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Stenographic Records No. 4, of the Proceedings of House of Representatives, 62nd Imperial Diet.

Saturday, 4th June, 1932.

Session opened at 1:12 p.m.

Capital Flight Prevention Bill

(Minister of State Mr. TAKAHASHI, Korekiyo went on the platform)

State Minister (Mr. TAKAHASHI, Korekiyo)

I shall now give some explanation of the Capital Flight Prevention Bill listed No. 10 on the order of the day. Since the year before last, we have seen the overseas efflux of a good amount of our domestic capital, as a result of the general anticipation of fall in the value of Yen currency and of the difference in the rate of interest between domestic and foreign securities. This trend became particularly notable subsequent to Great Britain's abolition of the gold standard system in September last year. Recently our foreign loan bonds have shown a decline in market price, ^{causing} the flight of capital, which is being resorted to even today. In the future too, if the issue of currency increases in amount, we fear there will be a growing

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number of people who attempt to promote the flight of capital overseas. We need not mention that in time of peace the international movement of capital should always be allowed unrestrictedly. However, today world economy is confronted by an extraordinary situation, and to prevent the overseas efflux of our capital is a measure necessary for securing national welfare. Besides, such a step has already been taken by quite a number of countries.

At present, however, there exists no legal grounds upon which to prevent the flight of capital. Hence we deem it urgent to introduce a bill relating to such measures.