

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 123.7 (23 Apr 49)ESS/EX
SCAPIN 1997

23 April 1949

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Establishment of Official Exchange Rate for
Japanese Yen

1. The Japanese Government is directed to take the steps necessary to put into effect at 0001 hours, 25 April 1949, an official foreign exchange rate of 360 Japanese yen to one U. S. dollar. Rates for other currencies will be based on this rate translated into the U. S. dollar values of such currencies as registered with the International Monetary Fund. This rate will be the basis for all permitted foreign trade and exchange transactions, including transactions for which military conversion rate is now applicable, as well as deposits to the United States Aid Counterpart Fund for Japanese Stabilization.

2. Effective 0001 hours, 25 April 1949, foreign trade and exchange transactions will for the present continue to be executed through the Board of Trade at the above rate and in accordance with existing approved procedures. It is desired that the Japanese Government submit for approval of General Headquarters, Supreme Commander for the Allied Powers, at the earliest practicable date, recommended arrangements whereby transactions may be executed on the basis of this exchange rate through the Foreign Exchange Control Board.

3. Except as otherwise provided herein, export contracts which were approved by the Japanese Government prior to 25 April 1949 will be honored in accordance with yen payment terms which were agreed upon between the Japanese Government and exporters of Japanese goods under then existent export procedures. Any such contract now in force which requires use of imported raw materials for the execution thereof shall be discharged.

a. At yen prices specified under then existent export procedures to the extent that imported raw materials procured from the Japanese Government were paid for at yen prices effective at the time of approval of the contract.

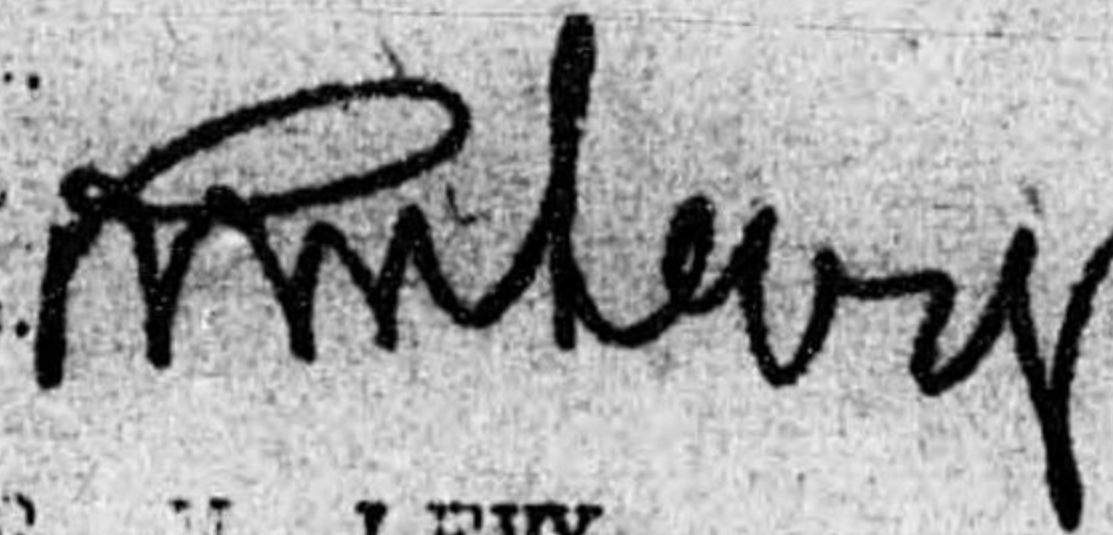
b. At adjusted yen prices only to the extent that imported raw materials actually used for production of goods to be exported under the contract are procured from the Japanese Government and are paid for at yen prices in excess of those effective at the time of approval of the contract. Applications for such adjustments will be subject to review and approval by the Price Board.

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4. The Japanese Government is hereby directed to take actions necessary to insure that exporters of Japanese goods fulfill all contracts approved prior to 25 April 1949 in good faith and in accordance with the provisions of this memorandum.

5. Direct communication between interested staff sections of the Supreme Commander for the Allied Powers and appropriate agencies of the Japanese Government is authorized to facilitate implementation of this memorandum.

FOR THE SUPREME COMMANDER:



R. M. LEVY,
Colonel, AGD,
Adjutant General.