, industrial minor union" shall read "commercial and industrial cooperative union."

Article 79. The following amendments are made to part of the Registration Tax Law:

In Article 19, item 7, "commercial and industrial union, central association of commercial and industrial unions, industrial union, association of industrial unions, industrial minor union, central association of industrial unions, commercial union, association of commercial unions, commercial minor union, central association of commercial unions" shall read "commercial and industrial cooperative union, Central Association of Commercial and Industrial Cooperative Unions," and "Commercial and Industrial Union Law, Industrial Union Law, Commercial Union Law" shall read "Commercial and Industrial Cooperative Law."

Article 80. Regardless of the preceding two Articles, the existing provisions shall apply to commercial and industrial unions, commercial unions, association of commercial unions, commercial minor unions, industrial unions, association of industrial unions and industrial minor unions in connection with the Central Bank of Commercial and Industrial Union when the present Law is promulgated and to the registration tax of commercial and industrial union, central association of commercial and industrial unions, commercial unions, association of commercial unions, commercial minor unions, industrial unions, association of industrial unions and industrial minor unions existent when the present Law is promulgated.

Article 81. The following amendments are made to part of the Stamp Revenue Law:

In Article 4, paragraph 1, item 12, "commercial and industrial union, industrial union, association of industrial unions, industrial minor union, commercial unions, association of commercial unions, commercial minor unions" shall read "commercial and industrial cooperative union."

Article 82. The following amendments are made to part of the Foodstuffs Administration Law:

In Article 21, paragraph 2, "Article 5, paragraph 2, paragraph 3 and Article 56 to Article 58 inclusive of the Commercial and Industrial Union Law" shall read "Article 17, paragraph 2, paragraph 3 and Article 18 to Article 20 inclusive of the Commercial and Industrial Union Law," and in proviso of the same Article, same paragraph "utility union warehouse warrant in Article 56, Article 57, paragraph 1 and Article 58 of the same Law" shall read "Warehouse warrant with the term of commercial and industrial cooperative union, prefixed in accordance with the provisions of Article 3, paragraph 1 prescribed in Article 18, paragraph 1 of the same Law."

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## MINISTERIAL ORDINANCE

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### Ministry for Home Affairs Ordinance No. 46

November 11, 1946

The following amendments shall be made to Ministry for Home Affairs Ordinance No. 21, "Regulations for Transaction of Business concerning the Police Mu-



tual Aid Society," promulgated on July 13, 1920.

Minister for Home Affairs

OMURA Seiichi

In Article 5 and Article 6, No. 5, "2,420 yen a year" shall read "1,200 yen a month."

In Article 6, No. 3, "at the time of war or incident, to Army and Navy" shall be deleted.

In Article 8, "two-hundredths" shall read "twelve-thousandths."

In Article 15, No. 3, "10 yen" shall read "50 yen."

Additional Rules:

This Ordinance shall be effective on October 1, 1946.

One-sixth of salary shall be, for the time being, regarded a monthly pay by which the rate of instalment, according to the provisions of Article 16, is decided.

One-fourth of the instalment after October, 1946, is added, for the time being, to the amount of instalment which is the basis of allowance when withdrawing from the Society, according to the provisions of Article 15, item 1.

To those who come under item 4 of Additional Rules of the Imperial Ordinance No. 435, promulgated in 1946, are applied the former examples, in spite of this amendment.

**Ministry for Home Affairs Ordinance No. 47**

November 11, 1946

The following amendments shall be made to a part of the Ministry for Home Affairs Ordinance No. 25 of 1946 concerning the Impounding and Reporting of Looted Property, under the Imperial Ordinance No. 542 of 1945 concerning the Orders to be issued in consequence of the Acceptance of the Potsdam Declaration:

Minister for Home Affairs

OMURA Seiichi

In Article 2, paragraph 1 "or who at any time owned, possessed or kept, such property as provided for in the preceding Article, by 20 May, 1946, shall file a document in duplicate declaring the following matters" shall read "such property as provided for in the preceding Article shall file a document in duplicate declaring the following matters to the local governor who exercises jurisdiction over the location of such property by or on 20 December, 1946, and any person who has at any time owned, possessed or kept such property, shall do the same" and item 9 in the same paragraph shall be amended as follows:

9. Facts concerning the disposition of such property since arrival in Japan.

The following paragraph shall be added next to paragraph 1 of the same Article:

If any person happens to own, possess or keep such Articles provided for in the preceding Article on and after 21 December, 1946, he shall file a report in duplicate declaring to that effect as provided for in the preceding paragraph to the local governor who exercises jurisdiction over the location of such property within ten days from the time when he came to possess or keep such "Articles."

Article 4 (2). If the Minister for Home Affairs or the local governor deems it necessary to do so for the purpose of seeking out or impounding of looted pro-

perty, he may make a competent official visit any factory, shop, warehouse or other places to inspect books, documents or other goods and Articles.

When a competent official is instructed to make such visit and inspection under the provision of the preceding paragraph, he shall carry with him an identification card testifying to his official position.

The form of the identification card provided for in the preceding paragraph shall be as mentioned below.

In Art. 5 "or refused, disturbed, or avoided the inspection of the competent official as provided for in the preceding Article, para. 1," shall be added next to "or failed to produce it against order for presentation thereof as provided for in Article 4, para. 1."

Supplementary Provision:

The present Ordinance shall come into force as from the day of its promulgation.

(FORM OF IDENTIFICATION CARD)

Japanese standard size No. 92 B8 (64mm x 91mm)

(Surface)

No. .... Issued on ..... of ..... in .....  
Identification Card as provided for in Article  
4 (2) of Ministry for Home Affairs Ordinance No.  
25 of the 21st year of Showa (1946)

Seal of Ministry for Home Affairs  
or the local government office

Official position and name

(Back)

Article 4 (2) of Ministry for Home Affairs Ordinance  
No. 25 of the 21st year of Showa (1946)

If the Ministry for Home Affairs or the local governor deems it necessary to do so for the purpose of seeking out or impounding of looted property, he may make a competent official visit any factory, shop, warehouse or other places, to inspect books, documents or other goods and articles.

When a competent official is instructed to make such visit and inspection under the provision of the preceding paragraph, he shall carry with him an identification card testifying to his official position.

The form of the identification card provided for in the preceding paragraph shall be as mentioned below.

Article 5 of the same Ordinance.

Any person or party acting in contravention of the provisions of Articles 2, 3, or 4, par. 2, or failed to produce it against the order for presentation thereof as provided for in Article 4, par. 1, or refused, disturbed, or avoided the inspection of the competent official as provided for in the preceding Article, par. 1, shall be liable to penal servitude for not less than 2 but not exceeding 3 years or a fine of ¥5,000 or both.



**Ministry of Finance Ordinance No. 114**

November 11, 1946

The measures for the special deposits and the like under proviso of Article 1-3 paragraph 1 of the Enforcement Regulation of the Financial Emergency Measures Imperial Ordinance shall hereby be determined as follows:

Minister of Finance

ISHIBASHI Tanzan

Measures for the special deposits and the like under the provisions of proviso of Article 1-3 paragraph 1 of the Enforcement Regulation of the Financial Emergency Measures Imperial Ordinance

**Article 1.** The measures for the special deposits and special monetary trusts as prescribed by the Enterprise Readjustment Fund Law or the Emergency Funds Adjustment Law, and the restricted deposits and the like as designated by the Minister of Finance (hereinafter called the special deposits and the like) coming under the proviso in Article 1-3, paragraph 3 of the Enforcement Regulation for the Financial Emergency Measures Imperial Ordinance (hereinafter called the Regulation) shall be handled according to the present Ordinance.

**Article 2.** The restricted deposits and the like referred to in this Ordinance shall mean the restricted deposits and the like referred to in the Regulation and the claim for war indemnity shall mean the claim for war indemnity referred to the War Indemnity Special Measures Law.

**Article 3.** The special deposits and the like (including those in hand of the person who is not needed to pay the War Indemnity Special Tax owing to the application of Articles 10 to 12 of the War Indemnity Special Measure Law) as prescribed by proviso of Article 1-3, paragraph 1 of the Regulation, which have been created for the settlement of the claim for war indemnity, and which remain after the tax payer or the subrogator of the War Indemnity Special Tax made the payment of the War Indemnity Special Tax shall be in full amount the first restricted deposit and the like.

**Article 4.** The creditor having the special deposit and the like which shall be the first restricted deposits and the like in accordance with the provisions of the preceding Article shall submit to the financial institutions who are the debtors of the special deposit and the like concerned the application on the final disposal of the special deposits and the like stating the kinds and amount of the first restricted deposits and the like, matters concerning the special deposits and the like, as well as the address and name of the applicant together with the application as prescribed by Article 14 of the War Indemnity Special Measures Law, before the time-limit as determined by the same Article of the said Law (hereinafter called the time-limit). Provided that in case of coming under the provisions of Article 12 of the said Law, the application mentioned above shall be submitted within three weeks after the final decision on the exemption or deduction of the War Indemnity Special Tax is notified.

Those who desire to make an application as

mentioned in the preceding paragraph shall attach to the application, the certificate concerning the special deposits and the like concerned, and the individual financial pass-port (with regards individuals who are not given the individual financial pass-book the rice-rationing pass-book or other substitutive documents; hereinafter the same) or enterprise financial pass-book (the creditor having the special deposits and the like shall be limited to legal person or other cooperation).

**Article 5.** The financial institution shall investigate the application as prescribed in the preceding paragraph submitted, upon the particulars stated in the application concerned, and if they are confirmed the financial institution shall create the first restricted deposits and the like and shall inscribe the amount of the first restricted deposits and the like, from what discrimination of exemption, deduction, or release from the War Indemnity Special Tax it is created, other referential matters and the date of handling, on the individual financial pass-book or the enterprise financial pass-book and shall put on it the sign and seal of the financial institution in charge.

**Article 6.** As to the application which can not be submitted within the time-limit as prescribed under Article 4, according to the conveniences of communication, transportation or other circumstances, Minister of Finance can prescribe separately.

**Article 7.** As to the special deposits and the like as prescribed by the proviso in Article 1-3 paragraph 1 of the Regulation, other than those prescribed by Article 3, the provisions of from Article 1-3 to Article 1-10 of the Regulation shall be applied thereto, provided that in Article 1-7 paragraph 1 of the Regulation, the words "from August 11th 1946 to September 30th of the same year" shall read "the time-limit."

The special deposits and the like designated by the Minister of Finance, shall be prescribed by the Minister of Finance, despite the provisions of the preceding paragraph.

**Article 8.** The present Ministerial Ordinance shall be applied separately in cases of documents certifying special deposit and the like a part of which comes under the provisions of Article 3 and the other part of which comes under the provisions of Article 7.

The present Ministerial Ordinance shall not be applied to the part of the special deposits and the like which are to be paid in as the War Indemnity Special Tax.

The present Ministerial Ordinance shall be applied to the special deposits and the like created after August 11th 1946 and before the day of enforcement of the Law concerning the Abolition of the Enterprise Readjustment Law.

**Supplementary Provisions;**

The present Ministerial Ordinance shall come into force as from the day of its promulgation, provided that the provisions of paragraph 4 of the Supplementary Provisions shall come into force as from the day of enforcement of the Capital Levy Law.

In item 2 of Article 1-5 paragraph 1 of the Regulations "means the restricted check as prescribed by Article 2" shall read "means the restricted check and the like as prescribed by Article 2; the same goes in



this Article" and after the said item, the following item shall be inserted:

3. Restricted deposits and the like arising from restricted checks and the like withdrawn or issued for the payment of obligations in regard to claims other than indemnity claims (meaning war indemnity claims as prescribed in Article 1 of the War Indemnity Special Measures Law; the same goes hereinafter).

In item 3, Article 7-2 of the Regulations "postal order certificate" shall be deleted.

After Article 10 of the Regulation, the following Article shall be inserted:

Article 10-2. The cases provided for in the proviso of Article 3, paragraph 1, shall be following cases:

1. In case, in accordance with the provisions of Article 55 of the Capital Levy Law, the Capital Levy Tax was paid with deposits and the like on the old account as prescribed in paragraph 1 of the same Article.
2. Cases designated by the Minister of Finance.

After item 4, paragraph 1, Article 13-2 of the Regulation, the following item shall be inserted:

- 4-2. Such liabilities relating to war indemnity and other claims as outstanding on the day of enforcement of the Law concerning the Abolition of the Enterprise Funds Adjustment Law, as are subject to the special settlement system as prescribed in the Enterprise Funds Adjustment Law.

**Ministry of Justice Ordinance No. 98**

November 11, 1946

The following amendment shall be made to the Names and the Jurisdiction of Registration of the Branch Offices of Local Courts:

Minister of Justice

KIMURA Tokutaro

In the annexed list to the Names and the Jurisdiction of Registration of the Branch Offices of Local Courts, the following amendment shall be made to the clause of the Hyogo Branch Office in the part of the Kobe Local Court:

	In Hyogo Prefecture in Kobe City
Hyogo	Hyogo-ku {except the area belonging to the jurisdiction of the Kobe Local Court
	Nagata-ku Suma-ku Tarumi-ku

**Supplementary Provisions:**

The present Ministerial Ordinance shall come into force on the day of its promulgation.

In the Ministry of Justice Ordinance No. 24, Art. 1 para. 2 shall be amended as follows:

The registration business (except the business concerning commercial registration) in the area belonging to Tarumi-ku, Kobe-shi, Hyogo-ken within the jurisdiction of the Hyogo Branch Office of the Kobe Local Court shall be transacted by the Akashi Local Court.

**Ministry of Welfare Ordinance No. 45**

November 11, 1946

The Regulations of Authorization for Anti-Diphtheria Serum, its Preparations as well as Anti-Tetanus Serum and its Preparations shall be settled as follows:

Minister of Welfare

KAWAI Yoshinari

Regulations for Official Examinations for Diphtheria Serum, its Products, and its Medicines; and Tetanus Serum, its Products, and its Medicines.

Article 1. Those persons who had permission according to the provisions of Article 22 Pharmaceutical Act, concerning diphtheria serum, its products, and its medicines, or tetanus serum, its products, and its medicines shall have the test of the said products before their sale according to the provisions of this Ministerial Ordinance.

Article 2. Those persons who wants their products to have the above-mentioned test shall send in to the Government Institute for Infectious Diseases an application describing the kind and quantity of the serum, or its products, or its medicines, number of described immunization units in 1 c.c. (1 g. in case of dried form), the date of the test, prescription, the number of serum, or its products, or its medicines, and expected number of small receptacles which they are going to sell, etc., together with a fee in accordance with Article 12 through the governor of the district in which their chief offices exist.

Article 3. The serum, its products and its medicines that are liable to be tested shall be put in proper receptacles suited for sealing and a label describing the kind and quantity of the serum or its products, or its medicines, number of immunization units in 1 c.c. (1 g. in case of dried form), the date of test, the number of serum, or its products, or its medicines shall be put on the receptacles.

Article 4. In case a local governor receives an application mentioned in Article 2, he shall send an official concerned, and let the applicant take the following quantity of articles to be tested from the said receptacles in turn at every number of the serum, or its products, or its medicines under the supervision of the said official, and let him put on each receptacle a label describing the name of the applicant, the kind of the serum, or its products, or its medicines, number of immunization units in 1 c.c. (1 g. in case of dried form) the date of test, the number of serum, or its products, or its medicines.

1. In case of liquid diphtheria serum, or its products, or its medicines, 30 c.c.
2. In case of liquid tetanus serum, or its products, or its medicines, 15 c.c.
3. In case of dried form, 3 g.

The official who supervised according to the preceding item shall seal the said receptacles and those of the articles to be tested.

Article 5. The local governor shall immediately send the articles to be tested which he permitted to take according to the previous Article together with the application to the Government Institute for Infectious Diseases.

Article 6. In case the quantity of articles to be tested taken according to the provisions of Article 4 falls short for official examination, the Government



Institute for Infectious Diseases shall notify the local governor of the needed quantity.

In case the local governor had the said notification, he shall take the needed quantity of Article 4, and send them to the Government Institute for Infectious Diseases.

Article 7. The Government Institute for Infectious Diseases, on receiving the article to be tested, shall test, in case it is to be described in Pharmacopoeia Japonica, whether it is in conformity with the standard fixed, and also shall test it, in case it is not to be described in Pharmacopoeia Japonica, in accordance with the examination standard which shall be provided separately.

Article 8. The Government Institute for Infectious Diseases, when the test is finished, inform the result of it to the prefectural governor, and send him, in respect of the approved products, such number of the examination certificate in the form designated separately, as corresponding to the number of subdivided receptacles.

Article 9. When the prefectural governor receives the information of the preceding Article, he shall notify it to the applicant, cause the official concerned to break the seal of the receptacle which had been sealed under Article 4, cause the applicant of the approved product to subdivide the product in question under supervision of the said official, deliver the required examination certificate, cause the same official to seal the receptacles or the wrapping papers and dispose the disapproved products under the provisions of Article 31 of the Pharmaceutical Act.

If the examination certificates issued are more or less than the correct number thereof, they shall be either returned or requested to the Government Institute for Infectious Diseases.

Article 10. If the applicant is dissatisfied with the result of the examination, he may request the re-examination with the statement of the reason.

To the reexamination, the present Ministerial Ordinance shall be applied mutatis mutandis.

Article 11. Those persons who desire to apply for the examination under the provisions of the present Ministerial Ordinance may request to have the infectious toxin delivered.

Article 12. Those persons who apply for the examination or the reexamination under Article 10 shall pay the Government Institute for Infectious Diseases the following fee per number of serum, its product or its medicine:

1. ¥200 per 10 litres (fractions less than 10 litres shall be deemed 10 litres) of Diphtheria serum or its products and its medicines.

2. ¥150 per 10 litres (fractions less than 10 litres shall be deemed 10 litres) of Tetanus serum and its products and its medicines.

Supplementary provisions:

The present Ministerial Ordinance shall come into force as from the day of its promulgation.

The Home Affairs Ministry Ordinance No. 12 of October 1915 shall be abolished.

**Ministries of Agriculture and Forestry, Commerce and Industry Ordinance No. 7**

November 11, 1946

The following partial amendments are made to the

Ministry of Agriculture and Commerce Ordinance No. 6 of 1910 (concerning the Kinds and Inspection Fees of Staple Products).

Minister of Agriculture and Forestry

WADA Hiroo

Minister of Commerce and Industry

HOSHIJIMA Niro

In Art. 1, "green matting" and "saplings of mulberry-trees" shall be deleted.

In par. 1 of Art. 2, the clause of "green matting" shall be deleted, "saplings of mulberry-trees and parent stocks of fruit-trees" shall read "parent stocks of fruit-trees," "10 sen" for miscellaneous cereals read "50 sen," "7 sen" for sugar read "50 sen," "2 sen" for rushes as raw materials read "50 sen," "2.5 sen" for charcoal read "10 sen," "25 sen" for starch read "55 sen," "0.3 sen" for starch refuse read "5 sen," "0.2 sen" for saplings of fruit-trees read "10 sen," "0.3 sen" for parent stocks of fruit-trees read "15 sen," "0.6 sen" for ornamental trees read "30 sen," "0.5 sen" for the same read "25 sen," "8 sen" for canned goods read "17 sen," "0.7 sen" for stems of flax read "2.5 sen," "5 sen" for dried flowers of pyrethrum read "30 sen," "15 sen" for peppermint oil read "50 sen," "1.5 sen" for apples read "20 sen," "0.4 sen" for water-melons read "13 sen," "1 sen" for 'tatami-omote' (Japanese matting) made of rushes read "16 sen," "1.2 sen" for chestnuts read "30 sen," "2 sen per case or straw-bag except little cases (not more than 11,848 cubic cm. in the clear) for which 1 sen per case in case of those for export and 0.5 sen per case in case of others shall be charged" for citrus fruits read "12 sen per kan," "20 sen" for fish oil read "35 sen," "0.4 sen" for dried strips of sweet potatoes read "5 sen," "8 sen" for hen's eggs read "2 yen and 30 sen," "0.3 sen" for raw tuberous roots of 'konnyaku' (the devil's tongue) read "1.5 sen," "2 sen" for dried strips of 'konnyaku' read "11 sen," "4 sen" for powder of 'konnyaku' read "20 sen," "0.2 sen" for burdock roots read "9 sen," "0.15 sen" for sweet potatoes read "2 sen," "2 sen" for hemp read "16 sen," "1 sen" for dried gourd shavings read "8 sen," "0.4 sen" for dried strips of radishes read "4 sen," "0.6 sen" for stone-leeks read "10 sen," "0.8 sen" for Irish potatoes read "2 sen," "0.4 sen" for dried strips of Irish potatoes read "5 sen," "0.1 sen" for Chinese cabbages read "5 sen," "0.1 sen" for cabbages read "5 sen," "0.2 sen" for half-dried and salted radishes read "20 sen," "2 sen" for salted and dried plums read "30 sen," "0.5 sen" for fresh persimmons read "22 sen," "0.3 sen" for pumpkins read "8 sen," "0.2 sen" for taroes read "9 sen," "15 sen" for dried shiitake read "50 sen," "1 sen" for 'kori-yanagi' (a plant used for wicker trunks) read "10 sen," "1.2 sen" for bamboo timbers read "15 sen," "2.5 sen" for saplings for forestry read "10 sen," "7 sen" for wax-tree seeds read "30 sen," "10 sen" for seeds of 'aburagiri' read "35 sen," "5 sen" for barks of 'abemaki' read "15 sen," "2 sen" for edgewonthis papyrifera read "10 sen," "2 sen" for paper mulberry read "10 sen," "2 sen" for ramie read "16 sen," "1 sen" for jute read "7 sen," "8 sen" for carrots read "50 sen," "0.4 sen" for 'tororoaioi' read "5 sen," "0.4 sen" for green peas read "12 sen," "0.5 sen" for peas read "24 sen," "1 sen" for cherries read "30 sen," "0.7 sen" for the same read "20 sen," "0.2 sen" for the same read "6 sen," and "0.4 sen" for the same read "12 sen"; and in paragraph 2 of



the said Article, "20 sen," "40 sen" and "3.5 sen" shall read "35 sen," "70 sen" and "14 sen" respectively.

**Supplementary Provision:**

The present Ordinance shall come into force as from the day of its promulgation.

**Ministry of Commerce and Industry Ordinance  
No. 48**

November 11, 1946

We hereby provide, under the Imperial Ordinance No. 542 of 1945 concerning the Orders to be issued in consequence of the Acceptance of the Potsdam Declaration, for the matters concerning the restriction of the use of benzene as follows:

Minister of Commerce and Industry  
HOSHIJIMA Niro

Article 1. No person shall use benzene (inclusive of material which contain benzene as its component) as fuel for an internal combustion engine.

Article 2. Any person who violates the provision of the preceding Article shall be liable to the penal servitude or imprisonment for less than three years or a fine less than five thousand yen.

Article 3. In case any representative of a juridical person, or any deputy or employee of, or any other person working for, a juridical person or an individual, commits the offences in relation to the business of the said juridical person or individual, as mentioned in the preceding Article, the fine as provided for in the said Article shall be imposed upon the juridical person or the individual concerned, in addition to the offenders being liable to punishment as provided for.

**Supplementary Provision:**

The present Ministerial Ordinance shall come into force as from the day of its promulgation.

**NOTIFICATIONS**

**Reconstruction Board Notification No. 244**

November 11, 1946

The planning of streets and parks in connection with the reconstruction of Sendai has been approved by the Prime Minister.

Documents and maps of the planned streets and subdivisions kept at the Miyagi Prefectural Office and the Sendai Municipal Office, are open to the public. (Documents and maps are not mentioned here.)

President of Reconstruction Board

ABE Mikishi

**Price Board Notification No. 168**

November 11, 1946

The Price Board Notification No. 11 of August, 1946 (concerning the designation of the controlled selling prices of beverage and nutritive beverage) is partially revised as follows:

Director-General of Price Board

ZEN Keinosuke

The controlled selling prices of seller shown in the

table of prices, "14.80," "25.00," "18.00," "31.20," "5.00," "10.00," shall read "17.20," "29.00," "18.30," "31.70," "2.50," "5.00," respectively.

Annexed notice: In paragraph 1, "¥3.50 per bottle" shall read "¥5.00 per bottle."

**Price Board Notification No. 169**

November 11, 1946

In accordance with the provisions of Article 4 of the Price Control Ordinance, the controlled selling prices of canned food are designated as follows, and the Ministry of Agriculture and Commerce Notification No. 918 of Aug., 1944 (concerning the designation of the maximum selling prices of canned food) shall hereby be abolished.

Director-General of Price Board

ZEN Keinosuke

Controlled selling prices

Article	Type of Can	Quantity (per case)	Japan	Whole-	Retailer
			Canned Goods Co. (per case)	saler (per case)	(per can)
			¥	¥	¥
Sardine	No. 2	2	412.90	436.90	19.10
"	No. 4				
"	Oval No. 1	4	455.20	481.40	10.60
"	No. 6				
"	Oval No. 3	8	484.80	512.40	5.60
Mackerel	No. 2	2	499.60	528.10	23.10
"	No. 4				
"	Flat No. 1	4	552.20	583.40	12.80
"	No. 6				
"	Flat No. 2	8	589.60	622.80	6.80
Bonito	No. 2	2	629.30	664.50	29.10
"	No. 4				
"	Flat No. 1	4	692.60	731.10	16.00
"	No. 6				
"	Flat No. 2	8	725.40	765.60	8.30
Yellow-tail	No. 2	2	786.00	829.30	36.30
"	No. 4				
"	Oval No. 1	4	871.70	919.50	20.10
"	Flat No. 2	8	925.10	975.70	10.70
Herring	No. 2	2	376.70	398.80	17.50
"	No. 4				
"	Flat No. 1	4	428.30	456.50	9.90
"	Oval No. 1				
"	Flat No. 2				
"	Oval No. 3	8	479.00	506.40	5.50
Dried Herring	No. 2	2	486.40	514.20	22.50
Seasoned	No. 4				
"	Flat No. 1	4	536.10	566.40	12.40
"	Flat No. 2	8	586.80	619.80	6.80
"Hokke"	No. 2	2	366.40	388.00	17.00
"	No. 4				
"	Flat No. 1	4	407.80	431.50	9.50
"	Flat No. 2	8	459.00	485.40	5.30
Trout	No. 4				
"	Flat No. 1	4	829.90	875.50	19.20
"	Flat No. 2	8	897.50	946.60	10.40
Salmon	No. 4				
"	Flat No. 1	4	950.00	1,001.90	21.90
"	Flat No. 2	8	1,021.70	1,077.30	11.80
Crab	Flat No. 1	4	1,149.80	1,212.00	26.50
"	Flat No. 2	8	1,194.60	1,259.20	13.80



Cuttle-fish	No. 2	2	487.80	515.70	22.60
"	No. 4	4	515.30	544.60	12.00
Oil					
Sardine	Square No. 3B	100	409.20	433.00	4.50
"	Square No. 5A	100	415.80	439.90	4.60
"	Oval No. 1	4 oz	498.90	527.30	11.50
"	Oval No. 3	8	538.10	568.60	6.20
Tuna in oil	tuna No. 1	4	603.50	637.40	14.00
"	tuna No. 2	4	394.90	418.00	9.10
"	tuna No. 3	4	270.40	287.00	6.30
Ark Shell	No. 2	2	509.30	538.30	23.60
"	No. 4	4	535.30	565.60	12.40
"	No. 6	8	544.20	575.00	6.30
Tap Shell	No. 2	2	534.80	565.10	24.70
"	No. 4	4	541.10	571.70	12.50
"	No. 6	8	574.10	606.40	6.60
Tapes philip-pinarum	No. 2	2	428.00	452.80	19.80
"	No. 4	4	447.80	473.60	10.40
"	No. 6	8	461.50	495.50	5.40
Other Shell-fish	No. 4	4	566.00	597.90	13.10
Other Fish or Shell-fish	No. 4	4	507.70	536.60	11.70
Fish & Shells with Vegetable	No. 2	2	392.90	415.80	18.20
"	No. 4				
"	Oval No. 1	4	439.20	464.50	10.20
"	No. 6				
"	Oval No. 3	8	462.70	489.30	5.40
Whale Meat	No. 2	2	623.20	658.10	28.80
"	No. 4				
"	Flat No. 1	4	680.10	718.20	15.70
"	No. 6				
"	Flat No. 2	8	713.60	753.20	8.30
Whale Meat & Vegetable boiled together	No. 2	2	469.60	496.40	21.70
"	No. 4	4	508.10	537.00	11.80
"	No. 6	8	538.60	569.10	6.20
Other Flesh, or Flesh with Veg., boiled together	No. 2	2	887.40	936.00	41.00
"	No. 4	4	952.40	1,004.40	22.00
"	No. 6	8	986.30	1,040.10	11.40
Asparagus	Square No. 1	2	454.10	480.20	21.10
"	No. 2	2	447.00	472.70	20.70
"	tall No. 3	2	451.80	477.80	20.90
"	No. 4	4	546.20	577.20	12.70
Green Peas	No. 1	6 t/s	400.50	423.80	74.80
"	No. 2	2 dz.	467.40	494.20	21.70
"	No. 4	4	507.30	536.30	11.80

Bamboo shoot	No. 1	6 t/s	306.50	325.00	56.90
"	No. 2	2	357.00	378.00	16.60
Other					
Vegetable	No. 1	6 t/s	300.80	318.60	55.70
"	No. 2	2 dz.	338.50	358.50	15.70
"	No. 4	4	376.10	398.30	8.70
"	No. 6	8	413.80	438.10	4.80
Peach	No. 2	2	584.30	617.20	27.00
"	No. 4	4	601.90	635.70	13.90
Pear	No. 2	2	564.00	595.80	26.10
"	No. 4	4	583.60	616.40	13.50
Mandarin					
Orange	No. 2	2	535.50	565.60	24.80
"	No. 4	4	584.70	617.60	13.50
"	No. 5	4	451.80	477.80	10.50
Other					
Fruits	No. 2	2	551.70	582.90	25.50
"	No. 4	4	575.40	607.80	13.30
" Fuku-jinzuke" (sliced vegetables preserved in soysauce)	No. 2	2	448.90	474.70	20.80
"	No. 4	4	471.90	498.90	10.80
"	No. 6	8	520.20	549.70	6.00
Other					
Pickles	No. 2	2	416.00	440.10	19.30
"	No. 4	4	439.30	464.60	10.20
"	No. 6	8	506.00	534.80	5.90
Rolled					
Tangle	No. 2	2	248.10	263.50	11.60
"	No. 4	4	273.20	289.90	6.40
"	No. 6	8	310.60	329.30	3.60
Vegetable					
Cream	No. 6	8	459.20	485.60	5.30
Others	No. 4	4	155.00	158.00	3.50

(a) The controlled selling prices of this table shall be for those which have passed the inspection of the Japan Canning Research Institutes or the Japan Canned Goods Co.

For those commodities, which failed to pass the above inspection, the above controlled prices shall be reduced by 50%.

(b) The controlled selling prices of this table shall include the commodity tax.

(c) The controlled selling prices of the Japan Canned Goods Co. shall be ex warehouse nearest to the buyer or free on rail, arriving station and the controlled selling prices of wholesalers shall be ex store of the buyer.

(d) In case the commodities are sold to others than the wholesalers by the Japan Canned Goods Co., the controlled selling prices of the wholesaler shall be applied. However, in this case the controlled selling prices of the Japan Canned Goods Co. are ex place of delivery of the said Co.

(e) The controlled selling prices of commodities in cans which differ in size from those mentioned in this table shall be determined by multiplying the under-mentioned ratio to those controlled selling prices of good in can Size No. 4, Flat No. 1 and Oval No. 1. However, fractions under *sen* shall be dropped.

Size of Can	Quantity per case	Calculation ratio per case	Calculation ratio per can
No. 1	6 cans	0.8	6.4
No. 2	2 dz.	0.8	1.8



No. 3	3	1.0	1.3
Tall No. 3	2	0.9	1.8
No. 5	4	0.8	0.8
No. 5	6	1.1	0.8
No. 6	8	1.1	0.6
No. 7	4	0.8	0.8
Salmon No. 4	4	1.0	1.0
Flat No. 1	4	1.0	1.0
" No. 2	8	1.1	0.6
" No. 3	8	0.6	0.3
Tuna No. 1	4	0.9	0.9
" No. 2	4	0.5	0.5
" No. 3	4	0.3	0.3
Oval No. 1	4	1.0	1.0
" No. 3	8	1.1	0.6
Pocket size *	80 cans	0.7	0.4
Square or small can	100 cans	0.6	0.2

**Ministry for Home Affairs Notification No. 169**

November 11, 1946

We have hereby decided to designate the following special automobile as from Nov. 1, 1946 in accordance with the regulations of paragraph 1 of Article 19 of The Automobiles' Control Law:

Electric automobile.

Minister for Home Affairs

OMURA Seiichi

**Ministry for Home Affairs Notification No. 170**

November 11, 1946

Notification is hereby given that the Minister for Home Affairs has decided the addition and the alternation of roads, streets and ways included in the city planning scheme of Yasuki; he has decided the constructional enterprises of roads, streets and ways for the reconstruction and readjustment of the production of Yasuki included in the city planning scheme of Yasuki and its terms of execution.

The maps illustrating the particulars of the scheme and the construction, shall be kept at the Shimane Prefectural Office and the Yasuki Town Public Office for public inspection.

(The rest of the scheme omitted)

Minister for Home Affairs

OMURA Seiichi

**Ministry for Home Affairs Notification No. 171**

November 11, 1946

Notification is hereby given that the Minister for Home Affairs has decided the roads, streets and ways for the reconstruction and the readjustment of the production in Yasuki included in the city planning of Yasuki; he has decided its constructional enterprise and its terms of execution.

The maps illustrating the particulars of the scheme shall be kept at the Shimane Prefectural Office and the Yasuki Town Office for public inspection.

(The rest of the scheme omitted)

Minister for Home Affairs

OMURA Seiichi

**Ministry of Finance Notification No. 718**

November 11, 1946

In accordance with the provision of paragraph 2

of Article 7 of Ministry of Finance Ordinance No. 114 of 21st year of Showa, the following designation is made:

Minister of Finance

ISHIBASHI Tanzan

1. Restricted deposits and the like in foreign currency.

**Ministry of Finance Notification No. 719**

November 11, 1946

Ministry of Finance Notification No. 637 of August, 1946 shall be partly revised as follows:

Minister of Finance

ISHIBASHI Tanzan

6. The amount necessary for the payment of fine, additional collection or forfeit requested to be paid as the punishment finally sentenced on or prior to August 11, 1946; provided, this shall be limited to the amount approved and designated by the public procurator.

7. Of restricted deposits, etc. held by such mutual aid associations as established by the Imperial Ordinance, and associations engaged in insurance business or federations thereof, as of 00.00 August 11, 1946, the portion which would become the second restricted deposits.

8. Of the amount of insurance premiums or insurance money which are owned by agents of insurance companies and which were deposited with banking institutions as the second restricted deposits as of August 11, 1946, the amount necessary for making the payment of insurance premiums or the return of insurance money to the insurance company concerned; provided, this shall apply only when approval of the Minister of Finance is obtained.

**Ministry of Finance Notification No. 720**

November 11, 1946

In accordance with the provisions of the Article 6 of the Tobacco Monopoly Law, the types of tobacco to be cultivated and the acreage of cultivation, for the 22nd year of Showa (1947), are determined as follows:

Minister of Finance

ISHIBASHI Tanzan

1. Types of tobacco to be cultivated:  
Native type, Virginia Yellow type and White Burley type.
2. The acreage of cultivation:

Competent Office	Prefecture	Acreage in cho-bu (or in 2.5 ac.)
Tokyo Local Monopoly Bureau	Kanagawa	640
	Saitama	80
	Chiba	640
	Ibaragi	5,400
	Tochigi	4,800
Takasaki Local Monopoly Bureau	Yamanashi	40
	Niigata	250
Sendai Local Monopoly Bureau	Gumma	140
	Nagano	110
Nagoya Local	Miyagi	480
	Fukushima	4,990
	Iwate	2,000
	Aomori	400
	Yamagata	520
	Akita	410
	Aichi	145



Monopoly Bureau	Mie	160	
	Shizuoka	455	
	Gifu	40	
Kanazawa Local	Fukui	240	
	Monopoly Bureau	Ishikawa	170
Osaka Local	Toyama	90	
	Monopoly Bureau	Kyoto	190
Osaka Local	Osaka	75	
	Hyogo	680	
	Nara	85	
	Shiga	55	
	Wakayama	65	
	Hiroshima Local	Tottori	220
Hiroshima Local	Monopoly Bureau	Shimane	180
	Okayama	1,450	
	Hiroshima	1,050	
	Yamaguchi	300	
Takamatsu Local	Tokushima	1,900	
	Monopoly Bureau	Kagawa	1,600
Kumamoto Local	Ehime	1,000	
	Monopoly Bureau	Kochi	300
	Nagasaki	610	
	Fukuoka	150	
Kagoshima Local	Oita	1,000	
	Monopoly Bureau	Saga	190
	Kumamoto	1,150	
Kagoshima Local	Miyazaki	900	
	Monopoly Bureau	Kagoshima	4,700
Total		40,000	

Remark: The types of tobacco to be cultivated and the acreage for each type, in each Prefecture, are specified by the Director-General of Monopoly Bureau.

#### Ministry of Finance Notification No. 721

November 11, 1946

The following company was designated as a special accounting company on October 3, in accordance with the provisions of Article 1, paragraph 1, item 2 of the Law concerning the Emergency Measures for the Account of Companies.

Minister of Finance

ISHIBASHI Tanzan

Tokyo Flexible Shaft Manufacturing Co., Tokyo-to

#### Ministry of Welfare Notification No. 78

November 11, 1946

The standard of authorization according to Article 7 of the Official Examination Regulations of anti-diphtheria serum and its preparations as well as anti-tetanus serum and its preparations shall be settled as follows:

Minister of Welfare

KAWAI Yoshinari

##### 1. Immunity Unit

It shall have the unit number of immunity registered by an applicant.

The calculation of immunity unit for the preparations of anti-diphtheria serum shall be according to the Ehrlich's Method, and, as for the preparations of anti-tetanus serum, it shall be according to the Behring's Method.

##### 2. Bacteriological Examination

It shall be without bacilli being made aerobic and anaerobic culture for the preparations of serum "in case of being dry, its one capacity solved in

ten capacities of carbonic acid (one capacity of carbonic acid solved in two hundred capacities of sterile water)" used as the agaragar culture media.

##### 3. Examination on Non-Toxin

10 cubic centimetres of the preparations of anti-diphtheria serum (in case, its one capacity solved in ten capacities of sterile water) shall be injected beneath the skin of a mormot weighing about 250 grams and not lead to death.

##### 4. Containing amount of protein

Containing amount of protein in the preparations of serum (in case of being dry, its one capacity solved in ten capacities of sterile water) shall be less than 10% according to the Kieldahl's Method.

#### Ministry of Welfare Notification No. 79

November 11, 1946

Matters on the delivery of anti-diphtheria standard serum, anti-tetanus standard serum or standard toxin according to Article 11 of the Official Examination Regulations, of anti-diphtheria serum and its preparations as well as anti-tetanus serum and its preparations shall be settled as follows:

Minister of Welfare

KAWAI Yoshinari

- The Government Institute for Infections Diseases shall deliver without pay anti-diphtheria standard serum anti-tetanus standard serum of standard toxin once a year to those applicants who apply for the Official Examination according to the provisions of the Official Examination Regulations of anti-diphtheria serum and its preparations as well as anti-tetanus serum and its preparations.
- Except the case mentioned above anti-diphtheria standard serum, anti-tetanus standard serum or standard toxin shall be delivered with pay.

Prices are as follows:

- Anti-diphtheria standard serum  
1 bottle ¥100.00
- Anti-tetanus standard serum  
1 bottle ¥ 70.00
- Diphtheria standard toxin  
100 cubic centimetres ¥200.00
- Tetanus standard toxin  
1 gram ¥200.00

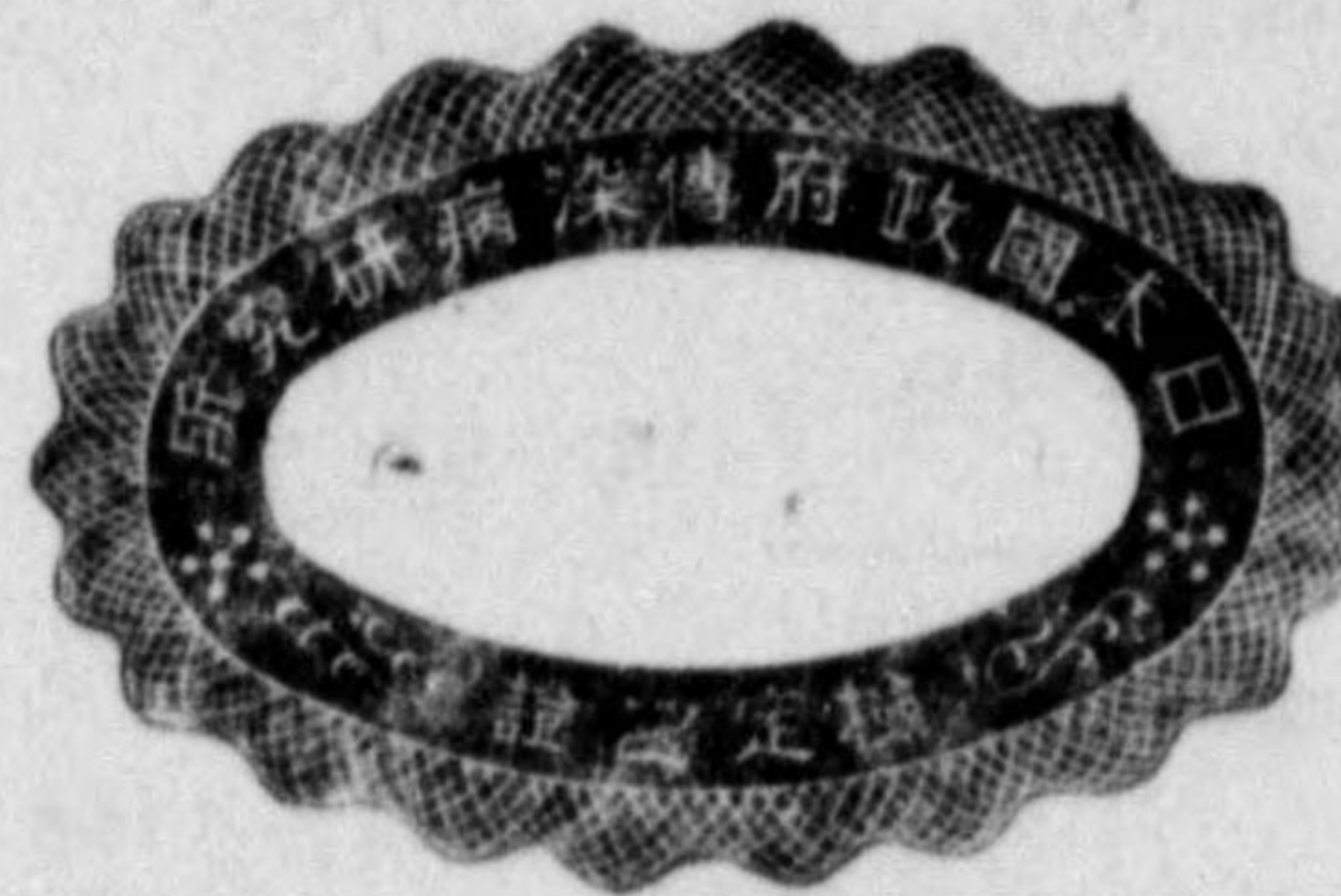
#### Ministry of Welfare Notification No. 80

November 11, 1946

The form of Examination Certificate according to Article 8 of the provisions of the Official Examination of anti-diphtheria serum and its preparations as well as anti-tetanus serum and its preparations shall be settled as follows:

Minister of Welfare

KAWAI Yoshinari



2.8 cm wide

4.3 cm long



**Ministry of Transportation Notification No. 289**

November 11, 1946

The following amendments shall be made to the Home Through Traffic Regulations, and come into force as from November 15, 1946:

Minister of Transportation

HIRATSUKA Tsunejiro

The revised provisions are omitted. See the Notification of Transportation Ministry pronounced on November 11, 1946.

**CONFERMENT & APPOINTMENT****Cabinet**

October 7, 1946

NAGANO Sanemori, Technical Official of Local Government:

Promoted to Second Class.

October 10, 1946

TANIKAWA Kazuo, Secretary of Local Government:

Promoted to Second Class.

November 6, 1946

IWAZAKI Shintaro, Secretary of Ministry for Foreign Affairs:

Appointed Councillor of Embassy,  
Graded Chokunin Rank.

KIMURA Takeshi, Secretary of Ministry for Foreign Affairs and concurrently Secretary of Ministry of Agriculture and Forestry:

MATSUMURA Shojiro:

Respectively appointed Secretary of Ministry of Agriculture and Forestry,  
Graded First Class.

HIRAKAWA Mamoru, Secretary of Ministry of Agriculture and Forestry:

Promoted to First Class.

HANADA Shime, Auditor:

Promoted to Chokunin Rank.

MATSUOKA Makoto, Secretary of Agriculture and Forestry:

TSUCHIYA Mitsutoyo, ditto:

TAKEUCHI Naoichi, ditto:

OHARA Tsuyoshi:

MIYAKE Jiro:

Respectively appointed Secretary of Cabinet,  
Graded Second Class.

ISOZAKI Hiroyuki, Secretary of Ministry for Home Affairs and concurrently Secretary of Local Government:

TOYOMIZU Michisuke, Secretary of Ministry of Justice:

TANAKA Isao, Secretary of Local Government:

Concurrently appointed Secretary of Cabinet,  
Graded Second Class respectively.

OKA Hiroaki, Technical Official of Ministry of Agriculture and Forestry:

Concurrently appointed Technical Official of Cabinet,  
Graded Second Class.

NARASAKI Kenjiro, Secretary of Ministry for Home Affairs:

Concurrently appointed Secretary of Demobilization,  
Graded Second Class.

UKAWA Masuo, Secretary of Ministry of Agriculture and Forestry and concurrently Secretary of Ministry of Commerce and Industry:

Appointed Secretary of Ministry for Foreign Affairs,  
Graded Second Class.

IMANAGA Kaname:

Appointed Educational Official of Ministry of Education  
and concurrently Secretary of Ministry of Education,  
Graded Second Class.

WAGURI Hiroshi, Secretary of Ministry for Foreign Affairs:

ISHIDA Susumu, Secretary of Local Government:

NOMA Osamu, ditto:

FURUNISHI Ichiro, ditto:

FUJIMAKI Dennojo, ditto:

SANADA Takatsugu, ditto:

KITA Masaharu, ditto:

NAKAZATO Hisao:

IKEDA Toshiya:

IWAMOTO Michio:

KATO Yasumori:

KAMENAGA Tomoyoshi:

KOTAKI Minoto:

NAKANO Kazuhito:

YOSHIHARA Heijiro:

Respectively appointed Secretary of Ministry of Agriculture and Forestry,  
Graded Second Class.

OKUNO Kenzaburo, Technical Official of Local Government:

MATSUNAGA Ichiro, ditto:

NAKAGAWA Shigeru, ditto:

MASUMITSU Shiro:

INOUE Yoshito:

Respectively appointed Technical Official of Ministry  
of Agriculture and Forestry,  
Graded Second Class.

NAKAJIMA Tatsuo, Secretary of Ministry of Agriculture and Forestry:

KOGURE Mitsuyoshi, ditto:

HACHIKO Chuzaburo, ditto:

SHIBASAKI Taro, Educational Official of Local Government:

SEKIMOTO Ushitaro, ditto:

SOMEYA Shinrokuro, ditto:

KOBAYASHI Denji, ditto:

YOSHIDA Chikazo, ditto:

KUNIBU Seigoro, ditto:

ANDO Kan-ichi, ditto:

NAGAZAWA Masao, ditto:

KURODA Isamu, ditto:

TAKIGAMI Takeo, ditto:

KASHIMA Yokichi, ditto:

KUROZAWA Takeshi, ditto:

OKABE Senzo, ditto:

TANUMA Katsuji, ditto:

MORI Shigeru, ditto:

HINO Masaaki, ditto:

ASAHINA Tomiji, ditto:

TSUKADA Yasushi, ditto:

SHIMADA Miyagoro, ditto:

YOSHIDA Senzo, ditto:

TARUMI Kosuke, ditto:

ITSUI Toraji, ditto:

FUKUZAWA Hisao, ditto:

KATO Shun, ditto:

UCHIDA Keiji, ditto:

KUBO Shigeyoshi, ditto:

KURIHARA Buko, ditto:

SUZUKI Kobei, ditto:

YOSHIDA Chikayasu, ditto:

TAKEI, Chikashi, ditto:



UTSUKI Shimpei, ditto:  
 MACHIDA Masami, ditto:  
 YANAGIDA Takeo, ditto:  
 UCHIDA Goichi, ditto:  
 KONDO Zensaburo, ditto:  
 WATANABE Kenji, ditto:  
 KOKUBO Kazumi, ditto:  
 KAWASAKI Asajiro, ditto:  
 NARAHARA Ko, ditto:  
 SHIBAFUTA Ichitaro, ditto:  
 SUGA Seiichi, ditto:  
 SHIMAZAKI Seisaburo, ditto  
 NOGAWA Akira, ditto:  
 NAGANO Noboru, ditto:  
 TOKUMARU Kinzaburo, ditto:  
 SAITO Kodo, ditto:  
 ONISHI Namio, ditto:  
 SHIGENARI Takashi, ditto:  
 OZAKA Hiroshi, ditto:  
 Promoted to Second Class respectively.

March 17, 1945

SASAKI Masahiko, Professor of Yamanashi Normal School:

Promoted to Higher Official of the Sixth Rank.

August 29, 1946

OKADA Michibumi, Member of Economic Stabilization Board:

Assigned to First Department of Economic Stabilization Board.

November 1, 1946

IWASAKI Hideyasu, Member of Economic Stabilization Board:

Assigned to Third Department of Economic Stabilization Board.

ICHIKAWA Shin-ichi, Member of Economic Stabilization Board:

NISHIDA Eiichi, ditto:

Respectively assigned to Second Department of Economic Stabilization Board.

UTSUMI Kiyoharu, Member of Economic Stabilization Board:

Assigned to Fourth Department of Economic Stabilization Board.

November 4, 1946

KUSAKABE Shigeru, Member of Economic Stabilization Board:

Assigned to Vice-Director of Fourth Department of Economic Stabilization Board.

November 6, 1946

ISHIKAWA Junkichi, Secretary of Ministry of Agriculture and Forestry:

HIKI Gen, Technical Official of Ministry of Transportation:

Relieved of office at own request respectively.

SHIOMI Ichiro, Technical Official of Ministry of Transportation:

OKAWA Ichiro, ditto:

Respectively treated as an Official of First Class.

YAMAMOTO Hideki, Secretary of Agriculture and Forestry and concurrently Secretary of Cabinet:

Relieved of principal office and solely appointed Secretary of Cabinet.

MATSUMOTO Yoshisuke, Secretary of Local Government and concurrently Secretary of Cabinet:

Relieved of additional Office.

IBE Hideo, Secretary of Local Government and con-

currently Secretary of Ministry for Foreign Affairs, Secretary of Cabinet:

Relieved of concurrent office of Secretary of Cabinet.

TERADA Koichi, Technical Official of Cabinet:

ISOBE Masao, ditto:

Relieved of office at own request respectively.

MOGAMI Nobuo, Secretary of Demobilization:

MISAKA Kazuyuki, ditto:

YAMAURA Tadayoshi, ditto:

NISHIMURA Momoji, ditto:

YAMADA Kichigoro, ditto:

NAKATSUKA Heizaburo, ditto:

FUJITA Masaru, ditto:

SHINOZAKI Manji, ditto:

UGAMURA Kin-ichi, ditto:

WATANABE Takeo, ditto:

Relieved of office at own request respectively.

OKA Hiroaki, Technical Official of Cabinet:

Assigned to Cabinet Council Board of Secretariate of Cabinet,

Ordered to be Member of Economic Stabilization Board.

TOYOMIZU Michisuke, Secretary of Cabinet:

Assigned to Land Administration Section, Land Bureau, War Damages Reconstruction Board.

TSUCHIYA Mitsutoyo, Secretary of Cabinet:

Granted No. 18 Salary,

Assigned to the General Affairs Section, First Division, Price Board.

MATSUOKA Makoto, Secretary of Cabinet:

Granted No. 19, Salary,

Assigned to Food Section, Second Division, Price Board.

YAMAMOTO Hideki, Secretary of Cabinet:

Granted No. 20 Salary,

Assigned to Manufactured Food Section, Second Division, Price Board.

TAKEUCHI Naoichi, Secretary of Cabinet:

Granted No. 14 Salary,

Assigned to Manufactured Food Section, Second Division, Price Board.

OHARA Tsuyoshi, Secretary of Cabinet:

Granted No. 19 Salary,

Assigned to Rate Section, Fifth Division, Price Board

MIYAKE Jiro, Secretary of Cabinet:

Granted No. 10 Salary,

Assigned to Kinki Local Price Bureau.

ISOZAKI Hiroyuki, Secretary of Cabinet:

TANAKA Isao, Secretary of Cabinet:

Respectively assigned to Kinki Local Price Bureau.

OZAWA Fumio, Secretary of Ministry of Justice:

Appointed Secretary of Investigation Committee for Family Court System irregularly.

KINOSHITA Masao, Educational Official of Ministry of Education:

Relieved of office in accordance with paragraph 1 of Article 1, of the Imperial Ordinance No. 262 of 1946.

SATO Gunzaburo, Judge of Odate Local Court and concurrently Judge of Odate Branch Office of Akita District Court:

Nominated to Superintending Judge of Division of Akita District Court,

Granted No. 5 Salary.

(August 3, 1945, Ministry of Justice)

NISHIDA Katsugo, Judge of Kure Local Court and



UTSUKI Shimpei, ditto:  
 MACHIDA Masami, ditto:  
 YANAGIDA Takeo, ditto:  
 UCHIDA Goichi, ditto:  
 KONDO Zensaburo, ditto:  
 WATANABE Kenji, ditto:  
 KOKUBO Kazumi, ditto:  
 KAWASAKI Asajiro, ditto:  
 NARAHARA Ko, ditto:  
 SHIBAFUTA Ichitaro, ditto:  
 SUGA Seiichi, ditto:  
 SHIMAZAKI Seisaburo, ditto  
 NOGAWA Akira, ditto:  
 NAGANO Noboru, ditto:  
 TOKUMARU Kinzaburo, ditto:  
 SAITO Kodo, ditto:  
 ONISHI Namio, ditto:  
 SHIGENARI Takashi, ditto:  
 OZAKA Hiroshi, ditto:  
 Promoted to Second Class respectively.

March 17, 1945

SASAKI Masahiko, Professor of Yamanashi Normal School:  
 Promoted to Higher Official of the Sixth Rank.

August 29, 1946

OKADA Michibumi, Member of Economic Stabilization Board:  
 Assigned to First Department of Economic Stabilization Board.

November 1, 1946

IWASAKI Hideyasu, Member of Economic Stabilization Board:  
 Assigned to Third Department of Economic Stabilization Board.

ICHIKAWA Shin-ichi, Member of Economic Stabilization Board:

NISHIDA Eiichi, ditto:  
 Respectively assigned to Second Department of Economic Stabilization Board.

UTSUMI Kiyoharu, Member of Economic Stabilization Board:  
 Assigned to Fourth Department of Economic Stabilization Board.

November 4, 1946

KUSAKABE Shigeru, Member of Economic Stabilization Board:  
 Assigned to Vice-Director of Fourth Department of Economic Stabilization Board.

November 6, 1946

ISHIKAWA Junkichi, Secretary of Ministry of Agriculture and Forestry:

HIKI Gen, Technical Official of Ministry of Transportation:

Relieved of office at own request respectively.  
 SHIOMI Ichiro, Technical Official of Ministry of Transportation:

OKAWA Ichiro, ditto:  
 Respectively treated as an Official of First Class.

YAMAMOTO Hideki, Secretary of Agriculture and Forestry and concurrently Secretary of Cabinet:  
 Relieved of principal office and solely appointed Secretary of Cabinet.

MATSUMOTO Yoshisuke, Secretary of Local Government and concurrently Secretary of Cabinet:  
 Relieved of additional Office.

IBE Hideo, Secretary of Local Government and con-

currently Secretary of Ministry for Foreign Affairs, Secretary of Cabinet:

Relieved of concurrent office of Secretary of Cabinet.  
 TERADA Koichi, Technical Official of Cabinet:

ISOBE Masao, ditto:

Relieved of office at own request respectively.

MOGAMI Nobuo, Secretary of Demobilization:

MISAKA Kazuyuki, ditto:

YAMAURA Tadayoshi, ditto:

NISHIMURA Momoji, ditto:

YAMADA Kichigoro, ditto:

NAKATSUKA Heizaburo, ditto:

FUJITA Masaru, ditto:

SHINOZAKI Manji, ditto:

UGAMURA Kin-ichi, ditto:

WATANABE Takeo, ditto:

Relieved of office at own request respectively.

OKA Hiroaki, Technical Official of Cabinet:

Assigned to Cabinet Council Board of Secretariate of Cabinet,

Ordered to be Member of Economic Stabilization Board.

TOYOMIZU Michisuke, Secretary of Cabinet:

Assigned to Land Administration Section, Land Bureau, War Damages Reconstruction Board.

TSUCHIYA Mitsutoyo, Secretary of Cabinet:

Granted No. 18 Salary,

Assigned to the General Affairs Section, First Division, Price Board.

MATSUOKA Makoto, Secretary of Cabinet:

Granted No. 19, Salary,

Assigned to Food Section, Second Division, Price Board.

YAMAMOTO Hideki, Secretary of Cabinet:

Granted No. 20 Salary,

Assigned to Manufactured Food Section, Second Division, Price Board.

TAKEUCHI Naoichi, Secretary of Cabinet:

Granted No. 14 Salary,

Assigned to Manufactured Food Section, Second Division, Price Board.

OHARA Tsuyoshi, Secretary of Cabinet:

Granted No. 19 Salary,

Assigned to Rate Section, Fifth Division, Price Board

MIYAKE Jiro, Secretary of Cabinet:

Granted No. 10 Salary,

Assigned to Kinki Local Price Bureau.

ISOZAKI Hiroyuki, Secretary of Cabinet:

TANAKA Isao, Secretary of Cabinet:

Respectively assigned to Kinki Local Price Bureau.

OZAWA Fumio, Secretary of Ministry of Justice:

Appointed Secretary of Investigation Committee for Family Court System irregularly.

KINOSHITA Masao, Educational Official of Ministry of Education:

Relieved of office in accordance with paragraph 1 of Article 1, of the Imperial Ordinance No. 262 of 1946.

SATO Gunzaburo, Judge of Odate Local Court and concurrently Judge of Odate Branch Office of Akita District Court:

Nominated to Superintending Judge of Division of Akita District Court,

Granted No. 5 Salary.

(August 3, 1945, Ministry of Justice)

NISHIDA Katsugo, Judge of Kure Local Court and



concurrently Judge of Kure Branch Office of Hiroshima District Court:  
Nominated to Judge of Takehara Local Court.  
HIRAYAMA Masao, Judge of Kure Local Court and concurrently Chief Judge of Kure Branch Office of Hiroshima District Court, Judge of Takehara Local Court:  
Relieved of the additional post of Judge of Takehara Local Court.

(October 31, 1946, ditto)

HIGUCHI Kan-ya, Court Clerk:

KATO Shunji, ditto:

Granted No. 19 Salary respectively.

MASAKI Kkyo, Court Clerk:

TOYOTA Shinzo, ditto:

TAKAMATSU Kiyoshi, ditto:

Granted No. 18 Salary respectively.

NOAKI Sukeharu, Court Clerk:

MATSUOKA Kameji, ditto:

Granted No. 17 Salary respectively.

HIRAOKA Tokuzo, Court Clerk:

Granted No. 16 Salary.

(November 1, 1946, ditto)

CHIGUSA Tatsuo, Retired Judge:

Nominated to Judge of Tokyo District Civil Court and concurrently nominated to Judge of Tokyo District Criminal Court and Tokyo Local Court,  
Granted No. 23 Salary.

NAKANO Torao, Judge:

Nominated to Judge of Kokura Local Court and concurrently nominated to Judge of Kokura Branch Office of Fukuoka District Court,  
Granted No. 21 Salary.

SAWAMURA Hideo, Judge of Matsuyama District Court and concurrently Judge of Matsuyama Local Court:

Nominated to Judge of Kobe Local Court and concurrently Kobe District Court.

KAWARATANI Suelo, Judge of Kokura Branch Office of Fukuoka District Court and concurrently Judge of Kokura Local Court:

Nominated to Judge of Himeji Local Court and concurrently Himeji Branch Office of Kobe District Court.

MATSUNAGA Tsuneo, Judge:

Nominated to Judge of Tokushima Local Court and concurrently Tokushima District Court.

SAKAGUCHI Isamu, Technical Official of Ministry of Justice:

Ordered to be attached to House of Detention at Tokyo.

(November 5, 1946, ditto)

ENDO Saburo, Secretary of Ministry of Agriculture and Forestry:

Nominated to Director of General Affairs Bureau of Ministry of Agriculture and Forestry.

HIRATA Saburo, ditto:

Nominated to Director of Raw Silk Bureau of Ministry of Agriculture and Forestry.

HIRAKAWA Mamoru, ditto:

Ordered to be Chief of Accounting Section of Minister's Secretariate.

OKUHARA Hideo, ditto:

Ordered to be Chief of General Affairs Section and

concurrently Chief of Document and Archives Section of General Affairs Bureau.

KUBO Kichizo, ditto:

Ordered to be Director of Sendai District Agricultural Land Board.

TANABE Katsumasa, ditto:

Ordered to be Chief of Agricultural Land Department of Agricultural Administration Bureau, and concurrently Director of Tokyo District Agricultural Land Board.

KIMURA Takeshi, ditto:

Ordered to be Director of Kanazawa District Agricultural Land Board.

SANO Kenji, ditto:

Ordered to be Director of Kyoto District Agricultural Land Board.

SHIGEMASA Yotoku, Technical Official of Ministry of Agriculture and Forestry:

Ordered to be Director of Okayama District Agricultural Land Board.

MATSUMURA Shojiro, Secretary of Ministry of Agriculture and Forestry:

Ordered to be Director of Kumamoto District Agricultural Land Board.

KIYOI Tadashi, ditto:

Ordered to be Chief of Forestry Administration Section of Forestry Bureau.

MORI Shigeo, ditto:

Ordered to be Chief of Planning Section of Forestry Bureau.

NAGANO Shoji, ditto:

Ordered to be Chief of Fisheries Section of Fisheries Bureau.

SHIOMI Tomonosuke, ditto:

Ordered to be Chief of Planning Room of Fisheries Bureau.

AOYAGI Kakuro, ditto:

Ordered to be Chief of Raw Silk Section of Raw Silk Bureau.

MIZOGUCHI Saburo, Technical Official of Ministry of Agriculture and Forestry:

Ordered to be Acting Chief of Decramation Section, Second Division of Land Development Bureau.

HASEGAWA Kiyoshi, Secretary of Ministry of Agriculture and Forestry:

Ordered to be Acting Chief of Room of Staple Food Administration Bureau.

AKASHI Chosuke, ditto:

Ordered to be Chief of General Affairs Division of Tokyo Forestry Management Bureau.

(Nov. 6, Ministry of Agriculture and Forestry)

NAKAMURA Mitsuyoshi, Technical Official of Ministry of Communications:

Assigned to Sapporo Communication Bureau.

(August 9, Ministry of Communications)

MATSUOKA Kinjiro, Educational Official of Ministry of Communications:

Ordered to be Head of Research Course, Nagoya Communication Training School.

NAKAGAWA Hatsuji, ditto:

Granted No. 18 Salary,

Ordered to be Head of Research Course, Osaka Communication Training School.

NIWA Eiji, ditto:

Ordered to be Head of Research Course, Hiroshima Communication Training School.



IKARI Takeshi, ditto:  
Granted No. 18 Salary,  
Ordered to be Head of Research Course, Sapporo  
Communication Training School.

HONJO Hikoichi, ditto:  
Ordered to be Director of Kyoto Branch of Osaka  
Communication Training School.

HASHIMOTO Masuji, ditto:  
Ordered to be Chief of Students Section, Osaka  
Communication Training School.

OGUNI Masujiro, ditto:  
Granted No. 17 Salary,  
Ordered to be Head of Business Course, Osaka  
Communication Training School.

HATAKEYAMA Shigeyoshi, Secretary of Ministry of  
Communications:  
Ordered to be Director of Sakyo Post Office.

SHINOHARA Takeo, Educational Official of Ministry  
of Communications:  
Relieved of concurrent post of Head of Research  
Course, Nagoya Communication Training School.

KIYOTA Kingo, ditto:  
Relieved of concurrent post of Head of Research  
Course, Sendai Communication Training School.  
(September 24, ditto)

NAKAMURA Mitsuyoshi, Technical Official of Min-  
istry of Communications:  
Ordered to be Chief Doctor of Otorhinolaryngology  
Dept., Sapporo Communication Hospital.  
(September 26, ditto)

HATAKEYAMA Ichiro, Secretary of Ministry of  
Communications:  
Ordered to be Chief of Welfare Section, Tokyo  
Postal Savings Branch Bureau.

ENTOMI Fumio, ditto:  
Ordered to be Chief of Welfare Section, Osaka  
Postal Savings Branch Bureau.

IKEDA Tetsuo, ditto:  
Ordered to be Chief of Welfare Section, Tokyo  
Postal Insurance Branch Bureau.

YASUTOMI Gitaro, ditto:  
Ordered to be Chief of Welfare Section, Kyoto  
Postal Insurance Branch Bureau.

KAWANO Kan-ichi, ditto:  
Ordered to be Chief of Welfare Section, Fukuoka  
Postal Insurance Branch Bureau.

TAKUMA Yukichi, ditto:  
Ordered to be Chief of Welfare Section, Sendai  
Postal Insurance Branch Bureau.

MASUDA Kumajiro, ditto:  
Ordered to be Chief of Welfare Section, Nagoya  
Postal Insurance Branch Bureau.

KIMURA Nobuyoshi, ditto:  
Ordered to be Chief of 1st Savings Section, Nagoya  
Postal Savings Branch Bureau.

UMEDA Yoshio, ditto:  
Ordered to be Chief of Welfare Section, Gifu  
Postal Insurance Branch Bureau.

WATANABE Hajime, Secretary of Ministry of Com-  
munications:  
Ordered to be Chief of Policy Section, Gifu Postal  
Insurance Branch Bureau.

SHIMODA Rinji, ditto:  
Concurrently ordered to be Chief of Welfare Sec-  
tion, Zentsuji Postal Insurance Branch Bureau.

KUDO Shigeyasu, ditto:  
Ordered to be Chief of Second Policy Section, To-  
kyo Postal Insurance Branch Bureau.

AKIYAMA Yuichi, ditto:  
Ordered to be Chief of Insurance Administration  
Section, Savings Division, Nagoya Communication  
Bureau.

OSAWA Mori, ditto:  
Granted No. 18 Salary,  
Ordered to be Chief of Welfare Section, Kumamoto  
Postal Savings Branch Bureau.

TAKAOKA Seishiro, Secretary of Ministry of Com-  
munications:  
Ordered to be Director of Niigata Telegraph Office.

MATSUZAKA Kazuo, ditto:  
Ordered to be Director of Hakodate Telegraph Office.

NUMAKURA Shoji, ditto:  
Ordered to be Director of Aomori Telegraph Office,  
Relieved of Concurrent Service at Sendai Communica-  
tion Bureau.

NOBUTA Toshihisa, ditto:  
Ordered to be Director of Hirosaki Post Office,  
Concurrently assigned to Sendai Communication  
Bureau.

SAITO Yoshiro, ditto:  
Ordered to be Chief of Radio Section, Business Divi-  
sion, Sendai Communication Bureau.

ARAI Sakuro, ditto:  
Ordered to be Director of Nishinomiya Telephone  
Office.

YONETA Shinkichiro, ditto:  
Assigned to Telegraph and Telephone Bureau, Min-  
istry of Communications.

UMEZAWA Kyukichi, ditto:  
Ordered to be Director of Iwamizawa Post Office.

SAIGA Chikazo, Technical Official of Ministry of  
Communications:  
Ordered to be Director of Shizuoka Telephone Office.

IIDA Kijuro, Secretary of Ministry of Communications:  
Ordered to be Director of Mikage Telephone Office.

TAKECHI Masatoshi, Technical Official of Ministry  
of Communications:  
Assigned to Nagoya Communication Bureau.

ISHIDA Minoru, Secretary of Ministry of Communica-  
tions:  
Ordered to be Director of Sakai Telephone Office.

MIZUNO Zentaro, Technical Official of Ministry of  
Communications:  
Ordered to be Director of Amagasaki Telephone  
Office.

KAGA Masakatsu, ditto:  
Ordered to be Director of Himeji Telephone Office.

WAKAO Masagoro, ditto:  
Ordered to be Director of Nagano Telephone Office.

TSUDA Aninobu, ditto:  
Ordered to be Chief of Inspection Section, Nagoya  
Central Telephone Office.

SAMEJIMA Yasuo, ditto:  
Granted No. 18 Salary,  
Ordered to be Director of Kokura Telephone Office.

HAYASHIBE Yoshiju, ditto:  
Granted No. 14 Salary,  
Ordered to be Chief of Private Equipment Section,  
Tokyo Central Telephone Office.

ASHIDA Hikomatsu, ditto:  
Granted No. 19 Salary,  
Ordered to be Chief of Private Equipment Section,  
Osaka Central Telephone Office.

KURODA Kenjiro, ditto:



Ordered to be Chief of Inspection Section, Tokyo Central Telephone Office,  
Relieved of Concurrent Service at Tokyo Communication Bureau.

ODO Koki, Technical Official of Ministry of Communications:

Assigned to Telegraph and Telephone Bureau, Ministry of Communications,  
Stationed at Tokyo Central Telephone Office,  
Concurrently assigned to Tokyo Communication Bureau.

NAKATA Harufuji, Secretary of Ministry of Communications:

Granted No. 16 Salary,  
Ordered to be Director of Gifu Telephone Office.

MIZUTANI Shichidai, ditto:

Granted No. 15 Salary,  
Ordered to be Director of Yokohama Telegraph Office.

FUKUDA Kiyoshi, ditto:

Ordered to be Chief of Telegraph Section, Kagoshima Post Office.

ZUSHI Shuji, Technical Official of Ministry of Communications:

Ordered to be Chief of Exchange Section, Otaru Telephone Office.

SAGARA Mitsuyoshi, ditto:

Ordered to be Chief of Exchange Section, Gifu Telephone Office.

TSUJI Masaaki, Secretary of Ministry of Communications:

Concurrently ordered to be Director of Hamamatsu Telephone Office.

(October 1, ditto)

KOJIMA Kazuji, Technical Official of Ministry of Communications:

Granted No. 19 Salary,

(October 7, ditto)

NAKAMURA Shun-ichi, Secretary of Ministry of Communications:

Ordered to be Chief of Audit Section, General Affairs Bureau, Ministry of Communications.

OKADA Tomoomi, ditto:

Concurrently ordered to be Acting Director of Kyoto Branch Office, Ministry of Communications.

TAKATA Kimitaro, ditto:

Granted No. 15 Salary,  
Assigned to Kyoto Branch Office, Ministry of Communications.

KAMIYAMA Tasaku, Educational Official of Ministry of Communications:

Granted No. 13 Salary,  
Ordered to be Director of Sendai Communication Training School.

MORIMOTO Yoshiyuki, Secretary of Ministry of Communications:

Granted No. 13 Salary,  
Ordered to be Chief of Extraordinary Investigation Office, Hiroshima Communication Bureau.

HADO Eiichi, Educational Official of Ministry of Communications:

Granted No. 13 Salary,  
Ordered to be Director of Kumamoto Communication Bureau.

KASAMATSU Tadao, Secretary of Ministry of Communications:

Assigned to Osaka Communication Bureau.

SHIBATA Mioji, ditto:

Ordered to be Director of Hikone Post Office.

CHISHIRO Takeshi, Educational Official of Ministry of Communications:

Granted No. 15 Salary,  
Assigned to Communication College.

SHIRANE Tamaki, Secretary of Ministry of Communications:

Relieved of Concurrent post of Chief of Audit Section, General Affairs Bureau, Ministry of Communications.  
(October 14, ditto)

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## IMPERIAL ARCHIVAL

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### Court Circular

H. M. the Empress, accompanied by H. I. H. Princess Takako, visited the Tama Imperial Mausoleum on the 7th inst., the itinerary being as follows:

Left the Imperial Palace	at 12.35
Left Harajuku Station by the special train	at 12.55
Arrived at Higashi-Asakawa Station	at 13.55
Visited the Tama Imperial Mausoleum	
Left Higashi-Asakawa Station by the special train	at 14.30
Arrived at Harajuku Station	at 15.30
Returned to the Imperial Palace	at 15.45

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## COLLECTIVE INFORMATION

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### OFFICIAL PARTICULAR

#### Amendments to the Regulations for Subdivision of the Ministry for Home Affairs

The following partial amendment shall be made to the Regulations of Departmental System of the Ministry for Home Affairs, on November 1.

"1. Affairs concerning the investigation of Police System" shall be deleted and the following shall be added next to the same paragraph:

#### Planning Section

1. Affairs concerning the investigation of Police System.

1. Affairs concerning the planning and designing of the improvement of Police System.

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## LOCAL ADMINISTRATION

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### Prefectural Assembly

The extraordinary prefectural assembly will be held on November 12, 1946.

(Gifu-ken)

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## NOTICE

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### FACTORY FOUNDATION

November 11, 1946

Whereas Kazumoto-Seni-Kikai-Kogyo Ltd., No. 3, 1-chome, Terazima-cho, Mukojima-ku, Tokyo-to, has applied for registration of preservation of ownership of the buildings, machineries, implements, etc., belonging



to the said company's factory located at the above-mentioned company's location for the purpose of creating a factory assets, any person who has a claim over the movable property that is to be included in the said assets or any creditor of seizure, provisional seizure or provisional disposition shall file his claim with this Court within 32 days from the date of publication of this notice.

The inventory of the said assets is available at this Court for the inspection of the interested parties.  
Edogawa Branch of Tokyo Local Court

#### PUBLIC NOTICE

##### Claimants:

- No. 1753  
Name: Kinzo Tomita  
Address: No. 464, Oaza-furukawa, Tsu-shi, Mie-ken
- No. 1817  
Name: Michichika Saigo  
Address: No. 176, Eifuku-cho, Suginami-ku, Tokyo
- No. 1822  
Name: Yoshio Ichikawa  
Address: Kokura Kamihomura, Fuku-gun, Toyama-ken
- No. 1826  
Name: Iwaji Aoki  
Address: c/o Oyu-ryo, No. 17, Hara-machi, Shibuya-ku, Tokyo
- No. 1827  
Name: Koji Arima  
Address: No. 1, Oaza-yamato, Ujiyamada-shi, Mie-ken
- No. 1883  
Name: Shiro Tanikawa  
Address: No. 94, Nishimacda, Maeda-mura, Kida-gun, Kagawa-ken
- No. 1895  
Name: Masako Umawatashi  
Address: No. 4049, Shindai-ji, Mitaka-cho, Kitatama-gun, Tokyo-to
- No. 1899  
Name: Tetsu Azuma  
Address: No. 1105, Yojikamigumi, Yagi-mura, Mihara-gun, Hyogo-ken
- No. 1903  
Name: Shizuya Ozaki  
Address: No. 280, Kamikomachi, Omiya-shi, Saitama-ken
- No. 1907  
Name: Tokuya Itsutsu  
Address: No. 3400, 8-chome, Kana-machi, Gifu-ken
- No. 1911  
Name: Shun Suzuki  
Address: 4-No. 11, 1-chome, Sarue-cho, Fukagawa-ku, Tokyo
- No. 1915  
Name: Miyoko Shiokawa  
Address: No. 2788, 2-chome, Oaza-Itsukaichi, Itsukaichi-shi, Saheki-gun, Hiroshima-ken
- No. 1919  
Name: Risaburo Yoshida  
Address: Oaza-arimatsu, Arimatsu-cho, Chita-gun, Aichi-ken
- No. 1923  
Name: Iino Kurimoto  
Address: No. 430, Oaza-miyata, Miyata-cho, Haguri-gun, Aichi-ken

At the instances of the above-mentioned persons the bearers of share certificates shown on the annexed sheets are hereby requested to notify their claims on the said certificates and submit the certificates to this Court not later than 10.00 a.m., April 22, 1947.

In case of failure to notify and submit in accordance with the preceding paragraph by the date fixed, the said share certificates may be declared null and void.

Tokyo Local Court  
(Annexed sheets abridged)

July 2, 1946

##### Claimants:

Sangoro Marubashi  
No. 81, Yorozuya-machi, Nagasaki-shi

Keizaburo Kira  
No. 407-2, Ichise, Sasa-machi, Kitamatsura-gun, Nagasaki-ken

Whereas the above-mentioned claimants have requested for public notification with reference to the share certificates described in the attached papers, the possessors of the said share certificates are hereby notified that they report their claims and submit the said share certificates to this Local Court not later than 9.00 a.m., December 24, 1946.

If they fail to do so by the fixed date, the share certificates may be declared null and void.

Nagasaki Local Court  
(Attached papers abridged)

April 2, 1946

Claimant: Kabushiki Kaisha Teikoku Ginko,  
Asajiro Imabuku, Lawyer and Substitute,  
Junshiro Mandai, Representative Director.  
No. 1-1, 1-chome, Marunouchi, Kojimachi-ku, Tokyo

Whereas the above-mentioned claimant has requested for public notification with reference to the bill described in the attached paper, the possessor of the said bill is hereby notified that he report his claim and submit the said bill to this Local Court not later than 9.00 a.m., December 24, 1946.

If he fails to do so by the fixed date, the bill may be declared null and void.

Nagasaki Local Court  
(Attached paper abridged)

April 4, 1946

Claimant: Kimihiro Konishi, Heir of Katsuichi Konishi (deceased)  
No. 426, Ueno-machi, Nagasaki  
Toshiro Konishi, Legal Representative.  
Hachiro Nakayama, Lawyer and Substitute.

Whereas the above-mentioned claimant has requested for public notification with reference to the share certificates described in the attached paper, the possessor of the said share certificates is hereby notified that he report his claim and submit the said share certificates to this Local Court not later than 9.00 a.m., December 24, 1946.

If he fails to do so by the fixed date, the share certificates may be declared null and void.

Nagasaki Local Court  
(Attached paper abridged)

April 12, 1946

Claimant: Nagasaki Kombu Kyodo Kakosho  
Taiji Sawaoka, Representative  
No. 33, Togiya-machi, Nagasaki



Whereas the above-mentioned claimant has requested for public notification with reference to the bill described in the attached paper, the possessor of the said bill is hereby notified that he report his claim and submit the said bill to this Local Court not later than 9.00 a.m., December 24, 1946.

If he fails to do so by the fixed date, his bill may be declared null and void.

Nagasaki Local Court  
(Attached paper abridged) April 15, 1946

Claimants:  
Kenji Araki  
No. 339, Takenokubo-machi, Nagasaki  
.....  
Kaname Hamasaki  
Kidoko-myo, Rikitsu-mura, Nishisonogi-gun,  
Nagasaki-ken  
.....  
Teiko Yoneda  
No. 104, Hamaguchi-machi, Nagasaki  
.....  
Masakichi Oishi  
No. 1158, Nishidashizu-go, Kuroaki-mura,  
Nagasaki-ken

Whereas the above-mentioned claimants have requested for public notification with reference to the share certificates described in the attached papers, the possessors of the said share certificates are hereby notified that they report their claims and submit the said share certificates to this Local Court not later than 9.00 a.m. December 24, 1946.

If they fail to do so by the fixed date, the share certificates may be declared null and void.

Nagasaki Local Court  
(Attached paper abridged) April 17, 1946

Claimant: Masao Yamaguchi  
No. 177, Hiradogoya-machi, Nagasaki

Whereas the above-mentioned claimant has requested for public notification with reference to the share certificates described in the attached paper, the possessor of the said share certificates is hereby notified that he report his claim and submit the said share certificates to this Local Court not later than 9.00 a.m., December 24, 1946.

If he fails to do so by the fixed date, the share certificates may be declared null and void.

Nagasaki Local Court  
(Attached paper abridged) April 19, 1946

Claimants:  
Harumitsu Yamaguchi  
No. 43, Dakidaiku-machi, Nagasaki  
.....

Yoichiro Sueyoshi  
Heir of Ikusaburo Sueyoshi (deceased)  
No. 3, 2-chome, Senba-cho, Nagasaki

Whereas the above-mentioned claimants have requested for public notification with reference to the share certificates described in the attached papers, the possessors of the said share certificates are hereby notified that they report their claims and submit the said

share certificates to this Local Court not later than 9.00 a.m., December 10, 1946.

If they fail to do so by the fixed date, the share certificates may be declared null and void.

Nagasaki Local Court  
(Attached paper abridged) May 6, 1946

Claimant: Kabushiki-Kaisha Shinwa Ginko  
Branch: 19, Koya-machi, Nagasaki  
Head office: 135, Shimase-machi, Sasebo-shi  
Ken-ichi Maki, Representative Director  
Yoshio Nakamura, Substitute,  
No. 19-4, Koya-machi, Nagasaki

Whereas the above-mentioned claimant has requested for public notification with reference to the check described in the attached paper, the possessor of the said check is hereby notified that he report his claim and submit the said check to this Local Court not later than 9.00 a.m., December 17, 1946.

If he fails to do so by the fixed date, the check may be declared null and void.

Nagasaki Local Court  
(Attached paper abridged) May 9, 1946

Claimant: Totaro Chuman  
Permanent Address: No. 1, 5-chome, Nishimoto-machi,  
Naha-shi, Okinawa  
Present Address: No. 8308, Nakamyo, Kanoya-shi,  
Kagoshima-ken

Whereas the above-mentioned claimant has requested for public notification with reference to the share certificate described in the attached paper, the possessor of the said share certificate is hereby notified that he report his claim and submit the said share certificate to the Kanoya Local Court not later than 10.00 a.m., March 11, 1947.

If he fails to do so by the fixed date, the share certificates may be declared null and void.

Kanoya Local Court  
(Attached paper abridged) May 10, 1946

Claimant: Tadashi Ochi  
No. 163, Oaza Homen, Yodo-mura, Onsen-  
gun, Ehime-ken

At the instance of the above-mentioned person, the possessors of the share certificates shown on the annexed sheet are hereby requested to notify their claims on the said share certificates and submit the said share certificates to this Court by 9.00 a.m., July 1, 1947.

In case of failure to notify and submit in accordance with the preceding paragraph by the date fixed, the said share certificates may be declared null and void.

Kochi Local Court  
(Annexed sheet abridged) September 1, 1946

**NOTIFICATION CALLING FOR REPORT IN CONNECTION WITH DISAPPEARANCE**

Yokosuka Local Court  
July 3, 1946

The Missing: Takao Sugino  
Domicile and Last Residence: No. 2228, Matsuwa,  
Minami-shimoura-machi, Miura-gun, Kanagawa-ken



Date of Birth: February 10, 1924

Whereas, with reference to the above-mentioned missing person, the interested party, Hachizo Sugino, as filed representations calling for the adjudication of disappearance, the missing person shall notify this Court of his subsistence not later than 9.00 a.m., March 4, 1947.

If he fails to do so, the adjudication of disappearance may be pronounced upon him. Any person who knows if he is alive or dead must also report to this Court by the above-mentioned date.

Toyohashi Local Court

August 26, 1946

The Missing: Tokiji Ishida  
Permanent Address and Last Address: No. 96, Aza-goho,  
Miya-cho, Hoi-gun, Aichi-ken

Date of Birth: July 7, 1892

Whereas, with reference to the above-mentioned missing person, the interested party, Matakichi Ishida, has filed representations calling for the adjudication of disappearance, the missing person shall notify this Court of his subsistence not later than 9.00 a.m., March 7, 1947.

If he fails to do so, the adjudication of disappearance may be pronounced upon him. Any person who knows if he is alive or dead must also report to this Court by the above-mentioned date.

Ajigasawa Local Court

August 17, 1946

The Missing: Sataro Murakami  
Domicile and Last Residence: No. 10, Henashi Fukaura-machi, Nishitsugaru-gun, Aomori-ken

Date of Birth: October 7, 1863

Whereas, with reference to the above-mentioned missing person, the interested party, Yasuzo Murakami, has filed representations calling for the adjudication of disappearance, the missing person shall notify this Court of his subsistence not later than 9.00 a.m., June 14, 1946.

If he fails to do so, the adjudication of appearance may be pronounced upon him. Any person who knows if he is alive or dead must also report to this Court by the above-mentioned date.

### Articles of Association of the Reconversion Finance Bank

#### Chapter I General Rules

- Art. 1. The Bank is established under the Reconversion Finance Bank Law, and is named the Reconversion Finance Bank.
- Art. 2. The object of the Bank is to supply funds, which, though necessary for promoting the reconstruction of national economy, are found difficult to be supplied by other ordinary financial institutions.
- Art. 3. The Bank shall have its principal office in Kojimachi-ku, Tokyo-to and its subordinate offices in Osaka, Nagoya, Kobe, Fukuoka, Sendai, Sapporo, Hiroshima, Niigata and Takamatsu.

With the approval of the Reconversion Finance Commission, the Bank may have its sub-branch wherever it deems convenient for undertaking the business transaction.

With the approval of the Reconversion Finance Commission, the Bank may entrust banks of other financial institutions with part of its business.

Art. 4. The bank shall make public notice on the Official Gazette.

#### Chapter II Capital

- Art. 5. The capital amount of the Bank shall be ¥10,000,000,000.
- Art. 6. The Government shall invest ¥10,000,000,000 in the Bank.
- Art. 7. Of this capital stock the amount of ¥4,000,000,000 shall be paid up initially at the date of the establishment and the date and amount to be paid relating to the margin shall be determined by the Reconversion Finance Commission.

#### Chapter III Officers of the Bank

- Art. 8. The Bank shall have, as its officers, one president, one vice-president, two or more directors and one or more auditors.
- Art. 9. The president shall represent the Bank and supervise the general affairs.  
The vice-president shall represent the Bank and assist the president to administer the affairs of the Bank as may be determined by the president. In case the president is absent, the vice-president shall act on behalf of the president and in the vacancy of the president, the vice-president shall exercise all the functions of the president as may be determined by the president.  
The directors shall represent the Bank and assist the president and the vice-president to manage the affairs of the Bank as may be determined by the president.  
In case both the president and vice-president are absent, directors shall act on behalf of them and in vacancy of both the president and vice-president, directors shall exercise all their functions in accordance with their regular order as is determined by the president in advance.  
The president shall make public notice of the scope of the representative right, if any, of vice-president or directors prescribed in paragraph 2 or 3.  
The auditors shall audit the affairs of the Bank.
- Art. 10. The president, vice-president, directors and auditors shall be appointed by the Government on the recommendation of the Reconversion Finance Commission.

The term of office of the president, vice-president, directors and auditors shall be determined by the Reconversion Finance Commission.

- Art. 11. The amount of the remuneration and allowance for the president, vice-president, directors and auditors shall be determined by the president with the approval of the Reconversion Finance Commission.
- Art. 12. The president, vice-president and directors may appoint an attorney or attorneys with full power to execute juridical act in or outside the court of justice in connection with the affairs of the principal office and the branch offices as may be determined by the president.
- Art. 13. The president, vice-president and directors shall not be permitted to have a post in any other business. This rule, however, shall not be applied in cases where the Reconversion Finance Commission granted exceptional permission.



## Chapter IV Business and its Execution

Art. 14. In order to attain the objects specified in Art. 2, the Bank shall carry on the following business:

1. Accomodation of funds;
2. Guaranteeing against the liabilities;
3. Subscribing for or investing in debentures (hereinafter including bonds issued by an institution which is a juridical person formed under a special Law or Ordinance but is not a company);
4. Business which is incidental to transactions mentioned in the preceding numbers.

The accomodation of funds prescribed in Number 1 may be executed by delivering a promissory note drawn by the Bank or accepting a bill of exchange by the Bank.

Besides the business mentioned in the preceding paragraph, the Bank may, with the approval of the Reconversion Finance Commission, undertake the business transaction which is necessary for attaining its object.

Art. 15. On opening the business, the Bank shall specify the methods of its business, i.e. the terms relating to the accommodation of funds and others, with the approval of the Reconversion Finance Commission. The similar steps are to be taken in the case where alteration is to be made.

Art. 16. After the lapse of three years from its establishment, the Bank cannot make new accomodation of funds, new guarantee against liabilities, new subscription for bonds or investing debentures.

The period mentioned in the preceding paragraph may be shortened or prolonged with the approval of the Reconversion Finance Commission.

Art. 17. The regulations relating to the execution of the business shall be determined by the president

## Chapter V Reconversion Finance Debenture

Art. 18. The Bank can issue debentures with the approval of the Reconversion Finance Commission.

The total amount of the debentures issued and the outstanding liabilities guaranteed by the Bank in compliance with paragraph 1 of Article 14 cannot exceed the unpaid capital stock.

Art. 19. The Bank can issue debenture temporarily despite of the regulation of the paragraph 2 of the preceding Article for conversion of the old debentures or for fulfilment of liabilities guaranteed in accordance with the provisions of paragraph 1 of Article 14.

In case the Bank has issued debentures in accordance with the provisions of the preceding paragraph, the Bank shall redeem the old debentures equivalent to the amount of issuance or settle the said liabilities within one month after the issuance.

Art. 20. The Reconversion Finance Debentures shall be unscrubed debentures with coupon, provided that this can be of inscribed form on the request of a subscriber or holder.

The Reconversion Finance Debentures can be issued by means of discount.

Art. 21. Necessary matters concerning the redemption of the Reconversion Finance Debentures shall be notified publicly in advance.

Art. 22. Those who desire to make the debentures of unscrubed form inscribed or make the inscribed

one unscrubed, shall submit to the Bank, the paper requesting the above with the said debentures.

Art. 23. Those who desire to transfer the debentures of inscribed form, shall submit to the Bank, the paper requesting the above with the signatures or seals of both the transferer and the transferee on it with the said debentures.

Those who have acquired the debentures of inscribed form by means of inheritance, gift, or auction sale, shall request the change of denomination by submitting a paper certifying the acquisition of the debentures.

Art. 24. Should the unscrubed debenture or its coupon be destroyed, lost or stolen, the Bank shall not deliver the substitute debenture or coupon before the decision on the invalidation of the original debenture or coupon is made under the procedure of demand for public report.

Art. 25. Should the inscribed debenture be lost due to unavoidable damage, the holder can request the delivery of the substitute debenture by submitting a report stating the reason, face value and the number together with two or more guarantors.

Should the request as prescribed in the preceding paragraph be made the Bank shall deliver the debenture only when the reason is justified.

If the reason is unjustifiable, it is to follow the case of its loss.

Art. 26. Should the inscribed debenture be lost or stolen, the holder can request the delivery of the substitute by submitting a report stating the reason, face value and the number to the Bank.

Should the request as prescribed in the preceding paragraph be made, the Bank shall make a public notice thereof on the account of the applicant and shall deliver the substitute debenture after having the holder elect two or more guarantors, if the report on finding the original debenture is not made within one month.

Art. 27. Should there be a person who objects the report of destruction loss or steal of the inscribed debenture, the Bank shall not deliver the substitute debenture before the decision at the competent Court is completed.

Art. 28. Should the Reconversion Finance Debenture be blotted or damaged, the holder can request the delivery of the substitute by presenting the original debenture to the Bank together with the application stating its reason.

Should the request as prescribed in the preceding paragraph be made, the Bank shall deliver the substitute debenture of the original debenture which is justified after examining the debenture, and with regard to the one which cannot to justified, it is to follow the case of lost.

Art. 29. In case where the inscribed debenture is to be converted to the unscrubed one or vice versa, or where the substitute debenture or coupon is delivered for destruction, loss or damage and the like of the original debenture or its coupon, the Bank shall collect from the applicant the fee of five yen per share or coupon.

In case where the change of denomination is made in respect to the inscribed debenture, the Bank shall collect from the applicant the fee of fifty yen per debenture.



Art. 30. In case where the preceding seven paragraphs are not applicable, the president shall, on the approval of the Reconversion Finance Commission, set up special provisions.

The special provisions referred to in the preceding paragraph shall be notified publicly.

#### Chapter VI. Accounts

Art. 31. The business year of the Bank shall be from April to March of the following year.

Art. 32. The Bank shall submit to the Reconversion Finance Commission the business schedule and estimation of expenses for every business year by the beginning of the term for approval. Similar steps shall be taken when some important alterations are needed.

Art. 33. The Bank shall submit to the Reconversion Finance Commission the inventory, balance sheet, profit and loss statement and statistical summary as prescribed by the Commission for every business year within two months after the end of the year. The Bank shall obtain the approval of the Commission for the above documents.

The Bank shall make public notice of the inventory, balance sheet and profit and loss statement, which have been duly approved by the Commission in accordance with the preceding paragraph. The Bank shall keep the above documents as well as the statistical summary referred to in the preceding paragraph in every office.

Art. 34. With regard the disposal of the surplus, the Bank shall obtain the approval of the Reconversion Finance Commission.

Art. 35. Necessary regulations concerning accounting other than those prescribed in this Articles shall be determined by the president.

#### Chapter VII. Alteration of Articles of Association

Art. 36. With regard the alteration of this Articles, the Bank shall obtain the approval of the Reconversion Finance Commission.

#### Supplementary Provision:

Art. 37. The first business year of the Bank shall be from the date of its establishment to March, 1947, irrespective of the provision of Article 31.



F      FEC-209      Account with National City  
Bank for Japanese Dollar  
Funds  
Account with National City Bank



209- Acct. with National City Bank  
for Japanese Dollar Funds



FEC-209RESTRICTEDFEC-20914 March 1947FAR EASTERN COMMISSIONACCOUNT WITH NATIONAL CITY BANK FOR  
JAPANESE DOLLAR FUNDSNote by the Secretary General

1. The enclosure, a statement by the United States Government relative to the opening of an account with the National City Bank of New York for Japanese dollar funds, has been submitted by the United States Representative and is circulated herewith for the information of the Far Eastern Commission.

2. At the forty-ninth meeting of the Far Eastern Commission, 13 March 1947, the United States Representative reported verbally on the substance of the enclosure.

NELSON T. JOHNSON  
Secretary General

FEC-209



na - 4551

Mr. Matten

RESTRICTED

E N C L O S U R E

ACCOUNT WITH NATIONAL CITY BANK FOR  
JAPANESE DOLLAR FUNDS

1. The United States Government has approved a proposal of the Supreme Commander for the Allied Powers to open an account with the National City Bank of New York, head office, New York City, as depository for dollar funds accruing from certain Japanese exports and other sources, subject to the understanding in paragraph 2 below.
2. It is considered that the proposal to establish such an account with the National City Bank of New York, New York City, which it appears was made largely because of its position as the only American bank licensed to operate in Japan, would, temporarily at least, give that bank a virtual monopoly over dollar financial transactions relative to Japanese foreign trade with non-United States areas. Since no particular bank in the United States should be given a preferred position over other banks in the United States, or in other of the United Nations, it is considered advisable that, in authorizing the Supreme Commander to open an account with the National City Bank, New York, for the purpose in question, it be understood that the Supreme Commander will utilize the facilities of other qualified American and foreign banks when the need for additional commercial banking services in connection with Japanese foreign trade arises and it is practical to do so.
3. Appropriate publicity will be given to the circumstances under which the account in question is being established and to the intent to establish similar accounts with other American banks and foreign banks when the need therefor arises.



FEC-210

Reply to SCAP re House of  
Representative Election Law

210 - Reply by SCAP to Consultation  
on House of Representatives Election Law



210 - Reply by SCAB to Consultation  
on House of Representatives Election Law



RESTRICTEDSC-210SC-21017 March 1947FAR EASTERN COMMISSIONREQUEST FOR CONSULTATION WITH THE SUPREME COMMANDER FOR THE  
ALLIED POWERS RELATIVE TO THE HOUSE OF REPRESENTATIVES' ELECTION  
LAW

(References: MI-007, FEC-101/1), C3-009)

Note by the Secretary General

1. The enclosure, a proposed consultation with the Supreme Commander for the Allied Powers relative to the House of Representatives' Election Law (MI-007); was unanimously approved by COMMITTEE NO. 3: CONSTITUTIONAL AND LEGAL REFORM at its 47th meeting, 17 March 1947, and is forwarded herewith for the consideration of the STEERING COMMITTEE.

NELSON T. JOHNSON  
Secretary General

SC-210



RESTRICTEDE N C L O S U R EREQUEST FOR CONSULTATION WITH THE SUPREME COMMANDER FOR THE ALLIED POWERS RELATIVE TO THE HOUSE OF REPRESENTATIVES' ELECTION LAW

The Far Eastern Commission requests the Chairman to consult with the Supreme Commander for the Allied Powers in connection with the following:

1. It is the Commission's understanding from present information that the law applicable to the forthcoming election of the members of the House of Representatives will be the unsatisfactory Law for the Election of Members of the House of Representatives, 1925, as amended in 1926, 1934 and 1945, (MI-007), while the election of the House of Councillors will be held under the more liberal provisions of the House of Councillors' Election Law, (FEC-101/1).

2. Has any action been taken to extend the provisions of Article 2 of the Additional Provisions of the House of Councillors' Election Law to the election of members of the House of Representatives?

3. What other substantial changes, if any, have been made in the Law for the Election of Members of the House of Representatives, 1925, as amended, or are expected to be made in time to be applicable to the forthcoming General Election?

SC-210



FEC-210/1RESTRICTEDFEC-210/118 March 1947FAR EASTERN COMMISSIONREQUEST FOR CONSULTATION WITH THE SUPREME COMMANDER FOR THE  
ALLIED POWERS RELATIVE TO THE HOUSE OF REPRESENTATIVES' ELECTION  
LAW

(References: MI-007, FEC-101/1, C3-009)

Note by the Secretary General

The enclosure, a proposed consultation with the Supreme Commander for the Allied Powers relative to the House of Representatives' Election Law (MI-007), was unanimously approved by the Steering Committee at its fifty-sixth meeting, 18 March 1947, and is forwarded herewith for the consideration of the Far Eastern Commission.

NELSON T. JOHNSON  
Secretary General

FEC-210/1



RESTRICTEDE N C L O S U R EREQUEST FOR CONSULTATION WITH THE SUPREME COMMANDER FOR THE ALLIED POWERS RELATIVE TO THE HOUSE OF REPRESENTATIVES' ELECTION LAW

The Far Eastern Commission requests the Chairman to consult with the Supreme Commander for the Allied Powers in connection with the following:

1. It is the Commission's understanding from present information that the law applicable to the forthcoming election of the members of the House of Representatives will be the Law for the Election of Members of the House of Representatives, 1925, as amended in 1926, 1934 and 1945, (III-007), which unduly restricts the right of suffrage, while the election of the House of Councillors will be held under the more liberal provisions of the House of Councillors' Election Law, (FEC-101/1).

2. Has any action been taken to extend the provisions of Article 2 of the Additional Provisions of the House of Councillors Election Law to the election of members of the House of Representatives?

3. What other substantial changes, if any, have been made in the Law for the Election of Members of the House of Representatives, 1925, as amended, or are expected to be made in time to be applicable to the forthcoming General Election?



C3-210/2RESTRICTEDC3-210/219 March 1947FAR EASTERN COMMISSIONSTATUS OF REVISION OF THE HOUSE OF REPRESENTATIVES  
ELECTION LAW

(References: FEC-210/1, MI-007, C3-009)

Note by the Secretary General

1. The enclosure, an informational paper prepared by the Research Division of the United States Department of State relative to the Japanese House of Representatives Election Law, is circulated herewith for the information of COMMITTEE NO. 3: CONSTITUTIONAL AND LEGAL REFORM.
2. Due to the limited number of copies available, only one copy of the enclosure can be furnished each delegation.

NELSON T. JOHNSON  
Secretary General

C3-210/2



FEC-210/3RESTRICTEDFEC-210/321 March 1947FAR EASTERN COMMISSIONCONSULTATION WITH THE SUPREME COMMANDER FOR  
THE ALLIED POWERS RELATIVE TO THE HOUSE OF  
REPRESENTATIVES ELECTION LAW(References: FEC-210 Series; FEC-101/1;  
CS-009; MI-007)Note by the Secretary General

The Far Eastern Commission at its fiftieth meeting, 20 March 1947, unanimously approved FEC-210/1, Request for Consultation with the Supreme Commander for the Allied Powers Relative to the House of Representatives' Election Law.

NELSON T. JOHNSON  
Secretary General

FEC-210/3



FEC-210/4RESTRICTEDFEC-210/414 April 1947FAR EASTERN COMMISSIONREPLY BY THE SUPREME COMMANDER FOR THE ALLIED POWERS  
TO CONSULTATION ON HOUSE OF REPRESENTATIVE  
ELECTION LAW

(References: FEC-210/1, MI-007, FEC-101/26,  
FEC-101/55)

Note by the Secretary General

The enclosure, the reply of the Supreme Commander to the Commission consultation on the House of Representative Election Law (FEC-210/1), has been received by the Chairman and is circulated herewith for the information of the Far Eastern Commission and referred to COMMITTEE NO. 3: CONSTITUTIONAL AND LEGAL REFORM for consideration.

NELSON T. JOHNSON  
Secretary General

FEC-210/4



RESTRICTEDE N C L O S U R EREPLY BY THE SUPREME COMMANDER FOR THE ALLIED POWERS  
TO CONSUMMATION ON HOUSE OF REPRESENTATIVE  
ELECTION LAW

1. The Diet on 31st March passed amendments extending the provisions of article two of the additional provisions of the House of Councillors election law to the election of the House of Representatives. Forthcoming election of House of Representatives will be held under the same liberal provisions as the House of Councillors election law.

2. The franchise for the House of Representatives is now extended to all of voting age except incompetents or quasi-incompetents and those in prison or those who have received a sentence involving penal servitude or confinement and have not yet served their term.

3. English and Japanese copies of bill for amendment of the House of Representatives election law were air-mailed to War Department on 14th March. Japanese copies of amendments to bill were airmailed 31st March. English translation of amendments as passed by the Diet will be airmailed on 3rd April.

4. Other substantial changes in House of Representatives election law include:

a. Election districts increased in number from 53 to 117 with each district returning from 3 to 5 members to the lower house for a total membership of 466.

b. Supervision of elections has been removed from the House Ministry and placed in the hands of democratically chosen election administration committees who will appoint election officials and supervise polling and counting.

c. Filing deposits have been raised from 2,000 Yen to 5,000 Yen, and fines for violations have generally been increased about 10 times.

d. Restricted plural voting has been replaced by the single ballot.

e. Use of school children below the age of 20 in campaigns illegal.

5. All changes will be applied to the forthcoming general elections.