

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
APO 500

AG 091.31 ( 9 Aug 48 ) ESS/FTC  
SCAPIN 1926/4

5 March 1949

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Foreign Trade Corporations (Kodans)

1. References are:

a. Memorandum for General Headquarters, Supreme Commander for the Allied Powers, from Japanese Government, C.L.C.O. No. 3154 (2P), 6 September 1948, subject: Export Trade.

b. The following Memoranda for Japanese Government from General Headquarters, Supreme Commander for the Allied Powers:

- (1) AG 091.31 (9 Aug 48) ESS/FTC, SCAPIN 1926, 9 August 1948, subject: Export Trade;
- (2) AG 004 (3 Jul 47) ESS/AC, SCAPIN 1741, 3 July 1947, subject: Dissolution of Trading Companies;
- (3) AG 400 (11 Dec 46) ESS/AC, SCAPIN 1394, 11 December 1946, subject: Methods of Control under the temporary Demand and Supply Adjustment Act;
- (4) AG 080 (6 Aug 46) ESS/AC, SCAPIN 1108, 6 August 1946, subject: Dissolution of Control Associations (Tosei Kai) and Authorization to Establish Government Allocation Agency together with Necessary Control Organs within Specified Industries;
- (5) AG 004 (6 Nov 45) ESS/ADM, SCAPIN 244, 6 November 1945, subject: Dissolution of Holding Companies.

2. Reference 1a above advised that a separate plan would be submitted by the Board of Trade to General Headquarters, Supreme Commander for the Allied Powers, which plan would provide details for the abolition of the four existing Foreign Trade Kodans not later than 1 April 1949 and the establishment of two Foreign Trade Kodans (Import and Export), as required by paragraph 9 of reference 1b(1) above.

3. The Board of Trade, on 13 February 1949, submitted to General Headquarters, Supreme Commander for the Allied Powers, an informal memorandum, subject: Proposals for Abolition of Foreign Trade Kodans and Realignment of Private Foreign Trade Structure. The actions proposed in paragraphs 1, 2, 4 and 5 of this memorandum are not favorably considered because:

a. They would delay abolition of the Foreign Trade Kodans until 30 September 1949;

b. They are inconsistent with the language and intent of reference 1b(2), (3), (4) and (5) above;

c. They are in conflict with provisions of the Anti-Monopoly Law and the Fair Trade Association Law.

4. The Japanese Government is hereby directed to eliminate and terminate not later than 31 March 1949 those functions of the Foreign Trade Kodans which have been made unnecessary by the adoption of private trade contracting procedures and the enactment of legislation governing export procedures.

5. It is desired that the Japanese Government take action necessary to accomplish the abolition of the Foodstuffs Foreign Trade Kodan and Raw Materials Foreign Trade Kodan not later than 31 March 1949 and within 10 days of the date of this memorandum submit to General Headquarters, Supreme Commander for the Allied Powers, for approval, a plan which indicates:

a. Functions of these Kodans which are considered necessary for performance by the Japanese Government after 31 March 1949;

b. The Japanese Government agencies to which above functions would be transferred;

c. The number by grade of persons who would be required by agencies assuming responsibility for these functions.

6. It is further desired that the Japanese Government submit, within 10 days of the date of this memorandum, to General Headquarters, Supreme Commander for the Allied Powers, for approval, a plan regarding operations of the Textile Foreign Trade Kodan and Minerals and Industrial Products Foreign Trade Kodan which indicates:

a. Functions of these Kodans which are considered to be necessary for performance by the Japanese Government after 31 March 1949;

b. Organization tables and charts which will show the assignment of functions indicated in paragraph 6a above and the number of persons by grade required to carry out those functions.

7. So much of the instructions contained in paragraph 9 of SCAPIN 1926 as are in conflict with instructions contained herein are hereby superseded.

8. Direct communication between appropriate agencies of the Japanese Government and General Headquarters, Supreme Commander for the Allied Powers, is authorized to implement this memorandum.

FOR THE SUPREME COMMANDER:

*R. M. Levy*  
R. M. LEVY, ROR  
Colonel, J. G. P.  
Adjutant General.