4 The members of the Assets Revaluation Deliberation Committee, Central Assets Revaluation Investigation Committee or of the Local Assets Revaluation Investigation Committee provided for in the preceding paragraph, may be reappointed.

Supplementary Provisions:

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

2. With regard to the application of penal provisions to actions committed prior to the enforcement of this Law, in violation of the provisions of Article 33 item (1) of the Reconversion Finance Bank Law before amendment, the precedent examples shall be followed.

3. Notwithstanding the provisions of the main clause of Article 9 paragraph 5 of the Japan Monopoly Corporation Law, as amended, the tenure of councillors of the Monopoly Enterprises Council at the time of enforcement of this Law shall be two years for four, one year for other four, commencing on May20, 1951, according to the appointment of the Minister of Finance.

4. The tenure of members of the Finance System Council who are at the time of enforcement of this Law, appointed from among persons of learning or experience, shall commence on the day of enforcement of this Law.

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3. Notwithstanding the provisions of the main clause of Article 9 paragraph 5 of the Japan Monopoly Corporation Law, as amended, the tenure of councillors of the Monopoly Enterprises Council at the time of enforcement of this Law shall be two years for four, one year for other four, commencing on May20, 1951, according to the appointment of the Minister of Finance.

4. The tenure of members of the Finance System Council who are at the time of enforcement of this Law, appointed from among persons of learning or experience, shall commence on the day of enforcement of this Law.

Reason

In order to abolish the committees, etc., to decrease the fixed number and to shorten the tenure of the members of the committees, etc., in relation to the present adjustment of the Councils, etc., it is necessary to partially amend the related laws. This is the reason for submitting the present Bill to the Diet.

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Bill for Partial Amendments to the Shipowners'
Mutual Insurance Association Law

The Shipowners' Mutual Insurance Association Law (Law No. 177 of 1950) shall be partially amended as follows:

In Article 15 paragraph 7, "Article 239 paragraph 4 and Article 240" shall be amended as "Article 239 paragraph 5 and Article 240 paragraph 2", and "and Articles 247 to 253 inclusive (Rescission of the Resolution of General Meeting of Shareholders)" as ",Article 247 to Article 250 inclusive, Article 252 and Article 253 (Rescission or invalidation of a resolution at general meeting of shareholders)".

Article 20 shall be amended as follows:

(Application mutatis mutandis of the Commercial Code)

Article 20. The provisions of Articles 193 and 194 (Liability of promoters), Article 266 paragraph 4 (Exemption from liability of a director), and Articles 267 to 268-(3) inclusive (Action against directors to claim their liabilities) of the Commercial Code shall apply mutatis mutandis to the promoters of an association. In this

...at general meeting of shareholders)",

Article 20 shall be amended as follows:

(Application mutatis mutandis of the Commercial Code)

Article 20. The provisions of Articles 193 and 194 (Liability of promoters), Article 266 paragraph 4 (Exemption from liability of a director), and Articles 267 to 268-(3) inclusive (Action against directors to claim their liabilities) of the Commercial Code shall apply mutatis mutandis to the promoters of an association. In this case, "any shareholder who has held a share continuously for the last six months" in Article 267 paragraph 1 of the Commercial Code shall read as "a member of the association",

In Article 30 paragraphs 4 and 5 shall respectively be amended as follows:

4. If, in the case of the preceding paragraph, the directors fail, without any justifiable reason, to take the procedure for convening an extraordinary general meeting within the period under the same paragraph, the members under the same paragraph may, upon approval of the competent Minister, convene an extraordinary general meeting.

5. In case members representing not less than one-fifth ($\frac{1}{5}$) in number of the whole deem it necessary to convene an extraordinary general meeting and there is no director, such members may, upon approval of the competent Minister, convene an extraordinary general meeting.

In Article 32 paragraph 1 "of the members present" shall be amended as "representing not less than half of the whole members present".

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Article 34 shall be amended as follows:

(Application mutatis mutandis of the Commercial Code)

Article 34. The provisions of Article 239 paragraphs 4 and 5 and Article 240 paragraph 2 (Voting right of a person having particular interests, etc.), Article 244 (Minutes of a general meeting of shareholders), and Article 247 to Article 250 inclusive, Article 252 and Article 253 (Rescission or invalidation of a resolution at a general meeting of shareholders) of the Commercial Code shall apply mutatis mutandis to a general meeting. In this case, "Article 343" in Article 247 paragraph 1 of the Commercial Code shall read "Article 32 paragraph 4 of the Shipowners' Mutual Insurance Association Law".

"Article 35 paragraph 4" shall be made "Article 35 paragraph 5", and the following one paragraph shall be added next to paragraph 3 of the same Article.

4. Officers may, in accordance with the articles of association, be removed by a resolution of a general meeting.

The following two Articles shall be added next to the same Article.

mutandis to a general meeting. In this case, "Article 343" in Article 247 paragraph 1 of the Commercial Code shall read "Article 32 paragraph 4 of the Shipowners' Mutual Insurance Association Law".

"Article 35 paragraph 4" shall be made "Article 35 paragraph 5", and the following one paragraph shall be added next to paragraph 3 of the same Article.

4. Officers may, in accordance with the articles of association, be removed by a resolution of a general meeting.

The following two Articles shall be added next to the same Article.

(Administration of the Association's Affairs)

Article 35-(2). Unless otherwise provided for by the articles of association, the administration of the association's affairs shall be decided by the majority of the directors.

(Representation of the Association)

Article 35-(3). Each of the directors shall represent the association.

2. Notwithstanding the provisions of the preceding paragraph, the association may, as determined by the articles of association or by a resolution of a general meeting, determine a director representing the association or determine that two or more of directors shall jointly represent the association, or determine, as determined by the articles of association, that those elected by mutual vote from among the directors shall represent the association.

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Article 37 shall be amended as follows:

(Director's Contract on behalf of Himself, etc.)

Article 37. When the association concludes a contract with any of its directors, it shall obtain an approval by the majority of the rest directors. In this case the provisions of Article 108 (Prohibition of personal contract of a director on his own behalf) of the Civil Code (Law No. 89 of 1896) shall not apply.

2. As for the action between the association and a director or directors, a person designated by a general meeting of members shall represent the association.

Article 40 shall be amended as follows:

(Application mutatis mutandis of the Commercial Code, etc.)

Article 40. The provisions of Article 254 paragraph 3 (Relations between the company and a director), Article 266 paragraph 4 (Exemption of liability of a director), Article 266-(3) paragraph 1 (Liability of a director to third persons), Articles 267 to 268-(3) inclusive (An action against directors to claim their liabilities) and Article 269 (Remunerations of directors), of the Commercial Code shall apply mutatis mutandis to directors and auditors of the association; the

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Article 40 shall be amended as follows:

(Application mutatis mutandis of the Commercial Code, etc.)

Article 40. The provisions of Article 254 paragraph 3 (Relations between the company and a director), Article 266 paragraph 4 (Exemption of liability of a director), Article 266-(3) paragraph 1 (Liability of a director to third persons), Articles 267 to 268-(3) inclusive (An action against directors to claim their liabilities) and Article 269 (Remunerations of directors), of the Commercial Code shall apply mutatis mutandis to directors and auditors of the association; the provisions of Article 55 (Mandates of representation) of the Civil Code and Article 39 paragraph 2 (Effect of declaration of intention made to joint managers), Article 78 (Authority of a representative member), Article 254-(2) (Duty of fidelity of directors), Article 262 (Liability on acts done by directors presumed to represent the company), Article 266 paragraphs 1 and 2 (Joint liability of directors), Article 266-(2) (Recourse of directors) and Article 272 (Injunction of a shareholder), of the Commercial Code shall apply mutatis mutandis to directors; the provisions of Articles 274 and 275 (Authority of auditors on inspection, etc.) and Articles 277 and 278 (Liability of an auditor), of the same Code shall apply mutatis mutandis to auditors; the provisions of Article 38 paragraphs 1 and 3, Article 39, Article 41 and Article 42 (Authority of managers, etc.) of the same Code shall apply mutatis mutandis to managers (Sanji). In this case, "the proposal for

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the distribution of profits in contravention of the provisions of Article 290 paragraph 1" in Article 266 paragraph 1 item (1) of the Commercial Code shall read "the proposal for the distribution of surplus in contravention of the provisions of Article 42 of the Shipowners' Mutual Insurance Association Law"; "transaction mentioned in the preceding Article" in Article 266 paragraph 1 item (4) of the same Code shall read "contract under Article 37 paragraph 1 of the Shipowners' Mutual Insurance Association Law"; "In cases where any act mentioned in the preceding paragraph has been done in accordance with the resolution of the board of directors, the directors who have assented to such resolution" in Article 266 paragraph 2 of the same Code shall read "the directors who have assented to the acts prescribed in the preceding paragraph"; and "any shareholder who has held a share continuously for the last six months" in Article 267 paragraph 1 and Article 272 of the same Code shall read "a member".

Article 44 paragraph 1 shall be amended as follows:

The provisions of Articles 281 to 284 inclusive(Drawing up of documents

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act mentioned in the preceding paragraph has been done in accordance with the resolution of the board of directors, the directors who have assented to such resolution" in Article 266 paragraph 2 of the same Code shall read "the directors who have assented to the acts prescribed in the preceding paragraph"; and "any shareholder who has held a share continuously for the last six months" in Article 267 paragraph 1 and Article 272 of the same Code shall read "a member".

Article 44 paragraph 1 shall be amended as follows:

The provisions of Articles 281 to 284 inclusive(Drawing up of documents of accounts, etc.), Article 285 (Special provisions on valuation of assets) and Articles 293-(5) to 293-(7)(Keeping and publication of the detailed statements attached to documents of accounts, etc.), of the Commercial Code shall apply mutatis mutandis to the accounts of the association. In this case, "proposals relating to the reserve fund and the distribution of profits or interest" in Article 281 item (5) of the Commercial Code shall read "proposals relating to distribution of surplus or disposition of losses"; "Any shareholder or shareholders who hold shares representing not less than one-tenth of the total number of the issued shares" in Article 293-(6) paragraph 1 of the same Code shall read "members representing not less than one-fifth ($\frac{1}{5}$) in number of the whole".

In Article 44 paragraph 2, "Article 88 and Article 91" shall be amended as "and Article 88".

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Article 48 paragraph 2 shall be amended as follows:

2. The provisions of Article 30 and Article 35-(2) to Article 38 paragraph 1 inclusive of this Law, Article 39 paragraph 2 (Effect of declaration of intention made to joint managers), Article 78 (Authority of a representative member), Article 244 paragraph 2 (Persons who are liable to sign in the minutes), Article 247 and Article 249 (Action for rescission of resolution, etc.), Article 254 paragraph 3 (Relations of trusteeship between the company and directors), Article 254-(2) (Duty on fidelity of directors), Article 266 paragraphs 1, 2 and 4, Article 266-(2) and Article 266-(3) (Liability of directors, etc.), Articles 267 to 268-(3) (Action against directors to claim their liability), Article 269 (Remunerations of directors), Article 274 and Article 275 (Authority of Auditors on inspection, etc.), Article 278 (Joint liability of directors and auditors), Articles 282 to 284 inclusive (Drawing up of documents of accounts, etc.) and Articles 293-(5) to 293-(7) (Keeping and publication of the [illegible]

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Article 266 paragraphs 1, 2 and 4, Article 266-(2) and Article 266-(3) (Liability of directors, etc.), Articles 267 to 268-(3) (Action against directors to claim their liability), Article 269 (Remunerations of directors), Article 274 and Article 275 (Authority of Auditors on inspection, etc.), Article 278 (Joint liability of directors and auditors), Articles 282 to 284 inclusive (Drawing up of documents of accounts, etc.) and Articles 293-(5) to 293-(7) (Keeping and publication of the detailed statement attached to documents of accounts, etc.), of the Commercial Code, shall apply mutatis mutandis to liquidators of the association. In this case, "Article 343" in Article 247 paragraph 1 of the Commercial Code shall read "Article 32 paragraph 4 of the Shipowners' Mutual Insurance Association Law"; "the proposal for the distribution of profits in contravention of the provisions of Article 290 paragraph 1" in Article 266 paragraph 1 item (1) of the same Code shall read "proposal for the distribution of surplus in contravention of the provisions of Article 42 of the Shipowners' Mutual Insurance Association Law"; "transactions mentioned in the preceding paragraph" in Article 266 paragraph 1 item (4) of the same Code shall read "contract under Article 37 paragraph 1 of the Shipowners' Mutual Insurance Association Law"; "In cases where any act mentioned in the preceding paragraph has been done in accordance with resolution of the board of directors, directors who have assented to such resolution" in Article 266 paragraph 2 of the same Code shall read "the directors who have assented to the acts prescribed in the

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preceding paragraph"; "any shareholder who has held a share continuously for the last six months" in Article 267 of the same Code shall read "a member"; and "Any shareholder or shareholders who hold shares representing not less than one-tenth of the total number of the issued shares" in Article 293-(6) paragraph 1 of the same Code shall read "Members representing not less than one-fifth in number of the whole".

In Article 60 item (3) "or Article 91 of the Insurance Business Law which applies mutatis mutandis in Article 44 paragraph 2" shall be deleted; in item (10) of the same Article "or Article 293-(5) paragraph 1" shall be added next to "Article 282 paragraph 1", and ", or Article 91 of the Insurance Business Law which applies mutatis mutandis in Article 44 paragraph 2" shall be deleted; in item (11) of the same Article. "(including the case applied mutatis mutandis in Article 48 paragraph 2)" shall be deleted; in item (12) of the same Article "or Article 274 paragraph 1 of the Commercial Code which applies mutatis mutandis in Article 40" shall be added next to "Article 38

in item (10) of the same Article "or Article 293-(5) paragraph 1" shall be added next to "Article 282 paragraph 1", and ", or Article 91 of the Insurance Business Law which applies mutatis mutandis in Article 44 paragraph 2" shall be deleted; in item (11) of the same Article. "(including the case applied mutatis mutandis in Article 48 paragraph 2)" shall be deleted; in item (12) of the same Article "or Article 274 paragraph 1 of the Commercial Code which applies mutatis mutandis in Article 40" shall be added next to "Article 38 paragraph 3"; "(including the case applied mutatis mutandis in Article 48 paragraph 2)" shall be deleted; "or Article 293-(5) paragraph 3, or Article 293-(6) paragraph 1"shall be added next to "Article 282 paragraph 2", and "the perusal of the documents" shall be amended as "the perusal or copying of the books and documents"; item (13) of the same Article shall be made item (14) of the same Article, and the following one item shall be added next to item (12) of the same Article: (13) In case, in contravention of the provisions of Article 293-(5) paragraph 2 which applies mutatis mutandis in Article 44 paragraph 1 or Article 48 paragraph 2, he has failed to enter the matters to be stated in the detailed statement attached or has made untrue statements therein.

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Supplementary Provisions:

1. This Law shall come into force as from the day of enforcement of the Law for Partial Amendement of Commercial Code (Law No. 167 of 1950).

2. In this supplementary provisions (excluding paragraph 6 of this supplementary provisions), "the new Law" sahll mean "the Shipowners' Mutual Insurance Association Law as amended under this Law," and the "Old Law" shall mean "the Shipowners' Mutual Insurance Association Law before amendment under this Law"; in paragraph 6 of this supplementary provisions, "the new Association Law" shall mean "the Shipowners' Mutual Insurance Association Law as amended under this Law" and "the old Association Law" shall mean "the Shipowners' Mutual Insurance Association Law before amendment under this Law".

3. Unless otherwise provided, the new Law shall apply to the matters which have arisen prior to the enforcement of this Law. However, it shall not preclude the validity arisen under the old Law.

4. Any of provisions of the articles of association and the clauses of contracts which are in conflict with the provisions of the new Law shall be invalid as from the day of enforcement of this Law.

as amended under this Law" and "the old Association Law" shall mean "the Shipowners' Mutual Insurance Association Law before amendment under this Law".

3. Unless otherwise provided, the new Law shall apply to the matters which have arisen prior to the enforcement of this Law. However, it shall not preclude the validity arisen under the old Law.

4. Any of provisions of the articles of association and the clauses of contracts which are in conflict with the provisions of the new Law shall be invalid as from the day of enforcement of this Law.

5. In case there has been a demand to convene a general meeting in accordance with the provisions of Article 30 paragraph 3 of the old Law prior to the enforcement of this Law the former precedents shall apply with regard to the convocation of general meeting even after the efforcement of this Law.

6. The provisions of Article 4 (Securities with respect to Institution of Action, etc.) of the Law for Enforcement of the Law for Partial Amendments of Commercial Code (Law No. of 1951) shall apply mutatis mutandis to securities to be offered for instituting an action against a director and liquidator of the Shipowners' Mutual Insurance Association (hereinafter referred to as the association), and an action concerning rescission or alteration of a resolution and affirmation of the invalidation of a resolution, of a general meeting of an association; the

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provisions of Article 9 (Release from and Enforcement of Liability relating to Incorporation) of the same Law shall apply mutatis **mutandis** to promoters of an association; the provisions of Article 17 paragraphs 1 and 2 (resolution of General Meeting) and Article 19 (Action rescinding Resolution) of the same Law shall apply mutatis mutandis to a general meeting of an association; the provisions of Article 22 (Directors' Liability for Acts) and Article 23 (Action against Directors and Liability of Share-holders who have demanded Bringing of Action) of the same Law shall apply mutatis mutandis to directors, auditors and liquidators of an association; the provisions of Article 27 (Representative of Company in Action between Company and Directors) and Article 35 (Detailed Statement) of the same Law shall apply mutatis mutandis to directors and liquidators of an association; and the provisions of Article 28 (Bringing of Action, etc. by Auditior) of the same Law shall apply **mutatis** mutandis to auditors of an association. In this case, unless otherwise provided for in this paragraph, "the new Code" or "the old Code" in the Law for Enforcement of the Law for Partial Amendments of

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liquidators of an association; the provisions of Article 27 (Representative of Company in Action between Company and Directors) and Article 35 (Detailed Statement) of the same Law shall apply mutatis mutandis to directors and liquidators of an association; and the provisions of Article 28 (Bringing of Action, etc. by Auditior) of the same Law shall apply mutatis mutandis to auditors of an association. In this case, unless otherwise provided for in this paragraph, "the new Code" or "the old Code" in the Law for Enforcement of the Law for Partial Amendmends of Commercial Code which applied in this Law shall read "the new Association Law" or "the old Association Law" respectively; "Article 248 paragraph 1 of the old Code" in Article 19 of the same Law shall read "Article 248 paragraph 1 of the old Code which applied mutatis mutandis in Article 34 of the old Association Law"; "Article 267 paragraph 1 or Article 268 paragraph 1 of the old Code" in Article 23 of the same Law shall read "Article 267 paragraph 1 or Article 268 paragraph 1, or Article 279 paragraph 1 of the old Code which applied mutatis mutandis in Article 40 of the old Association Law, or Article 267 paragraph 1 or Article 268 paragraph 1 of the old Code which applied mutatis mutandis in Article 48 of the old Association Law"; "Article 277 of the old Code" in Article 27 of the same Law shall read "Article 37 (including the case applied mutatis mutandis in Article 48 paragraph 2 of the old Association Law)"

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of the old Association Law", and "Article 293-(5) of the new Code" in Article 35 of the same Law shall read "Article 293-(5) of the new Code which applied **mutatis** mutandis in Article 44 paragraph 1 or Article 48 paragraph 2 of the new Association Law".

7. With respect to the application of the penal provisions for the acts committed prior to the enforcement of this Law, the former provisions shall apply.

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Reason

Pursuant to the enforcement of the Law for Partial Amendment of the Commercial Code, it is necessary to revise some parts of the Shipowners' Mutual Insurance Association Law relating to the application mutatis mutandis of the Commercial Code and to take necessary transitional measures for these revisions.

This is the reason for submitting this Bill.

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Bill for Partial Amendments to the Special Taxation Measures Law

The Special Taxation Measures Law (Law No.15 of 1946) shall be partially amended as follows:

In Article 1, "established" shall be amended as "established and the special exceptions to the Assets Revaluation Law shall be established".

The following four Articles shall be added next to Article 11.

Article 12. In cases where an individual person's fishing right, entrance right to fishery lot, or right of such lease, or right of lessee in such lease as is intended for the fishing right as of the basic date defined in Article 3 of the Assets Revaluation Law (hereinafter referred to as "the basic date") has lapsed in accordance with the provisions of Article 1 of the Fisheries Law Enforcement Law, these rights shall be considered as the assets provided for in Article 8 paragraph 2 of the Assets Revaluation Law and their lapse as the transfer of such assets for the pur-

without compensation

entrance right to fishery lot, or right of such lease, or right of lessee in such lease without compensation as is intended for the fishing right as of the basic date defined in Article 3 of the Assets Revaluation Law (hereinafter referred to as "the basic date") has lapsed in accordance with the provisions of Article 1 of the Fisheries Law Enforcement Law, these rights shall be considered as the assets provided for in Article 8 paragraph 2 of the Assets Revaluation Law and their lapse as the transfer of such assets for the purpose of application of the provisions of the same Law.

That revaluation amount of the assets under the preceding paragraph which is considered as having resulted from the revaluation under Article 8 paragraph 2 of the Assets Revaluation Law shall, regardless of the provisions of the same Law, be the amount of indemnity to be granted to the individual person provided for in the preceding paragraph in accordance with Article 9 of the Fisheries Law Enforcement Law.

Article 13. In cases where a corporation has the fishing right, entrance right to fishery lot, or right of such lease or right of lessee in such lease without compensation as is intended for the fishing right as of the basic date, the corporation may

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revaluate these rights in accordance with the provisions of Article 13-(2) paragraph 1 of the Assets Revaluation Law, regardless of whether these assets have book values on the basic date or whether the revaluation has been made in accordance with the provisions of Article 6 paragraph 1 of the Assets Revaluation Law.

The limit amount of such revaluation as shall be made by a corporation in accordance with the provisions of Article 13-(2) paragraph 1 of the Assets Revaluation Law concerning the assets provided for in the preceding paragraph shall, regardless of the provisions of the same Law, be the amount of indemnity to be granted to the corporation in accordance with the provisions of Article 9 of the Fisheries Law Enforcement Law.

The revaluation profits from the revaluation which has been made by a corporation in accordance with the provisions of Article 13-(2) paragraph 1 of the Assets Revaluation Law con-

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paragraph 1 of the Assets Revaluation Law concerning the assets provided for in the preceding paragraph shall, regardless of the provisions of the same Law, be the amount of indemnity to be granted to the corporation in accordance with the provisions of Article 9 of the Fisheries Law Enforcement Law.

The revaluation profits from the revaluation which has been made by a corporation in accordance with the provisions of Article 13-(2) paragraph 1 of the Assets Revaluation Law concerning such of the assets provided for in paragraph 1 as have no book-value on the basic date (excluding those enumerated in the items of Article 7 of the same Law) shall be the amount corresponding to the revaluation amount of such assets, regardless of the provisions of Article 40 paragraph 1 of the same Law.

In cases where a corporation which has revaluated the assets provided for in paragraph 1 in accordance with the provisions of Article 13-(2) paragraph 1 of the Assets Revaluation Law has received the indemnity under the provisions of Article 9 of the Fisheries Law Enforcement Law in the form of the fishing right note provided for in Article 16 of the same Law, the book-value to be put on the fishing right note shall be the amount

obtained by multiplying the revaluation amount of such assets by the ratio of face value of such note to the total of face values of the fishing right notes granted.

In the case of the preceding paragraph, when the corporation has depreciated such assets on or after the revaluation date or has received both the fishing right note and money as the indemnity concerned, the amount to be the basis of the book-value under the same paragraph shall, regardless of the provisions of the same paragraph, be the revaluation amount of such assets minus the amount corresponding to the depreciation charges of such assets or the amount of such money.

Article 14. In cases where an individual person's land, rights on land, standing trees or houses or other real rights on land (hereinafter referred to as the land, etc.) as of the basic date have been expropriated in accordance with the provisions of the River Law, Land-Expropriation Law, City-Planning Law, Road Law, Law for the Improvement of Areas of Unsatisfactory

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visions of the same paragraph, be the revaluation amount of such assets minus the amount corresponding to the depreciation charges of such assets or the amount of such money.

Article 14. In cases where an individual person's land, rights on land, standing trees or houses or other real rights on land (hereinafter referred to as the land, etc.) as of the basic date have been expropriated in accordance with the provisions of the River Law, Land-Expropriation Law, City-Planning Law, Road Law, Law for the Improvement of Areas of Unsatisfactory Housings, Flood Defence Law, Land Improvement Law or other laws and orders specified by Order (hereinafter referred to as the Land-Expropriation Law, etc.), the revaluation amount considered as having resulted from the revaluation under the provisions of Article 8 paragraph 2 or Article 9 paragraph 1 of the Assets Revaluation Law concerning the respective land, etc. shall be the amount of indemnity (if the assets expropriated are those as provided for in Article 10-(6) of the Income Tax Law, the amount of indemnity plus the amount of decrease as provided for in the principal sentence of Article 42 paragraph 4 of the Assets Revaluation Law) to be granted on account of the expropriation of the respective land, etc., regardless of the provisions of the same Law.

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The amount of indemnity under the preceding paragraph shall mean the amount to be granted under whether name as consideration for the land, etc. subjected to expropriation and shall not include the amount which is not the amount granted as consideration for the land, etc. subjected to expropriation, such as removal fee, etc. which are granted upon expropriation.

Article 15. In cases where the land, etc. owned by a corporation as of the basic date has been expropriated in accordance with the provisions of the Land-Exprepriation Law, etc., the corporation may revaluate the respective land, etc. as of the beginning date of the accounting period covering the day of expropriation, regardless of whether such land, etc. have book-value on the basic date and whether revaluation has been made in accordance with the provisions of the Assets Revaluation Law.

For the purpose of application of the Assets Revaluation

as of the basic date has been expropriated in accordance with the provisions of the Land-Expropriation Law, etc., the corporation may revaluate the respective land, etc. as of the beginning date of the accounting period covering the day of expropriation, regardless of whether such land, etc. have book-value on the basic date and whether revaluation has been made in accordance with the provisions of the Assets Revaluation Law.

For the purpose of application of the Assets Revaluation Law, the revaluation under provisions of the preceding paragraph shall be considered as the revaluation under the provisions of Article 13-(2) paragraph 1 of the same Law; provided that the matters enumerated in the following items, shall be subject to the provisions of the respective items:

(1) The limit-amount of the revaluation under the preceding paragraph shall be the amount of indemnity to be granted to the corporation on account of the expropriation of the land, etc.;

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(2) In regard to the revaluation profit from the revaluation under the preceding paragraph in cases where there exists in connection with the respective land, etc. any of the causes enumerated in the items of Article 40 paragraph 2 of the Assets Revaluation Law and where an amount has been added to the book-value in accordance with the provisions of the same paragraph upon revaluation of the respective land, etc. according to the provisions of the same Law, the book-value of the land, etc. immediately before the revaluation date of the relevant revaluation Plus the amount enumerated in the respective items less the amount added thereto shall be deemed to be such book-value of the respective land, etc. as is provided for in paragraph 1 of the same Article, and the provision of paragraph 1 shall apply.

(3) In regard to the revaluation profit from the preceding the revaluation made in accordance with the provisions of the preceding paragraph concerning such of the respective land, etc. as

date of the relevant revaluation Plus the amount enumerated in the respective items less the amount added thereto shall be deemed to be such book-value of the respective land, etc. as is provided for in paragraph 1 of the same Article, and the provision of paragraph 1 shall apply.

(3) In regard to the revaluation profit from the preceding the revaluation made in accordance with the provisions of the preceding paragraph concerning such of the respective land, etc. as have no book-value on the basic date (excluding the assets enumerated the items of Article 7 of the Assets Revaluation Law), the provisions of Article 13 paragraph 3 shall apply mutatis mutandis.

(4) The period in which the corporation which has made revaluation under the provisions of the preceding paragraph must file a return in accordance with the provisions of Article 45-(2) paragraph 1 shall be the period not longer than two months after the closing date of the accounting period covering the revaluation date, regardless of the provisions of the same paragraph.

3 The provision of paragraph 2 of the preceding Article shall apply mutatis mutandis to the amount of indemnity provided for in item (1) of the preceding paragraph.

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Supplementary Provisions:

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

2. The provisions of Article 14 and Article 15 of the Special Taxation Measures Law as amended shall apply to the cases where the land, etc. are expropriated on or after January 1, 1951.

3. In cases where a corporation has revalued the land, etc. which have been subjected to expropriation in accordance with the provisions of the Land Expropriation Law, etc. in accordance with the provisions of Article 15 paragraph 1 of the Special Taxation Measures Law as amended, within the period from January 1, 1951 to the Late of expiration of the accounting period ending before the enforcement of this Law, the due date of filing the return to be filed in accordance with the provisions of Article 45-(2) paragraph 1 of the Assets Revaluation Law shall not be later than two months after the enforcement of this Law regardless of the provisions of Article 15 paragraph 2 item (4) of the Special Taxation Measures Law as amend.

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Reason

It is necessary to set up exceptions to the Assets Revaluation Law, in order to reduce the income tax and corporation tax on the indemnity granted in cases where the fishing right, etc. have lapsed as the result of the amendment of the system concerning fishing right, and the indemnity granted in cases where the land, etc. have been expropriated by virtue of the provisions of the Land Expropriation Law, etc..

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Law No.

Bill for Partial Amendments to the Ministry of Labor Establishment Law for Adjustment of Councils, etc.

The Ministry of Labor Establishment Law (Law No. 162 of 1949) shall be partially amended as follows:

The part concerning the Labor Education Council in the Table of Article 13 paragraph 1 shall be deleted.

Supplementary Provisions:

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

2. The Labor Education Council Order (Cabinet Order No. 215 of 1949) shall be abolished.

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Reason

It is necessary to amend the Ministry of Labor Establishment Law for the purpose of adjusting the Labor Education Council, an auxiliary organ of the Ministry of Labor. This is the reason for submitting this Bill.

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Law for Partial Amendments to the Law Concerning Foreign Insurers

The Law concerning Foreign Insurers (Law No. 184 of 1949) shall be partially amended as follows:

In Article 1, "(including a business which promises the debtor to indemnify the damage of the creditor which may arise in regard to the performance of obligation under contracts of sales, employment, work or others, and receives rewards therefor from the debtor; hereinafter the same)" shall be added next to "an insurance business".

In Article 10 paragraph 2, "the second paragraph of Article 479" shall be amended as "Article 479 paragraph 3".

In Article 29, "(Order to close a branch office)" shall be amended as "(Order to close a business office)".

In Article 33, "the third paragraph of Article 135-9", "and Articles 203 to 205" and "(Concerning registration of non-contenious commercial matters)" shall be amended as "Article 135-9 paragraph 2", " , article 204 and Article 205" and "(Concerning non-contenious commercial matters and registration)" respectively.

In Article 34, "be liable to a fine not exceeding five thousand yen" shall be amended as "be liable to penal servitude not more than three years or to a fine not more than three

In Article 29, "(Order to close a branch office)" shall be amended as "(Order to close a business office)".

In Article 33, "the third paragraph of Article 135-9", "and Articles 203 to 205" and "(Concerning registration of non-contenious commercial matters)" shall be amended as "Article 135-9 paragraph 3", " , Article 204 and Article 205" and "(Concerning non-contenious commercial matters and registration)" respectively.

In Article 34, "be liable to a fine not exceeding five thousand yen" shall be amended as "be liable to penal servitude not more than three years or to a fine not more than three hundred thousand yen, or to both penal servitude and a fine.

To Article 35 paragraph 1, the following proviso shall be added.

However, this shall not apply to a juridical person or a individual person in cases where it is proved that the juridical person or the individual person has taken proper care and supervision for the prevention of these violating acts by any agent, employee or other persons employed by the juridical person or the individual person.

In Article 36, "five thousand yen" shall be amended as "three hundred thousand yen".

Supplementary Provisions:

1. This Law shall come into force as from the day of Enforcement of the Law for Partial Amendment of Commercial Code (Law No. 167 of 1950). However, the amended provisions of Article 1 shall come into force as from the day of the promulgation of this Law.
2. With respect to the application of the penal provisions for the acts committed prior to the enforcement of this Law, the former precidents shall apply.

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Reason

In view of the experience of the enforcement of the Law concerning Foreign Insurer, it is necessary that the business of surety insurance undertaken anew in this country by the foreign insurers be regarded as authorized insurance business, strict rule be provided concerning penalty and necessary provisions be adjusted keeping step with the enforcement of the Law for Partial Amendment of Commercial Code and others.

This is the reason for submitting this Bill.

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Bill concerning Sales of Important Goods

Such goods acquired by the Government through operating the Important Goods Import Fund in accordance with the provision of Article 4 paragraph 1 of the Important Goods Import Fund Special Account Law (Law No. 58 of 1951) as may be designated by Cabinet Order May be sold at aprice lower than the prevailing market price; provided, that the amount of said price shall not be less than the total of the purchase price, import charges, storage charge for such goods, business axpense and other charges.

Supplementary Provision

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

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Reason

In order to meet smoothly the special procurement, it is necessary that the Government may sell at a price lower than the prevailing market price the goods which the Government acquired through operating the Important Goods Import Fund. This is the reason why this Bill is submitted to the Diet.

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Bill for Temporary Measures for the
Charge of Cost of Telephone Installation

(Charge in the Case of Application for Telephone Subscription)

Article 1. An applicant for a subscribed telephone (excluding those which are subscribed by designating a term of subscription of not more than thirty days) shall pay an amount to be fixed by Cabinet Order not to exceed 30,000 yen according to the classification of subscribed telephones and telephone offices, by the date to be fixed by the Minister of Telecommunications, in case the Minister of Telecommunications has despatched to him a notification of the acceptance of application during the period from the date of enforcement of this Law to March 31, 1956.

2. In case a person who has made the application provided for in the preceding paragraph fails to make the payment in accordance with the provisions of the same paragraph, the acceptance of application shall lose its validity.

Article 2. In case the subscription contract for a subscribed telephone for which the payment provided for in paragraph 1 of the preceding Article has been made has lost its validity within five years from the day of installation of the subscribed telephone, the Minister of Telecommunications shall pay to

acceptance of application during the period from the date of enforcement of this Law to March 31, 1956.

2. In case a person who has made the application provided for in the preceding paragraph fails to make the payment in accordance with the provisions of the same paragraph, the acceptance of application shall lose its validity.

Article 2. In case the subscription contract for a subscribed telephone for which the payment provided for in paragraph 1 of the preceding Article has been made has lost its validity within five years from the day of installation of the subscribed telephone, the Minister of Telecommunications shall pay to the person who has made the payment provided for in paragraph 1 of Article or to his successor the amount paid under the provisions of the same paragraph.

(Charge in the Case of Rehabilitation of War-Damaged Telephone)

Article 3. The subscriber of a subscribed telephone which is at the time of enforcement of this Law, non-existent on account of War damage, shall pay an amount fixed by the Cabinet Order referred to in Article 1. paragraph 4, by the date to be fixed by the Minister of Telecommunications, in case the Minister of Telecommunications has completed the rehabilitation work of the subscribed telephone during the period from the date of enforcement of this Law to March 31, 1956.

2. In case the subscriber mentioned in the preceding paragraph fails to make the payment in accordance with the provisions of the same paragraph, the Minister of Telecommunications may cancel the contract for the subscribed telephone mentioned in the same paragraph.

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Article 4. In case the subscription contract for a subscribed telephone referred to in paragraph 1 of the preceding Article for which the payment provided for in the same paragraph has been made has lost its validity, the Minister of Telecommunications shall pay to the subscriber at the time when the subscription contract has lost its validity, the amount paid under the provisions of the same paragraph.

(Charge in the Case of Installation of Extension Equipment)

Article 5. A subscriber who has requested the installation of a switchboard as extension equipment of a subscribed telephone or the installation of a telephone (excluding those which are requested by designating a term of use of telephone of not more than thirty days; hereinafter referred to simply as "the extension equipment") shall pay an amount to be fixed by Cabinet Order within the amount of cost usually required for the installation of extension equipment according to the classification of facilities, by the date to be fixed by the Minister of Telecommunications, in case the Minister of Telecommunications has despatched to him a notification of the acceptance of his request during the period from the date of enforcement of this Law to March 31, 1956. However, this shall not apply to extension equipment owned by the subscriber.

telephone of not more than thirty days; hereinafter referred to simply as "the extension equipment") shall pay an amount to be fixed by Cabinet Order within the amount of cost usually required for the installation of extension equipment according to the classification of facilities, by the date to be fixed by the Minister of Telecommunications, in case the Minister of Telecommunications has despatched to him a notification of the acceptance of his request during the period from the date of enforcement of this Law to March 31, 1956. However, this shall not apply to extension equipment owned by the subscriber.

2. In case the subscriber mentioned in the preceding paragraph does not make the payment provided for in the same paragraph, the Minister of Telecommunications shall not accept the request mentioned in the same paragraph.

Article 6. The Minister of Telecommunications shall, in case any extension equipment that has been paid for under paragraph 1 of the preceding Article has come to fall under one of the following item within ten years from the day of its installation, pay the amount obtained by deducting the amount equivalent to one-tenth of the amount paid under the same paragraph per annum for the period (if there is any fraction less than six months in the period, it shall be cut off, while if there is any fraction not less than six months and less than one year, it shall be reckoned as one year; hereinafter the same,) from the day of its installation through the day on which such extension equipment has come to fall under one of the following items

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from the amount paid under the same paragraph to the subscriber or his successor at the time such extension equipment has come to fall under one of the following items:

(1) In case the subscriber has discontinued its use.

(2) In case the subscriber has cancelled the request for its installation.

(3) In case the Minister of Telecommunications has prohibited its use.

2. In the case of the preceding paragraph, if any extension equipment that has come to fall under one of the items of the same paragraph is a part of the extension equipment that has been paid for under paragraph 1 of the preceding Article, the amount to be paid under the provisions of the preceding paragraph shall be such part of the amount paid under the provisions of paragraph 1 of the preceding Article as is relating to the part of the extension equipment, less an amount equivalent to one-tenth of such part of the amount for one year of the period from the day of its installation through the day on which it has come to fall under one of the items of the preceding paragraph.

3. Regarding the application of the provisions of the preceding two paragraphs, those sets of extension equipment which have been installed on the same sub-

ceding Article, the amount to be paid under the provisions of the preceding paragraph shall be such part of the amount paid under the provisions of paragraph 1 of the preceding Article as is relating to the part of the extension equipment, less an amount equivalent to one-tenth of such part of the amount for one year of the period from the day of its installation through the day on which it has come to fall under one of the items of the preceding paragraph.

3. Regarding the application of the provisions of the preceding two paragraphs, those sets of extension equipment which have been installed on the same subscriber's line and which are installed on the same day shall be regarded as one set of extension equipment.

4. The Minister of Telecommunications shall, in the case of paragraph 1, unless the C.B. system, multiple, or automatic switchboard in the extension equipment can be used continuously at the place of its installation, deduct the amount of expenses needed for its removal from the amount to be paid under the same paragraph.

(Exemption from Application)

Article 7. The provisions of this Law shall not apply to applications for subscriptions, subscribed telephones, or extension equipment of the agen of the State.

Supplementary Provision:

This Law shall come into force as from July 1, 1951.

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