

Tobacco Monopoly

From: LS

To: GS

R.B. APPLETON-2635-582

Date: 22 April 1949

2.

1. Due to the fact that subject bill had to be reviewed to meet a fixed deadline, the review has necessarily been a hasty one, and no opinion is expressed concerning the policy behind the bill.

2. Objection is made to the following provisions because they delegate power to determine matters affecting substantive rights to the Japan Public Monopoly Corporation or to the Minister of Finance or the Cabinet without specific limitations or standards in the Law itself:

a. Item (6) of Article 9. Introduction of a more objective standard is suggested, such as "In case there is other reasonable cause to believe the person is unsuitable for the proper cultivation of tobacco."

b. Article 24, which permits compensation to be paid to cultivators of tobacco for "a part" of damages caused by natural calamities under the provisions of Ministry of Finance Ordinance.

c. Paragraph 2 of Article 25, which permits subsidies to bodies corporate or federations of tobacco cultivators in accordance with Finance Ministry Ordinance.

Draft Legislation (cont'd)

2
cont'd

d. Article 34, which provides that the Corporation shall fix the retail price of manufactured tobacco, with the approval of the Minister of Finance, Paragraph 2 of Article 34 and paragraph 13 of the Supplementary Provisions, which refer in this connection to Article 3 of the Finance Law (Law No. 34 of 1947) and the Law concerning the Exceptions to Article 3 of the Finance Law (Law No. 27 of 1948), are unclear. Even under the aforesaid emergency exceptions to Article 3 of the Finance Law the Government is not authorized to determine or revise prices of manufactured tobacco (exclusive of foreign tobacco or exportable manufactured tobacco), without law provisions or Diet action.

e. Paragraph 3 of Article 63, which permits delayed payments (without requiring security) in accordance with conditions decided by the Minister of Finance.

f. In Paragraph 3 of Article 79 the phrase "as well as the judicial police-man and national public servant appointed by the Cabinet Order." This phrase which appears twice in this paragraph is unclear, and might be interpreted to permit appointment of judicial police by Cabinet Order, contrary to the Code of Criminal Procedure which specifies that they must be appointed by law.

Incl:
n/c

----- C.R.L. -----

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T CW/JR/JR/RAE/428

(Do not remove from attached sheet)

Subject: Draft Legislation

Note No.

From: Govt Sec

To: **BSS**

Date:

11 April 1949

~~Major Harris~~

2626076

1.

1. Immediate introduction of the attached draft bill in the Diet is proposed by **Ministry of Finance.**

2. Your prompt comment is requested.

1 Incl:

Amendment of Tobacco Monopoly Law.

C. W.

P&P Div

CW/JN/JW/RAH/vls
Major Harris 26-6076

SUBJECT: Draft Legislation

1. From: Govt Sec To: ESS Date: 11 April 1949

1. Immediate introduction of the attached draft bill in the Diet is proposed by Ministry of Finance.

2. Your prompt comment is requested.

1 Incl:
Amendment of Tobacco Monopoly Law.

----- C. W. -----

2. From: ESS To: Govt Sec

WFM/LHM/RS/WB/lrk
Mr. Bass 57-3612
Date: 14 April 1949

Recommend approval.

1 Incl:
n/c

W.F.M.

Rec'd GS 4/16/49
[Signature]

GOVERNMENT SECTION
Buck Slip

11 April 1949

From: Parliamentary & Political Div
No: _____ INITIAL DATE _____

CHIEF.....
 BY OFF.....
Deputy Chief.....
Maj Rizzo.....
Chief Adm Div.....
Statistics & Review Br.....
Civil Service Div.....
Parl & Pol Div.....
Public Adm Div.....
Public Aff Div.....
File.....
Chief Clerk.....
Personnel Clerk.....

FOR: _____

- _____ INFORMATION
- _____ NECESSARY ACTION
- _____ ACTION (Prepare Reply)
- _____ APPROVAL
- _____ SIGNATURE
- _____ INITIAL
- _____ COMMENT OR CONCUR.
- _____ RETAIN
- _____ RETURN
- _____ FILE
- _____ BURN

CS: NRS
ESS

LS



DRAFT OF LAW

to be submitted for GS' approval
Coordination Section, CLCO (TEL. 57-6010)
7845)

Apr. 9, 1949

1. CLCO Number: 81
9
2. Name of Law: Bill for the Amendment of the
Tobacco Monopoly Law.

3. Competent Ministry: Ministry of Finance
4. Date of Cabinet Approval: Apr. 4, '49
5. SCAP Section concerned: Mr. W. H. Bass:
Internal Revenue Division, E.S.S.

6. Remarks: (Reference:)

..... Tobacco Monopoly Law (Law No. 14, 1904 as amended.....
Law No. 63 June 28 1948).....
.....
.....
.....

7. G.S. Reviewers:
8. Date of G.S. Approval:
9. G.S. Member Responsible:

GS-Ex. 0

LS

ESS

NRS

Rec'd GS 4/9/49

(42)

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

CW/JN/JW/RAH/vls

(Do not remove from attached sheet)

Subject: Draft Legislation

Major Harris

26-6076

Note No. From: Govt Sec To: **ESS** Date: 11 April 1949

1. 1. Immediate introduction of the attached draft bill in the Diet is proposed by **Finance Ministry**.
2. Your prompt comment is requested.

1 Incl:

Bill for Precious Metals Special Account

C. W.

010(11 Apr 49)ESS/FIN

From: **ESS**

To: **GS**

WFM/WKL/EMR/STB/eb

Mr. Earen, 57-8806

Date: 13 April 1949

2. 1. There is no objection to introduction in the Diet of the **Bill for Precious Metals Special Account**.
2. The Japanese Fiscal Year 1949-50 budget as approved by SCAP includes provision for subject Special Account.

1 Incl:

n/c

W.F.M.

Rec'd GS 4/16/49

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T *CU/JH/JH/RAN/vls*

(Do not remove from attached sheet)

Subject: Draft Legislation

Major Harris

26-6076

Note No. From: Govt Sec To: **IS** Date: **11 April 1943**

1. 1. Immediate introduction of the attached draft bill in the Diet is proposed by **Finance Ministry.**

2. Your prompt comment is requested.

1 Incl:

Bill for Precious Metals Special Account

C. W. _____

P&P Div

Bill for Precious Metals Special Account

From: ES

To: OS

R.B. APPLETON-2635-582

Date: 13 April 1949

2.
 1. No legal objection is made to the introduction of subject bill into the Dist.
 2. However, it is suggested that in Article 15 the words "procedural or administrative" be added after the word "Necessary".
 3. No opinion is expressed concerning the policy behind the bill, which abolishes the Gold Fund Special Account Law (Law No. 61 of 1937) and substitutes therefor a Precious Metals Special Account, with certain technical changes in the management of the budget of the account.

Incl: n/e

-----C.R.L.-----

GOVERNMENT SECTION
Buck Slip

4/11 1949

From: Parl. Political Div.
No: _____ INITIAL DATE

- CHIEF.....
- BY OFF.....
- Deputy Chief.....
- Maj Rizzo.....
- Chief Adm Div.....
- Statistics & Review Br.....
- Civil Service Div....
- Parl & Pol Div.....
- Public Adm Div.....
- Public Aff Div.....
- File.....
- Chief Clerk.....
- Personnel Clerk.....

FOR:

- _____ INFORMATION
- _____ NECESSARY ACTION
- _____ ACTION (Prepare Reply)
- _____ APPROVAL
- _____ SIGNATURE
- _____ INITIAL
- _____ COMMENT OR CONCUR.
- _____ RETAIN
- _____ RETURN
- _____ FILE
- _____ BURN

CS: LS
ESS

M

DRAFT OF LAW

to be submitted for GS' approval
Coordination Section, CLCO (TEL. 57-6010)
7845)

Apr. 9, 1949

1. CLCO Number: 84
2. Name of Law: Bill for Precious Metals Special Account.

3. Competent Ministry: Ministry of Finance

4. Date of Cabinet Approval: Apr. 8, '49

5. SCAP Section concerned: Mr. Mc Glaufflin:
Public Finance Branch, Finance Div.,
E.S.S.

6. Remarks: (Reference:)

References are attached herewith.

.....
.....
.....
.....
.....

7. G.S. Reviewers:

GS-EX-10

8. Date of G.S. Approval:

LS

9. G.S. Member Responsible:

ESS

Recd GS 4/9/49

(41)

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) **CR/JN/JN/CFG/vs**

Subject: Draft Legislation

Capt. Guida

26-6076

Note No.

From: Govt Sec

To: **FRAN**

Date: **8 April 1945**

1.

1. Immediate introduction of the attached draft bill in the Diet is proposed by **Finance Ministry**.

2. Your prompt comment is requested.

1 Incl:

**Amendment of National Public Service
Mutual Aid Assn. Law (Law Numbered 69,
23rd Year of Showa - 1948)**

C. W.

P & P DIV.

40

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) CW/JN/JW/CPG/vs

Subject: Draft Legislation

Capt. Guide
26-6076

Note No. From: Govt Sec To: ESS Date: 8 April 1949

1.
 1. Immediate introduction of the attached draft bill in the Diet is proposed by **Finance Ministry**.
 2. Your prompt comment is requested.

1 Incl:
Amendment of National Public Service Mutual
Aid Assn. Law (Law Numbered 69, 23rd Year
of Showa - 1948)

C. W.

WFM/ML/EAR/EC/eb
E. C. Hutchinson, 57-8807

OIO(8 Apr 49)ESS/FIN

From: ESS To: Govt Sec Date: 25 April 1949

2.
 1. There is at present in progress an analysis of the relationship existing between the government and the Mutual Aid Associations insofar as the use of such associations as the organ for the discharge of the government's responsibility for the welfare of its employees is concerned with a view to the possible separation of discharge of government financial responsibilities from the functions of the associations. In view of this fact, ESS is of the opinion that basic changes in the Mutual Aid Association Law provided for in the proposed amendments should be withheld at this time and amendments to the law should wait until the next Diet session.
 2. It is therefore recommended that approval of the introduction of the attached bill into the Diet not be given.

1 Incl:
n/c

W.F.M.

CIVIL SERVICE DIVISION
Government Section

May 6, 1949

MEMORANDUM FOR: The Record

SUBJECT : Revisions in the National Public Service Mutual Aid Association Law as agreed upon by interested SCAP Divisions

In a conference held on 5 May, 1949, various revisions in the subject law were reviewed. Present during this conference were Mr. R. B. Appleton, Legal Section, Mr. Harrison, Finance Division, Mr. Mess, Antitrust and Cartels Division, Mr. Rose, Public Health and Welfare Section and Mr. Demanowski, Civil Service Division. The following suggested revisions were agreed upon:

1. Implementation of long term benefits already provided for under this law and extension of such benefits to all employees of the regular service not participating in the Pension System.
2. Establishment of a Federation of Mutual Aid Associations as an official organ of the Ministry of Welfare to implement this long term program.
3. Clear establishment of the responsibility of the National Personnel Authority with respect to planning, directing, controlling and coordinating this program and its relationships to other benefit programs.
4. Delegation of the Ministry of Welfare of the position of being an agent of the National Personnel Authority in advising and controlling the program and activities of the various Mutual Aid Associations in order to assure proper use of funds, the performance of proper functions and the establishment of certain uniformity in the practices and benefits among the associations.
5. A clear establishment that the Mutual Aid Associations are government agencies.
6. Provision for the establishment of Special Funds within the National Treasury for each Mutual Aid Association and to provide for withdrawals from the funds remaining with the associations on the basis of individual needs.
7. Removal from the Ministry of Finance all controls and directional responsibility other than the establishment of accounting systems and the maintenance of financial records and controls.

May 6, 1949

8. Placement of all post-audit functions with the Board of Audit.
9. Provision that all employees of the Mutual Aid Associations will be in the regular service and under the provisions of the National Public Service Law, and provision that the National Personnel Authority have the right to determine by rule that certain provisions of the Law may not be applicable to certain groups of employees in the Mutual Aid Associations.
10. Clarification of the appeal provisions in the existing Law.

The following are the Divisions interested in each of the major points outlined:

1. Social Security Division, Public Health and Welfare Section.
2. Antitrust and Cartels Division and Finance Division.
3. Civil Service Division.
4. Social Security Division of the Public Health and Welfare Section and Antitrust and Cartels Division.
5. Antitrust and Cartels Division and Finance Division.
6. Antitrust and Cartels Division and Finance Division.
7. Antitrust and Cartels Division and Finance Division.
8. Antitrust and Cartels Division and Finance Division.
9. Antitrust and Cartels Division and Civil Service Division.
10. Legal Section.

The articles directly affected by these points are presented below. In each case, after the article number will be a figure or figures in parentheses. These figures in parentheses will directly indicate the major points of revision outlined in the preceding body of this memorandum.

Article 1 (3)
Article 2 (5 and 9)
Article 3 (4)
Article 4 (4)
Article 6 (4 and 6)
Article 7 (4)
Article 8 (4, 7 and 8)
Article 9 (4, 7 and 8)

Article 12 (1 and 4)
Article 27 (1 and 4)
Article 28 (4)
Article 63 (4)
Article 63-2 (2)
Article 64 (1, 4 and 7)
Article 64-2 (1, 4 and 6)
Article 65 (1, 4 and 7)

May 6, 1949

Article 67 (1 and 4)
Article 68 (1, 4 and 6)
Article 68-2 (6)
Article 69 (6)
Article 71 (3 and 10)
Article 72 (4)
Article 76(10)

Article 79 (10)
Article 83-2 (6)
Article 84 (3)
Article 86 (4)
Article 92 (4 and 6)
Article 93 (8)
Supp'y. Article 1 (6)

Below, it will be indicated which articles will be directly affected by each specific point:

1. Articles 12, 27, 64, 64-2, 65, 67 and 68.
2. Article 63-2.
3. Articles 1, 71 and 84.
4. Articles 3, 4, 6, 7, 8, 9, 12, 27, 28, 63, 64, 64-2, 65, 67, 68, 72, 86, and 92.
5. Article 2.
6. Articles 6, 64-2, 68, 68-2, 69, 83-2, 92 and Supp'y. Article 1.
7. Articles 8, 9, 64, and 65.
8. Articles 8, 9 and 93.
9. Article 2
10. Articles 71, 76, and 79.

WALTER F. DOMANOWSKI
Compensation Specialist

WFD:vt

C O N F I D E N T I A L

CIVIL SERVICE DIVISION
Government Section

May 6, 1949

MEMORANDUM FOR: THE RECORD

SUBJECT : Recommendations by Interested SCAP Divisions Concerning
the Law Amending the National Public Service Mutual Aid
Association Law (Law No. 69, 23rd Year of Showa - 1948)

The following are the recommendations presented by interested SCAP divisions in connection with the proposed Law amending the present National Public Service Mutual Aid Association Law.

Insertions to be made on Page 1 of the Proposed Draft:

Article 1 should hereby be amended by inserting the number "4" before the present paragraph and making it the fourth paragraph of this Article.

Article 1 should hereby be further amended by inserting four new paragraphs which read as follows:

(Purpose)

Article 1. The purpose of this Law shall be to establish a program for the health and welfare of employees in the regular government service as defined in Article 2 of the National Public Service Law (Law No. 120, 1947) as revised, and to provide for the administration of the program, notwithstanding the provision of other laws.

2. This Law is intended to be a temporary measure to remain in force only until a more comprehensive Law can be enacted to provide health, recreation and welfare programs, as well as a pension system for public service personnel in implementation of Article 73, Items 2, 3, and 5, and Articles 107 and 108 of the National Public Service Law, (Law No. 120, 1947).

3. The Ministry of Welfare is designated as the agent of the National Personnel Authority in the administration of the affairs of this Law as specifically provided hereinafter. No government agency shall delegate any authority granted under this Law to a non-governmental organization.

The sentence in the draft Law now reading "Article 1 is hereby amended by deleting items (5) and (6)" should hereby be amended to read as follows: "Article 1, Paragraph 4, is hereby amended by deleting Item (5) and (6)."

Article 2, Paragraph 1, should hereby be amended by inserting a comma after the term "Court of Justice", deleting the word "and", and inserting after the term "Board of Audit" the term "and National Personnel Authority."

Article 2 should hereby be amended by adding a paragraph 4 to read as follows:

"4. The Associations shall be considered government offices of the ministries and government agencies to which they are attached. All officials of Associations shall be deemed to be government employees in accordance with the provisions of the National Public Service Law (Law No. 120, 1947) as revised, and the National Personnel Authority shall determine which other employees of Associations fall under these provisions."

Article 3, Paragraph 2, should hereby be amended by deleting the words "as provided in" and substituting therefore the words "in accordance with."

Article 3, Paragraph 4, should hereby be amended by deleting the words "Minister of Finance" and substituting therefore the words "Minister of Welfare." It should hereby be further amended by adding a sentence at the end of the paragraph to read as follows:

"The Minister of Welfare shall set up standards to provide for uniformity in the provisions of the Managerial Regulations, and no Managerial Regulations of an Association may be approved which do not completely conform to such standards of uniformity."

Article 3, Paragraph 5, Item (4) should hereby be amended by inserting the word "internal" after the word "other."

Article 4, Paragraph 2, should hereby be amended by deleting the term "Minister of Finance" and substituting therefore the term "Minister of Welfare."

Article 6, Item (2) should hereby be amended by deleting the words "appropriated to" and substituting therefore the word "of."

Article 6, Item (3) should hereby be amended by deleting the words "or assuming of heavy obligations."

Article 7, should hereby be amended by deleting the term "Minister of Finance" and substituting therefore the term "Minister of Welfare."

Article 8, Paragraph 2, should hereby be amended to read as follows:

2. The Minister of Finance shall prescribe by regulations the system of accounts to be used by the Association. List of assets and liabilities, balance sheet and report of revenues and expenditures of the Association shall be submitted at least annually at the close of each activity year to the Board of Audit and at other periods as may be specified by the said Board. A copy of such reports shall also be submitted to the Minister of Finance and the Minister of Welfare."

Article 8, Paragraph 3, should hereby be amended by deleting the terms "Minister of Finance" and "Minister" and substituting therefore the term "Board of Audit" and "Board."

The title of Article 9 should hereby be amended to read as follows: ("Authority of Welfare and Finance Ministers and Board of Audit")

Article 9, Paragraph 1, should hereby be amended to read as follows: "Article 9. The Minister of Welfare shall supervise the administration of the affairs of the Association other than those specified in Paragraph 2 of Article 8."

Article 9, Paragraph 2, should hereby be amended by deleting the second use of the term "Minister of Finance" and substituting therefore the term "Minister of Welfare."

Article 9, Paragraph 3, should hereby be amended by deleting the term "Minister of Finance" and substituting therefore the term "Board of Audit."

Article 12 should hereby be further amended by adding one paragraph after the present paragraph to read as follows:
"2. It shall be the responsibility of the Chief of the Association to inform all new members of their rights and benefits under this program, and to make sure that all present and original members of the Association shall have been properly informed concerning such rights and benefits. Failure to do so shall make invalid the condition and stipulation upon a member or his beneficiaries provided for in Article 27 of this Law."

Insertions to be made on Page 2 of the Proposed Draft:

Article 27 should hereby be amended by adding the following words to complete the present sentence:
"provided, however, that if a person appeals for such benefits after these specified periods of time, and the Chief of the Association cannot prove that he had properly notified the member of his rights and benefits in accordance with the provisions of Article 12, Paragraph 2, then this prescription shall not apply to such member or his dependents."

Article 28 shall hereby be amended by deleting the word "or" and adding the following words at the end:
"assessed, mortgaged, or used in advance as collateral."

Insertions to be made on Page 5 of the Proposed Draft:

Article 63, Paragraph 1, should hereby be amended by inserting after the words "preceding Chapter" the words "if approval from the Ministry of Welfare has been secured."

Article 63, Paragraph 1, Item (2) should hereby be amended by adding "in establishments indicated in the preceding items."

Article 63, Paragraph 1, Item (3) should hereby be amended by deleting the words "or employment of" and adding the following words at the end of that item:
"for safekeeping, but not for investment purposes;"

Article 63, Paragraph 1, Item (4) should hereby be amended by adding the following words at the end of the item:
"providing such loans do not exceed fifty percent of the member's salary for six months and be paid at not more than seven percent interest through deductions from pay;"

Article 63, Paragraph 1, Item (5) should be hereby deleted.

Article 63-2, Paragraph 1, as proposed in the amending draft, should hereby be amended by deleting the word "may" and substituting therefore the word "shall."

Article 63-2, Paragraph 2, as proposed in the amending draft should hereby be amended by deleting the word "incorporated" and substituting therefore the words "a government office of the Ministry of Welfare."

Insertions to be made on Page 6 of the Proposed Draft:

Article 64, Paragraph 2, should hereby be amended by deleting the term "Ministry of Finance" and substituting therefore the term "Ministry of Welfare."

Article 64-2, as proposed in the draft, should hereby be amended by adding the following Paragraph 3:
"3. . The funds credited to the Federation shall be placed in the National Treasury in a Special Fund, and no withdrawals from the Special Fund shall be made without certification of the need for withdrawal from the Ministry of Welfare, nor may the reserves in the Special Fund be used for any purpose or activity other than benefits or activities provided for by this Law."

Article 65, Paragraph 1, should hereby be amended to read as follows:
"Article 65. The Federation shall fix the matters prescribed in the following items by Articles of Organization and obtain the authorization of the Ministry of Welfare for items (1) to (5) and Item (7), and of the Ministry of Finance for Item (6);"

Article 65, Paragraph 2, should hereby be amended to read as follows:
"2. The Articles of Organization shall not be revised without authorization of the Ministry of Welfare; provided, however, that those portions of the Articles dealing with Item (6) of the preceding paragraph may be revised upon authorization of the Ministry of Finance."

Article 67, as amended in the proposed draft, should hereby be amended by deleting the use of the term "Ministry of Finance" and substituting in each case therefor the term "Ministry of Welfare."

Article 68, Paragraph 1, should hereby be amended by deleting the words "by the Association."

Article 68, Paragraph 2, should hereby be amended by adding the following sentence at the end of the present paragraph:
"Such contributions shall be placed in a Special Fund in the National Treasury, and no withdrawals shall be made without prior certification of need for such withdrawals by the Ministry of Welfare, nor shall any portion of the Special Fund or Funds be used or removed from it for any purpose or in any manner inconsistent with the provisions and intentions of this Law."

Article 68-2, as proposed in the amending draft, should hereby be amended to read as follows:

"Article 68-2. Each agency when issuing the wages and salaries to its employees who are members of an Association shall deduct from their pay a sum corresponding to the amount of contribution allotted to each of the members of the Association on the pay day or pay days of each month and shall credit such contributions to the appropriate account, as established by the Ministry of Finance, in the Special Fund for Mutual Aid Associations in the National Treasury, as stipulated in the preceding Article."

Article 69, Paragraph 1, should hereby be amended to read as follows:
"Article 69. The National Treasury shall subsidize expenses prescribed in each of the following items, and each month the said subsidy shall be delivered to the Special Fund in the National Treasury specified in the preceding two Articles:"

Article 69, Paragraph 2, should hereby be amended adding the following words: "and shall be placed in the Special Fund indicated in the preceding two Articles."

Insertions to be made on Page 7 of the Proposed Draft:

Article 69, Paragraph 3, as proposed in the amending draft, should hereby be amended to read as follows:
"The National Treasury, in placing the national subsidy in the Special Fund for Mutual Aid Associations in accordance with the provisions of Paragraph 1, may make such payments on the basis of the estimated membership of the Association with relation to the subsidy. An adjustment shall be made at the end of the fiscal year on the basis of actual figures."

Article 71, should hereby be amended by adding one paragraph after Paragraph 3, to read as follows:
"4. A request for further reconsiderations from decisions made according to the preceding paragraphs may be submitted to the National Personnel Authority, in accordance with the National Public Service Law (Law No. 120, 1947) as revised."

Article 72, Paragraph 2, as amended in the proposed draft, should hereby be amended by deleting the term "Ministry of Finance" and substituting therefor the term "Ministry of Welfare."

Article 76, should hereby be further amended by adding the following sentence:

"any person concerned or his witness shall be given notice of the date and place of hearing within a reasonable period of time before it is scheduled to take place, and shall be notified of his right to appear in person or by counsel and present evidence."

Article 79, as proposed in the amending draft, should hereby be amended by adding the following to complete the sentence as now proposed: "provided, however, that traveling expenses shall not exceed the amounts as stipulated in the Revision of the Cabinet Decision on the Fixed Amount of Inland Travel Expense as amended on August 1948, and that witness fees do not exceed the amounts stipulated in Law No. 2 of 1944 as amended and revised."

Insertions to be made on Page 8 of the Proposed Draft:

Article 83-2, as proposed in the amending draft, should hereby be amended by deleting the last sentence of the paragraph and substituting therefor:

"Such subsidy shall be credited in the Special Fund in the National Treasury indicated in Article 68 of this Law." The statement concerning Article 86 should hereby be corrected by deleting the word "for" and substituting therefor the word "to".

Article 84 should hereby be amended to read as follows:

"In case of conflict between any of the provisions of this Law and the provisions of the National Public Service Law (Law No. 120, 1947) as revised, the National Public Service Law shall prevail."

Article 86, Paragraph 2, as proposed in the amending draft, should hereby be amended by deleting the term "Ministry of Finance and substituting therefor the term "Ministry of Welfare."

Insertions to be made on Page 9 of the Proposed Draft:

The first sentence at the top of Page 9 of the proposed draft, should be corrected by deleting the number "84" and substituting therefor the number "86".

Article 92 should hereby be amended by adding the following to the present sentence:

"Provided, however, that the funds contributed for this purpose by the National Government to the Special Fund indicated in Articles 64-2 and 68 shall be matched by equal contributions from the funds still retained by the Association, and further provided that the funds contributed by the National Government be used only to cover any additional costs of the health and welfare insurance purposes intended by this Law; and further provided that the National Government shall not make any contributions to cover any losses incurred by an Association through any commercial

ventures; and further provided that only the funds retained by an Association be used to cover the long-term costs for those periods of time prior to October 1, 1949."

Article 93 should hereby be amended by adding the following words at the end of the present paragraph:
"and the Board of Audit."

Insertions to be made on Page 10 of the Proposed Draft:

Article 98, as amended in the proposed draft, should hereby be amended by deleting the term "Ministry of Finance" and substituting therefor the term "Ministry of Welfare."

Insertions to be made on Page 12 of the Proposed Draft:

Article 1, of the Supplementary Provisions in the proposed draft should hereby be amended by adding after the words "Article 16" the following words:
"Article 68, Article 68-2, Article 69."

WALTER DOMANOWSKI
Compensation Specialist

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

29 April 1949

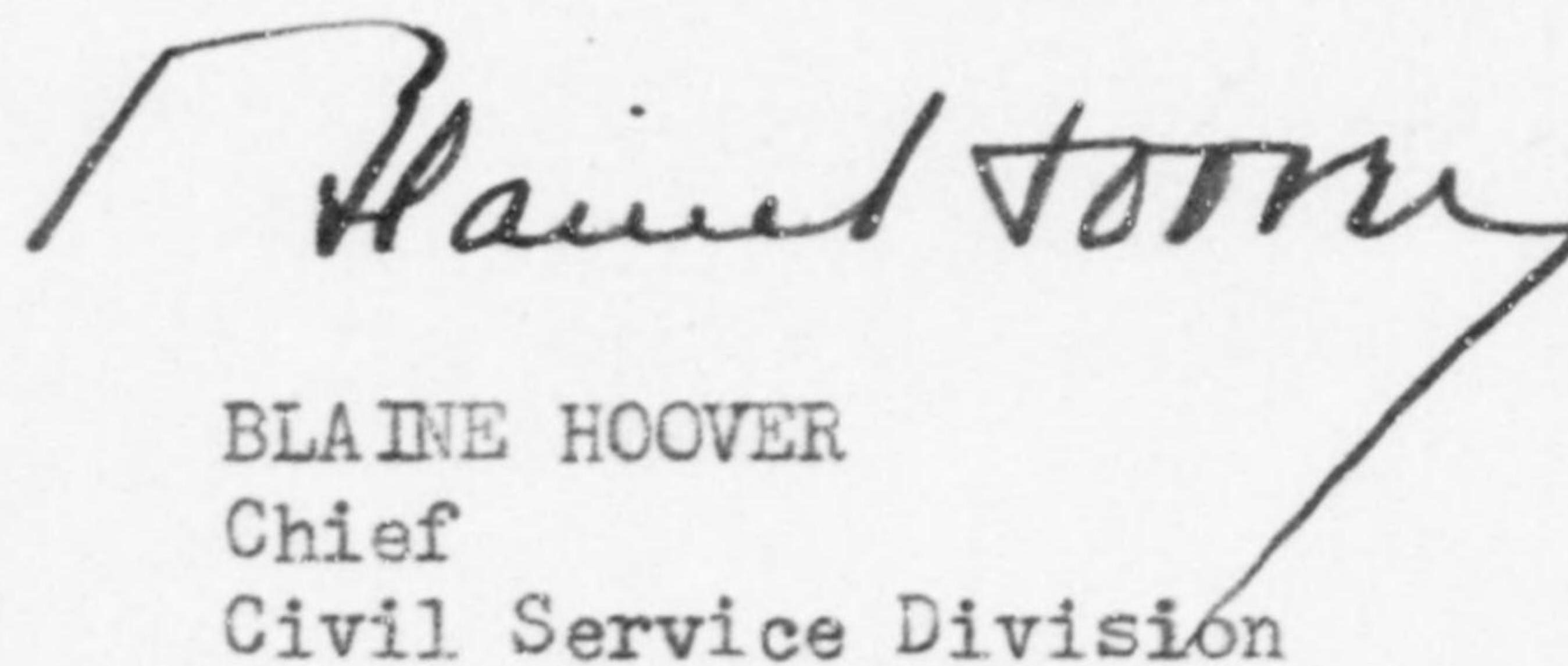
MEMORANDUM FOR: Political and Parliamentary Division

SUBJECT : Law Amending the National Public Service Mutual Aid
Association Law (Law Numbered 69, 23rd Year of Showa
--1948) (Draft)

1. Objection to subject bill is made by the Civil Service Division because it fails to recognize and is inconsistent with an Occupation objective, the implementation of the welfare, retirement and related provisions of the National Public Service Law under the jurisdiction of the National Personnel Authority. Administrative responsibilities, including the appeal procedures, are placed within the jurisdiction of the Ministry of Finance.

2. As is true of other SCAP sections, this Division has many additional objections of a technical nature inherent in the basic law itself.

3. If this bill is passed by the Diet in its present form it will be necessary in the near future to reexamine and drastically alter the National Public Service Mutual Aid Association Law in order to accomplish the Occupation objective established in the National Public Service Law and to establish a system which is technically sound.


BLAINE HOOVER
Chief
Civil Service Division

BH:GP:jb

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet)

CE/JB/JW/CFG/vs

Subject: Draft Legislation

Note No.

From: Govt Sec

To: **IS**

Date: **8 April 1949**

~~Capt. Gaida~~

28-6076

1.

1. Immediate introduction of the attached draft bill in the Diet is proposed by **Finance Ministry**.

2. Your prompt comment is requested.

1 Incl:

Amendment of National Public Service
Mutual Aid Assn. Law (Law Numbered 69,
23rd Year of Showa - 1948)

C. W.

P & P DIV.

4/8

Amendment of Nat'l Pub. Serv. Mutual Aid Assn Law

Fin.

From: LS

To: GS

H.B. APPLETON-2635-582

Date: 20 April 1949

2.

1. Subject bill amends numerous provisions of the National Public Service Mutual Aid Association Law (Law No. 69 of 1948). Said Law itself ~~was~~ sent to Legal Section for review prior to passage by the Diet. Legal Section subsequently raised serious constitutional objections to Article 84 of the Law.

a. In Check Note from LS to GS dated 13 July 1948, Subject: Draft of the Provisional Regulations Regarding the Special Cases of the Pension Law (which bill contained provision almost identical with Article 84), Legal Section requested that Government Section bring about the deletion of the objectionable provisions in both laws in the next Diet session.

b. The request for deletion of Article 84 was renewed in Check Note from LS to GS, dated 9 August 1948, Subject: Cabinet Order Concerning the Mutual Aid Association Appeal Board. In paragraph 3 of the same Check Note it was also noted that the Law fails to provide for any notice of hearing before the Appeal Board, and that the words "if permitted by the chairman" in Article 76 were objectionable.



In case of conflict of law
order may 84

2.
(Contd)

2. It is noted that subject bill does not delete Article 84, and does not provide for reasonable advance notice of hearings before the Appeal Board (with a right to be represented by counsel and to present evidence) although it does provide for the deletion of the objectionable words in Article 76. Objection is also made concerning the proposed Article 79 in subject bill, since no standard or limitation is provided by law for the remuneration or other necessary matters to be established by Cabinet Order. The law should at least provide a maximum for the remuneration and should limit the other necessary matters to "necessary procedural or administrative matters".

3. Until provisions are added complying with aforesaid comments Legal Section objects to the introduction of subject bill in the Diet.

Incl: n/c

-----C.R.L.-----

DRAFT OF LAW

to be submitted for GS' approval
Coordination Section, CLCO (TEL. 57-6010)
7845)

Apr. 7, 1949

1. CLCO Number: 78
2. Name of Law: Bill amending the National Public Service Mutual Aid Association Law.
3. Competent Ministry: Finance Ministry
4. Date of Cabinet Approval: 1/Apr.
5. SCAP Section concerned: P.H.W. Mr. Rose
Civil Service Mr. Peterson
6. Remarks: (Reference:)
National Public Service Mutual Aid Association Law
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(Law No. 69, 1948)
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7. G.S. Reviewers: *Rec'd GS 4/7/49*
8. Date of G.S. Approval: CS & ESS
LS
9. G.S. Member Responsible: GE/CS
PHW