

Section 4. Securing of Seeds and Seedlings
of Aquatic Animals and Plants.

(Duty of Filing Notification)

Article 27. A person who intends to take or gather, as a business, seeds or seedlings of aquatic animals and plants stipulated in Ministerial Ordinance for the purpose of sale shall notify the Minister of Agriculture and Forestry thereof. The same shall apply to the case of cessation of such business.

(Instructions on Production and Distribution)

Article 28. The Minister of Agriculture and Forestry may give necessary instructions as provided for by Ministerial Ordinance to those persons as prescribed in the preceding Article, when he deems it necessary for securing the seeds or seedlings of aquatic animals and plants as prescribed in the same Article, regarding the production and distribution of such seeds or seedlings.

Chapter III Investigation of Aquatic Resources

(Investigation of Aquatic Resources)

Article 29. The Minister of Agriculture and Forestry shall conduct scientific investigations on the quantity of fish catch, conditions of operation and conditions of sea with respect to such types of fisheries as are deemed to require such investigations for the conservation and nurture of aquatic resources.

2. The Minister of Agriculture and Forestry may delegate a part of the business as prescribed in the preceding paragraph to the Governor of To, Do, Fu or Prefecture.

(Collection of Reports)

Article 30. The Minister of Agriculture and Forestry of the Governor of To, Do, Fu or Prefecture may cause those who operate fisheries or those engaged in them, to report on the quantity of fish catch, the time and method of fishing and other necessary matters when he deems it necessary to conduct the investigations as prescribed in the preceding Article.

Chapter IV Subsidy

(Subsidy)

Article 31. The State may, in order to carry out the purpose of this law, grant a subsidy within the limits of budgetary appropriations to those coming under ^{any} any of the following items to cover a part of the expenses mentioned therein:

- (1) The expenses needed by the owner or the occupant of a structure built in the waters where there is a passage of anadromous fish (excepting those who have received the order to conduct the works of eliminating obstacles under the provisions of Article 23 paragraph 1)

when he installs or repairs any facilities as prescribed in Article 23 paragraph 2;

- (2) Expenses needed by a person other than the State for artificial hatching and plantation of salmon and trout among the fishes of anadromous nature.

Chapter V. Miscellaneous Provisions

(Aquatic Resources Conservation and Guidance Government Officials and Public Officials)

Article 32. The Minister of Agriculture and Forestry or the Governor of To, Do, Fu or Prefecture shall appoint aquatic resources conservation and guidance government officials or aquatic resources conservation and guidance public officials from among the personnel of the Agency or Division to carry out guidance in and dissemination of information on matters concerning the conservation and nurture of aquatic resources and conduct the business relative to the enforcement of this law and orders issued thereunder.

(Cooperation concerning Conservation and Nurture of Aquatic Resources)

Article 33. The Governor of To, Do, Fu and Prefecture may request the cooperation of Fishermen's Cooperative Associations and others for the conservation and nurture of aquatic resources when he deems it necessary to do so for conservation and nurture of aquatic resources.

(Aquatic Resources Conservation Panel)

Article 34. The ^A Aquatic Resources Conservation Panel shall be established within the Central Fisheries Adjustment Council to be charged with important matters concerning the conservation and nurture of aquatic resources.

(Appeal)

Article 35. Any person who is dissatisfied with the administrative measures taken in accordance with the provisions of this Law or orders issued thereunder may appeal to the Minister of Agriculture and Forestry.

Chapter VI. Penal Provisions

Article 36. Any person who has acted in violation of the provisions of Article 5 to Article 7 inclusive shall be subject to penal servitude for a period not exceeding three years, or a fine not exceeding two hundred thousand yen.

Article 37. Any person who comes under any of the following items shall be subject to penal servitude for a period not exceeding one year, a fine not exceeding fifty thousand yen, detention or a minor fine:

- (1) Any person who has carried out the works of construction mentioned in Article 18 paragraph 1 without obtaining the permission mentioned in the same paragraph;

- (2) Any person who has acted in violation of the restriction or prohibition as prescribed in Article 23 paragraph 1 or paragraph 2;
- (3) Any person who has acted in violation of the Order issued under the provision of Article 24 paragraph 1;
- (4) Any person who has acted in violation of the provision of Article 25.

Article 38. In the case of Article 36 or item (4) of the preceding Article, any fish catch, fishing vessels and fishing gears as owned or possessed by the offender may be confiscated. However, in case where confiscation of the whole or part of these articles owned by the offender is impossible, an additional imposition equal to the value thereof may be made upon him.

Article 39. Both penal servitude and fine may, according to circumstances, be imposed upon any person who has committed the violations mentioned in Article 36 or Article 37.

Article 40. Any person who comes under any of the following items shall be subject to penal servitude for a period not exceeding six months, a fine not exceeding ten thousand yen, detention or a minor fine:

- (1) Any person who has acted in violation of the provision of Article 23 paragraph 3;

- (2) Any person who has failed to file a notification as prescribed in Article 27, or has filed a false notification;
- (3) Any person who has failed to submit the reports as prescribed in Article 30, or has made false reports.

Article 41. In case any representative of a juridical person, any agent, employee or other worker of a juridical person or individual has, relevant to the business affairs or properties of that juridical person or individual, committed the violations mentioned in Article 36, Article 37 or the preceding Article, not only shall such offender be punished, but that juridical person or individual shall also be fined in accordance with the provisions of any of these Articles. However, in case where there is evidence that due care and supervision have been exercised in those business affairs with a view to preventing the violations of such agent, employee or other worker of a juridical person or individual, this shall not apply to such juridical person or individual.

Supplementary Provisions

1. The day of enforcement of this Law shall be determined by Cabinet Order to come into force within a period not exceeding six months from the day of its promulgation. However, the date of enforcement of the provision of Article 34 must be on or after April 1, 1952.

2. Any person who, at the time of enforcement of this Law, is actually engaged in the business as prescribed in Article 27 shall report thereon to the Minister of Agriculture and Forestry, as provided for by Ministerial Ordinance, within sixty days as from the date of enforcement of this Law.

3. The provisions of Article 40 paragraph 2 and Article 41 shall apply mutatis mutandis to the case of the preceding paragraph.

4. The Fisheries Law shall be partially amended as follows:

In Article 58 paragraph 1, "Article 2 paragraph 1 of the Law for Prevention of Exhaustion of Marine Resources (Law No. 171, 1950)" shall be amended to read: "Article 9 paragraph 1 of the Law for Conservation of Aquatic Resources (Law No. of)".

In Article 65 paragraph 1, "propagation and protection of aquatic animals and plants" and item (5) to item (7) inclusive shall be deleted; and in paragraph 4 of the same Article, "and fishing gears and the aquatic animals and plants as mentioned in item (7) of the same paragraph" shall be amended to read: "and fishing gears....".

Article 68 to Article 71 shall be amended as follows:

Article 68 to Article 71 inclusive shall be deleted.

In Article 73, "The provisions of Article 65 (Ordinances concerning Fisheries Adjustment), Article 68 to Article 71 inclusive (Restrictions on Fishing Methods and Protection of Anadromous Fish) and ... therefor" shall be amended to read: "The provisions of Article 65 (Ordinances concerning Fisheries Adjustment) and ... therefor".

In Article 113 paragraph 3 item (2), "5 persons" shall be amended to read: "10 persons."

Article 138 item (6) and Article 139 item (3) shall be deleted.

5. The Law for Prevention of Exhaustion of Marine Resources (Law No. 171 of 1950) shall be abolished.

6. With regard to application of any penal provisions to the acts committed prior to the enforcement of this Law, the former instances shall be followed.

House of Representatives

November 16, 1951.

Title of the Bill: Bill for Conservation of Aquatic Resources (Revised)
(Presented by ISHIHARA Enkichi)

I hereby certify that none of the provisions of the above-mentioned Bill is in violation of any Directive issued by the Supreme Commander for the Allied Powers and the Constitution of Japan, nor, except where so specified, conflicts with any other law.

Toshio Irie

Chief, Legislative Bureau,
House of Representatives.

CS: ESS
NRS

Recd 11/17/51

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet)

Subject: Draft Legislation

File No.:		Maj Norris
		26-6076
Note No.	From: Govt Sec	To: ESS
		Date: 31 October 1951
1	1. Immediate introduction of the attached draft bill in the Diet is proposed by House of Representatives.	
	2. Your prompt comment is requested.	
1 Incl	Bill for Conservation of Aquatic Resources	
	F. R.	
2.	010(31 Oct 51)ESS/FIN	W.K. Etter, 26-6155 WFM/EMR/JCG/WKE/zl
	From: ESS	To: Govt Sec
		Date: 9 NOV 1951
	1. It is recommended that clearance of the draft bill for Conservation of Aquatic Resources be withheld until the following revisions have been made:	
	a. In Article 24, the power of the Minister of Agriculture and Forestry to order elimination of structures hindering the passage of anadromous fish should be restricted in its extent to whatever budgetary appropriations have been made by the Diet for compensation payment to the owners of said structures.	
	b. In Article 32 it should be made clear that neither the Minister of Agriculture and Forestry nor the Prefectural Governments shall be required to make new personnel appointments in FY 1951-52, unless appropriations for these have been included in the FY 1951-52 budget or provision therefor has already been included in the calculation of the Local Finance Equalization Grant prior to passage of the FY 1951-52 Supplemental Budget.	
	c. In Article 34, establishment of the Aquatic Resources Conservation Panel in the Central Fisheries Adjustment Council should be postponed until FY 1952-53 since no appropriation for this purpose is included in the FY 1951-52 budget.	

W.K.Etter, 26-6155

WFM/EMR/JCG/WKE/zl

010(31 Oct 51)ESS/FIN

Draft Legislation

9 NOV 1951

ESS

Govt Sec

2
(Cont'd

d. In the Supplementary Provisions, Article 4, the change prescribed in the Fisheries Law, Article 113, paragraph 3, item 2, increasing the number of commissioners of learning and experience in the Central Fisheries Adjustment Council should be designated as not becoming effective until FY 1952-53, since appropriations are not available for this purpose in the FY 1951-52 Budget.

2. Should the indicated revisions be made, there will be no objection to the introduction of the subject draft bill in the Diet.

1 Incl
n/c

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

GOVERNMENT SECTION
BUCK SLIP

11/1 1951

FROM: P+P

TO: _____ INITIAL _____ DATE _____

- CHIEF.....
- EX O.....
- Special Assistant Nat'l Affairs.....
- Special Assistant Local Affairs.....
- Adm Div.....
- Par & Pol Div.....
- Public Adm Div.....
- Chief Clerk.....
- File.....
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FOR:

- INFORMATION
- NECESSARY ACTION
- ACTION (Prepare Reply)
- APPROVAL
- INITIAL
- COMMENT OR CONCUR
- RETAIN own
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- FILE
- BURN

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House of Representatives

October 31, 1951,

Bill for Partial Amendment to the Salt Monopoly Law.

(Presented by OKUMURA Matajuro
and 21 others)

The Salt Monopoly Law (Law No.112 of 1949) shall be partially amended as follows:

In Article 29 paragraph 1, next to "Cabinet Order" there shall be added "or for preservation of whale meat, herrings, cods or other catches to be designated by Cabinet Order"; and in the latter part of paragraph 2 of the same Article, next to "the preceding paragraph" there shall be "and a person who devotes the salt purchased at a price other than the special price to a use mentioned in the preceding paragraph, after obtaining recognition in accordance with paragraph 5".

The latter part of paragraph 4 of the same Article shall be amended as follows:

In such case, if any of the following items is applicable, the Corporation shall collect the sum mentioned in such item from the person who has purchased salt at the special price.

- (1) Where a person, altering the use of the salt purchased at the special price, devotes it to any use other than those mentioned in paragraph 1 or transfers it to a person who shall devote it to any use other

CS: ESS
GS/WM

Recd GS
10/31/51

than those mentioned in paragraph 1, a sum corresponding to the balance between the special price and the selling price mentioned in paragraph 1 of the preceding Article.

- (2) Where a person, altering the use of the salt purchased at the special price for manufacture of chemicals mentioned in paragraph 1, devotes it to the preservation of a catch mentioned in the same paragraph or transfers it to a person who shall devote it to the preservation of a catch mentioned in the same paragraph, a sum corresponding to the balance between the special price chargeable to a person who uses salt for manufacture of chemicals mentioned in the same paragraph and the special price chargeable to a person who uses salt for preservation of a catch mentioned in the same paragraph.

In paragraph 5 of the same Article, after "any person" there shall be added ", with previous recognition by the Corporation,"; after "the preceding Article" there shall be ", as provided for by a Ministry of Finance Ordinance"; and "equivalent to four fifths of" shall be amended to read "within the limits of an amount equivalent to".

Supplementary Provision

This law shall come into force as from the day of its promulgation.

October 30, 1951.

Title of the Bill: Bill for Partial Amendment to
the Salt Monopoly Law.
(Presented by OKUMURA Matajuro
and 21 others)

I hereby certify that the above mentioned Bill does not violate any Directive issued by the Supreme Commander for the Allied Powers and the Constitution of Japan, and that any provision of this Bill, except those providing for exceptions, does not contradict any other law.

Budgetary Measure:

With reference to a decrease in the revenues for this fiscal year amounting to about ¥22 million following the enforcement of this Law, according to what the Finance Ministry authorities say, no special budgetary measure is said to be necessary to be worked out, as we can reckon on a decrease, etc. in the expenditures through reduction of the quantity of domestic salt slated to be purchased.

Foshio Inie

Chief, Legislative Bureau,
House of Representatives.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet)

Subject: Draft Legislation

No.:

From: Govt Sec

To: **RSS**

Date:

Maj Norris
26-6076

23 November 1951

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

1 incl: Bill to Accelerate Rationalization
of Enterprise (Revised Text)

F. R.

Enclaves *RM*

From: ESS

To: Govt Sec

[Handwritten initials]
WFM/EMR/KPS/PJZ/ny
P. Zeller 26-8515

30 NOV 1951

2. There is no objection to the introduction of the attached draft bill in the Dist.

1 Incl
n/c

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

House of Representatives

November 22, 1951.

Revised (Revisions are made on Article 4, and Supplementary Provisions as underlined)

Bill to Accelerate Rationalization of Enterprise

(Presented by NAKAMURA Junichi)

Chapter I. General Provisions.

(Purpose)

Article 1. The purpose of this Law is to promote the rationalization of enterprise by accelerating improvement of technique and the rapid modernization of machines, equipments, etc. of important industries and by rendering guidance and recommendation for the improvement of raw materials and material unit of motive power, and thereby to contribute to attainment of self-supporting economy of Japan.

(Definition of Entrepreneur)

Article 2. The word "entrepreneur" as used in this law shall mean a person engaged in manufacturing industry, mining, electric business, gas enterprise, transportation, civil engineering, construction, fisheries, or such other enterprises as are provided for by cabinet order.

CS:ESS

Recd CS 11/22/51

Chapter II. Acceleration of Improvement of
Technique.

(Grant of Subsidy, etc., Researcher and the Like)

Article 3. The competent Minister may, when deemed necessary for the acceleration of improvement of technique, grant subsidy within the limit of the budget in accordance with the provisions of the Ordinance of the competent Ministry or loan machines, equipments, etc., owned by the State in accordance with the provisions of the State Property Law (Law No.73 of 1948), to an entrepreneur or other persons who conduct test and research (hereinafter referred to as "researcher") in order to encourage and manufacturing industry, etc, the test for industrialization or the trial manufacture of new machines and equipments (hereinafter referred to as "researche").

(Exception to Imposition of Income Tax or Corporation Tax upon the Machines, Equipments, etc. for Test Research)

Article 4. The competent Minister and the Minister of Finance may give approval to a researcher, in accordance with the provisions of Cabinet Order, to the effect that his researches are urgently necessary for accelerating rationalization of enterprises, and that machines, equipments and the like which the researcher is going to acquire or construct, are ~~those that are indis~~ those that are indispensable for the relative research.

2. In case where an individual researcher who carries

on a business provided for in item (4), paragraph 1, Article 9 of the Income Tax Law (Law No.27 of 1947), who has obtained the approval as prescribed in the preceding paragraph acquires or constructs and puts into use the approved machines, equipments and the like for the approved research, within a year after the date of the approval (only when such research is related to the business of such individual researcher), the amount of depreciation charges for such machines, equipments and the like to be allowed as necessary expense in computation of his business income under the same item, concerned of each year covering the days within three years after the day on which such machines, equipments and the like are put into use for the research, shall, notwithstanding the provision of paragraph 2, Article 10 of the said Law, be calculated by multiplying the amount equivalent to 90% of the cost for acquisition or construction of the machines, equipments and the like by the number of months during the period concerned in such each year and then divided by $3\frac{6}{12}$, only within three years after the day on which the machines, equipments and the like are put into use for the research and when they are putting into such use.

3. In case where an inheritor (including non-conditional donee; sic passing) of the such individual as comes under the preceding paragraph and this paragraph succeeds to the business related to research conducted by such individual

and also continues the research, after the individuals' death, the provision of paragraph 1 of Article 5-(2) of Income Tax Law shall not apply for a change of ownership of the machines, equipments and the like for the research on account of the death of such individual. In such case, the machines, equipments and the like put into use for the research which are as through such inheritance shall be deemed to have continuously been owned by the inheritor concerned.

4. In case where a corporation researcher, after obtaining the approval prescribed under paragraph 1, acquires or constructs machines, equipments, etc. which are approved and put then into use for the approved research within one year from the date of the approval the limit amount of depreciation charges for such machines, equipments and the like computed in accordance with the provisions of the Corporation Tax Law (Law No.28 of 1947) or Order under the same Law, to be allowed as business expense in computation of its business income under the same Law, concerned of each accounting period covering the days within three years after the day on which such machines, equipments and the like are put into use for the research, shall, notwithstanding the said provisions, be calculated by multiplying the amount equivalent to 90% of the cost for acquisition or construction of such machines, equipments, etc. by the

number of months during the period concerned in the accounting period and then divided by 36, only within three years after the day on which such machines, equipments, etc. are put into use for the research and when they are putting into such use.

5. The number of months under paragraph 2 and the preceding paragraph shall be calculated in accordance with calendar and a fraction less than one month shall be calculated as one month.

6. The provisions of paragraph 2 or paragraph 4 shall apply only when application for computing the amount to be allowed as necessary expense under paragraph 2 or the amount computed into business expense among the limit amount of depreciation charges under paragraph 2 is entered in, and also a detailed statement of computation of such amount is attached to, the tax return prescribed under the provision of Articles 21, 22, 26, 26-(2) or 29 of Income Tax Law or of Articles 18 through 21 inclusive of Corporation Tax Law; and the provision of paragraph 3 shall apply only when a statement of the fact of succession to the business as prescribed in the said paragraph and the fact of continuance of the research is attached to the tax return prescribed in Article 29 of the Income Tax Law.

(Exemption of Machines, Equipments, etc. for Research from Fixed Assets Tax and Impsotion of Uneven Tax Thereupon)
Article 5. The provisions of Article 6 of the Local Tax Law

(Law No.226 of 1950) shall apply to the fixed assets tax applicable on machines, equipments, etc. on which the provisions of paragraph 2 or paragraph 6 of the preceding Article are applied.

Chapter III. Acceleration of Modernization
of Machines, Equipments, etc.

(Exception to Rules of Depreciation)

Article 6. In accordance with the provisions of the Taxes Special Measures Law (Law No.15 of 1946) a special depreciation may be made in regard to machines, equipments, etc. which have been obtained or manufactured for the modernization of machines, equipments, etc. by a person who is engaged in an enterprise coming under one of the important industries which require rapid modernization of machines, equipments, etc. and so provided for by Cabinet Order.

(Exemption from Fixed Assets Tax and Imposition of Uneven Tax)

Article 7. The provisions of Article 6 of the Local Tax Law shall apply to the fixed assets tax applicable on machines, equipments, etc. which are subject to the provisions of the preceding Article.

Chapter IV. Integration of Facilities Relative
to Industry.

(Rearrangement of Facilities Relative to Industry)

Article 8. An entrepreneur may apply to an administrator of a road, port, harbor, or a fishing port for construction, improvement, maintenance and recovery of road or port and harbor or fishing port facilities which are necessary for rationalization of enterprise in accordance with the Ordinance of the competent Ministry.

2. The administrator of road, port, harbor, or fishing port may, when he deems it necessary upon receiving an application in accordance with the provision of the preceding paragraph, carry out the construction work within the limits of the budget in accordance with the provisions of the Road Law (Law No.58 of 1919) and the Port and Harbor Law (Law No.218 of 1950) and the Fishing Port Law (Law No.137 of 1950). In this case, he may cause an entrepreneur bear a part of the expenses required for the construction work within the limits of the benefit which such entrepreneur will enjoy.

3. The State may bear or subsidize all or part of the expenses required for the construction work under the provision of the preceding paragraph within the limits of the budget in accordance with the provisions of the Road Law, the Port and Harbor Law or the Fishing Port Law.

4. The State may, when deemed necessary, initiate the construction work under the provisions of paragraph 2 on its own account, in accordance with the Road Law, the Port and Harbor Law or the Fishing Port Law. In this case, it may cause the entrepreneur bear a part of the expenses required for the construction work within the limits of the benefit which he will enjoy.

Chapter V. Improvement of Material Unit.

(Publication of Goal of Material Unit)

Article 9. The competent Minister may, when deemed necessary for the acceleration of improvement of raw materials of mining and industrial products or material unit of motive power at plants or operating places (hereinafter referred to as "material unit"), publish the material unit which shall be made a goal.

(Report concerning Material Unit)

Article 10. The competent Minister may, when deemed necessary for the acceleration of rationalization of enterprise, cause an entrepreneur to submit a report concerning the material unit at the plant or operating place of the entrepreneur concerned in accordance with the provisions of the Ordinance of the competent Ministry.

(Guidance concerning Improvement of Material Unit, etc.)

Article 11. The competent Minister may, when deemed necessary for the acceleration of rationalization of enterprise, render to an entrepreneur necessary guidance or recommendation concerning the improvement of material unit.

Chapter VI. Diagnosis of Smaller Enterprise.

(Diagnosis of Enterprise)

Article 12. A local public body may, upon application from a smaller entrepreneur, make an investigation and a diagnosis of the status of the management of the enterprise concerned and give recommendations concerning its improvement for the acceleration of rationalization of smaller enterprise.

(Grant of subsidy)

Article 13. The competent Minister may grant to the local public body which makes an investigation and a diagnosis and gives recommendations under the preceding Article a subsidy to cover a part of its expenses, within the limits of the budget.

Chapter VII. Miscellaneous Provisions.

(Report and Spot Inspection, etc.)

Article 14. The competent Minister may, when deemed necessary in order to secure appropriate and smooth administration of this Law, ask a researcher or an entrepreneur for a report covering necessary information, or have competent officials enter the plants, working places or business offices of a researcher or an entrepreneur and inspect the conditions of business, ledgers and documents, and other necessary items, or question the persons concerned.

2. The official under the preceding paragraph shall bear an identification card showing his status and show it to the persons concerned.

3. The authority of spot inspection or questioning under the provision of paragraph 1 shall not be construed as having been granted for the investigation of crimes.

Chapter VIII. Penal Provisions.

Article 15. The person who has failed to make a report as provided for in paragraph 1 of the preceding Article, submitted a false report, or refused, prevented or avoided the inspection or made a false statement in reply to a question, shall be subject to a fine not exceeding thirty thousand (30,000) yen.

Article 16. In case a representative of a juridical person, a proxy of a juridical or natural person, and employee, or other workers commit the violation under the preceding Article concerning the business of a juridical or ~~not~~ natural person, the said juridical or natural person shall be subject to the fine under the same Article besides the conductor himself being punished. However, the said juridical or natural person shall not be punished in case it is proved that proper care and ⁴supervision were made concerning the said business in order to prevent the said violation¹ of the proxy of the juridical or natural person, and employee and other workers.

Supplementary Provisions

1. The present Law shall be put into effect as from the day of its promulgation.

2. A part of Taxes Special Measures Law (Law No. 15 of 1946) shall be amended as follows:

In paragraph 1 of Article 5-(5)"and Article 5-(9)" shall be added next to "Article 5-(7)".

In paragraph 1 of Article 5-(6) "and Article 5-(8)" shall read: "Article 5-(8) and Article 5-(10)".

Article 5-(7) through Article 5-(11) shall be shifted down by two Articles respectively, and following two Articles shall be added next to Article 5-(6).

Article 5-(7). In case where an individual filling a blue form tax return who carries on a business prescribed by Cabinet Order under Article 6 of the Enterprises Rationalization Inducement Law (Law No. 1951) (hereinafter referred to as designated business) puts into use for such business purpose the modern machines and equipments and the like prescribed by ordinance (hereinafter referred to as designated business machines) which have been newly acquired or constructed on and after 1st of January 1951, the depreciable amount for such machines allowed as necessary expenditure in computing business income for the year when such machines are put into use shall be an amount deducted

by such individual as necessary expenditure within one half of the acquisition cost of such designated business machines, regardless of paragraph 2 of Article 10 in the Income Tax Law. Provided that, the amount shall not be less than the amount computed into necessary expense, under the provision of paragraph 2, Article 10, the Income Tax Law, as depreciation charge for such designated business machines.

In case where the amount of depreciation for designated business machines deducted as necessary expenditure under the provision of the preceding paragraph is less than one half of the acquisition cost thereof, the amount of depreciation for such designated business machine to be allowed as necessary expenditure in computing business income for the two years following the year prescribed in the preceding paragraph, shall be, regardless of paragraph 2 of Article 10 in the Income Tax Law, either of the following amounts added to a depreciable amount for such designated business machines which is computed as necessary expenditure under the same paragraph of the same Article:

(1) In the year following the year prescribed under the preceding paragraph, the amount deducted by the individual concerned as necessary expenditure, within a balance of one half of the acquisition cost of such designated business machines less the amount deducted as necessary expenditure under provision of the preceding paragraph;

(2) In the year following the year prescribed under the preceding item, the amount deducted by the individual concerned as necessary expenditure within the deductible balance of one half of the acquisition cost of such designated

business machines less the necessary expenditure deducted under the preceding paragraph and less the amount enumerated in the preceding item.

The provision of paragraph 1 of Article 5-(5) shall not apply to designated business machines.

The provisions of paragraph 1 or paragraph 2 shall be applied only when application for computation of amount to be deducted as necessary expenditure under paragraph 1 or paragraph 2 and a detailed statement of computation of depreciation for the designated business machines are inscribed in and attached to the tax return prescribed under Article 21, 22, 26 26-(2) or 29 of the Income Tax Law.

Article 5-(8). In case where a corporation filling a blue form tax return who carries on a designated business puts into use for the business purpose the designated business machines which were newly acquired or constructed, since the beginning day of a business period ending on and after the 1st of April 1951, the depreciable limit for such designated business machines to be computed according to provisions of the Corporation Tax Law and its ordinances for the business period when such machines are put into use, shall be an amount equivalent to one half of the acquisition cost of such designated business machines, regardless of provisions of the said Law and its Ordinances.

The provision of paragraph 1 of Article 5-(6) shall not apply to designated business machines.

The provisions of paragraph 3 of Article 5-(6) shall be applied mutatis mutandis to a case under paragraph 1.

3. The provision of Article 5-(7) of the amended Taxes Special Measures Law (hereinafter referred to as the Law) shall be applied to income tax as from 1951.

4. The provision of Article 5-(8) of the Law, shall be applied to corporation tax as from business period ending on and after the 1st of January, 1952.

5. In case where a corporation put into use for the business purpose the designated business machines which have been newly acquired or constructed in the course of business period ending on and after the 1st of April 1951 through business period just prior to one including the 1st of January, 1952, and if such corporation filed a blue form tax return for business period when such machines were put into use, under the provision of paragraph 1 of Article 25 in the Corporation Tax Law, the limit of depreciation in computing income for a business period ending on and after the 1st of January, 1952 shall be computed, in regarding deficit of depreciation of each business period since the 1st of April, 1951 prior to one including the 1st of January, 1952 as depreciable deficit computed respectively as if the provision of Article 5-(8) of the Law had been applied to the business period when such designated business machines were put into use.

November 9, 1951.

Title of the Bill: Bill to Accelerate Rationalization of
Enterprises. (Revised)
(Presented by NAKAMURA Junichi and another)

I hereby certify that none of the provisions of
the above-mentioned Bill is in violation of any
Directive issued by the Supreme Commander for the
Allied Powers and the Constitution of Japan, nor,
except where so specified, conflicts with any other law.

Foshio Inie

Chief, Legislative Bureau,
House of Representatives.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet)

Subject: Draft Legislation

File No.:

Maj Norris

26-6076

Note
No.

From: Govt Sec

To: ESS

Date: 10 November 1951

1

1. Immediate introduction of the attached draft bill in the Diet is proposed by **House of Representatives.**

2. Your prompt comment is requested.

1 Incl

Bill to Accelerate
Rationalization of
Enterprise

F. R.

2

010(10 Nov 51)ESS/FIN

L.A. Randall, 26-6582

WFM/EMR/KS/LAR/zl

From: ESS

To: Govt Sec

Date: 17 NOV 1951

1. The subject bill proposes the following three measures with relation to taxation.

a. Research expenditures in certain companies designated by the competent minister would be defined as "expenses" and deductible in the same year in which the expenditure was incurred rather than amortized over the life of the asset as is usual in the case of "capital expenditures."

b. Depreciation expenses for designated industries would be increased to permit one-half of the full value of newly constructed depreciable items to be amortized in the first taxable year.

c. The local government property tax would be reduced in proportion with the reduction of book value established by the increased depreciation deduction contained in the above.

2. The bill further permits the grant of a subsidy within the limitation of the budget "by the competent minister when he deems it necessary to accelerate improvements in technique."

L.A. Randall, 26-6582

WFM/EMR/KS/LAR/zl

010(10 Nov 51)ESS/FIN

Draft Legislation

17 NOV 1951

ESS

Govt Sec

2
(Cont'd)

3. Some of the objectionable features of this bill are:

a. No appropriation has been provided in the present or supplemental budget to subsidize expenditures proposed in this bill.

b. The definition and treatment of research expenditures as "expenses" rather than "capital expenditures" will materially reduce revenue for the current fiscal year and the FY 1952-53 and thus be contrary to the economic stabilization directive. It will establish a precedent whereby all industries can argue that their research or non-research capital expenditures should be defined as expenses rather than capital expenditures. In many cases they may have as good or better grounds for such argument than the particular research expenditures referred to in this bill. Thus, further encroachment on the revenue potentials of the Japanese tax system can be expected if this bill is adopted. Defining a capital expenditure as an expense is definitely not a sound tax principle.

c. The substantial increase in depreciation on capital assets.

d. The property tax exemption feature contained in this bill is particularly objectionable in line with the increasing dependence of local governments upon their tax revenues. Here again the precedent of tax exemption could be used by other groups equally or better deserving than the industries receiving the benefits of this bill.

e. This bill would establish a precedent whereby tax measures would be contained in non-tax laws thus permitting the determination of tax liability by authorities other than tax officials. The Japanese Government during the past four years has attempted to codify all of its tax laws and to bring all measures referring to taxation specifically within one or more of its tax laws.

4. For the reasons enumerated above, it is recommended that headquarters clearance be withheld from subject bill.

1 Incl
n/c

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

#12
Reanalysis of
Culperman

GOVERNMENT SECTION
BUCK SLIP

11/10 1951

FROM:	INITIAL	DATE
CHIEF.....		
EX O.....		
<input checked="" type="checkbox"/> Special Assistant Nat'l Affairs.....		
Special Assistant, Local Affairs.....		
Adm Div.....		
Par & Pol Div.....		
Public Adm Div.....		
Chief Clerk.....		
File.....		
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FOR:

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

Socialism?
Refunds on ESS -
Disapproved
ES
went

ESS

House of Representatives

November 9, 1951.

Bill to Accelerate Rationalization of Enterprise

(Presented by NAKAMURA Junichi)

Chapter I. General Provisions.

(Purpose)

Article 1. The purpose of this Law is to promote the rationalization of enterprise by accelerating improvement of technique and the rapid modernization of machines, equipments, etc. of important industries and by rendering guidance and recommendation for the improvement of raw materials and material ^unit of motive power, and thereby to contribute to attainment of self-supporting economy of Japan.

(Definition of Entrepreneur)

Article 2. The word "entrepreneur" as used in this Law shall mean a person engaged in manufacturing industry, mining, electric business, gas enterprise, transportation, civil engineering, construction, fisheries, or such other enterprises as are provided for by cabinet order.

CS: ESS
GS/WM

Read C.S.
11/10/51

Chapter II Acceleration of Improvement of
Technique.

(Grant of Subsidy, etc., Researcher and the Like)

Article 3. The competent Minister may, when deemed necessary for the acceleration of improvement of technique, grant subsidy within the limit of the budget in accordance with the provisions of the Ordinance of the competent Ministry of ^r loan machines, equipments, etc., owned by the State in accordance with the provisions of the State Property Law (Law No.73 of 1948), to an entrepreneur or other persons who conduct test and research (hereinafter referred to as "researcher") in order to encourage and foster the research on technique regarding mining and manufacturing industry, etc., the test for industrialization or the trial manufacture of new machines and equipments (hereinafter referred to as "research").

(Exception to Imposition of Income Tax or Corporation

Tax upon the Machines, Equipments, etc. for Test Research)

Article 4. The competent Minister and the Minister of Finance may give approval to a researcher, in accordance with the provisions of Cabinet Order, to the effect that his researches are urgently necessary for accelerating rationalization of enterprises, and that machines, equipments

and the like which the researcher is going to acquire or construct, are those that are indispensable for the relative research.

2. In case where an individual researcher who carries on a business provided for in item (4), paragraph 1, Article 9 of the Income Tax Law (Law No.27 of 1947), who has obtained the approval as prescribed in the preceding paragraph, acquires or constructs and puts into use the approved machines, equipments and the like for the approved research, within a year after the date of the approval (only when such research is related to the business of such individual researcher, the cost for acquisition or construction of the machines, equipments and the like shall be allowed as necessary expenditure in computation of his business income concerned of the year in which such machines, equipments and the like are put into use for the research, notwithstanding the provision of paragraph 2, Article 10 of the said law.

3. In case where the preceding paragraph is applied to an individual in reference to his machines, equipments and the like, the acquisition cost of such machines, equipments and the like shall be deemed as having been non-existent in the computation of income as provided for in the Income Tax Law; provided, however, that this shall not be applicable to cases in which the provision

of paragraphs has been applied.

4. In case where an inheritor (including non-conditional donee^e; sic passing) of such individual as comes under paragraph 2 and this paragraph succeeds to the business related to research conducted by such individual and also continues the research, after the individuals' death, the provision of paragraph 1 of Article 5-(2) of Income Tax Law shall not be applied for a change of ownership of the machines, equipments and the like for the research on account of the death of such individual. In such case, the provision of the preceding paragraph shall be applied mutatis mutandis to computation of income of such inheritor under the provisions of Income Tax Law.

5. In case where, an individual on whom the provision of paragraph 2 has been applied or an inheritor prescribed in the preceding paragraph converts the use of the machines, equipments and the like which are made subject to the said provision into uses other than the research which was the purpose of acquisition or construction thereof, or in case where he discontinues the business to which the research is related, and amount equivalent to the market value of the machines, equipments and the like as of the date of conversion thereof or as of the date of discontinuance of the business shall be included, under the provisions of the Income Tax Law, in the gross

income of the business in its computation for the year, in which such conversion or discontinuance of business takes place.

6. In case where a corporation researcher, after obtaining the approval prescribed under paragraph 1, acquires or constructs machines, equipments, etc. which are approved and put them into use for the approved research within one year from the date of the approval and entered one yen or more as a book value into its inventory for the machines, equipments, etc., the amount equivalent to the difference between acquisition cost of such machines, equipments, etc. and the value entered in the inventory shall be allowed as business loss in the computation of income under the Corporation Tax Law (Law No.28 of 1947) for the business period during which such machines, equipments, etc. are put into use for the research.

7. In case where a corporation (including its amalgamated corporation) on which the provision of the preceding paragraph has been applied converts the purpose of use of the approved machines, equipments and the like to uses other than ^{de}research which is the purpose of the acquisition or ⁿconstruction, an amount equivalent to the difference between the market value thereof as of the date of conversion and its book value as of the same date shall be included in the computation of the income of the corporation under the provisions of the Corporation Tax Law, as profit for the business period to which the date of such conversion belongs.

8. The provisions of paragraph 2 or paragraph 6 shall be applied only when application for computing the amount to be allowed as necessary expenditure or business loss under the said paragraphs is entered in, and also a detailed statement of computation of such amount is attached to, the tax return prescribed under the provision of Article 21, 22, 26, 26-(2) or 29 of Income Tax Law or of Articles 18 through 21 inclusive of Corporation Tax Law; and the provision of the first part of paragraph 4 shall be applied only when a statement of the fact of succession to the business as prescribed in the said paragraph and the fact of continuance of the research is attached to the tax return prescribed in Article 29 of the Income Tax Law.

(Exemption of Machines, Equipments, etc. for Research from Fixed Assets Tax and Imposition of Uneven Tax Thereupon)

Article 5. The provisions of Article 6 of the Local Tax Law (Law No. 226 of 1950) shall apply to the fixed assets tax applicable on machines, equipments, etc. on which the provisions of paragraph 2 or paragraph 6 of the preceding Article are applied.

Chapter III Acceleration of Modernization of
Machines, Equipments, etc.

(Exception to Rules of Depreciation)

Article 6. In accordance with the provisions of the Taxes Special Measures Law (Law No. 15 of 1946) a special depreciation may be made in regard to machines, equipments, etc. which have been obtained or manufactured for the modernization of machines, equipments, etc. by a person who is engaged in an enterprise coming under one of the important industries which require rapid modernization of machines, equipments, etc. and so provided for by Cabinet Order.

(Exemption from Fixed Assets Tax and Imposition of Uneven Tax)

Article 7. The provisions of Article 6 of the Local Tax Law shall apply to the fixed assets tax applicable on machines, equipments, etc. which are subject to the provisions of the preceding Article.

Chapter IV Integration of Facilities
Relative to Industry

(Rearrangement of Facilities Relative to Industry)

Article 8. An entrepreneur may apply to an administrator of a road, port, harbor, or a fishing port for construction,

improvement, maintenance and recovery of road or port and harbor or fishing port facilities which are necessary for rationalization of enterprise in accordance with the Ordinance of the competent Ministry.

2. The administrator of road, port, harbor, or fishing port may, when he deems it necessary upon receiving an application in accordance with the provision of the preceding paragraph, carry out the construction work within the limits of the budget in accordance with the provisions of the Road Law (Law No. 58 of 1919) and the Port and Harbor Law (Law No. 218 of 1950) and the Fishing Port Law (Law No. 137 of 1950). In this case, he may cause an entrepreneur bear a part of the expenses required for the construction work within the limits of the benefit which such entrepreneur will enjoy.

3. The State may bear or subsidize all or part of the expenses required for the construction work under the provision of the preceding paragraph within the limits of the budget in accordance with the provisions of the Road Law, the Port and Harbor Law or the Fishing Port Law.

4. The State may, when deemed necessary, initiate the construction work under the provisions of paragraph 2 on its own account, in accordance with the Road Law, the Port and Harbor Law or the Fishing Port Law. In this case, it may cause the entrepreneur bear a part of the expenses required for the construction work within the limits of the benefit which he will enjoy.

Chapter V Improvement of Material Unit

(Publication of Goal of Material Unit)

Article 9. The competent Minister may, when deemed necessary for the acceleration of improvement of raw materials of mining and industrial products [^] or material unit of motive power at plants or operating places (hereinafter referred to as "material unit"), publish the material unit which shall be made a goal.

(Report concerning Material Unit)

Article 10. The competent Minister may, when deemed necessary for the acceleration of rationalization of enterprise, cause an entrepreneur to submit a report concerning the material unit at the plant or operating place of the entrepreneur concerned in accordance with the provisions of the Ordinance of the competent Ministry.

(Guidance concerning Improvement of Material Unit, etc.)

Article 11. The competent Minister may, when deemed necessary for the acceleration of rationalization of enterprise, render to an entrepreneur necessary guidance or recommendation concerning the improvement of material unit.

Chapter VI Diagnosis of Smaller Enterprise

(Diagnosis of Enterprise)

Article 12. A local public body may, upon application from a smaller entrepreneur, make an investigation and a ^adiagnosis of the status of the management of the enterprise concerned and give recommendations concerning its improvement for the acceleration of rationalization of smaller enterprise.

(Grant of Subsidy)

Article 13. The competent Minister may grant to the local public body which makes an investigation and a diagnosis and gives recommendations under the preceding Article a subsidy to cover a part of its expenses, within the limits of the budget.

Chapter VII Miscellaneous Provisions

(Report and Spot Inspection, etc.)

Article 14. The competent Minister may, when deemed necessary in order to secure appropriate and smooth administration of this Law, ask a researcher or an entrepreneur for a report covering necessary information, or have competent officials enter the plants, working places or business offices of a researcher or an entrepreneur and inspect the conditions of business, ledgers and documents, and other necessary items, or question the persons concerned.

2. The official under the preceding paragraph shall bear an identification card showing his status and show it to the persons concerned.

3. The authority of spot inspection or questioning under the provision of paragraph 1 shall not be construed as having been granted for the investigation of crimes.

Chapter VIII Penal Provisions

Article 15. The person who has failed to make a report as provided for in paragraph 1 of the preceding Article, submitted a false report, or refused, prevented or avoided the inspection or made a false statement in reply to a question, shall be subject to a fine not exceeding thirty thousand (30,000) yen.

Article 16. In case a representative of a juridical person, a proxy of a juridical or natural person, an employee, or other workers commit the violation under the preceding Article concerning the business of a juridical or natural person, the said juridical or natural person shall be subject to the fine under the same Article besides the conductor himself being punished. However, the said juridical or natural person shall not be punished in case it is proved that proper care and supervision were made concerning the said business in order to prevent the said violation of the proxy of the juridical or natural person, an employee and other workers.

Supplementary Provisions

1. The present Law shall be put into effect as from the day of its promulgation.

2. A part of Taxes Special Measures Law (Law No. 15 of 1946) shall be amended as follows:

In paragraph 1 of Article 5-(5) "and Article 5-(9)" shall be added next to "Article 5-(7)".

In paragraph 1 of Article 5-(6) "and Article 5-(8)" shall read: "Article 5-(8) and Article 5-(10)".

Article 5-(7) through Article 5-(11) shall be shifted down by two Articles respectively, and following two Articles shall be added next to Article 5-(6).

Article 5-(7). In case where an individual filling a blue form tax return who carries on a business prescribed by Cabinet Order under Article 6 of the Enterprises Rationalization Inducement Law (Law No. 1951) (hereinafter referred to as designated business) puts into use for such business purpose the modern machines and equipments and the like prescribed by ordinance (hereinafter referred to as designated business machines) which have been newly acquired or constructed on and after 1st of January 1951, the depreciable amount for such machines allowed as necessary expenditure in computing business income for the year when such machines are put into use shall be an amount deducted by such individual as necessary expenditure within one half of the acquisition cost of such designated business machines, regardless of paragraph 2 of Article 10 in the Income Tax Law.

In case where the amount of depreciation for designated business machines deducted as necessary expenditure under the provision of the preceding paragraph is less than one half of the acquisition cost thereof, the amount of depreciation for such designated business machine to be allowed as necessary expenditure in computing business income for the two years following the year prescribed in the preceding paragraph, shall be, regardless of paragraph 2 of Article 10 in the Income Tax Law, either of the following amounts added to a depreciable amount for such designated business machines which is computed as necessary expenditure under the same paragraph of the same Article;

(1) In the year following the year prescribed under the preceding paragraph, the amount deducted by the individual concerned as necessary expenditure^d, within a balance of one half of the acquisition cost of such designated business machines less the amount deducted as necessary expenditure under provision of the preceding paragraph;

(2) In the year following the year prescribed under the preceding item, the amount deducted by the individual concerned as necessary expenditure within the deductible balance of one half of the acquisition cost of such designated business machines less the necessary expenditure deducted under the preceding paragraph and less the necessary expenditure deducted under the preceding item.

The provision of paragraph 1 of Article 5-(5) shall not apply to designated business machines.

The provisions of paragraph 1 or paragraph 2 shall be applied only when application for computation of amount to be deducted as necessary expenditure under paragraph 1 or paragraph 2 and a detailed statement of computation of depreciation for the designated business machines are inscribed in and attached to the tax return prescribed under Article 21, 22, 26 26-(2) or 29 of the Income Tax Law.

Article 5-(8). In case where a corporation filling a blue form tax return who carries on a designated business puts into use for the business purpose the designated business machines which were newly acquired or constructed, since the beginning day of a business period ending on and after the 1st of April 1951, the depreciable limit for such designated business machines to be computed according to provisions of the Corporation Tax Law and its ordinances for the business period when such machines are put into use, shall be an amount equivalent to one half of the acquisition cost of such designated business machines, regardless of provisions of the said Law and its Ordinances.

The provision of paragraph 1 of Article 5-(6) shall not apply to designated business machines.

The provisions of paragraph 3 of Article 5-(6) shall be applied mutatis mutandis to a case under paragraph 1.

3. The provision of Article 5-(7) of the amended Taxes Special Measures Law (hereinafter referred to as the Law) shall be applied to income tax as from 1951.

4. The provision of Article 5-(8) of the Law, shall be applied to corporation tax as from business period ending on and after the 1st of January, 1952.

5. In case where a corporation put into use for the business purpose the designated business machines which have been newly acquired or constructed in the course of business period ending on and after the 1st of April 1951 through business period just prior to one including the 1st of January 1952, and if such corporation filed a blue form tax return for business period when such machines were put into use, under the provision of paragraph 1 of Article 25 in the Corporation Tax Law, the limit of depreciation in computing income for a business period ending on and after the 1st of January 1952 shall be computed, in regarding deficit of depreciation of each business period since the 1st of April 1951 prior to one including the 1st of January 1952 as depreciable deficit computed respectively as if the provision of Article 5-(8) of the Law had been applied to the business period when such **designated** business machines were put into use.

November 9, 1951.

Title of the Bill: Bill to Accelerate Rationalization of
Enterprises.
(Presented by NAKAMURA Junichi and
another)

I hereby certify that the above mentioned Bill does not violate any Directive issued by the Supreme Commander for the Allied Powers and the Constitution of Japan, and that any provision of this Bill, except those providing for exceptions, does not contradict any other law.

Budgetary Measure:

According to what the Finance Ministry Officials in charge say, following the enforcement of this Law a decrease in the revenues of the national taxes to be collected for this fiscal year is expected to amount to about ¥20 million, but no special change in the budgetary appropriations is said to be necessitated thereby for this fiscal year.

Toshio Irie

Chief, Legislative Bureau,
House of Representatives.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet)

Subject: Draft Legislation

File No.:

Maj Norris

Note
No.

From: Govt Sec

To: ESS

Date: 12 November 1951

26-6076

1

1. Immediate introduction of the attached draft bill in the Diet is proposed by House of Representatives.

2. Your prompt comment is requested.

1 Incl

Bill for Museum Law

F. R.

From: ESS

To: Govt Sec

J. C. Gottschall, 26-6142

WFM/MA/JCG/sh

Date: 27 NOV 1951

2.

There is no objection to the immediate introduction of the attached draft bill in the Diet.

1 Incl

n/e

----- W. F. 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)

Subject: Draft Legislation

File No.:

Maj Norris

Note
No.

From: Govt Sec

To: CIA&E

26-6076
Date: 12 November 1951

1

1. Immediate introduction of the attached draft bill in the Diet
is proposed by **House of Representatives.**

2. Your prompt comment is requested.

1 Incl

Bill for Museum Law

F. R.

AKL
Museum Law

From: CIE

To: Govt Sec

W.K. Dence 57-8313
17 November 1951

2

CIE perceives no objection to introduction of the attached draft bill
in the Diet by the House of Representatives.

1 Incl
n/c

----- D. R. N. -----



Museum loan NK

GOVERNMENT SECTION
BUCK SLIP

11/12 1951

FROM: RHP

TO: _____ INITIAL _____ DATE _____

- _____ CHIEF.....
- _____ EX O.....
- ✓ _____ Special Assistant Nat'l Affairs.....
- _____ Special Assistant, Local Affairs.....
- _____ Adm Div.....
- _____ Par & Pol Div.....
- _____ Public Adm Div.....
- _____ Chief Clerk.....
- _____ File.....
- _____
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FOR:

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

*No objection
if CIE has
none
w/emp*

ESS, CIE

House of Representatives

Nov. 10, 1951.

Bill for Museum Law

(Presented by WAKABAYASHI Yoshitaka and
8 others)

Bill for Museum Law

Contents

Chapter I	General Rules (Articles 1 - 9)
Chapter II	Registration (Articles 10 - 17)
Chapter III	Public Museum (Articles 18 - 26)
Chapter IV	Private Museum (Articles 27 - 28)

Supplementary Provisions

CS:
ESS
CIE
GS/WM

Recd CS
11/12/51

Chapter I General Rules

(Purpose of this Law)

Article 1. The purpose of this Law is to provide, on the basis of the Social Education Law (Law No.207 of 1949), for necessary matters concerning the establishment and operation of museums, and to promote a wholesome development thereof, thereby to contribute to the enhancement of education, science and culture of the nation.

(Definition)

Article 2. "Museums" in this Law shall mean such organs (excluding citizens' public halls under the Social Education Law and the libraries under the Library Law (Law No.118 of 1950)), as are established by local public entities or juridical persons under Article 34 of the Civil Code (Law No.89 of 1896) or by religious corporations, and are registered in accordance with the provisions of Chapter II, among those which have the purpose of collecting, keeping in custody (inclusive of fostering; hereinafter the same) and exhibiting materials concerning history, fine art, ethnic customs, industries, natural science, etc., so that they are offered for public use under educational care, and of conducting necessary business to serve for people's cultural attainments, research, survey, recreation, etc. and of making research and survey pertaining to such materials.

2. "Public museums" in this Law shall mean those established by local public entities and "private museums" shall

mean those established by juridical persons under Article 34 of the Civil Code or religious corporations.

3. "Museum materials" in this Law shall mean those collected, kept in custody or exhibited by museums.

(Business of Museum)

Article 3. A museum, in order to attain the purpose as provided for in paragraph 1 of the preceding Article, shall generally conduct the following functions:

- (1) Collecting, taking in custody and exhibiting museum materials in abundance such as originals, specimens, replicas, models, literatures, charts, photographs, films, records, etc.;
- (2) Instituting branch museums or exhibiting museum materials at places other than the museum concerned;
- (3) Giving general public necessary explanation, advice, guidance, etc. for their utilization of museum materials, or providing study rooms, laboratories, shops, libraries, etc. for utilization;
- (4) Conducting specialized technical survey and research concerning museum materials;
- (5) Making technical studies concerning custody and exhibition of museum materials;
- (6) Preparing and distributing guide-books, commentaries, catalogs, picture records, annual reports, reports on surveys and researches, etc., concerning museum materials;

- (7) Sponsoring and assisting lecture meetings, short courses, motion picture show, seminaries, etc. concerning museum materials;
- (8) Providing the general public with means to appreciate and for utilize such cultural properties coming under the provision of the Cultural Properties Protection Law (Law No.214 of 1950) as are found in the place or in the neighborhood thereof where the museum is located, by preparing commentaries, catalogs, etc.;
- (9) Keeping close contact and cooperation with other museums, national museums, national science museums, etc. to conduct interchange of publications, information, and museum materials;
- (10) Cooperating with various facilities relative education, science or culture such as schools, libraries, research institutes, citizens' public halls, to promote the activities of such facilities.

2. A museum, in performing its functions, must give consideration to the local conditions and be attentive to being conducive to promoting the living of the people and assisting the school education.

(Director, Art Officials and Other Officials)

Article 4. Each museum shall have a director of the museum.

2. The director shall preside over the affairs of the museum, supervise its personnel and thereby endeavor to accomplish the functions of the museum.
3. A museum shall have art officials and assistant art officials as specialized personnel.
4. An art official shall take charge of specialized matters concerning collection, custody, exhibition, surveys, researches, etc. of museum materials, as well as other matters of related business.
5. An art official shall be called an art official of cultural science or an art official of natural science, according to the specialized matters of which he takes charge.
6. A museum may have assistant art officials and other personnel in addition to the director and the art officials.
7. The assistant art official shall assist the art official.

(Qualification of Art Official and Assistant Art Official)

Article 5. A person coming under any one of the following items shall have the qualification for becoming an art official of cultural science or an art official of natural science in accordance with the provisions of Ministry of Education Ordinance.

- (1) Those who have the Master's degree and have obtained the credits in subjects relating to museum in university;

- (2) Those who have the Master's degree and have obtained the credits in subjects relating to museum in the training course for art officials as provided for in Article 6;
- (3) Those who have been in a university for two years or more, and have obtained 62 credits or more including those in subjects relating to museum, and who have an experience of three years or more as assistant art official:
- (4) Those who have been in a university for two years, or more, have obtained 62 credits or more, and have an experience of three years or more as assistant art officials, and who have obtained the credits in subjects relating to museum in the training course for art officials as provided for in Article 6;
- (5) Those who have an experience of six years or more as assistant art official, and have obtained the credits in subjects relating to museum in the training course for art officials as provided for in Article 6.

2. A person who is eligible for university enrolment in accordance with the provision of Article 56 paragraph 1 of the School Education Law (Law No.26 of 1947) shall be qualified to be an assistant art official.

3. The credits in subjects relating to museum, as provided for in each of the items of paragraph 1 to be obtained in a university or in the training course for art officials shall be determined by Ministry of Education Ordinance.

(Training Course for Art Officials)

Article 6. The training course for art officials shall be conducted by universities entrusted by the Minister of Education.

2. Necessary matters concerning the training course for art officials mentioned in the preceding paragraph shall be determined by Ministry of Education Ordinance.

(Guidance and Advice)

Article 7. The Minister of Education may give the Board of Education of To, Do, Fu or prefecture, and the Board of Education of To, Do, Fu or prefecture may give the boards of education of cities (including special wards; hereinafter the same), towns and villages as well as private museums, upon request, specialized technical guidance and advice concerning the establishment and operation of museums.

(Desirable Standard for Establishment and Operation)

Article 8. Desirable standard for the establishment and operation of public museums shall be provided for by Minister

of Education, and be shown to the public as well as to the board of education.

(Fares and Charges of Transporting Museum Materials)

Article 9. With regard to the fares and charges concerning the transportation of museum materials by the Japanese National Railways, the provision of Article 8 of the Law governing Japan National Railway Fares and Charges (Law No. 112 of 1948) shall apply.

8

Chapter II Registration

(Registration)

Article 10. When local public bodies or juridical persons under Article 34 of the Civil Code or religious corporations desire to establish a museum, they shall have it registered in the Museum Ledger prepared by the board of education of To, Do, Fu or the prefectures where the museum concerned is to be located.

(Application for Registration)

Article 11. A person who intends to apply for the registration under the provision of the preceding Article shall present to the To, Do, Fu or prefectural board of education an application for registration of the museum to be established, with entries as mentioned in the following items:

- (1) The name of establisher and, in case he is a juridical person under Article 34 of the Civil Code or a religious juridical person, his residence;
- (2) The name;
- (3) The location.

2. The application for registration under the preceding paragraph shall be accompanied with documents as follows:

- (1) In the case of a public museum, a copy of the by-law governing its establishment, a copy of museum rules, papers stating the areas of the building and lands for the direct use of the museum and the charts thereof, papers relating to the business

program and the estimated expenditure is the budget for the fiscal year concerned, the catalogue of the museum materials, and a list showing the names of the Director and art officials classified by category.

- (2) In the case of a private museum, a copy of the articles of incorporation or of the deed of endowment of the juridical person concerned, a copy of the rules of the religious corporation concerned, a copy of museum rules, papers stating the areas of the building and land for the direct use of the museum and the charts thereof, papers relating to the business program and the estimate of receipts and disbursements for the fiscal year concerned the catalogue of the museum materials, and a list showing the names of the Director and art officials classified by category.

(Examination of

(Examination of Requisites for Registration)

Article 12. A To, Do, Fu or prefectural board of education shall, in case an application is made for the registration under the preceding Article, examine whether or not the museum under the application satisfied the following requisites; shall, if it finds that the museum satisfied the requisites, register in the Museum Ledger the matters described under each of the items of paragraph 1 of the preceding Article, and report thereon to the applicant concerned; and shall, if it finds that the museum does not

satisfy the requisites, report thereon in writing to the applicant concerned with the reasons for the non-registration.

- (1) Possessing museum materials necessary for attaining the purposes provided for in Article 2 paragraph 1;
- (2) Having art officials and others necessary for attaining the purposes provided for in Article 2 paragraph 1;
- (3) Possessing a building and a land necessary for attaining the purposes provided for in Article 2 paragraph 1;
- (4) Opening to public for 150 days or more throughout a year.

(Changes in Matters Registered)

Article 13. The establisher of a museum, in case there has been a change in matters mentioned in any of the items of Article 11 paragraph 1 or matters stated in the accompanying documents as provided for in paragraph 2 of the same Article, shall report thereon to the To, Do, Fu or prefectural board of education concerned.

2. A To,Do, Fu or prefectural board of education, in case it has been informed of a change in matters mentioned in any of the items of Article 11 paragraph 1, shall make a relevant change in the registered matters with regard to the museum concerned.

(Cancellation of Registration)

Article 14. A To, Do, Fu or prefectural board of education, in case it finds that a museum has ceased to satisfy the requisites mentioned in any of the items of Article 12 or discovers that the registration has been made on the basis of a false application, shall cancel the registration of the museum. However, in case where a museum has ceased to satisfy the requisites on account of natural disasters or other unavoidable circumstances, this shall not apply for two years reckoning from the date ~~on~~ which it has ceased to satisfy the requisites.

2. A To, Do, Fu or prefectural board of education shall, in cancelling the registration in accordance to the provision of the preceding paragraph, give in advance to the establisher of the museum concerned an opportunity for explanating his case.

3. A To, Do, Fu or prefectural board of education shall, immediately on cancelling the registration in accordance with the provision of paragraph 1, report thereon to the establisher of the museum concerned.

(Abolishment of Museums)

Article 15. The establisher of a museum shall, immediately on abolishing the museum, report thereon to the To, Do, Fu or prefectural board of education.

2. A To, Do, Fu or prefectural board of education shall, in case an establisher has abolished the museum concerned, cancel the registration of the museum concerned.

(Entrusting to Regulations)

Article 16. Necessary matters for the registration of the museum shall, excluding those prescribed in this Chapter, be provided for in the regulations of the To, Do, Fu or prefectural board of education.

(Duty to Report)

Article 17. A To, Do, Fu or prefectural board of education shall, upon the inquiry by the Minister of Education, report to him necessary matters relating to museums registered by the board of education concerned.

Chapter III Public Museum

(Establishment)

Article 18. Matters pertaining to the establishment of a public museum shall be provided for in the by-law of the local public entity which establishes the museum concerned.

2. The preparation and present^ation of the bills relating to the by-law under the preceding paragraph shall follow the example of matters regulated in Article 61 of the Board of Education Law (Law No. 170 of 1948).

(Jurisdiction)

Article 19. The public museum shall be administered by the board of education of the local public entity which establishes the public museum concerned.

(Museum Council)

Article 20. A public museum may have a museum council.

2. The museum council shall be the organ that responds to the inquiries of the director of the museum and expresses its opinion to him with regard to the operation of the museum.

Article 21. The members of a museum council shall be appointed, from among persons concerned with school and social education as well as the learned and the experienced, by the board of education of the local public entity which establishes the museum concerned.

Article 22. The establishment of the museum council, fix^xing of the number of its members, their term of office and other necessary matters shall be provided for in the by-law of the local public entity which establishes the museum concerned.

2. The provision of Article 18 paragraph 2 shall be *mutatis mutandis* applied to the by-law in the preceding paragraph.

3. The provisions of Article 15 paragraph 3 and Article 19 of the Social Education Law, shall be mutatis mutandis applied to the members of a museum council.

(Admission Fee, etc.)

Article 23. The public museum shall not collect any admission fee or other prices for the use of museum materials. In case, however, where it is unavoidable for the maintenance and operation of the museum, it may collect a necessary price.

(Subsidy and Other Types of Assistance to Public Museums)

Article 24. The State shall, within the limits of budgetary appropriations, grant to the local public entities that establish museums subsidies and other types of assistance for the expenses required for the establishment and the operation of museums in case where they are regarded as necessary for encouraging the wholesome development of museums.

Article 25. The grant of the subsidies under the provision of the preceding Article shall be made, taking into consideration the amount of the settled account in the preceding fiscal year of the expenses required by the local public entities that establish the museums for the establishment and operation of the museums.

2. As to the extent of the expenses and the procedures of granting the subsidies under the preceding paragraph shall be provided for by Cabinet Order.

(Suspension of Granting Subsidy and Returning of Subsidy Granted)

Article 26. In case the State has granted subsidies provided for in Article 24 to a local public entity that establishes a museum and found the subsidies coming within the purview of

any of ~~the~~ following items, it shall stop granting further subsidies for the year involved; and moreover shall cause all the subsidies granted to be returned in case the cancel of registration as prescribed in item (1) is found to have been due to the discovery that the said registration was made on the basis of a false application, or cause the subsidies granted for the year to be returned in case the subsidies come within the purview of item (3) or (4).

- (1) ~~When the registration of the museum concerned is canceled in accordance with the provision of Article 24;~~
- (2) When the local public entity has abolished the museum concerned;
- (3) When the local public entity has violated the terms of receiving the subsidies; and
- (4) When the local public entity has received the subsidies by false means.

Chapter IV Private Museums

(Relationship with To, Do, Fu or prefectural Board of Education)

Article 27. The To, Do, Fu or prefectural board of education may, for the purpose of preparing material for the guidance of or making researches and surveys in relation to museums, request private museums to submit necessary reports.

(Relationship with the State and Local Public Entity)

Article 28. The State and the Local Public

Article 28. The State and the Local Public Entity may, upon request, help private museums in securing necessary materials.

Supplementary Provisions

(Date of Enforcement)

1. This Law shall come into force as from the day when three months have elapsed since the day of its promulgation.

(Transitional Provisions)

2. "Those who have the Master's degree" as provided for in item (2) of Article 5 paragraph 1 shall include those who have the Master's degree as provided for under the former University Ordinance (Imperial Ordinance No.388 of 1918) and those who are determined to be equivalent to them by Ministry of Education Ordinance.

3. "Those who have been in a university for two years or more, and have obtained 62 credits or more" as provided for in item (4) of Article 5 paragraph 1 shall include those who have graduated or finished the preparatory course of universities, the senior course of higher schools, colleges, or various teacher training schools under the provisions of the former University Ordinance, the former Higher School Ordinance (Imperial Ordinance No.389 of 1918), the former College Ordinance (Imperial Ordinance No. 61 of 1903), or the former Regulations governing the Organization of Teacher Training Schools, or those who are determined to be equivalent to them by Ministry of Education Ordinance.

4. "The post of the Assistant Art Official" as provided for in items (3) to (5) inclusive of Article 5 paragraph 1 shall include the posts equivalent to the post of the assistant art official in such facilities equivalent to the museum as are designated by the Minister of Education or the posts equivalent to these.

5. Those who are provided for in Article 5 paragraph 2 shall include those who have graduated or finished middle schools, the junior course of higher schools, or the main course of youths schools under the provisions of the former Middle School Ordinance (Imperial Ordinance No. 36 of 1943), the former Higher School Ordinance or the former Youths School Ordinance (Imperial Ordinance No. 254 of 1939), or those who are determined to be equivalent to them by Ministry of Education Ordinance.

6. Those who are mentioned in any of the following items shall, regardless of the provision of Article 5, be qualified as art officials of cultural science or of natural as prescribed by Ministry of Education Ordinance for the period of three years after the promulgation of this law.

(1) Those who have the Master's degree under the former University Ordinance or those who have been determined to be equivalent to them by Ministry of Education Ordinance; and who have engaged in official functions of the assistant art official in museums, or in official functions equivalent to those of the assistant art official or in official functions equal thereto or higher in such facilities equivalent to museums as are designated by Minister of Education; and whose engagement therein has covered the period of one year or more in total;

(2) Those who have graduated or finished the preparatory course of universities, the senior course of higher schools, colleges, or various teacher training schools under the provisions of the former University Ordinance, the former Higher School Ordinance, the former College Ordinance or former Regulations

governing the Organization of Teacher Training Schools, or those who have been determined to be equivalent to them by Ministry of Education Ordinance; and who have engaged in official functions of the assistant art official in museums, or in official functions equivalent to those of the assistant art official or in official functions equal thereto or higher in such facilities equivalent to museums as are designated by Minister of Education; and whose engagement therein has covered the period of three years or more in total;

(3) Those who have engaged in official functions of the assistant art official in museums, or in official functions equivalent to those of the assistant art official or in official functions equal thereto or higher in such facilities equivalent to museums as are designated by the Minister of Education, and whose engagement therein has covered the period of ten years or more in total;

(4) Those who are authorized by the Minister of Education, upon the basis of the recommendation by the To, Do, Fu or prefectural board of education, to be equal to those mentioned in the preceding three items.

7. Those who are qualified as art officials under the provisions of item (3) or (4) of the preceding paragraph shall, in case they have obtained, in the training courses provided for in Article 6, within the period of three years after the enforcement of this Law, the credits in subjects relating to museums as provided for in Article 5 paragraph 1 item (1) and paragraph 3 thereof, be qualified, regardless of the provision of Article

5, as art officials of cultural science or of natural science as prescribed by Ministry of Education Ordinance even after three years have elapsed since the enforcement of this Law.

8. In case of cities, towns and villages where no board of education has yet been established at the time of the enforcement of this Law, both "the boards of education of cities (including special wards; hereinafter the same), towns and villages" in Article 7 and "the boards of education" in article 8 shall read "the heads of cities, towns and villages (including heads of special wards)", and "the board of education of the local public body" in Articles 19 and 21 shall read "the head of the local public entity", until the Boards of Education are established.

(Amendments to Local Tax Law)

9. The Local Tax Law (Law No.226 of 1950) shall be partially amended as follows:

In Article 75 paragraph 3, "(excluding the museums under Article 2 paragraph 1 of the Museum Law (Law No. -- of 1951)" shall be added next to "other places of a similar nature".

In Article 296, "juridical persons under Article 34 of the Civil Code whose principal object is to establish the museums provided for in Article 2 paragraph 1 of the Museum Law" shall be added next to "school juridical persons who establish schools provided for in Article 1 or Article 98 of the School Education Law or who establish schools provided for in Article 64 paragraph 4 of the Private School Law".

In Article 348 paragraph 2 item (8), "and fixed property used directly for the purpose of the museums by juridical persons under Article 34 of the Civil Code, or by religious corporations, at the museums they establish under Article 2 paragraph 1 of the Museum Law" shall be added next to "fixed property used directly for the purpose of the libraries by the juridical persons under Article 34 of the Civil Code at the libraries they establish".

November 10, 1951.

Title of the Bill: Bill for Museum Law
(Presented by WAKABAYASHI Yoshitaka
and 8 others)

I hereby certify that none of the provisions of the above-mentioned Bill is in violation of any Directive issued by the Supreme Commander for the Allied Powers and the Constitution of Japan, nor, except where so specified, conflicts with any other law.

Budgetary Measures:

In reference to the implementation of the provisions of this law, it is recognized in the light of an inquiry made by the Social Education Bureau of the Education Ministry, that for the fiscal year 1951 a sum of ¥505,000 may be defrayed from the current budget as shown in the attached statement, and that from the fiscal year 1952 and thereafter a sum of ¥9,000,000 will have to be appropriated in the annual budget each year.

Joshio Irie

Chief, Legislative Bureau,
House of Representatives.

Estimates for Museums

¥505,000

1. Expenses for dissemination of laws and ordinances concerning education ¥100,000

Classification	Amount	Remarks
Administration Expenses (division)		
Education Ministry (title)	¥1,525,000	To appropriate ¥100,000 from this item.
Education Ministry Proper (item)		

2. Expenses for holding training courses for museum personnel ¥105,000

Classification	Amount	Remarks
Education and Cultural Expenses (division)		
Social Education Expenses (title)		
Social Education Facilities Expenses (item)	¥105,000	

3. Expenses for preparation of data required at social education facilities ¥300,000

Classification	Amount	Remarks
Education and Cultural Expenses (division)		
Social Education Expenses (title)		
Social Education Facilities Expenses (item)	¥300,000	

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet)

Subject: Draft Legislation

File No.:

Maj Norris

Note
No.

From: Govt Sec

To: ESS

Date: 26-6076
13 November 1951

1

1. Immediate introduction of the attached draft bill in the Diet
is proposed by House of Representatives.

2. Your prompt comment is requested.

1 Incl

Bill for Partial Amend to Fishing
Port Law

F. R.

2

010(13 Nov 51)ESS/FIN

From: ESS

To: Govt Sec

Date: 21 NOV 1951

There is no objection to the immediate introduction in the Diet of the
attached draft bill for Partial Amendment to Fishing Port Law.

1 Incl
n/c

W.K. Etter 26-6155

WFM/AMR/JCC/WKE/21

W. F. 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)

Subject: Draft Legislation

File No.:

Maj Norris

Note
No.

From: Govt Sec

To: Transportation Sec. Date: 13 November 1951

26-6076

1

1. Immediate introduction of the attached draft bill in the Diet is proposed by House of Representatives.

2. Your prompt comment is requested.

* 1 Incl

Bill for Partial Amend to
Fishing Port Law

F. R.

2

From: Trans O

To: Govt Sec

Mr. Woods 26-3585

Date: 15. NOV. 1951

The Transportation Officer interposes no objection to the draft bill "Bill for Partial Amendment to Fishing Port Law," but invites attention to the fact that NRS has primary interest.

1 Incl

n/e

----- H. T. 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)

Subject: Draft Legislation

File No.:

ANW
Maj Norris
26-6076

Note No. 1 From: Govt Sec To: NRS Date: 13 November 1951

1. Immediate introduction of the attached draft bill in the Diet is proposed by House of Representatives.

2. Your prompt comment is requested.

1 Incl
Bill for Partial Amend to
Fishing Port Law

W. C. Neville
F. R. *for FR*

6219

2 From: NRS To: Govt Sec W. C. Neville, 26-6218 Date: 16 November 1951

No comments.

1 Incl
n/c

W. C. Neville
H.C.D.

H.B.D.

Justice Dept Law

GOVERNMENT SECTION
BUCK SLIP

11/13 1951

FROM: *RJR*

TO: INITIAL DATE

<input type="checkbox"/>	CHIEF.....
<input type="checkbox"/>	EX O.....
<input checked="" type="checkbox"/>	Special Assistant Nat'l Affairs.....
<input checked="" type="checkbox"/>	Special Assistant Local Affairs.....	<i>19</i>
<input type="checkbox"/>	Adm Div.....
<input type="checkbox"/>	Par & Pcl Div.....
<input type="checkbox"/>	Public Adm Div.....
<input type="checkbox"/>	Chief Clerk.....
<input type="checkbox"/>	File.....
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FOR:

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

ESS, MRS, TRANS

House of Representatives

November 12, 1951.

Bill for Partial Amendment to the Fishing Port Law.

(Presented by TOMINAGA Kakugoro)

The Fishing Port Law (Law No.137 of 1950) shall be partially amended as follows:

In Article 3 item (1), "sand groins" shall be amended to read "sand groins, sea-water dike": and "locks, levees and seashore levees" to read "locks, levees and seashore levees, embankments, quays, and breastworks".

In Article 20 paragraph 2, "75% or 60%" shall be amended to read "75% for contour facilities and water facilities, and 60^o/_A for mooring facilities,".

The following Article shall be added next to Article 20:
(Shares of Repair and Construction Expenses for Fishing Port Facilities Having Additional Use)

Article 20-2. In case any facilities of a fishing port are also used for the benefit of a structure not belonging to the fishing port, the shares of the repair and construction expenses therefor shall be determined after consultation between the operator of repair and construction work and the person having charge of such structure.

The following three Articles shall be added next to

Article 24:

es: NKS
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GS 11/13/51

(Settlement of Account for Fishing Port Repair and Construction Work)

Article 24-2. When a person who received from the State any expenses or subsidy under Article 20 paragraph 2, 3 or 4 has done the fishing port repair and construction work which requires such expenses or subsidy, he shall settle the account for the work without delay, and obtain the recognition of the Minister of Agriculture and Forestry for the completion of the work.

(Disposition of Surplus)

Article 24-3. A person who received from the State any expenses or subsidy under Article 20 paragraph 2, 3 or 4 shall, when there is a surplus in the final account for the fishing port repair and construction work which requires such expenses or subsidy, return to the State without delay an amount corresponding to the rate of the State borne expenses or its subsidy out of such surplus.

(Return of Expenses or Subsidy Received)

Article 24-4. When a person who is to receive or has received from the State any expenses or subsidy under Article 20 paragraph 2, 3 or 4 falls under any of the following items, the Minister of Agriculture and Forestry may not give him the whole or a part of such expenses or subsidy or order him to return it.

- (1) When the permission for alteration, abandonment or suspension as prescribed in Article 22 paragraph 1 is obtained.
- (2) When the instructions prescribed in Article 23 paragraph 1 are violated.
- (3) When the alteration, abandonment or suspension prescribed in Article 23 paragraph 2 is ordered.
- (4) When permission is cancelled under Article 23 paragraph 3.
- (5) When any expenses or subsidy received are used for purposes other than those for which they have been given.

In Article 25 paragraph 4, "to carry out any designation of the fishing port management body in accordance with the provision of paragraph 1, or" shall be deleted.

In Article 26, there shall be added the following:

"It shall conduct such investigations and researches, and prepare such statistical data, as are necessary for the development of the fishing port."

Article 28 paragraph 4 item (1) shall be amended as follows:

- (1) Persons appointed by the fishing port management body from among those who have their residences or operation places within the area of the city, town

or village in which the fishing port is located; who operate fisheries by fishing vessel, or engage in gathering, taking or culturing aquatic animals and plants by fishing vessel on behalf of fisheries operators, over ninety days in a year; and who have been recommended by the mayor of the city, town or village in which the fishing port is located, after his obtaining the views of the fisheries cooperative association concerned: 7 persons.

In paragraph 5 of the same Article, "elected by ~~co-operation~~^{co-optation} or" shall be deleted; and paragraph 9 of the same Article shall be deleted.

The headline of Article 30 shall be amended to read "(Removal of Committee Members)"; paragraphs 1 and 2 of the same Article shall be deleted; in paragraph 3 of the same Article, "other than those mentioned in Article 28 paragraph 4 item (1)" shall be deleted, and the same paragraph be made paragraph 1; and paragraph 4 of the same Article shall be made paragraph 2.

In Article 31 paragraph 1, "and the preceding Article" shall be deleted.

In the Supplementary Provisions, paragraph 4 shall be made paragraph 5; paragraph 2 and 3 shall be moved down by one paragraph each; and the following paragraph shall be added next to paragraph 1:

2. In case fishing port repair and construction work is operated in Hokkaido by any person other than the State, the rate prescribed in Article 20 paragraph 2 or 3 shall not be observed with respect to basic facilities (except mooring facilities in type 4 fishing port) for the time being; and the State shall bear, or give a subsidy covering, ^(the total) ex-
penses for the repair and construction of contour facilities or water facilities, and 75 per cent of the expenses for the repair and construction of mooring facilities, according to the classification of type 3 and type 4 fishing ports, or type 1 and type 2 fishing ports. In such case, "the preceding 2 paragraphs" in Article 20 paragraph 4 shall be construed to read "the preceding two paragraphs or paragraph^r 2 of the Supplementary Provisions"; "paragraph 2 or 3" in paragraph 5 of the same Article, to read "paragraph 2 or 3, or paragraph^r 2 of the Supplementary Provisions,"; and "Article 20 paragraph 2, 3 or 4" in Article 24-2, Article 24-3 and Article 24-4, to read "Article 20 paragraph 2, 3 or 4 or paragraph 2 of the Supplementary Provisions".

Supplementary Provisions

This law shall come into force as from the day of its promulgation. However, the provisions amending Article 20 paragraph 2 and the Supplementary Provisions shall come into force as from April 1, 1952.

November 10, 1951.

Title of the Bill: Bill for Partial Amendment to the
Fishing Port Law. (Presented by
TOMINAGA Kakugoro)

I hereby certify that none of the provisions of
the above-mentioned Bill is in violation of any
Directive issued by the Supreme Commander for the
Allied Powers and the Constitution of Japan, nor,
except where so specified, conflicts with any other
law.

Foshio Irie

Chief, Legislative Bureau,
House of Representatives.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet)

Subject: Draft Legislation

No.:

From: Govt Sec

To: ESS

Date:

Maj Norris

26-6076

21 November 1951

1. Immediate introduction of the attached draft bill in the Diet
is proposed by ~~house of representatives.~~

2. Your prompt comment is requested.

1 Incl

Dog Race Bill #3

F. R.

Doc No # 3

GOVERNMENT SECTION
BUCK SLIP

11/21 1951

FROM: *P+P*

TO: INITIAL DATE

- CHIEF.....
- EX O.....
- Special Assistant Nat'l Affairs.....
- Special Assistant, Local Affairs..... *43*
- Adm Div.....
- Par & Pol Div.....
- Public Adm Div.....
- Chief Clerk.....
- File.....
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FOR:

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

ESS

House of Representatives

November 20, 1951.

Dog Race Bill (No. 3)

(Presented by KIKUCHI Yoshio)

(Object of the Law)

Article 1. This law lays down the provisions applicable to dog races which are performed for the purpose of contributing to the financing of local governments.

(Performer)

Article 2. A prefecture, or a city as mentioned in Article 155, paragraph 2, of the Local Autonomy Law (Law No. 67 of 1947), (hereinafter referred to as "special city"), or such city, town or village (or a ward of the Metropolitan Prefecture) having a dog race ground in its area as is designated by the Local Finance Commission, (hereinafter referred to as "dog race performer"), may, with the approval of its assembly, hold a dog race in accordance with the provisions of this law.

2. No person other than a dog race performer shall hold a dog race, selling a ticket to vote on a winning dog or any other instrument analogous thereto in nature.

(Number of Dog Race Grounds, and Frequency and Length of Performance)

CS: ESS
GS/MM

Read 11/21/51

House of Representatives

November 20, 1951.

Dog Race Bill (No. 3)

(Presented by KIKUCHI Yoshio)

(Object of the Law)

Article 1. This law lays down the provisions applicable to dog races which are performed for the purpose of contributing to the financing of local governments.

(Performer)

Article 2. A prefecture, or a city as mentioned in Article 155, paragraph 2, of the Local Autonomy Law (Law No. 67 of 1947), (hereinafter referred to as "special city"), or such city, town or village (or a ward of the Metropolitan Prefecture) having a dog race ground in its area as is designated by the Local Finance Commission, (hereinafter referred to as "dog race performer"), may, with the approval of its assembly, hold a dog race in accordance with the provisions of this law.

2. No person other than a dog race performer shall hold a dog race, selling a ticket to vote on a winning dog or any other instrument analogous thereto in nature.

(Number of Dog Race Grounds, and Frequency and Length of Performance)

CS: ESS
GS/MM

Read 11/21/51

Article 3. The number of dog race grounds shall not exceed three in the Metropolitan Prefecture or Hokkaido, two in a prefecture in which a special city is located in its area, and one in any other prefecture.

2. A dog race shall not be held more than once a month in each dog race ground, and a performance shall not exceed twelve days at a time. It is provided, however, that an exception shall be made where a license has been obtained from the Local Finance Commission on each occasion under special circumstances wherein a race is held for the purpose of commemoration, charity, etc.

3. If, in case where only one dog race ground is available in the area of a prefecture, two or more dog race performers hold dog races there, the number of dog race performances in such dog race ground shall not exceed sixteen per annum, notwithstanding the provision in the first part of the preceding paragraph.

(Entrusting of Affairs Relative to Holding of a Race)

Article 4. The dog race performer may entrust a part or whole of his affairs relative to the holding of a dog race to another dog race performer.

(Admission Fee)

Article 5. The dog race performer, when holding a dog race,

must charge a visitor an admission fee of not less than 10 Yen but not more than 100 Yen.

(The Voting Ticket for the Winning Dog)

Article 6. The dog race performer may sell the voting ticket for the winning dog with a face value of 10 Yen or 20 Yen at par.

2. The dog race performer may sell a voting ticket for the winning dog, which is equivalent to 10 or 100 of such tickets as are prescribed in the preceding paragraph.

(Limitation on the purchase, etc. of the voting ticket for the winning dog.)

Article 7. Any official of the local public entity related with the dog race, trainer or other persons engaged in the business of the dog race shall be prohibited to purchase or receive by transfer the voting ticket in the races such persons are related with.

(The Method of Voting for the Winning Dog)

Article 8. The method of voting for the winning dog shall consist of four systems: namely the winning, placing, forecasting and dual winning.

(Revenue of the Performer)

Article 9. The performer of the dog race may receive as his earning a sum equivalent to 25 per cent of the total sale of the voting tickets for the winning dog.

(Dividend in case there is a holder of the voting ticket on the winner)

Article 10. The dog race performer shall pay to the holders of the voting tickets on the winners as dividends, in proportion to the number of tickets held, the amount equivalent to 75 per cent of the net proceeds of the voting tickets sold for a race (net proceeds shall be what remains after deducting the amount to be repaid in accordance with the provision of Article 14, paragraph 5, from the gross sale of the voting tickets in each system of voting; hereinafter the same).

(Dividend in case there is no holder of the voting ticket on the winner)

Article 11. With regard to the net proceeds in the case of there being no holder of the voting tickets on the winner, the amount equivalent to 75 per cent of such net proceeds shall be paid as dividends to the holders of the voting tickets on the dogs other than the winner in the race, in proportion to the number of voting tickets.

(Calculation of fractions in dividends)

Article 12. In paying the dividends, if the amount calculated in accordance with the provisions of the preceding two Articles has any fraction of less than one yen, such fraction shall be rounded off.

2. The amount derived from rounding off the fractions as mentioned in the preceding paragraph shall accrue to the dog race performer.

(Prescription against the Right to dividends)

Article 13. The right to the dividends as mentioned in the provisions of Articles 10 and 11 shall be extinguished by prescription, in case it is not exercised for 30 days reckoned from the date of the sale of the relative voting tickets on the winning dog.

(Invalidation of voting)

Article 14. If, after the voting tickets have been sold in the winning, placing and forecasting system, anything coming under the following items has occurred in respect to the relative dog race, the voting on such race shall be null and void.

- (1) Absence of the dogs to run the race, or the number of dogs has been reduced to one;
- (2) The race has not materialized;
- (3) Absence of a qualified winner or winners in the race in regard to any particular system.

2. If, after the voting tickets have been sold in the dual winning system, anything coming under the following items has occurred in respect to the relative dog race, the voting on such race shall be null and void.

- (1) Either the number of dogs to run the races which are combined together for voting has been reduced to one in each race, or there is no dog to run in either one of races;

- 2) Either one of the races combined together for voting has not materialized;
- 3) There ^ah_s been no qualified winner in the race relating to the voting.

3. In case the dog indicated on the voting ticket sold has not joined the race, the voting for such dog (or for a team to which such dog belongs in the case of the forecasting and dual winning systems) shall be null and void. In case only one of the dogs has run the race, when the dogs of the same forecasting ballot number forms a team in the forecasting system, the same rule^t shall be applied to the voting on such team.

4. In case the whole or a part of the returns of the voting tickets sold to those other than the visitors cannot be totalled with the returns of the voting tickets sold to the visitors due to natural calamity or any other inevitable reasons, the voting of the outsiders of which the returns could not be totalled shall be null and void.

5. In the cases of the preceding four paragraphs, any person who has the relative voting ticket may demand the dog race performer to refund the face value in exchange for such voting ticket.

6. The right to claim mentioned in the preceding paragraph shall be extinguished by prescription in case it is not exercised for 30 days reckoned from the date of the sale of the relative voting ticket.