GHQ/SCAP Records(RG 331)
Description of contents

THE NATIONAL ARCHIVES OF THE UNITED STATES

(1) Box no. 2205

(2) Folder title/number: (29)
Prime Minister's Office - 7th Diet

(3) Date: Apr. 1950, May 1950

(4) Subject:

Classification	Type of record
310	d, m

(5) Item description and comment:
Includes Contents List

(6) Reproduction: (Yes) No

(7) Film no. Sheet no.

	Title	Comment
1.	Bill for Adjustment of Laws concerned in consequence of Enactment and Enforcement of Law re Base Pay of Employees in Regular Government Service	ESS
2.	Bill for Exception to Appointment in case of closing of Session of Diet or of Dissolution of House Of Representatives of National Public Service Personnel, etc.	LS (Oppler) No obj
3.	Local Finance Commission Establishment Bill	PHW (Rohrlich) No obj CIE (Morgan) Obj LS (Carpenter) Obj ESS (Etter) No obj GS/CS (MacCoy) No obj
4.	Local Finance Equalization Grant Law	CIE (Morgan) Obj NR (Barnett) No obj PHW (Rohrlich) No obj LS (Carpenter) Obj ESS (Etter) No obj
5.	Bill for Standard Expenses Required for Execution of Election for Members of the Diet etc	GS/PA (Hauge) No obj ESS (Yeomans) No obj LS (Steiner) Obj
6.	Hokkaido Development Bill	GS/CS(MacCoy) No obj ESS (Etter) No obj NR (Barnett) Obj LS (Otto) No obj
7.	Multiple Purpose Land Development Bill	LS (Appleton) No obj ESS (Stanek) Obj NR (Barnett) Obj
8.	Bill for Special Cases of National Treasury Disbursement of Disaster Recovery Work Expenditure, 1950-51	LS (Otto) No obj ESS (Mossler) No obj NR (Barnett) Obj
9.	Amendment to National Government Organization Law	GS/CS (MacCoy) No obj GS/PA (Cottrell) No obj ESS (Yeomans) No obj
10.	Amendments to Board of Audit Law	ESS(Herbster) No obj LS (Goodman) No obj GS/CS (MacCoy) No obj
11.	Amendment to Law Administering New Pay of Government Employees	ESS (McGlauflin) No obj
12.	Amendments to Prime Minister's Office Establishment Law	ESS (Mossler) No obj LS (Oppler) No obj CIE (Brown) No obj G2 (White) Obj
13.	Amendments to Special Procurement Agency Establishment Law	LS (Neptune) Obj ESS (Hanna) No obj G4 (DeYoung) No obj GS/CS (MacCoy) No obj
14.	Pawnbroker Business Bill	ESS(Eisenstein) No obj G2 (Pulliam) No obj LS (Steiner) No obj
15.	Amendments to Pension Law	LSS (Goodman) No obj ESS (Gregory) No obj G2 (Pulliam) No obj CIE (Trainor) No obj PHW (Sullivan) No obj GS/CS (MacCoy) Obj

16.	Japanese Government Corporation for Housing of Allied Personnel	ESS (Hanna) No obj LS(Oppler) Obj CE (Dick) No obj G4 (McIntyre) No obj G2 (Pulliam) No obj GS/CS (MacCoy) Obj
17.	Amendment to Law of Fire Defense Organization	ESS (Etter) OBJ LS (Otto) No obj G2 (Pulliam) No obj GS/PA (Hague) Obj
18.	Amendment to Law for Establishment of Advisory Council on Social Security	ESS (Yeomans) No obj PHW (Sullivan) No obj LS (Goodman) No obj
19.	Amendments to Law for Establishment of Inferior Courts and their Territorial Jurisdiction	LS (Smith) No obj
20.	Amendments to Science Council of Japan Law	CIE (Trainor) No obj ESS (Dees) No obj LS (Goodman) No obj GS/CS (MacCoy) No obj
21.	Bill re Measures to be taken for Property Acquired for Value from the State and Confiscated as Looted Property	GS/PA (Hauge) No obj LS (Steiner) Obj CPC (Brandes) No obj ESS (Rand) No obj
22.	Amendments to Law for Temporary Establishment of Reparations Agency	LS (Goodman) No obj CPC (Vick) No obj ESS (Thurman) No obj
23.	Amendment to Summer-Time Law	GS (Rizzo) No obj
24.	Amendment to Law for Allocation of Paper for Newspapers and Publications	LS (Goodman) No obj ESS (Lyon) No obj G2 ( ) No obj CIE (Brown) Obj
25.	Local Tax Law	ESS (Bradshaw) No Obj

Bill

---

to be submitted for GS approval
Legislative Affairs Section, FOR
(TEL. 57-6010)

April 10 , 1950

1. FOR Number: 195

2. Name of Bill: **Bill for Adjustment of Laws concerned in consequence of the Enactment and Enforcement of the Law concerning Base Pay of Employees in the Regular Government Service.**

3. Competent Ministry: **Prime Minister's Office**

4. Date of Cabinet Approval: ~~September~~ april 7, 1950

5. SCAP Section concerned:

6. Remarks: (reference:)
See attached paperpaper
.....
.....
.....
.....
.....
.....

7. G.S. Reviewers:

Info copy to
ESS.

Received by GS

Date 4/10/50

(1)

Bill

---

to be submitted for GS approval
Legislative Affairs Section, FOM
(TEL. 57-6010)

April 10 , 1950

1. FOM Number: 195

2. Name of Bill: **Bill for Adjustment of Laws concerned in consequence of the Enactment and Enforcement of the Law concerning Base Pay of Employees in the Regular Government Service.**

3. Competent Ministry: **Prime Minister's Office**

4. Date of Cabinet Approval: ~~September~~ april 7, 1950

5. SCAP Section concerned:

6. Remarks: (reference:)
See attached paperpaper
.....
.....
.....
.....
.....

7. G.S. Reviewers:

Info copy to
ESS.

Received by GS

Date 4/10/50

(1)

Bill

---

to be submitted for GS approval
Legislative Affairs Section, FOR
(TEL. 57-6010)

April 15, 1950

1. FOR Number: 202

2. Name of Bill: Bill for Exception to the Appointment, in case of the closing of the Session of the Diet or of the Dissolution of the House of Representatives, of the National Public Service Personnel, etc. whose Appointment requires the Approval of Both Houses of the Diet or either one of the Houses

3. Competent Ministry: Prime Minister's Office

4. Date of Cabinet Approval: April 14, 1950

5. SCAP Section concerned:

6. Remarks: (Reference:)

1. National Government Organization Law, (Law No.120 of 1948), Official Gazette dated 10 July, 1948, Extra.

.....

.....

.....

.....

7. G.S. Reviewers:

Received by GS

Date 4/15/50

cc to: LS/LAB
GS/PA
GS/CS

(2)

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/JH/JW/CPG/gb

Subject: Draft Legislation

Capt. Guida
26-6076

Note No. From: Govt Sec To: IS/LnJ Date: 17 April 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Bill for Exception to Appointment, in case of Closing of Session of Diet or of Dissolution of House of Representatives, of National Public Service Personnel, etc. whose Appointment requires Approval of Both Houses of Diet or either one of the Houses

C. W.

P & P DIV

From: LS To: GS

A C Oppler - 2635-582
Date: 19 April 1950

2

1. Subject bill provides for a general rule as to how to proceed with regard to appointments which require the consent of one or both houses of the Diet in case the Diet is not in session or the House of Representatives is dissolved. In this case the appointing officer may appoint the commissioner or other candidate without the approval of the Diet and if the approval cannot be obtained in the first session after this appointment, the appointee must immediately be dismissed.

2. No legal objections.

3. With regard to the policy, it might be argued that if the positions of the commissioners involved are important enough to justify the requirement of the Diet's consent to their appointment, such appointment should be postponed until the Diet is assembled. However, the need for a temporary expedient must be recognized, because these positions, for the very reason of their importance, should not remain vacant for too long a period. Legal Section suggests that a deadline be provided for the approval of the Diet in order to shorten the continuation of the uncertain status. Reference is made to par 3 of Article 54 of the Constitution of Japan which chooses a similar device with regard to emergency measures taken by the House of Councillors while the House of Representatives is dissolved. It is suggested to provide that when the approval cannot be obtained within two weeks after the beginning of the first session following the appointment, the appointing officer shall dismiss the commissioner.

Rec'd GS 4/19

1 Incl:
w/d

A C C

B111

---

to be submitted for GS approval
Legislative Affairs Section, FOL
(TEL. 37-6010)

February 17,1950

1. FOL Number 117

2. Name of Bill: Local Finance Commission Establishment Bill

3. Competent Ministry: Prime Minister's Office (Local Autonomy Agency)

4. Date of Cabinet Approval: February 14, 1950

5. SCAP Section concerned:
Mr. O. I. Hauge, Public Administration Div., G.S.
Mr. Baron, Public Finance Div., E.S.S.
Mr. H. C. Bradshaw, Internal Revenue Div., E.S.S.

6. Remarks: (Reference:)
See attached paper.
.....
.....
.....
.....
.....

7. G.S. Reviewers:

CS:
ESS
LS/LJ
GS/CS
GS/PA.

Received by GS

Date 2/17/50

(3)

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/JM/JW/CHM/nk

Subject: Draft Legislation

Capt. Norris

Note No. From: Govt Sec To: PHW 26-6076 Date: 1 March 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Local Finance Commission
Establishment Law

C. W.

Ad 4 DIV

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

C H E C K S H E E T

CW/JN/JW/CHN/nk

Subject: Draft Legislation

Capt. Norris 26-6076
Date: 1 March 50

From: Govt Sec To: PHW

1 1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Local Finance Commission
Establishment Law

C. W.

Dr. Rohrlich, 26-6642
Date: 3 March 50

From: PH&W To: Govt Sec

2 Public Health and Welfare Section enters no objections to the proposed bill "Local Finance Commission Establishment Law".

1 Incl
w/d

- C. P. S. - - - - - - - - - - -

Read GS 2/7

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/CHM/vs

Subject: Draft Legislation

Note No. From: Govt Sec To: CI&E Capt. Norris 26-6076
Date: 8 March 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Local Finance Commission
Establishment Law

C. W.

014
From: CIE To: Govt Sec Mr. Morgan 26-6394
Date: 14 March 1950

2

1. The following comments on subject draft legislation are based on an analysis of its provisions as they would affect Japanese education:

a. Articles 2 and 5 of subject draft would establish the Local Finance Commission as an external organ of the Prime Minister's Office, the Chairman of the Commission to be a Minister of State. There seems to be serious possibility that, as a State Ministry, the Local Finance Commission would tend to become a centralized agency of control over local educational administration, rather than an agency which would represent the needs and interests of local education. The contents of the draft Local Finance Equalization Grant Law are such that it seems very clear that it is the intention of the Local Autonomy Agency that, under the new title of Local Finance Commission, it will become a central agency with broad powers of legislative and administrative controls over local government, including education.

Read GS 3/14/50

b. Article 3, Sec (1) and Article 4, Secs (2), (12), (14), (15), and (19)-(23) of subject draft give to the Local Finance Commission direct powers over local government, including education, which should be qualified by separate laws.

c. Article 15, Sec (2), gives the Secretariat of the Local Finance Commission the duty of making "administrative inspections." This term has been interpreted consistently as authorization to exercise direct control over local government, and in this case undoubtedly would be construed by the Commission as warrant for interference in any phase of the educational program.

CIE Govt Sec 14 March 1950

2 (Cont'd) d. Article 16, Sec (3), and Article 17, Sec (3), vest in agencies of the Commission what seems to be exclusive authority to draft bills and plans in the whole area of local finance, administration, and public service. If such authority is to be centralized in government agencies, it should be dispersed to the various Ministries having particular concern for the various phases of local governmental service, not concentrated in a "super-organization."

e. The Supplementary Provisions of subject draft give the Local Finance Commission control over many details of local governmental administration which would be detrimental to the autonomy of local educational administration. Among the powers given by an amendment of the Local Autonomy Law which is incorporated in subject draft is the authority of supervision of local finance and the duty to inspect and audit the fiscal affairs of local public bodies.

2. The foregoing provisions of subject draft appear to be detrimental to the interests of Japanese education and to the accomplishment of the mission of this Section.

1 Incl
n/c

- D. R. M. - - - - - - - - - - - - - - - -

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/JW/JW/CHN/vs

Subject: Draft Legislation

Capt. Morris
26-6076

Note No. | From: Govt Sec To: LS/LAJ Date: 17 February 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Local Finance Commission
Establishment Law

C. W.

P & P DIV

2/17

SUBJECT: Local Finance Commission
Establishment Law

(Pub 71)

1.

2.

A. C. Carpenter
2635-582

From: LS/LAJ To: Govt Sec Date: 28 February 1950 AWO HS

The Local Finance Commission Establishment Bill and the Local Finance Equalization Grant Bill are inseparably connected and will, therefore, be reviewed simultaneously.

1. Legal objections are raised for the following reasons:

a. The bills do not contain sufficient procedural provisions to insure proper hearing for the individual local entities involved. Article 9 of the Local Finance Commission Establishment Bill leaves necessary matters regarding the Commission's determination to regulation by the Commission itself. The need for a statutory requirement for hearings may be demonstrated by the following example: Article 3 paragraph 2, and Article 4, item 19, of the Commission Establishment Bill charge the Commission with the decision on non-legalized taxes which a local entity may wish to impose or alter. There is no provision which would allow the local entity involved to state its case before the Commission. The report of the Shoup Mission which recommends that the decision in this question be entrusted to the Local Finance Commission, states clearly that non-legalized taxes should be "disallowed only when

Reid ES 3/2

2. (Cont'd) they are clearly opposed to the national interest, for example, when they have the effect of burdensome 'customs' duties, when they impose intolerable discrimination or when they interfere unduly with the collection of national taxes. The Commission should be permitted to restrict the financial independence of local authorities only in exceptional cases where the national interest is clearly jeopardized." The report further states that if the local entities would be given access to substantial and dependable tax resources for which the report contains specific recommendations - "the problem of non-legalized taxes will be greatly reduced and could be safely entrusted to local determination except in unusual cases". Therefore, it is suggested that the law spell out the exceptional cases in which determination lies with the Commission; require hearings for the local entities involved as well as a written decision stating the reasons for refusal to grant the application; and leave the creation or alteration of non-legalized taxes to the local entities in all other cases.

b. Similar considerations apply to certain provisions of the Equalization Grant Law. For instance, Article 4, Item 3, gives the Local Finance Commission the power to alter the amount of the equalization grant to each local body or to have it returned "for specified causes". Article 21 of the Equalization Grant Law provides for cases where the local entity received or attempted to receive an improper allocation or grant by submitting incorrect data. In these cases the commission may deduct the whole or a part of the grant which already had been allocated. Article 4, item 5, states in that respect that if the local entity concerned objects, the Local Finance Commission will "receive objections and make decisions thereon."

Here, too, the law lacks provisions requiring preliminary hearing or a statement of reasons for the decision. It must be considered that the alteration of the grant or the withdrawal of the entire grant or a substantial part thereof is a matter of the most serious consequences to the members of the local community involved who actually bear the brunt of this decision. Besides inserting provisions regarding the procedure involved, it is also suggested that in the case of Article 21, the Commission should have the above mentioned power only if the data submitted by the local entity differ from the facts determined by the Commission to a considerable extent expressed in the law in the form of a percentage. By no means should the amount to be withdrawn exceed the amount obtained through the submission of false data. The foregoing criticism applies likewise to the case of Article 22.

c. Article 5 of the Equalization Grant Law provides that the mayors of cities, towns and villages must submit their materials for the computation of the grant to the governor of the prefecture and that the governor is responsible for making recommendations to the Local Finance Commission after examining the

2. (Cont'd) material. Article 18 states that the governors shall administer affairs concerning computation and allocation of the amount of the grant to be allocated to cities, towns or villages within their prefecture and allocation thereof. For all practical purposes the recommendation of the governor will have the character of a preliminary determination on the grant. Obviously it is considered practically impossible for the Local Finance Commission to make its own determination on the grant for the thousands of local entities involved. In the light of this situation procedural safeguards become all the more necessary, in as much as the governor cannot be regarded as a disinterested agency, when it comes to the distribution of the equalization grant. As a minimum, the bill should require the governor to point out to the Commission all cases in which his recommendation differs from the computation of the city, town or village involved and to explain the reasons for the difference. The local entity should be fully informed and given the opportunity to state its case before the local Finance Commission.

d. A public hearing should likewise be provided in the case of Article 19, when the local entity raises objections to the determination or alteration of the grant. Furthermore, if such decision is in variance with the computation of the local entity, the reasons for such deviation should be included in the decision. Finally, the Commission making its decision should not be limited to a consideration of "an error in the figures" as Article 20 provides. Article 19 should also be made applicable to special grants (Article 16).

e. The bill leaves too wide a scope for Cabinet Orders. Thus Article 12 prescribes measurement standards for various services. The method of computation of the figures of measurement standards is left to Cabinet Order. After the figures of the measurement standards have been computed they are to be multiplied by an adjustment co-efficient, which again is to be fixed by Cabinet Order. Equally the amount of the estimated revenue is to be determined by a method to be provided by Cabinet Order. Nothing in the bill would, for instance, prevent the Cabinet from discriminating in its orders against villages and towns in favor of prefectures; or, even more important, from changing the various computation methods and the co-efficient at will to suit national convenience, thus making any planning by local entities impossible. This is exactly what the Shoup Mission wanted to avoid (See Report on Japanese Taxation by the Shoup Mission, Vol. 1, pp. 26 and 30).

LS objects to entrusting these matters, which are of a substantive rather than administrative nature to Cabinet Orders and believes that they should be written into the law itself.

2. (Cont'd) 2. Legal Section wishes to draw the attention of Government Section to the policy questions involved in these bills upon which will depend the continued existence of local autonomy in Japan.

a. The bill gives the Local Finance Commission the same standing as that of the existing national government organs with similar functions, that is the standing of an external organ of the Prime Minister's office having a State Minister as Chairman. It is also significant that Article 5 of the Supplementary Provisions of the Commission Establishment Law stipulates that the former organs and personnel of the local autonomy agency shall become the correspondent organs and personnel under this law and retain their respective identities. This general insistence on the maintenance of the status quo hardly meets the recommendations of the Shoup Mission that the new Local Finance Commission should be "one of the most important organs of government" and that it should "represent local interest adequately, something that the existing committees of somewhat similar status seem not to have done". These recommendations, in the opinion of LS, require that the Commission be given an independent status and sufficient powers to decide on certain matters regarding the fiscal relations between the various levels of government. A necessary exception from its powers of decision is the question of inclusion of the sum for the total grant in the budget. In accordance with the Constitution the Cabinet has to prepare the budget and is responsible for its estimates to the Diet. However, if the recommendation of the Local Finance Commission to the Cabinet in that respect is to have any effective influence, the Local Finance Commission must be given the right to submit its views to the Diet directly whenever they differ from the decision of the Cabinet. The Diet is the ultimate authority and should therefore know all the facts, particularly in case of controversies. The views of the Local Finance Commission should also be notified to the local entity. It is clear that the Local Finance Commission can and will go to the Diet only if it is independent of the Cabinet. To integrate it into the cabinet would not only mark it as a national agency, but also tie its chairman up with the political views of the party in power. On the other hand, the Commission should be made independent only if simultaneously it is given sufficient powers to represent local interest adequately in such a status. These powers should include full authority for the distribution of the grant to the local entities in accordance with the law. Such independent Commission should not have the functions of a national government agency concerned with matters of local government in general on behalf of the national interest such as those mentioned in Article 7, Items 21 to 75, as well as those mentioned in the Supplementary Provisions, Items 8 (excluding the reference to Article 238, 242, 3 and 246 of the Local Autonomy Law) 9, 10 and 11.

2. (Cont'd) b. The entire tenor of the recommendations of the Shoup Mission aims at strengthening local autonomy in Japan, based on the realization that local autonomy is "one of the announced goals of the Occupation and of the Japanese Government" and "that local autonomy is far from being fully achieved at the present moment and has little chance of being achieved unless the fiscal powers of the local governments are strengthened, including a more equal division of power among the richer and poorer areas." The report warns repeatedly against the national government's use of financial stringency of the local entities for the purpose of undue interference in the management of their affairs entrusted to them by constitutional provision (Article 94 of the Constitution). Particularly in connection with the Equalization Grant the report "strongly recommends that in Japan today, where one of the major purposes is to develop a vigorous independent local government, national controls in connection with an equalization grant be reduced to a minimum."

This notwithstanding, the stress of the two bills submitted is on the enforcement by the national government of an "acceptable" level of local services. This tendency is discernable throughout the bills and it is impossible to comment on every provision in which it manifests itself. Only some provisions are noted in the following:

Article 3, par. 2 of the Equalization Grant Law, for instance, provides that the national government shall never attach any condition "which may impair the satisfactory development of local autonomy". It is implied that with this vague exception the government may impose conditions in connection with the grant. The Shoup Report, however, is generally not in favor of attaching any conditions to the grant. It states that a locality which spends with reasonable efficiency an amount at least equal to the standard need and which raises at least the amount of revenue obtainable by levying the standard taxes at standard rates, should be considered qualified for the grant. It adds that, "barring these two limitations the local entity may be completely free to decide on the kinds and amounts of local services to provide and on the kinds and rates of taxes to levy". It visualizes that various additional conditions could be imposed," for example the requirement of specific standards for education" but only "if such freedom were likely to be abused." Shoup is most specific in demanding that no condition should be imposed which would earmark any part of the grant for any specific governmental service. In contrast thereto, Article 3, par. 3 of the Equalization Grant Bill gives the national government the power to require that all or certain services be rendered by the local entity at a quality and quantity determined by the national government. If the national ministry which is in charge of a certain type of service finds that these services are not appropriately rendered, it may demand of the

2. (Cont'd) Local Finance Commission that it deduct or demand repayment of part of the grant from the local entity (Article 22). Thus the provision applies to all types of services making each individual service rather than the total standard need and the total revenue raised the criterion. This constitutes a significant deviation from the recommendations of the Shoup Report.

c. Article 5 allows the local entity only to submit some data which the Local Finance Commission may use in determining the grant. This Article should be re-phrased in such a manner as to allow the local entity besides submitting these data to compute the amount of the grant to which it feels itself qualified. It must be realized that the measurement standards are necessarily rough and cannot possibly take into considerations all individual factors such as incident of disease, crime rate, need for unemployment relief, etc., as the Shoup report points out.

d. In covering all or practically all governmental services in Article 12, the bill is at variance with the Shoup Mission Report which suggests that only the main items of governmental services should be considered separately in computing the grant. If this is done the possibility of national interference in all local governmental activities would be avoided. After all, the stated reason for the Shoup Mission's recommendation of an equalization grant as the desirable method for providing the local entities with financial aid from the national government is the consideration that an equalization grant is "the kind of grant which minimizes detailed national control of local bodies." Only to the extent to which the two bills comply with this principle can it be said that they are drafted in carrying out the Shoup recommendations which were accepted in toto by the Japanese government.

1 Incl:
w/d

- A. C. C. - - - - - - - - - - - -

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/JW/JW/CWL/vs

Subject: Draft Legislation

Capt. Ouida

Note No. ; From: Govt Sec To: ESS 26-6076 Date: 17 February 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Local Finance Commission
Establishment Law

C. W.

P & P DIV

2/17

Local Finance Commission Established by Law.

P.M. Off

010(17 Feb 50)ESS/WF

WFM/HARR/ABH/WKE/ec
Mr. Etter - 26-6155
23 FEB 1950

From: ESS To: Govt Section

2

1. The Economic and Scientific Section has no objection to the introduction of the subject bill into the Diet.

2. On the basis of numerous conferences with the Government Section, it is understood that Government Section has certain objections to the subject bill.

3. The Economic and Scientific Section is awaiting a written expression of the views of Government Section and is prepared to make comment on those objections when they are received.

1 Incl
n/c

W.F.M.

Mr. Etter, 26-6155

WFM/EMR/AMM/WKE/eb

010(16 FEB 1950)ESS/PF

Local Finance Commission Establishment Law

ESS

Govt Sec

16 FEB 1950

1

1. Attached is a draft of the Local Finance Commission Establishment Law.

2. This bill has been approved by the Cabinet and is ready for submission to the Diet.

3. As the theories on which this bill is based have been under discussion between the Government Section and the Economic and Scientific Section, the comments of the Government Section on this draft of the bill are requested.

1 Incl:
Draft Bill - Local
Finance Comm. Estab. Law

- -W.F.M.- - - - - - - - - - - - - - -

P. 3-51

CIVIL SERVICE DIVISION
Government Section

20 February 1950

MEMORANDUM FOR: Parliamentary and Political Division
Government Section

SUBJECT : Draft of the Local Finance Commission Establishment Law

The Civil Service Division does not object to subject bill.

W. PIERCE MacCOY
Acting Chief

WPM:GWP:vr

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/CHN/vs

Subject: Draft Legislation

Capt. Norris
26-6076

Note No. From: Govt Sec To: CIS Date: 8 March 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Local Finance Equalization
Grant Law

C. W.

P & P DIV

(4)

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) CN/JN/JW/CHN/vs

Subject: Draft Legislation

Capt. Norris
26-6076

Note No. From: Govt Sec To: CI&E Date: 8 March 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Local Finance Equalisation
Grant Law

C. W.

Mr. Morgan 26-6394
From: CIE To: Govt Sec Date: 13 March 1950

2

1. The following CIE comments on subject draft legislation are based on analysis of its implication for Japanese education:

a. The provisions of certain articles of subject draft would authorize the enactment of both broad and specific, detailed controls over local educational administration by Cabinet Orders to be drafted by the Local Finance Commission and by the regulations of said Commission.

b. The same provisions would give to this same agence -- a central noneducational agency -- the power to administer the controls which it writes into Cabinet Orders and its own regulations.

Rec'd GS 3/14/50

c. CIE objects to the proposal to permit any administrative agency to enact legislative controls over education and to the proposed centralization of controls over local educational administration.

d. It has been one of the major objectives of this section to decentralize educational administration. The provision of subject draft not only would restore a high degree of centralization of both legislative and administrative authority over education, but would vest that authority in a noneducational agen of the government.

SUPREME COMMANDER FOR THE ALLIED POWERS

Mr. Morgan 26-6394

014 Draft Legislation (Continued)

CIE Govt Sec 13 March 1950

2 (Cont'd) e. Pertinent articles of subject draft include: Article 3, paragraph 3; Article 4, Section (8); Articles 13, 14 15, Article 17, paragraph 2; Article 18, paragraph 1; and Supplementary Provision Number 3.

f. The categories of measurement standards set forth in Article 12 of subject draft, to be employed in calculating standard costs of local educational services, are inadequate and incomplete, and should be revised in consultation with the Ministry of Education.

(1) Specific provision should be made for the inclusion of costs of kindergartens, public universities, social education, board of education expense, and other phases of local educational services in the standard cost of education.

(2) The standard for calculating costs of war-damage rehabilitation -- "area of district damaged" is not applicable to the calculation of costs of rehabilitation of school facilities.

2. Except for the above, CIE has no objection to subject draft, understanding that it constitutes temporary legislation, subject to amendment as accurate data become available.

1 Incl
n/c

----------D. R. M.----------

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/JW/JW/CHM/vs

Subject: Draft Legislation

Note No. From: Govt Sec To: NRS Capt. Norris 26-6076 Date: 14 March 1950

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

2. Your prompt comment is requested.

1 Incl
Local Finance Equalization
Grant Bill

C. W.

P & P DIV

3/10

Local Finance Evaluation Grant

PM 7

Lt Col N.P.Barnett, 26-6810
NES/MMR/MG/NPB/la
Date:

From: NR To: OS

2 NR has no objections to the above draft legislation. The proposed law appears to be consistent with the recommendations contained in the Shoup report.

1 Incl
w/d

- N. O. S. - - - - - - - - - - - -

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/JH/JW/CHH/chn

Subject: Draft Legislation

Capt Morris
26-6076

Note No. | From: Govt Sec | To: PHW | Date: 28 February 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by Prime Minister's Office

2. Your prompt comment is requested.

12 Incl

Local Finance Equalization Grant Law
Amendments to the Draft of the Local Finance Equalization Law

C. W.

G & P DIV

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/JM/JW/CHK/mk

Subject: Draft Legislation

Capt. Norris 26-6076

Note No. From: Govt Sec To: [redacted] Date: 1 March 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the office of the Prime Minister.

2. Your prompt comment is requested.

1 Incl
Local Finance Equalization

P & P DIV

C. W.

XXXXXXXXXXXXXXXXXXXXXXXXX

C H E C K S H E E T

CW/JN/JW/CHN/nk

Subject: Draft Legislation

From: Govt Sec To: PHW

Capt. Norris
26-6076
Date: 1 March 1950

1

1. Immediate introduction of the attached draft bill in the Diet is proposed by the office of the Prime Minister.

2. Your prompt comment is requested.

1 Incl
Local Finance Equalization

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

From: PH&W To: Govt Sec

Dr. Rohrlich, 26-8642
Date: 4 March 1950

2

Public Health and Welfare Section enters no objections to the proposed bill of "Local Finance Equalization".

1 Incl
w/d

Rec'd GS 3/7

- -C. F. S.- - - - - - - - - - - - -

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) CN/JM/JW/CHM/vo

Subject: Draft Legislation

Note No. | From: Govt Sec | To: LS/LaJ | Date: 25 February 1950

Capt. Norris
26-6076

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Amendments to Draft of
Local Finance Equalization
Law

C. W.

P & P DIV

PM
2/28

1.

2.

From: LS/LAJ To: Govt Sec K. Steiner
3635-479
Date: 10 March 1950

Subject amendment to the draft of the Local Finance Equalization Law aims at bringing the Equalization Grant Law into line with the Law Concerning Securing of the Standard Compulsory Education Expense. Comments to above mentioned bills have already been submitted by LS to GS by check notes dated 28 February 1950 and 10 March 1950. No further comments appear therefore necessary in connection with this amendment.

1 Incl:
w/d

Rel GS
3/11

- A. C. C. - - - - - - - - - - - -

2/20

SUBJECT: Local Finance Equalization
Grant Law

P-M- 77

1.

A. C. Carpenter
2635-582

2. From: LS/L&J To: Govt Sec Date: 28 February 1950

The Local Finance Commission Establishment Bill and the Local Finance Equalization Grant Bill are inseparably connected and will, therefore, be reviewed simultaneously.

1. Legal objections are raised for the following reasons:

a. The bills do not contain sufficient procedural provisions to insure proper hearing for the individual local entities involved. Article 9 of the Local Finance Commission Establishment Bill leaves necessary matters regarding the Commission's determination to regulation by the Commission itself. The need for a statutory requirement for hearings may be demonstrated by the following example: Article 3 paragraph 2, and Article 4, item 19, of the Commission Establishment Bill charge the Commission with the decision on non-legalized taxes which a local entity may wish to impose or alter. There is no provision which would allow the local entity involved to state its case before the Commission. The report of the Shoup Mission which recommends that the decision in this question be entrusted to the Local Finance Commission, states clearly that non-legalized taxes should be "disallowed only when they are clearly opposed to the national interest, for example, when they have the effect of burdensome 'customs' duties, when they impose intolerable discrimination or when they interfere unduly

Reid GS 3/2

2. (Cont'd) with the collection of national taxes. The Commission should be permitted to restrict the financial independence of local authorities only in exceptional cases where the national interest is clearly jeopardized." The report further states that if the local entities would be given access to substantial and dependable tax resources for which the report contains specific recommendations - "the problem of non-legalized taxes will be greatly reduced and could be safely entrusted to local determination except in unusual cases". Therefore, it is suggested that the law spell out the exceptional cases in which determination lies with the Commission; require hearings for the local entities involved as well as a written decision stating the reasons for refusal to grant the application; and leave the creation or alteration of non-legalized taxes to the local entities in all other cases.

b. Similar considerations apply to certain provisions of the Equalization Grant Law. For instance, Article 4, item 3, gives the Local Finance Commission the power to alter the amount of the equalization grant to each local body or to have it returned "for specified causes". Article 21 of the Equalization Grant Law provides for cases where the local entity received or attempted to receive an improper allocation or grant by submitting incorrect data. In these cases the commission may deduct the whole or a part of the grant which already has been allocated. Article 4, item 5, states in that respect that if the local entity concerned objects, the Local Finance Commission will "receive objections and make decisions thereon."

Here, too, the law lacks provisions requiring preliminary hearing or a statement of reasons for the decision. It must be considered that the alteration of the grant or the withdrawal of the entire grant or a substantial part thereof is a matter of the most serious consequences to the members of the local community involved who actually bear the brunt of this decision. Besides inserting provisions regarding the procedure involved, it is also suggested that in the case of article 21, the Commission should have the above mentioned power only if the data submitted by the local entity differ from the facts determined by the Commission to a considerable extent expressed in the law in the form of a percentage. By no means should the amount to be withdrawn exceed the amount obtained through the submission of false data. The foregoing criticism applies likewise to the case of Article 22.

c. Article 5 of the Equalization Grant Law provides that the mayors of cities, towns and villages must submit their materials for the computation of the grant to the governor of the prefecture and that the governor is responsible for making recommendations to the Local Finance Commission after examining

2. (Cont'd) the material. Article 18 states that the governors shall administer affairs concerning computation and allocation of the amount of the grant to be allocated to cities, towns or villages within their prefecture and allocation thereof. For all practical purposes the recommendation of the governor will have the character of a preliminary determination on the grant. Obviously it is considered practically impossible for the Local Finance Commission to make its own determination on the grant for the thousands of local entities involved. In the light of this situation procedural safeguards become all the more necessary, in as much as the governor cannot be regarded as a disinterested agency, when it comes to the distribution of the equalization grant. As a minimum, the bill should require the governor to point out to the Commission all cases in which his recommendation differs from the computation of the city, town or village involved and to explain the reasons for the difference. The local entity should be fully informed and given the opportunity to state its case before the Local Finance Commission.

d. A public hearing should likewise be provided in the case of Article 19, when the local entity raises objections to the determination or alteration of the grant. Furthermore, if such decision is in variance with the computation of the local entity, the reasons for such deviation should be included in the decision. Finally, the Commission making its decision should not be limited to a consideration of "an error in the figures" as Article 20 provides. Article 19 should also be made applicable to special grants (Article 16).

e. The bill leaves too wide a scope for Cabinet Orders. Thus Article 12 prescribes measurement standards for various services. The method of computation of the figures of measurement standards is left to Cabinet Order. After the figures of the measurement standards have been computed they are to be multiplied by an adjustment co-efficient, which again is to be fixed by Cabinet Order. Equally the amount of the estimated revenue is to be determined by a method to be provided by Cabinet Order. Nothing in the bill would, for instance, prevent the Cabinet from discriminating in its orders against villages and towns in favor of prefectures; or, even more important, from changing the various computation methods and the co-efficient at will to suit national convenience, thus making any planning by local entities impossible. This is exactly what the Shoup Mission wanted to avoid (See Report on Japanese Taxation by the Shoup Mission, Vol. 1, pp. 26 and 30).

LS objects to entrusting these matters, which are of a substantive rather than administrative nature to Cabinet Orders and believes that they should be written into the law itself.

2. (Cont'd) 2. Legal Section wishes to draw the attention of Government Section to the policy questions involved in these bills upon which will depend the continued existence of local autonomy in Japan.

a. The bill gives the Local Finance Commission the same standing as that of the existing national government organs with similar functions, that is the standing of an external organ of the Prime Minister's office having a State Minister as Chairman. It is also significant that Article 5 of the Supplementary Provisions of the Commission Establishment Law stipulates that the former organs and personnel of the local autonomy agency shall become the correspondent organs and personnel under this law and retain their respective identities. This general insistence on the maintenance of the status quo hardly meets the recommendations of the Shoup Mission that the new Local Finance Commission should be "one of the most important organs of government" and that it should "represent local interest adequately, something that the existing committees of somewhat similar status seem not to have done". These recommendations, in the opinion of LS, require that the Commission be given an independent status and sufficient powers to decide on certain matters regarding the fiscal relations between the various levels of government. A necessary exception from its powers of decision is the question of inclusion of the sum for the total grant in the budget. In accordance with the Constitution the Cabinet has to prepare the budget and is responsible for its estimates to the Diet. However, if the recommendation of the Local Finance Commission to the Cabinet in that respect is to have any effective influence, the Local Finance Commission must be given the right to submit its views to the Diet directly whenever they differ from the decision of the Cabinet. The Diet is the ultimate authority and should therefore know all the facts, particularly in case of controversies. The views of the Local Finance Commission should also be notified to the local entity. It is clear that the Local Finance Commission can and will go to the Diet only if it is independent of the Cabinet. To integrate it into the cabinet would not only mark it as a national agency, but also tie its chairman up with the political views of the party in power. On the other hand, the Commission should be made independent only if simultaneously it is given sufficient powers to represent local interest adequately in such a status. These powers should include full authority for the distribution of the grant to the local entities in accordance with the law. Such independent Commission should not have the functions of a national government agency concerned with matters of local government in general on behalf of the national interest such as those mentioned in Article 7, Items 21 to 75, as well as those mentioned in the Supplementary Provisions, Items 6 (excluding the reference to Article 238,242, 3 and 246 of the Local Autonomy Law) 9, 10 and 11.

2. (Cont'd) b. The entire tenor of the recommendations of the Shoup Mission aims at strengthening local autonomy in Japan, based on the realization that local autonomy is "one of the announced goals of the Occupation and of the Japanese Government" and "that local autonomy is far from being fully achieved at the present moment and has little chance of being achieved unless the fiscal powers of the local government are strengthened, including a more equal division of power among the richer and poorer areas." The report warns repeatedly against the national government's use of financial stringency of the local entities for the purpose of undue interference in the management of their affairs entrusted to them by constitutional provision (Article 94of the Constitution). Particularly in connection with the Equalization Grant the report "strongly recommends that in Japan today, where one of the major purposes is to develop a vigorous independent local government, national controls in connection with an equalization grant be reduced to a minimum."

This notwithstanding, the stress of the two bills submitted is on the enforcement by the national government of an "acceptable" level of local services. This tendency is discernable throughout the bills and it is impossible to comment on every provision in which it manifests itself. Only some provisions are noted in the following:

Article 3, par. 2 of the Equalization Grant Law, for instance, provides that the national government shall never attach any condition "which may impair the satisfactory development of local autonomy". It is implied that with this vague exception the government may impose conditions in connection with the grant. The Shoup Report, however, is generally not in favor of attaching any conditions to the grant. It states that a locality which spends with reasonable efficiency an amount at least equal to the standard need and which raises at least the amount of revenue obtainable by levying the standard taxes at standard rates, should be considered qualified for the grant. It adds that "barring these two limitations the local entity may be completely free to decide on the kinds and amounts of local services to provide and on the kinds and rates of taxes to levy". It visualizes that various additional conditions could be imposed, "for example the requirement of specific standards for education" but only "if such freedom were likely to be abused." Shoup is most specific in demanding that no condition should be imposed which would earmark any part of the grant for any specific governmental service. In contrast thereto, Article 3, par. 3 of the Equalization Grant Bill gives the national government the power to require that all or certain services be rendered by the local entity at a quality and quantity determined by the national government. If the national ministry which is in charge of a certain type of service finds that these services are not appropriately rendered, it may demand of the Local Finance Commission that

2. Cont'd) it deduct or demand repayment of part of the grant from the local entity (Article 22). Thus the provision applies to all types of services making each individual service rather than the total standard need and the total revenue raised the criterion. This constitutes a significant deviation from the recommendations of the Shoup Report.

c. Article 5 allows the local entity only to submit some data which the Local Finance Commission may use in determining the grant. This Article should be re-phrased in such a manner as to allow the local entity besides submitting these data to compute the amount of the grant to which it feels itself qualified. It must be realized that the measurement standards are necessarily rough and cannot possibly take into considerations all individual factors such as incidemt of disease, crime rate, need for unemployment relief, etc., as the Shoup report points out.

d. In covering all or practically all governmental services in Article 12, the bill is at variance with the Shoup Mission Report which suggests that only the main items of governmental services should be considered separately in computing the grant. If this is done the possibility of national interference in all local governmental activities would be avoided. After all, the stated reason for the Shoup Mission's recommendation of an equalization grant as the desirable method for providing the local entities with financial aid from the national government is the consideration that an equalization grant is "the kind of grant which minimizes detailed national control of local bodies." Only to the extent to which the two bills comply with this principle can it be said that they are drafted in carrying out the Shoup recommendations which were accepted in toto by the Japanese government.

1 Incl:
w/d

- A. C. C. - - - - - - - - - - - - -

DECLASSIFIED AUTH: PROJ SEC. 3(E) AND 3(D) OR (E) MEMO # 11-3012

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/JK/JV/CHM/vs

Subject: Draft Legislation

Capt. Norris
26-6076

Note No. | From: Govt Sec To: GS Date: 28 February 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Amendments to Draft of
Local Finance Equalization
Law

C. W.

GS

AM P & P DIV

PM

2/20

Local Income Equalization

File: Clo(20 Feb 50)ESS/FF

From: ESS

To: Govt Sec

WPM/EHR/ABM/WHE/eb
Mr. Etter, 26-6155

4 MAR 1950

2

1. There is no objection to the immediate introduction in the Diet of the attached draft bills, Local Finance Equalisation Grant Law and Amendments to Draft of Local Finance Equalisation law, as proposed by the Prime Minister's Office.

2. This bill, in conjunction with the proposed Local Finance Commission Establishment Law, requires that the amount of the equalisation grant must be determined and executed in accordance with normal budget procedure, as provided for in the Public Finance Law and other pertinent legislation, and that the amount of money to be disbursed under the grant must be within the amount appropriated by the Diet. These requirements are basic considerations to the concurrence of this Section to the introduction of the bill.

Read by
3/1/50

3. On the basis of conferences with the Government Section, it is understood that Government Section may have objections to parts of this bill and of the draft bill of the Local Finance Commission Establishment Law, but a written expression of the view of Government Section has not yet been received.

4. Upon receipt of the written views of Government Section, this Section is prepared to make comments on any objections raised.

2 Incls:
1. n/c
2. Amendments to Draft of Local Fin Equal. Law, added

- - - -

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/JH/JW/CPG/gb

Subject: Draft Legislation

Note No. From: Govt Sec To: GS Capt. Guida 26-6076 Date: 26 April 1950

1. Immediate introduction of the attached revised draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl

The Local Finance
Equalization Grant
Bill

C. W.

P & P DIV

Revised

THE LOCAL FINANCE EQUALIZATION GRANT BILL

FOM 136

Rec'd GS 4/25
c2&: ESS

4/25.

Bill

to be submitted for GS approval
Legislative Affairs Section, FOM
(TEL. 67-6010)

Feb. 21, 1950

141

1. FOM Number:

2. Name of Bill: Bill concerning the Standard Expenses Required for Excution of Election for Members of the Diet, etc.

3. Competent Ministry: Prime Minister's Office

4. Date of Cabinet Approval: Feb. 9

5. SCAP Section concerned: Mr. Hauge: GS.

6. Remarks: (reference:)
None.

7. G.S. Reviewers:

CS:
ESS
AS/LS
GS/PA

Received by GS

Date 2/21/52

(5)

Expenses incurred for
Execution of election
for members of Diet etc

Government Section
Buck Slip

2/24 1950

FROM: GS

TO: INITIAL DATE

_____CHIEF.....
_____EX OFF.....
_____DEPUTY CHIEF.....
_____Col Wheeler.....
_____Chief Adm Div.....
_____Stat & Review.....
_____Civil Serv Div.....
_____Par & Pol Div.....
_____Public Adm Div.....
_____Public Aff Div.....
_____Personnel Clerk.....
_____Chief Clerk.....
_____File.....

FOR:

_____INFORMATION
_____NECESSARY ACTION
_____ACTION (Prepare Reply)
_____APPROVAL
_____INITIAL
__✓__COMMENT OR CONCUR
_____RETAIN
_____RETURN
_____FILE
_____BURN

Rec'd GS
3/7

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/JM/JW/CHH/sk

Subject: Draft Legislation

Capt. Norris 26-6076

Note No.	From: Govt Sec To: LS/LBJ Date: 21 Feb. 1950
1.	1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's office. 2. Your prompt comment is requested. 1 Incl Bill concerning the Standard of Expenses Required for Execution of Elections for Members of the Diet, etc. C. W.

P & P DIV

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/JM/JW/CMH/nk

Subject: Draft Legislation

Note No.	From: Govt Sec To: GS Capt. Norris 26-6076 Date: 21 Feb. 1950
1.	1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's office. 2. Your prompt comment is requested. 1 Incl Bill concerning Standard of Expenses Required for Execution of Elections for Members of the Diet, etc.
	C. W.

4 p DIV

PM
Election Expenses
2/21

File: 010(21 Feb 50)ESS/PM

From: ESS To: Govt Sec

EGS Annex
WPM/SCH/AMM/CDY/eb
Mr. Yeomans, 20-6148
17 MAR 1950

2. 1. There is no objection in principle to the attached draft Bill Concerning Standard of Expenses Required for Execution of Elections for Members of the Diet, etc.

Rec'd 3/17

2. Subject bill, however, is estimated in itself to utilize all but a small margin of the funds included in JFY 50-51 budget for election expense. This margin is the minimum amount necessary for emergency or by-election expenses. The attached bill cannot be financed from the existing budget; however, if another bill, presently before the Diet, "Election for Public Offices Bill, is passed, since that bill would necessitate an expenditure totalling about ¥ 160,000,000 from the same appropriation but for items not included in subject bill.

3. Concurrence therefore, cannot be granted to the attached bill in its present form until the final disposition of the Election for Public Offices Bill is known. Either one or both of subject bills must be modified to prevent placing a monetary liability on the Japanese Government in excess of the existing budget.

1 Incl:
n/c

- W.P.M. - - - - - - - - - - - - - - - - -

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/CFG/vs

Subject: Draft Legislation

Capt. Guida

...e No. From: Govt Sec ESS Date: 30 March 1950
Attn: Mr. Yeomans
26-6076

1. Immediate introduction of the attached draft bill in the Diet is proposed by ~~the Prime Minister's Office.~~ revised

2. Your prompt comment is requested.

1 Incl
Standard of Expenses Required for Execution of Elections of Members of the Diet, etc.
Cy to LS/L&J

C. W.

D

P & P DIV

3/20

Standard of Expenses Required for Execution of Elections of Members of the Diet, etc.

(8 & 11)

-C.W.-

File: 010(30 Mar 50)ESS/FF

From: ESS To: Govt Sec

WFM/EMR/AHM/SDY/eb
Mr. Yeomans, 26-6143
13 APR 1950

2

1. Reference is made to Check Note 2 from ESS to Govt Sec, dated 17 March 1950, which withheld concurrence on the original draft of the attached bill because it, together with another election bill already before the Diet, would have placed a monetary liability on the Japanese Government in excess of the existing budget.

2. This objection is now withdrawn inasmuch as revisions incorporated in the attached bill and in the Election for Public Offices Bill have scaled down estimated expenditures for national elections to the extent that it is now believed that both election bills may be carried out within the limitations of the present budget.

Rec'd GS 4/13

1 Incl:
n/c

-W.F.M.-

Government Section
Buck Slip

3 Mar 1950

FROM: P & P Div

TO:	INITIAL	DATE
____ CHIEF		
____ EX OFF		
____ DEPUTY CHIEF		
____ Col Wheeler		
____ Chief Adm Div		
____ Stat & Review		
____ Civil Serv Div		
(2) ____ Par & Pol Div		
(1) ✓ ____ Public Adm Div		
____ Public Aff Div		
____ Personnel Clerk		
____ Chief Clerk		
____ File		

FOR:

____ INFORMATION
____ NECESSARY ACTION
____ ACTION (Prepare Reply)
____ APPROVAL
____ INITIAL
__/__ COMMENT OR CONCUR
____ RETAIN
____ RETURN
__2__ FILE
____ BURN

Caleen

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/JW/JW/CFG/vs

Subject: Draft Legislation

Capt. Cuida
26-6076

No. From: Govt Sec To: LS/L&J Date: 30 March 1950
Att: Mr. Steiner

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Standard of Expenses Required for Execution of Elections of Members of the Diet, etc.

Cy to ESS C. W.

P & P DIV

3/30

SUBJECT: Standard of Expenses Required for Execution of Elections of Members of the Diet, etc.

(Pm-W)

1.

2. From: LS/L&J To: Govt Sec

K. Steiner-2635-479
Date: 31 March 1950

1. LS offers the following criticism:

a. The expenses mentioned in Article 3 of subject bill do not include all items to be charged to the national treasury in accordance with the Law for Election for Public Offices. Unless it is stated that the items not covered shall be borne by the national treasury, this bill may in effect be interpreted as abolishing certain provisions of the Election Law.

b. According to Article 263, par.5 of the Election Law the national treasury shall bear the expenses required for remuneration expenses for voting overseers, ballot counting overseers, etc., as decided by the National Election Administration. Article 13 of subject bill, however, stipulates the amount of expenses for the above officials without leaving any room for a decision of the National Election Administration Commission.

c. Article 95 of the Constitution stipulates the necessity for a vote in local public entities whenever a special law, applicable only to that public entity is to be enacted by the Diet. According to Article 15 of subject bill the national treasury will pay only one-half of the expenses necessary for such vote. No provision is contained in this bill regarding the remainder. In view of the fact that the legislation in question is national legislation, it is doubtful whether the local entity which may have had no part in initiating the legislation should

fec'd GS 4/3

2. (Cont'd) have to bear any part of the necessary expenses.

d. Article 18 stipulates that Election Administration Committees of local entities intending to divide the local entity into polling districts or ballot counting districts shall observe the standard provided by the National Administration Committee. It appears that this is in actuality an amendment of Articles 17 and 18 of the Election Law which do not refer to any standard of the National Election Administration Commission. Whether such a standard should be established is a policy question. At any rate the bill should make it clear that such standards should not apply to prefectural or municipal elections.

e. The expenses to be borne by the treasury are in many cases based upon the number of households in a locality. According to Article 19 the number of households shall be the number of which public notice was given in the official gazette. Actually this allows the government to determine unilaterally the expenses it wishes to bear in any specific locality. No recourse against the determination of the number of households in a locality is provided. The law should contain provision clarifying on what official figures this public notice is to be based.

1 Incl:
w/d

- - - -

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/JH/JW/CFG/vs

Subject: Draft Legislation

Capt. Guida
26-6076

Note No. 1.

From: Govt Sec To: ESS Date: 28 April 1950

1. Immedicate introduction of the attached draft bill in the Diet is proposed by the House of Counsillors.

2. Your prompt comment is requested.

1 Incl
Amendment to Bill re
Standard of Expenses Required
for Execution of Elections, etc.

C. W.

File: 010(28 Apr 50)ESS/PF

WFM/EMR/CDR/eb
Mr. Yeomans, 26-6148

From: ESS To: Govt Sec

8 MAY 1950

2. No objection

1 Incl:
n/c

-W.F.M.-

Rec'd GS 5/9

Bill

to be submitted for GS approval
Legislative Affairs Section, FOR
(TEL. 87-6010)

February 18 , 1950

1. FOR Number: 125

2. Name of Bill: The Hokkaido Development Bill

3. Competent Ministry: Prime Minister's Office

4. Date of Cabinet Approval: February 10, 1950

5. SCAP Section concerned:

GS. Maj. Napier

6. Remarks: (Reference:)

None

7. G.S. Reviewers:

GS:
NRS
ESS
AS/LJ
GS/CS

Received by GS

Date 2/18/50

(6)

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/JW/JW/CHH/nk

Subject: Draft Legislation

Capt. Norris

Note No. | From: Govt Sec | To: LS/LJ | Date: 18 Feb. 1950 | 25-6076

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Hokkaido Development Law

C: W.

P & P DIV

D

A-1

PM

Hokkaido Dev Law

2/18/50

L.S. Otto-2635-420

From: LS To: GS Date: 8 March 1950

2.

1. Legal Section has no objection to subject bill, as amended by re-draft of the original articles 2, 4, 8 and 9. (A copy of the re-drafted bill is attached hereto as Incl. #2). These articles were mofified by representatives from the Prime Minister's Office, following conferences with LS. The overall purpose of subject bill is to provide a coordinated effort for the development of Hokkaido through the Hokkaido Development Agency, an external organ of the Prime Minister's Office, headed by a Director appointed from among the Ministers of State.

2. Attention, however, is called to the following:

a. Under Article 95 of the Constitution, special laws applicable to one public entity cannot be enacted without the consent of a majority of the voters of the entity concerned. It is the opinion of LS that subject bill is not a special law under Article 95. It does not grant any new powers to the national government with reference to Hokkaido, but merely redistributes existing powers by centralizing plan making and supervision of execution in the one Agency. Various aspects of the program will still be carried out by the respectively interested Ministries, under existing laws, subject to the supervision of the Agency acting under the authority of the Prime Minister. To clarify the point that Article 2 does not enlarge national powers, officials of the Prime Ministers Office have amended Para. 1 by adding "in accordance with provisions of laws concerned."

2. (Cont'd)

b. A new Article 3 has been added in the re-drafted bill authorizing local public bodies to submit their opinions in the program to the Cabinet. (Note: This addition has necessitated renumbering subsequent articles in the re-drafted version, original Article 3 becoming 4, etc.)

c. In original Article 4 (Art. 5 in re-draft), Par. 1, a mistranslation has been corrected: "formulate plans in regard to the development program", now reads: "formulate the development program."

d. Original Art. 8 (9 in re-draft) has been clarified to authorize the Council to investigate, deliberate and make proposals to the director of the agency, either at the latter's request or on its own initiative.

e. Original Art. 9 (10 in re-draft) has been modified to provide that the Governor of Hokkaido (new Item 3) and the Chairman of the Hokkaido Assembly (new Item 4) shall be ex-officio members of the Council. The remaining authorized membership, not more than 10, is to be selected by the Prime Minister. The translation has also been clarified to indicate that the last named group (new Item 5) are the only members selected by the Prime Minister, the others being ex-officio or nominated by the Diet and merely being appointed by the Prime Minister.

3. The re-drafted bill as attached will be submitted by the Cabinet to GS subsequently.

1 Incl:
w/d 1 Incl - Incl #1
Added 1 Incl:
2. Re-draft of Hokkaido Development Law

- A.C.C. - - - - - - - - - - -

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/JM/JW/CHM/nk

Subject: Draft Legislation

Capt. Morris

Note No. From: Govt Sec To: ESS Date: 18 Feb. 1950 26-6076

P & P DIV

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Hokkaido Development Law

C. W.

D

BM
2/18/52

File: 010(18 Feb 50)ESS/PT

From: ESS To: Govt Sec

NFD/ESS/AMD/NKE/eb
Mr. Ritter, 26-6155

4 MAR 1950

2

There is no objection to the immediate introduction in the Diet of the attached draft bill, Hokkaido Development Law, as proposed by the Prime Minister's Office.

1 Incl:
n/c

- - - -

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/JM/JW/CHM/ok

Subject: Draft Legislation

Note No. | From: Govt Sec | To: **GS** | 26-6076 | Date: **18 Feb. 1950**

Capt. Norris

1. Immediate introduction of the attached draft bill in the Diet is proposed by **the Prime Minister's Office.**

2. Your prompt comment is requested.

1 Incl
Hokkaido Development Law

P & P DIV

C. W.

D

BASIC: Check sheet from GS to NR, subject "Draft Legislation" (Hokkaido Development Law) 18 Feb 50

(P.M. Off.)

Lt Col N.P.Barnett, 26-6810
NGS/NWR/WG/NPB/la
Date: 2 MAR 1950

From: NR 8 To: GS

2

1. NR nonconcurs in the above proposed draft legislation.

2. It is believed that the "Hokkaido Development Law" establishes an extremely undesirable precedent and in effect carries on the prewar concept of Hokkaido as a colony rather than an integral part of Japan.

3. Little reason can be seen for the establishment of a Hokkaido Development Agency or Hokkaido Development Council. It is believed that the Resources Council of the Economic Stabilization Board can provide appropriate service in planning and coordinating activities for the development of Hokkaido and the land, water, forest, mineral, electric power, and other resources in Hokkaido. The Resources Council, in fact, has been given responsibility for recommending programs covering this entire field. With the Economic Stabilization Board in existence, providing for the coordination of the governmental functions with respect to administration of the economy, no excuse can be seen for the establishment of a Hokkaido Development Agency with the personnel and departments all necessarily duplicating the work of the Economic Stabilization Board.

Recd GS 2/3/50

4. The Ministry of Agriculture and Forestry is capable and has been planning for the coordinated use and development of agricultural lands, reclamation projects, forest resources, and fishing areas in

BASIC: Check sheet from GS to NR, subject "Draft Legislation" (Hokkaido Development Law) 18 Feb 50

CN#2 Cont'd

Hokkaido. The Ministry of International Trade and Industry, through the Resources Agency of the Ministry, has been providing for the development of the mineral, coal, petroleum, and hydroelectric power resources of Hokkaido. The Board of Industrial Technology of the Ministry has been coordinating the work of the Mineral Research Group and the Japanese Geological Survey with respect to Hokkaido.

5. Primary need of Hokkaido is for integration of its economy with the rest of Japan. A start has been made toward this goal. The establishment of a Hokkaido Development Council or Agency under the proposed Hokkaido Development Law will not only require duplication of effort, duplication of expenditures but will also place the entire development program for Hokkaido in the same position it occupied in prewar years - that of a colony to be exploited rather than an area to be developed. A concept of special planning for Hokkaido is contrary to the entire planning of the Section and insofar as the Section expresses policy of the Headquarters, the establishment of the Hokkaido Development Agency is contrary to the whole policy of the Occupation.

6. It should also be pointed out that by placing Hokkaido in the position of a special area requiring special handling, Communist influences already strong in Hokkaido would be able to make their programs more effective. It is not completely impossible that by establishing a concept of a more or less independent Hokkaido, the area will be open to active infiltration of subversive groups.

7. As a constructive suggestion, it is recommended that suggestion be made to the Japanese Government to increase the priority given to Hokkaido projects by the Economic Stabilization Board. It is suggested that a relatively small portion of the funds which would be necessary for the administration of the Hokkaido Development Agency, if utilized for the support of the Resources Council of the Economic Stabilization Board and of other government agencies for the planning and implementation of projects for Hokkaido, the purpose of the Hokkaido Development Agency would be accomplished with far less expenditure of public funds.

1 Incl
w/d

- - - -

B. 3. B

CIVIL SERVICE DIVISION
Government Section

24 February 1950

MEMORANDUM FOR: Parliamentary and Political Division
Government Section

SUBJECT : The Hokkaido Development Law (Draft)

The Civil Service Division does not object to subject bill. Your attention is called, however, to the fact that Article 6 prescribes concurrent employment in different agencies, a practice which we question seriously. Also Article 7 adds one more large committee to the excessive number already established in the Japanese Government.

W. PIERCE MacCOY
Acting Chief

WPM:GWP:gb

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) GS/JM/JW/CFG/vs

Subject: Draft Legislation

Capt. Guido
26-6076

Note No. From: Govt Sec To: GS Date: 8 March 1950
revised

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Hokkaido Development Law

Cy to GS, LS/LJ C. W.

P & P DIV

3/8

Hokkaido Development

L 4 B

WFH/ECH/AMM/WKE/eb
Mr. Etter, 26-6155

From: ESS To: Govt Sec

24 MAR 1950

2 There is no objection to the immediate introduction in the Diet of the attached revised draft bill, Hokkaido Development Law, as proposed by the Prime Minister's Office.

1 Incl:
h/o

- -N.F.H.- - - - - - - - - - - - - - -

Rec'd GS 3/24

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/CFG/vs

Subject: Draft Legislation

Capt. Guida
26-6076

Note No. | From: Govt Sec To: NRS Date: 8 March 1950 revised

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Hokkaido Development Law

Cy to ESS, LS/L&J

Lt Col N. P. Barnett, 26-6810
HGS/MWR/WG/HPB/la
Date: 15 MAR 1950

From: NR To: GS

2

1. The proposed legislation as revised makes it apparent that the Japanese Government has given little or no attention to the recommendations submitted by NR. The lack of consideration by the Japanese Government for the integration of Hokkaido's economy with that of the rest of Japan is the basic point of departure from sound resource planning which is one of the functions of the Resources Council of the NSB.

2. Although the above revised draft legislation indicates that the Central Government plans to have a strong hand in the Hokkaido Development Agency, NR nonconcurs for reasons outlined in check note 2, NR to GS, 2 Mar 40, to check note 1, GS to NR, same subject as above, 18 Feb 50.

1 Incl
w/d

H. G. S.

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/JW/JH/CFO/vs

Subject: Draft Legislation

Capt. Guida
26-6076

Note No. | From: Govt Sec | To: LS/LSJ | Date: 6 March 1950 revised

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Hokkaido Development Law

Cy to Govt. Sec C. W.

P & P DIV

The Hokkaido Development Law

PM
3/8/50

From: LS To: GS L.A. OTTO-2635-420
Date: 10 March 1950

LS has no legal objections to subject bill as revised.

Incl: w/d

- A.C.C. - - - - - - - - - - - - -

Bill

to be submitted for GS approval
Legislative Affairs Section, FOM
(TEL. 57-6010)

April 19 , 1950

1. FOM Number: 206

2. Name of Bill:

Multiple Purpose Land Development Bill

3. Competent Ministry: Prime Minister's Office

4. Date of Cabinet Approval: April 14, 1950

5. SCAP Section concerned: Capt. Guida, G.S.
Mr. J. E. Rothrock,
Mr. E.F. Stanek
Engineering & Construction, Industry Div. ESS.

6. Remarks: (reference:)
1. The Local Finance Law(Law No. 109 of 1948) Official Gazette No. Extra 1, July 7 1948.....
2. Ministry of Construction Establishment Law (Law No. 113 of 1948) Official Gazette No. Extra... July 8, 1948.
3. Economic Stabilization Board Establishment Law..... (Law No. 164 of 1949) Official Gazette No. Extra 60 May 31, 1949.....

.....

7. G.S. Reviewers:

GS: ESS
NRS
LS/LS
GS/PA

Received by GS

Date 4/19/50

(7)

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/JW/JW/CPO/gb

Subject: Draft Legislation

Note to: Capt. Guida
From: Govt Sec To: LS/LAJ 26-6076
Date: 19 April 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Multiple Purpose Land
Development Bill

Cy to ESS, NRS

C. W.

P & P DIV

2

Mr. R. B. Appleton
Meiji 473
Date: 26 April 1950

From: LS To: GS

1. No legal objections.

2. No opinion is expressed concerning the policy of subject bill, which establishes a Multiple Purpose Land Development Council in the Prime Minister's Office and authorizes establishment of similar Prefectural and Regional Councils to plan policies concerning proper utilization and development of the nation's land and proper location of industries. These are questions of primary concern to NRS, ESS and GS. It may, however, be pointed out that this bill again reflects the tendency toward creating advisory councils which recently have greatly increased in number.

1 Incl
w/d

A. C. C.

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/JK/JW/CFG/cb

Subject: Draft Legislation

Capt. Guido
25-6076

Note No. | From: Govt Sec To: NRS Date: 19 April 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Multiple Purpose Land
Development Bill

Cy to NRS, LS/LAJ

C. W.

P & P DIV

PM

Multiple Purpose Land Bill

E. F. Stanek, 26-6794

MMC/HBO/WT/mib

From: ESS To: Govt Sec

14 MAY 1950

2

1. The following comments are offered on the attached draft legislation "Multiple Purpose Land Development Bill:"

a. Artiele 6 provides for a national council "of members not exceeding thirty in number" and a staff of "experts" with both members and staff serving on a part-time basis. In addition to these national planners Article 9 provides as many as 46 Prefectural Councils and an unlimited number of Regional Councils with unspecified numbers of members and experts in each such council. Smaller numbers of Council members who will take full account of recommendations made (through public hearing or other procedures) in the public interest would probably be more effective.

b. Article 7, par 4, provides that the President of the Economic Stabilization Board shall "collect and arrange" the opinions of the heads of the administrative organs (Ministries, etc.) and

2 cont'd submit them to the National Council. If to "arrange" means to edit the opinions it may be an undesirable provision.

c. Except for Article 2, par 5, "Scale and location of electricity..., facilities," there is no specific mention in subject bill of industries under cognizance of ESS. The Public Utilities Bill now under consideration in the Diet gives primary authority with respect to electric and gas utility facilities to a five-member, non-political commission to be set up under the new law, when enacted. The Public Utilities Bill, in Chapter 7, also provides for some coordination with respect to electric power resources. ESS is opposed to any encroachment on the authority to be granted the Public Utilities Commission with respect to electric and gas utilities.

d. The reference draft bill would provide for the establishment of national, prefectural, and regional Multiple Purpose Development Councils to assist the Prime Minister and the prefectural governors in the coordination and planning of state and local measures with respect to "Multiple Purpose Land Development." The personnel of such councils would consist more than 50 per cent of non-governmental employees. The councils would consider and make recommendations in connection with individual plans in addition to advising on broad standards of administration. The national council would be authorized to determine special areas for Multiple Purpose Land Development in that the recommendations of the Director General, ESB, and the Minister of Construction would be required to be submitted to the council and the Prime Minister would be required to designate areas in accordance with the council's reports.

e. Objection is made to the administration of the reference bill by or with the assistance of councils which may consist of industry representatives. The existence of such institutions would conflict with the objectives of SCAPINS 1108, 1394 and 1860 and with recently emphasized policy of headquarters concerning industry councils.

f. Subsidies for public works programs are provided in other Japanese laws. Article 10, par 6 of this proposed draft legislation should be deleted as it is repetitious.

1 Incl
n/c

- W. F. M. - - - - - - - - - - -

MEMORANDUM

ESS/UF Comments

1. Article 6 provides for a national council " of members not exceeding thirty in number" and a staff of "experts" with both members and staff serving on a part-time basis. In addition to these national planners Article 9 provides as many as 46 Prefectural Councils and an unlimited number of Regional Councils with unspecified numbers of members and experts in each such council. Smaller numbers of Council members who will take full account of recommendations made (through public hearing or other procedures) in the public interest would probably be more effective.

2. Article 7, par 4, provides that the President of the Economic Stabilization Board shall "collect and arrange" the opinions of the heads of the administrative organs (Ministries, etc) and submit them to the National Council. If to "arrange" means to edit the opinions it may be an undesirable provision.

3. Except for Article 2, par (5); "Scale and location of electricity...,facilities," there is no specific mention in subject bill of industries under cognizance of ESS/UF. The Public Utilities Bill now under consideration in the Diet gives primary authority with respect to electric and gas utility facilities to a five-member, non-political commission to be set up under the new law, when enacted. The Public Utilities Bill, in Chapter 7, also provides for some coordination with respect to electric power resources. ESS/UF is opposed to any encroachment on the authority to be granted the Public Utilities Commission with respect to electric and gas utilities.

ESS/FTP Comments

1. It is understood that subject proposed legislation has been assigned to ESS/IND for comment. It is requested that the ESS check note reply to Governmental Section include the following:

a. The reference draft bill would provide for the establishment of national, prefectural, and regional Multiple Purpose Development Councils to assist the Prime Minister and the prefectural governors in the coordination and planning of state and local measures with respect to "Multiple Purpose Land Development." The personnel of such councils would consist more than 50 per cent of non-governmental employees. The councils would consider and make recommendations in connection with individual plans in addition to advising on broad standards of administration. The national council would be authorized to determine special areas for Multiple Purpose

Land Development in that the recommendations of the Director General, ESB, and the Minister of Construction would be required to be submitted to the council and the Prime Minister would be required to designate areas in accordance with the council's reports.

b. Objection is made to the administration of the reference bill by or with the assistance of councils which may consist of industry representatives. The existence of such institutions would conflict with the objectives of SCAPINS 1108, 1394 and 1860 and with recently emphasized policy of headquarters concerning industry councils.

c. It is recommended that the Japanese Government be advised of the response, indicated above, in which reference draft bill conflicts with Occupation policy.

ESS/PF Comments

Subsidies for public works programs are provided in other Japanese laws. Article 10, Par. 6 of this proposed draft legislation should be deleted as it is repitibus.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) CS/JS/JS/CPG/gb

Subject: Draft Legislation

Capt. Guida

Note No. | From: Govt Sec | To: NRS | Date: 19 April 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Multiple Purpose Land
Development Bill

Cy to NRS, LS/LSJ C. W.

P & P DIV

PM

Multiple Purpose Land Bill
4/19/50

Lt Col N.P. Barnett 26-6810
HGS/WG/NPB/dk

2

From: NR To: Govt Sec Date: 27 APR 1950

1. NR non-concurs in the proposed bill, "Multiple Purpose Land Development Bill".

2. It is the opinion of NR that:

a. The scope of the bill is entirely too broad to be covered adequately by a multiple purpose land development council established in the Prime Minister's office and subject to the desires of the political party in power; this situation might not always serve the best interests of the Japanese nation. Also, the functions of the proposed council would overlap those of the Natural Resources Council in the Economic Stabilization Board; the overlapping functions would undoubtedly cause confusion and probably result in poor planning. NR believes that better planning can be secured by extending, if necessary, the functions of the Natural Resources Council to cover those additional functions provided for in the proposed draft legislation.

Rec'd GS 4/27/50

b. The proposed bill places certain administrative functions in the Ministry of Construction which is evidence of an attempt to strengthen this Ministry at

the expense of other government ministries. The Ministry of Construction should not be given authority through which it can influence or control planning which involves the activities of other government ministries.

1 Incl
n/c

- -H. C. S.- - - - - - -

Bill

---

to be submitted for GS approval
Legislative Affairs Section, HQ.
(TEL. 37-6010)

February 4 , 1950

1. FOM Number: 65

2. Name of Bill: Bill for Special cases of the National Treasury Disbursement of Disaster Recovery work Expenditure in 1950-51 Fiscal Year.

3. Competent Ministry: Prime Minister's Office

4. Date of Cabinet Approval: January 31, 1950

5. SCAP Section concerned:
Mr. W. K. Etter, E.S.S., Public Finance Division.

6. Remarks: (Reference:)
Reference is attached herewith.
.....
.....
.....
.....
.....

7. G.S. Reviewers:

GS:
ESS
AS/AS
GS/PA

Received by GS

Date 2/4/50

(8)

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/JR/JW/CRM/vs

Subject: Draft Legislation

Capt. Norris
26-6076

Note No. | From: Govt Sec To: LS/LAJ Date: 4 February 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Special Cases of National Treasury Disbursement of Disaster Recovery Work Expenditure in FY 1950-51

C. W.

P & P DIV

Press Minister
Disaster Recovery work.

2.

From: LS To: OS L.A. Otto-2635-420
Date: 14 Feb 1950

1. This Section has no legal objection to subject Bill. However, it would appear desirable to provide for some standards in the statute itself to guide the discretion of the national government.

Incl: w/d

- A.C.C - - - - - - - - - - -

Raised question re Standards
Chas Mr. Yrabe, CLCO. 2/18

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/JS/JV/CHK/vs

Subject: Draft Legislation

Capt. Norris

Note No.

From: Govt Sec To: ESS 26-6076 Date: 4 February 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Special Cases of National Treasury Disbursement of Disaster Recovery Work Expenditure in FY 1950-51

C. W.

P & P DIV

1.

File: C10(4 Feb 50)ESS/FY

From: ESS To: Govt Sec

WPW/ESS/AMM/JMM/eb
Mr. Messler, 26-5148
9 FEB 1950

2. 1. There is no objection to the immediate introduction to the Diet of the attached draft bill, Special Cases of National Treasury Disbursement of Disaster Recovery Work Expenditure in FY 1950-51, as proposed by the Prime Minister's Office.

2. It should be noted, however, that Article 2, para. 2 refers to port affairs bureaus. Such port authorities have not been established by law as yet, and it is understood that some sections of SCAP may object to the establishment of these agencies. Therefore, pending clearance of an establishment bill, it would seem desirable to eliminate paragraph 2, Article 2 of the attached law so that SCAP clearance of this bill does not indicate SCAP approval of the Port Authority Bill.

1 Incl:
a/c

---------- M.F.M. ----------

Recommended - deletion of par. 2, Art. 2 as suggested above.

2/15 Ch.

8 FEB

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/CFG/vs

Subject: Draft Legislation

Capt. Guida

Note No. | From: Govt Sec To: NRS 26-6076 Date: 16 March 1950

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Exceptions to Charge on
the Treasury for Disasters
Rehabilitation Works for
the Fiscal Year 1950-51

C. W.

PS P/IV

PM

Disaster Rehabilitation Work

3/16

Lt Col N.P.Barnett, 26-6810
NRS/NWR/WG/NPB/la
Date:
27 MAR 1950

From: NR To: GS

2

1. NR comments regarding above proposed draft legislation are listed below:

a. The translation of this Bill appears vague and it is difficult to determine fully what items are covered and what items are excluded from 100 percent financing of disaster rehabilitation by the Central Government.

Rec'd GS 3/27/50

b. The Forestry Agency advises that the Bill now confines erosion control activities entirely financed by the Central Government to "collapses of natural river banks." Erosion control disaster rehabilitation on the mountain sides above the rivers is, according to the Forestry Agency, excluded from such financing.

c. The Bill also excludes forest roads from 100 percent financing by the Central Government.

d. The Shoup Mission specifically recommended that the Central Government finance the entire cost of disaster rehabilitation in order to avoid placing unexpected, heavy burdens on the local communities (Chapter III, page A20). The Japanese Government has vigorously opposed this recommendation and the present Bill represents a compromise between NRS/JF and the Japanese Government. In effect this Bill provides 100 percent Central Government financing for disaster rehabilitation projects handled by the Construction Ministry but leaves other projects on a partial Central Government subsidy basis.

BASIC: Check sheet GS to NR, subject "Draft Legislation", 16 Mar 50 (Exceptions to Charge on the Treasury for Disasters Rehabilitation Works for the Fiscal Year 1950-51)

CM#2
Cont'd

e. NR has consistently urged ESS/JF and the Japanese Government to include erosion control disaster rehabilitation of the mountain slopes (upper watersheds) under the 100 percent central Government financing. Such action will assure the prompt initiation of control measures following a disaster. Prompt control of mountain slope erosion is vital to protection of all downstream control facilities. The Japan River Association has estimated that downstream erosion control work will cast at least 500 billion yen during the next 10 years. Unless these mountain slopes are promptly rehabilitated, subsequent rains will runoff rapidly into the stream bottoms causing flood levels and contributing soil, boulders, and other debris, thus causing additional extreme damage and accentuating the problem of completing downstream facilities. Most of the water flowing down Japan's rivers comes from its mountain slopes. Most of its disastrous floods originate in the mountains. These rivers generally flow through two or more prefectures before reaching the sea, thus giving justification for Central Government financing to protect the public welfare.

f. It is strongly recommended that the Central Government fully recognize its responsibility for erosion control disaster rehabilitation activity in the upper watersheds and revise this Bill to provide for 100 percent financing of such projects.

1 Incl
w/d

- H. G. S. - - - - - - - - - - - - - -

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/JM/JW/CHN/vs

Subject: Draft Legislation

Capt. Norris
26-6076

Note No. From: Govt Sec To: LS/L&J Date: 15 March 1950 revised

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Exceptions to Charge on
Treasury for Disasters
Rehabilitation Works for
Fiscal Year 1950-51

C. W.

Exceptions to Charge on Treasury for Disasters
Rehabilitation Works for Fiscal Year 1950-51
Revised

From: LS/IAJ To: GS L.A.OTTO-2635-420
Date: 22 March 1950

2. Legal Section has no objection to subject bill, which is a revised version of Bill for Special Cases of National Treasury Disbursement of Disaster Recovery Work Expenditure in Fiscal Year 1950-51.

Incl: w/d

- A.C.C. - - - - - - - - - -

fwd GS 3/LB

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) GW/JK/JW/CHH/ws

Subject: Draft Legislation

Capt. Norris

Note No. | From: Govt Sec To: ESS | 26-6076 Date: 15 March 1950 revised

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl
Exceptions to Charge on
Treasury for Disasters
Rehabilitation Works for
Fiscal Year 1950-51
Cy to LS/LAJ

C. W.

ECA Aware

File: 010(15 Mar 50)ESS/PF

WFM/ECH/AMM/JRM/eb
Mr. Mossler, 26-6148

From: ESS To: Govt Sec

20 MAR 1950

2 There is no objection to the introduction in the Diet of the attached revised draft bill, Exceptions to Charge on Treasury for Disasters Rehabilitation Works for Fiscal Year 1950-51, as proposed by the Prime Minister's office.

1 Incl:
n/c

- W.F.M. - - - - - - - - - - - - - - - -

Bill

---

to be submitted for GS approval
Legislative Affairs Section, PO.
(TEL. 87-6010)

February 10, 1950

1. POL Number: 84

2. Name of Bill: Bill for Partial Amendment to the National Government Organization Law

3. Competent Ministry: Prime Minister's Office (Administrative Management Agency)

4. Date of Cabinet Approval: January 31, 1950

5. SCAP Section concerned:
Capt. Joseph, G.S.

6. Remarks: (reference:)
National Government Organization Law (Law No. 120 of 1948), Official Gazette dated July 10, Extra.
As amended by Law No.235 of 1948: Official Gazette dated Dec. 10, No. 810.

7. G.S. Reviewers:

CS:
GS/PA
GS/CS

Received by GS

Date 2/10/50

(9)

CIVIL SERVICE DIVISION
Government Section

14 February 1950

MEMORANDUM FOR: Parliamentary and Political Division
Government Section

SUBJECT : Bill For Partial Amendments to National Government Organization Law

Civil Service Division objects to subject bill because it could easily be used as the basis for establishment and centralized administration of a large system of position or personal classification, possibly competitive with and difficult to distinguish from the classification established under the Position-Classification Plan to be administered by the National Personnel Authority.

It is recommended that in Article 20, Paragraph 2 be deleted and Paragraph 1 be amended to read as follows:

> "The Bureaus, Divisions, and Sections provided for in Article 7 shall have, respectively, the heads identified by the following organizational titles in addition to their official class titles prescribed by the Position Classification Plan:
>
> Chiefs of Bureau
> Chiefs of Division
> Chiefs of Section"

No objection is made to other provisions of the bill.

W. PIERCE MacCOY
Acting Chief
Civil Service Division

WPM:GWP:gb

Recd GS 2/14/50

Referred & P.M. of thru Mr. Hinke, CLCO. Requested removal drop ✓ 2/18

PUBLIC AFFAIRS DIVISION
Government Section

17 February 1949

MEMORANDUM FOR: Parliamentary and Political Division
Government Section

SUBJECT : Bill For Partial Amendments to National Government Organization Law

Public Affairs Division raises no objection to partial amendments as submitted.

NICKOLAS COTTRELL
Chief
Local Government Branch

Read 9/5
2/17/50

CIVIL SERVICE DIVISION
Government Section

24 February 1950

MEMORANDUM FOR: Parliamentary and Political Division
Government Section

SUBJECT : Bill For Partial Amendments to the National Government Organization Law

On 20 February 1950 this Division reported objection to Article 20 of subject bill. Since that time, conferences between the Administrative Management Agency and Civil Service Division have resulted in an agreement that Civil Service Division will not object to amendment of Article 20 to read as follows:

"The Bureaus, Divisions, and Sections provided for in Article 7 shall have, respectively, the heads identified by the following organizational titles in addition to their official class titles prescribed by the Position-Classification Plan:

Chiefs of Bureau
Chiefs of Division
Chiefs of Section

2. Except as otherwise provided by law, Bureaus, Divisions, and Sections shall not have positions of deputy chiefs or equivalent, provided that on request of the head of the ministry or agency the Administrative Management Agency may approve the establishment of positions identified by the following organizational titles in addition to their official class titles prescribed by the Position-Classification Plan:

Deputy Chiefs of Bureau
Deputy Chiefs of Division"

This Division will not insist upon the precise wording set forth above provided that the meaning of any substitute provisions does not deviate from it.

W. Pierce MacCoy

W. PIERCE MacCOY
Acting Chief

WPM:GWP:gb

CIVIL SERVICE DIVISION
Government Section

28 February 1950

MEMORANDUM FOR: Parliamentary and Political Division
Government Section

SUBJECT : Bill for Partial Amendments to the National Government Organization Law

No objection is made to subject bill in the form presented to Civil Service Division on 28 February 1950.

W. PIERCE MacCOY
Acting Chief

WPM:GWP:gb

CIVIL SERVICE DIVISION
Government Section

28 March 1950

MEMORANDUM FOR: Parliamentary and Political Division, Government Section

SUBJECT : Amendment of the National Government Organization Law

1. In the proposed amendment to Bill for Partial Amendment to the National Government Organization Law as presented by the House of Representatives on March 25, 1950, paragraph 1 of Article 20 is as follows:

> "The Bureaus, Divisions and Sections, under the provisions of Article 7, shall have, respectively, the heads identified by titles as follows:
>
> Chiefs of Bureau
>
> Chiefs of Division
>
> Chiefs of Section."

2. Civil Service Division objects to the foregoing revision of the bill as being less precise and therefore less satisfactory than the corresponding paragraph in the bill submitted to this Division on 28 February. The paragraph in such bill which we indorsed is as follows:

> "The Bureaus, Divisions and Sections, provided for in Article 7, shall have, respectively, the heads identified by the following organizational titles in addition to their official class titles prescribed by the Position Classification Plan:
>
> Chiefs of Bureau
>
> Chiefs of Division
>
> Chiefs of Section."

3. It is assumed that Article 25 of the National Government Organization Law will be deleted and the three Supplementary Provisions of the amending bill will be retained as presented in the bill cleared on 28 February by Civil Service Division. If so, we have no other objection to the proposed revisions.

W. PIERCE MACCOY
Acting Chief

WPM/GWP/feh