

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

Maj Gaida

28-6073

Note
No.

From: Govt Sec

To: NRS

Date: 17 May 1951

1

1. Immediate introduction of the attached draft bill in the Diet
is proposed by **Ministry of International Trade & Industry.**

2. Your prompt comment is requested.

1 Incl

**Bill for Provisional Protection
of Nickel Refining Industry**

F. R.

P & P

2 From: NR

To: GS

R.Y. Grant 26-6291

HGS/RYG/to

Date:

12 2 MAY 1951

1. References:

a. Check note 2 NR to GS, subject, draft legislation, Bill for Provisional Promotion of Nickel Refining Industry, 30 March 1951, giving views of NR as to earlier draft of the same bill.

b. Telephone conversation between Mr Solomon, NR, and Maj Guida, GS, 18 May 1951.

2. Although the revised bill shows certain budgetary control features, and an effort to obtain prompt repayment of the loans to be advanced by government to the nickel refiners designated, the entire venture from the point of view of a mining and refining operation appears highly speculative and heavily subsidized.

3. However, the primary responsibility for the financial and industrial phases of the subject legislation being that of ESS, which it is understood has cleared the legislation for action by the Diet, NR makes no objection to such clearance.

1 Incl
w/d

----- H.G.S. -----

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

Note
No.

From: Govt Sec

To: ESS

Date:

Maj Guide

26-6076

17 May 1951

1

1. Immediate introduction of the attached draft bill in the Diet is proposed by Ministry of International Trade & Industry.

2. Your prompt comment is requested.

1 Incl

Bill for Provisional Promotion
of Nickel Refining Industry

F. R.

2

010(7 MAY 1951)ESS/FIN

From: ESS

To: Govt Sec

A.R. DeAngelis, 26-6148

BNL
WFM/EMR/BNL/ARD/zl

22 MAY 1951

There is no objection to the immediate introduction into the Diet of attached Bill for Provisional Promotion of Nickel Refining Industry.

1 Incl
n/c

----- 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

26-6076

Note
No.

From: Govt Sec

To: IS/LAJ

Date:

26-6076
17 May 1951

1

1. Immediate introduction of the attached draft bill in the Diet is proposed by **Ministry of International Trade & Industry.**

2. Your prompt comment is requested.

1 Incl
**Bill for Provisional Promotion
of Nickel Refining Industry**

F. R.

Subject: Bill for Provisional Promotion
of Nickel Refining Industry

From: LS

To: GS

Date: 18 May 1951
C.J.Smith, 57-8645

2. 1. No legal objections.

2. With the exception of a few deletions and legally unobjectionable additions, subject bill is practically the same as a similarly entitled bill commented upon as legally unobjectionable in check note from LS to GS, 31 March 1951.

1 Incl.
w/d

-----A.C.C.-----

Bill

Submitted to GS for Clearance
through Legislative Affairs Section,
Liaison Bureau, Ministry of Foreign Affairs
(Tel. 57-6010)

May 17, 1951

1. Number: FOM No.183
2. Title: Bill for Provisional Promotion of Nickel Refining Industry.
3. Office in Charge: Ministry of International Trade and Industry.
4. Date of Cabinet Approval: May 16, 1951
5. SCAP Section concerned: Mr. T.O. Kennedy, Director of Production & Utilities, ^{ESS} Mr. E.M. Reed, Chief of Public Finance Division, ESS. Mr. E.C. Hutchinson, Chief of Price & Distribution Division, ^{ESS} Mr. A.C. Solomon, Mining & Geology Division, NRS.
6. Remark (Reference): Official Gazette dated Mar. 31, 1947, Law No.28 of 1947: Extra No.(2).
Official Gazette dated Mar. 31, 1950, Law No.72 of 1950: Extra No.18.

7. GS Reviewers:

Received by OS

Date 5/17/51

CSX: ESS
NRS
LS/LWT

Bill for Provisional Promotion of Nickel Refining Industry

(Purpose)

Article 1. The purpose of this Law shall be to increase the production of nickel by taking provisional promotion measures for nickel refining industry, and thereby contribute to the sound development of the national economy.

(Designation of Refiner)

Article 2. A person who intends to produce nickel by treating ores (hereinafter referred to as "the business") and to be granted an aid under the provisions of this Law shall obtain the designation of the Minister of International Trade and Industry.

2 A person who intends to obtain the designation mentioned in the preceding paragraph shall submit, within three(3) months after the date of the enforcement of this Law, an application to the Minister of International Trade and Industry accompanied by the business program stating the following matters:

- (1) Outline of equipments for the business;
- (2) Construction plan of equipments for the business and expected date of its completion;
- (3) Amount of fund required for the business and means of raising the fund;

- (4) Scheduled amount of production for the period of three years after the commencement of the business;
 - (5) Estimated cost of production for the period of three years after the commencement of the business;
 - (6) Expected date of commencement of the business;
 - (7) Program for obtainment of ores.
- 3 The Minister of International Trade and Industry shall, upon receipt of the application under the provision of the preceding paragraph, make designation when he has recognized that the application conforms to the following standards:
- (1) The commencement of the said business shall not bring about the extremely excessive supply of nickel as compared with the demand;
 - (2) The amount of expense required for the construction of the equipments necessary for the said business shall not exceed the amount of money which is specified by the Ministry of International Trade and Industry Ordinance;
 - (3) The cost required for the production in the said business shall not exceed the amount of money which is specified by the Ministry of International Trade and Industry Ordinance;
 - (4) The expected date of the commencement of the business shall be within one year from the date of the enforcement of this Law;

- (5) A person who has made the said application shall be a juridical person in possession of sufficient ability to carry out the business precisely.

Article 3. In case of amalgamation pertaining to the juridical person who has been designated in accordance with the preceding Article paragraph 1 (hereinafter referred to as "the designated refiner"), the juridical person which continues to exist after amalgamation or has been established due to amalgamation shall succeed to the status of the designated refiner.

- 2 The person who has succeeded to the status of the designated refiner in accordance with the provisions of the preceding paragraph shall make a report without delay to that effect, attaching the documents certifying the fact, to the Minister of International Trade and Industry.

Article 4. When the designated refiner intends to change the matters as referred to in Article 2 paragraph 2 items (1) to (4) inclusive or item (6), he shall obtain the permission of the Minister of International Trade and Industry. In this case, the provisions of Article 2 paragraph 3 shall be applied ~~correspondingly~~ *mutatis mutandis*.

- 2 The designated refiner shall, when he has started or completed the construction of facilities for the business, or when he has started or discontinued the business, report to that effect without delay to the Minister of International Trade and Industry.

(Cancellation and Invalidation of Designation)

- Article 5. The Minister of International Trade and Industry may, when the designated refiner has violated any of the provisions under preceding Article paragraph 1, the following Article, or Article 7 paragraph 1, cancel the designation.
- 2 The Minister of International Trade and Industry shall, when the amount which the designated refiner has accumulated in accordance with the provisions of Article 7 paragraph 1 has reached the amount equal to the total of the amounts as referred to in each item of the same paragraph or when he has discontinued the business, cancel the designation.
 - 3 The designation under Article 2 paragraph 1 shall lose its validity after the lapse of four (4) years from the date of the enforcement of this Law.

(Selling Price)

- Article 6. The designated refiner shall not sell the nickel produced by him at a price exceeding the price provided for by Cabinet Order.

(Special Reserve Fund)

- Article 7. The designated refiner shall, when he has sold nickel produced by him, accumulate the amount of money per ton of nickel sold which is specified by Cabinet Order, as a special reserve fund, until it reaches the sum total of the amounts mentioned in the following items (hereinafter referred to as "the specified reserve amount"):

- (1) The amount equivalent to $\frac{20}{100}$ of the sum required for the construction of the equipments, as referred to in the business program, which come under the category of the refining equipments stipulated by the Ministry of International Trade and Industry Ordinance;
 - (2) The amount equivalent to $\frac{50}{100}$ of the sum required for the construction of the equipments, as referred to in the business program, which come under the category of the incidental equipments stipulated by the Ministry of International Trade and Industry Ordinance;
 - (3) The amount equal to the product of the estimated **designated by the Minister of International Trade and Industry** purchase price of nickel ore/ the quantity of the **multiplied by** nickel ore necessary to be held for continuous operation of the business.
- 2 The quantity of nickel ore mentioned in the preceding paragraph item (3) shall be designated by the Minister of International Trade and Industry by taking into consideration the prospect for the importation of nickel ore and supply and demand condition of nickel.
 - 3 The designated refiner shall, upon completion of the construction of the equipments for the business, submit an application without delay to the Minister of International Trade and Industry attaching the details of the amount expended for the construction of the equipments and receive the recognition of the amount of the expenses

prescribed in the preceding paragraph item (1) and item (2).

(Compensation)

Article 8. The State shall, when the designated refiner, owing to such reasons as prospect of ensured importation of nickel in abundant quantity at low price, sudden rise in the price of nickel ore to be obtained, prospect of suspension for a long time of nickel ore importation and occurrence of other similar events, is compelled to discontinue his business within four (4) years from the date of the enforcement of this Law and the amount of the special reserve fund mentioned in paragraph 1 of the preceding Article at the time of discontinuance^{of business} (hereinafter referred to as "~~the discontinued time~~"^{time of discontinuance}) does not reach the total of the amounts mentioned in the following items, grant^{him}/a compensation ^{for} the amount equal to the difference within the limit of the amount decided by the budget:

- (1) The remainder (in case the amount exceeds the amount of the expenditures on equipments as provided for in the preceding Article paragraph 1 item (1) or item (2), the latter) of the expenditures on the equipments in possession of the designated refiner at the discontinued^{of discontinuance} time[^] and which are provided for in the preceding Article paragraph 1 item (1) or item (2) minus the amount to be

- obtained by the disposal of the equipments;
of discontinuance
- (2) The remainder (in case the amount exceeds the amount provided for in the preceding Article paragraph 1 item (3), the latter) of the expenditure in obtaining nickel ore in possession of the designated refiner at the discontinued time minus the amount to be obtained by the disposal of the ore.
- 2 The compensation under the preceding paragraph shall not, when there are two or more designated refiners, be granted until all of the designated refiners have discontinued their business; provided that the same shall not apply after the lapse of four (4) years from the date of the enforcement of this Law.
- 3 In case there are two or more recipients of the compensation provided for in paragraph 1 and in the event that the amount of the grants exceeds the amount provided by the budget, the grant for each person shall be made by prorating the amount of the budget in proportion to the amounts of compensation as provided for in the same paragraph.

(Exceptional Case of Taxation on Compensation)

Article 9. In case the person who had been a designated refiner has received a grant of compensation provided for in the preceding Article and has made a deduction on the book value on the equipments and nickel ore of his business in the amount equal to the compensation (in case there has been a partial deduction or transfer of the equipments and nickel ore of the said business in the business year previous to the business year in which the compensation has been granted and after the ^{time of discontinuance} ~~discon-~~tinued time, the amount ^{equal to the amount of the compensation minus} ~~which has been deducted from the~~ ^{either the amount of the said deduction or the amount of the} book value immediately before the said deduction or the ^{date transferred assets} said transfer), the amount deducted shall be reckoned as a loss in the computation of income under the provision of the Corporation Tax Law (Law No. 28 of 1947).

2. The provisions of the preceding paragraph shall not apply in case a request for reckoning of loss on the book value from which the deduction has been made in accordance with the provisions of the preceding paragraph is not mentioned in the applications under Article 18 to Article 21 of the Corporation Tax Law.

(Report and On-the-spot Inspection)

Article 10. The Minister of International Trade and Industry may, within the limit deemed necessary for the enforcement

of this Law, collect reports from the designated refiner on the special reserve fund provided for in Article 7 paragraph 1, cost of production of nickel and other necessary matters. In this case the Minister of International Trade and Industry may, when the designated refiner does not make the reports or it is recognized that the report is false, cause his personnel to enter the office, business place, plant or warehouse and inspect books, documents and other articles.

- 2 The personnel who makes the on-the-spot inspection provided for in the preceding paragraph shall carry with ~~him~~^{them} a certificate showing ~~his~~^{their} status and present the same to the persons concerned.
- 3 The authority of the on-the-spot inspection under paragraph 1 shall not be interpreted as having been recognized as a criminal investigation.

(Hearing)

Article 11. The Minister of International Trade and Industry shall, when he intends to cancel the designation as provided for in Article 5 paragraph 1, hold a hearing open to public by serving an advance notice with proper time allowance on the designated refiner in question.

- 2 In the advance notice under the preceding paragraph, the date, place of the hearing and the substance of the case shall be mentioned.
- 3 At the hearing, opportunities shall be given to the designated refiner and persons having interests to present evidences on the case and to state their opinions.

(Protesting)

Article 12. Any person who is dissatisfied with the disposition made by the Minister of International Trade and Industry under the provisions of this Law or order issued thereunder, may lodge a protest with the Minister of International Trade and Industry.

(Decision)

Article 13. When a protest provided in the preceding Article has been filed, the Minister of International Trade and Industry shall, after the public hearings as prescribed in Article 11, make a decision on the case in writing and serve a copy thereof on the person who has lodged the protest.

(Penal Provisions)

Article 14. In case there has been any case of non-compliance to the report provided for in Article 10 paragraph 1, making of false report or refusal, obstruction or evasion of on-the-spot inspection provided for in the same paragraph, the representative, agent or employee, who has committed the act, of the designated refiner shall be punished with a fine not exceeding 30,000 yen.

2 When a representative, agent or employee of the designated refiner has committed a violation prescribed in the preceding paragraph with relative to the business of the said

refiner, the fine under the same paragraph shall be imposed upon the designated refiner besides the punishment of the violator; provided that this shall not apply to the designated refiner when there has been a proof that he has taken proper care and supervision, with relative to the said business, on his ~~representative~~, agent or employee to prevent the said violation.

Supplementary Provision:

~~The present~~ ^{This} Law shall come into force from the tenth day reckoned from the day of its promulgation.

-: 12 :-

R e a s o n

In view of the fact that there exist great difficulties in obtaining nickel in this country, it is urgently needed to increase production of nickel by taking provisional promotion measures for nickel refining industry.

This is the reason for submitting this Bill.

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

Capt Morris

Note No.

From: Govt Sec

To: ESS

Date: 26-6076
26 March 1951

1.

1. Immediate introduction of the attached draft bill in the Diet is proposed by Ministry of International Trade & Industry.

2. Your prompt comment is requested.

1 Incl
Bill for Provisional Promotion
of Nickel Refining Industry

From: ESS

To: Govt Sec

Mr. Hutchinson, 26-6961

WFM/ESH/vhw

Date: 20 APR 1951

2

1. Non-concur in the introduction of subject bill into the Diet.

2. Subject bill provides for placing the smelting of nickel ore under the complete control of the Minister of International Trade and Industry in order to put into operation a system of using profits resulting from high sales prices for imported nickel to subsidize the rehabilitation of an ore smelter. Such a scheme would be made possible by the fact that, as a result of exhaustion of domestic supplies, nickel is selling in the domestic economy at a price several times the world market. The only nickel to be imported, however, and to which subject bill is designed to apply is that obtained as an allocation from the United States, purchased with GARIOA funds and to be used in meeting military orders in Japan, and that obtained upon SCAP representation as an allocation from the U.S. for essential domestic uses in Japan. In implementing the bill it is planned to divert a part of the nickel allocated for military orders into the domestic economy. It is also planned to establish differential prices for such nickel with a higher price (higher than the exchange rate) being charged to producers of items entering into the domestic economy but with the exchange rate price being charged if the nickel is to be used for items on military order. The profit obtained from the high-price sales would then be used for subsidization of the rehabilitation of a nickel ore smelter of a particular company. Since the nickel proposed to be used in this manner was obtained, by SCAP representation, as an allocation to Japan for use in filling military orders, its diversion into the Japanese civilian economy cannot be permitted. Nor is it considered appropriate to use American aid imports and American allocations of controlled materials to subsidize an individual company

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

CHECK SHEET

(Do not remove from attached sheets)

File No: (26 Mar 51)ESS/PD Subject: Draft Legislation

Note
No.

From: ESS

To: Govt Sec

Date: 20 APR 1951

2
cont'd

in Japan. Additionally, no provision is made in the Japanese budget for the payment of subsidies from the American aid account. Introduction of the bill would thus be in violation of the memorandum from the Chief of Staff relative to the clearance of legislation with budgetary implications.

1 Incl:
n/c

-----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

Capt Norris

Note No.	From: Govt Sec	To: NRS	Date: 26-6076 26 March 1951
1.	<p>1. Immediate introduction of the attached draft bill in the Diet is proposed by Ministry of International Trade & Industry.</p> <p>2. Your prompt comment is requested.</p> <p>1 Incl Bill for Provisional Promotion of Nickel Refining Industry</p> <p>C. W.</p>		
2	From: NR	To: GS	Mr Solomon 26-6291 HGS/RYG/AHS/ ts Date: 30 MAR 1951
	<p>1. The proposed draft of Bill for Provisional Promotion of Nickel Refining Industry gives the Ministry of International Trade and Industry the authority to designate nickel refiners, to authorize grants-in-aid from Counterpart Funds to them, control their production and the price of their product, and inspect their plant operation and books.</p> <p>2. As such this legislation constitutes a direct subsidy to the nickel-refining industry, sharply curbs any prospect of individual initiative and free enterprise or incentive to the operator to refine nickel on a competitive basis. It re-introduces all of the evils of wartime bureaucratic controls, and in this respect is also contrary to policy previously laid down by SCAP.</p> <p>3. Comment or concurrence of ESS/IND is considered appropriate.</p> <p>1 Incl w/d</p> <p>----- H.G.S. -----</p>		

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

Note No.	From: Govt Sec	To: LS/LAJ	Date: 26 March 1951
1.	1. Immediate introduction of the attached draft bill in the Diet is proposed by Ministry of International Trade & Industry.		
	2. Your prompt comment is requested.		
	1 Incl Bill for Provisional Promotion of Nickel Refining Industry		
	C. W.		

Capt Morris
26-6076

P & P

Subject: Bill for Provisional Promotion of
Nickel Refining Industry

From: LS

To: GS

Date: 31 March 1951
C.J.Smith, 57-8645

2.
 1. A necessarily hasty review of the bill discloses no legal objections.
 2. Above comment was telephoned to GS at its request on 30 March 1951.

1 Incl.
w/d

-----A.C.C.-----

Bill

Submitted to GS for Clearance
through Legislative Affairs Section,
Liaison Bureau, Ministry of Foreign Affairs
(Tel. 57-6010)

Mar. 26, 1951

1. Number: FOM No. 141
2. Title: Bill for Provisional Promotion of
Nickel Refining Industry.
3. Office in Charge: Resources Agency, MITI..
4. Date of Cabinet Approval: Mar. 23, 1951
5. SCAP Section concerned:
Mr. T. D. Kennedy, Director of Production & Utilities, ESS.
Mr. E. M. Reed, Chief of Public Finance Division, ESS.
6. Remark (Reference):
Law No. 65 of 1950: Official Gazette dated Mar. 31,
Extra 17.
Law No. 272 of 1950: Official Gazette dated Dec. 18,
No. 1419.
7. GS Reviewers:
Received by GS
Date 3/26/51
OS: ESS
NRS
AS/AS

FOMNO/41

BILL FOR PROVISIONAL PROMOTION OF NICKEL REFINING INDUSTRY

(Purpose)

ARTICLE 1. The purpose of this Law shall be to increase the production of nickel by taking provisional promotion measures for nickel refining industry, and thereby contribute to the sound development of the national economy.

(Designation of Refiner)

ARTICLE 2. A person who intends to produce nickel by treating ores (hereinafter referred to as "the business") and to be granted an aid under the provisions of this Law shall obtain the designation of the Minister of International Trade and Industry.

2) A person who intends to obtain the designation mentioned in the preceding paragraph shall submit, within 3 months after the date of the enforcement of this Law, the application to the Minister of International Trade and Industry accompanied by the business program stating the following matters:

1. Outline of equipments for the business;
2. Construction plan of equipments for the business and expected date of its completion;
3. Amount of fund required for the business and means of raising the fund;
4. Scheduled amount of production for the period of three years after the commencement of the business;
5. Estimated cost of production for the period of three years after the commencement of the business;
6. Expected date of commencement of the business;
7. Program for obtainment of ores.

3) The Minister of International Trade and Industry shall, upon receipt of the application under the provision of the preceding paragraph, make designation when he has recognized that the application conforms to the following standards.

1. The commencement of the said business shall not bring about the extremely excessive supply of nickel as compared with the demand.
2. The amount of expense required for the construction of the equipments necessary for the said business shall not exceed the amount of money which is specified under the provision of the Ministerial Ordinance of the Ministry of International Trade and Industry.
3. The cost required for the production in the said business shall not exceed the amount of money which is specified under the provision of the Ministerial Ordinance of the Ministry of International Trade and Industry.
4. The expected date of the commencement of the business shall be within one year from the date of the enforcement of this Law.
5. A person who has made the said application shall be in possession of sufficient ability to carry out the business precisely.

ARTICLE 3. In case of succession or amalgamation pertaining to a person who has been designated in accordance with the preceding Article paragraph 1 (hereinafter referred to as "the designated refiner"), the successor (if there are two or more successors, the one of the successors who has been selected from among them with the consent of all successors) or the juridical person which continues to exist after amalgamation or has been established due to amalgamation shall succeed to the position of the designated refiner.

2) In case of the overall transfer of the business, the transferee shall succeed to the position of the designated refiner.

3) A person who has succeeded to the position of the designated refiner in accordance with the provisions of the preceding two paragraphs shall make notification, without delay, to that effect attaching the documents certifying the fact to the Minister of International Trade and Industry.

ARTICLE 4. The designated refiner shall, when he intends to change the matters as referred to in Article 2 paragraph 2, item 1, item 2, item 4 or item 6, obtain the permission of the Minister of International Trade and Industry. In this case, provision of Article 2 paragraph 3 shall be applied *mutatis mutandis*.

2) The designated refiner shall, when he has started or completed the construction of equipments for the business, or when he has started or abolished the business, make notification to that effect to the Minister of International Trade and Industry.

ARTICLE 5. The Minister of International Trade and Industry may, when the designated refiner has violated any of the provisions under preceding Article 4 paragraph 1, next Article paragraph 1, or Article 7 paragraph 1, cancel the designation.

2) The Minister of International Trade and Industry shall, when the amount which the designated refiner has accumulated in accordance with the provision of Article 7 paragraph 1 has reached the amount equivalent to the total of the amount as referred to in each item of the same Article, or when he has abolished the business, cancel the designation.

3) The designation under Article 2 paragraph 1 shall lose its validity on the last day of the 4th year from the date of the enforcement of this Law.

(Selling Price)

ARTICLE 6. The designated refiner shall sell nickel manufactured by him at the price which is specified by the provision of the Cabinet Order.

2) The selling price of nickel shall, in case the Special Account for the Disposal of the U.S. Aid Commodities, etc. to Japan (hereinafter referred to as "the special account") sells nickel acquired by the special account to persons (excluding those who intend to purchase nickel to meet the requirement of the Allied Forces or the special procurement), be the same with that of the selling price prescribed in the preceding paragraph; provided that the same shall not apply after all of the designated refiners have completed the accumulation mentioned under the provision of next Article paragraph 1 or after the designated refiners have been abolished.

ARTICLE 7. The designated refiner shall, when he has sold nickel produced by him, accumulate the amount of money per ton of nickel sold which is specified by the provision of the Cabinet Order, as the special reserve fund, until it reaches the amount equivalent to the sum total of amount mentioned under the following items described down below (hereinafter referred to as "the specified reserve amount"); provided that the same shall not apply after the grand total of the aggregate of each designated refiner's special reserve fund and that of the profits, (the balance between the selling price

and the total of the followings: a) the amount to be transferred, with regard to the said nickel, to the U.S. Aid Counterpart Fund Special Account b) miscellaneous charges in the special account to be borne by the said nickel c) the amount to be proportionally borne by the said nickel out of the office expenses and supplementary expenses in the special account) which the special account has obtained by selling the nickel acquired by the special account after the date of the enforcement of this Law, has reached the amount equivalent to the total of the specified reserve amount of each designated refiner.

- (1) The amount equivalent to $\frac{90}{100}$ of the sum required for the construction of the equipments, as referred to in the business program, which come under the category of the refining equipments by the provision of the Ministerial Ordinance of the Ministry of International Trade and Industry.
- (2) The amount equivalent to $\frac{50}{100}$ of the sum required for the construction of the equipments, as referred to in the business program, which come under the category of the incidental equipments by the provision of the Ministerial Ordinance of the Ministry of International Trade and Industry.
- (3) The amount of the estimated purchase price of the ores to be used for nickel refining designated by the Minister of International Trade and Industry (hereinafter referred to as "the material ores") multiplied by the quantity of the material ores for stock necessary for the continuous operation of the business which the Minister of International Trade and Industry has designated considering the prospect for the possible importation of ores.

2) The designated refiner shall, upon completion of the construction of the equipments for the business, submit application without delay to the Minister of International Trade and Industry attaching the details of the amount expended for the construction of the equipments and receive the recognition of the amount of the expenses prescribed under the preceding paragraph item 1 and item 2.

(Grant-in-Aid)

ARTICLE 8. The Minister of International Trade and Industry shall, when the designated refiner, owing to such reasons as the possibility of the ensured importation of nickel in large quantities at low price, the sudden rise in the price of material ores to be obtained, the prospect of suspension

for a long time of material ores importation and the occurrence of other events which apply correspondingly to the above, is forced to abolish his business within 4 years from the date of the enforcement of this Law and the amount of the reserve fund at the time of the abolition (hereinafter referred to as "the abolition time") does not reach the total of the respective amounts mentioned under the following items, grant the designated refiner concerned the sum of money equivalent to the balance within the limit of the amount provided in the budget.

(1) The balance deducting from the amount of the expenses required for the construction of the equipments provided under the preceding Article paragraph 1 items 1 and 2 the amount to be obtained by the disposal of the above equipments (which shall, in case it exceeds the amount of expenses of the equipments provided under the same paragraph items 1 and 2, be the same).

(2) The balance deducting from the amount of the expenses required for the obtainment of material ores in possession of the designated refiners at the abolition time the amount to be obtained by the disposal of the said ores (which shall, in case it exceeds the value of the material ores provided under the preceding Article paragraph 1 item 3, be the same).

paragraph 2) The grant-in-aid under the provision of the preceding Article shall not, when there are two or more designated refiners, be granted until after all of the designated refiners have abolished their business; provided that the same shall not apply after the expiration of 4 years from the date of the enforcement of this Law.

3) In case there are two or more persons to be granted under the provision of paragraph 1 and the amount to be granted exceeds the amount provided in the budget, the grant-in-aid for each person shall be the amount proportionally distributed in accordance with the amount to be granted under the provision of the same paragraph.

(Tax Exemption of Grant-in-Aid)

ARTICLE 9. In case the person who has been a designated refiner, upon receipt of the grant-in-aid under the provision of the preceding Article, makes a deduction of the amount equivalent to the grant-in-aid in book value of the equipments and material ores in his possession required for the business, the deducted amount shall be included in the loss in computing the income under the provision of the Corporation Tax Law (Law No.28 of 1947).

(Collection of Report and On-the-Spot Inspection)

ARTICLE 10. The Minister of International Trade and Industry may, within the limit deemed necessary for the enforcement of this Law, collect reports from the designated refiner. In this case, when the designated refiner has failed to submit the reports or the submitted reports have been regarded as false, the Minister of International Trade and Industry may cause its personnel to enter offices, business places, plants and warehouses of the designated refiner, inspect books, documents, etc.

2) The personnel who ^{are} ~~is~~ to make an on-the-spot inspection under the provision of the preceding paragraph shall carry with ~~them~~ a card certifying ~~his~~ official status and show it to the parties concerned. ~~their~~

3) The authorization of an on-the-spot inspection under the provision of paragraph 1 shall not be construed to have been granted for the purpose of criminal investigation.

(Hearing)

ARTICLE 11. The Minister of International Trade and Industry, in case he is to make cancellation of the designation as provided in Article 5 paragraph 1, shall hold hearings in public after an advanced notice with proper time has been served on the designated refiner concerned.

2) The Minister of International Trade and Industry shall give the date, the place and the purport of the case in the advanced notice provided in the preceding paragraph.

3) At the time of hearings, the designated refiner concerned and the interested parties shall be given a chance to present evidence and advance their opinion.

(Protesting)

ARTICLE 12. Any person who is dissatisfied with the disposition made by the Minister of International Trade and Industry under the provisions of This Law or order issued thereunder, may lodge a protest with the Minister of International Trade and Industry.

(Decision)

ARTICLE 13. When a protest provided in the preceding Article has been filed, the Minister of International Trade and Industry shall, after the public hearings as prescribed in Article 11, make decision on the case in writing and serve a copy thereof on the person who has lodged the protest.

(Penal Provisions)

ARTICLE 14. A person who has failed to submit the reports prescribed in Article 10 paragraph 1 or has submitted false reports or has refused, hindered, or evaded the inspection prescribed in the same paragraph of the same Article, shall be punished with a fine not exceeding 30,000 yen.

ARTICLE 15. When a representative of a juridical person, an agent, employee or any other worker of a juridical person or an individual has violated the provision of the preceding Article in regard to the business of the juridical person or individual, the fine under the same Article shall be imposed not only upon the offender but also upon the juridical person or individual; provided that this shall not apply to such juridical persons or individuals when it has been proved that, in order to prevent the violation by their agents, employees or workers of the said provision, they had paid adequate attention and exercised a close supervision over the business concerned.

Supplementary Provisions

1. This Law shall come into force after 10 days as from the date of its promulgation.

REASON

In view of the fact that there exist great difficulties in obtaining nickel in this country, it is urgently needed to increase production of nickel by taking provisional promotion measures for nickel refining industry.

The above is the reason for submitting this bill.

(Decision)

ARTICLE 13. When a protest provided in the preceding Article has been filed, the Minister of International Trade and Industry shall, after the public hearings as prescribed in Article 12, make decision on the case in writing and serve a copy thereof on the person who has lodged the protest.

(Penal Provisions)

ARTICLE 14. A person who has failed to submit the reports prescribed in Article 10 paragraph 1 or has submitted false reports or has refused, hindered, or evaded the inspection prescribed in the same paragraph of the same Article, shall be punished with a fine not exceeding 30,000 yen.

ARTICLE 15. When a representative of a juridical person, an agent, employee or any other worker of a juridical person or an individual has violated the provision of the preceding Article in regard to the business of the juridical person or individual, the fine under the same Article shall be imposed not only upon the offender but also upon the juridical person or individual; provided that this shall not apply to such juridical persons or individuals when it has been proved that, in order to prevent the violation by their agents, employees or workers of the said provision, they had paid adequate attention and exercised a close supervision over the business concerned.

Supplementary Provisions

1. This Law shall come into force after 10 days as from the date of its promulgation.

2. The Law concerning the Special Account for the U.S. Aid Commodities, etc. to Japan (Law No.65 of 1950) shall be partially amended as follows:

Paragraph 8 of the Supplementary Provisions shall be made paragraph 9, the paragraphs thereafter shall be moved down by one paragraph and next to paragraph 7 of the Supplementary Provisions the following one paragraph shall be added.

8. In this Account, the grant-in-aid under the provision of Article 8 of the Provisional Promotion of Nickel Refining Industry Law (Law No. of 1951) may be given, for the time being, within the limitation of the budget, out of the surplus of the preceding fiscal year transferred to the annual revenues of the fiscal year concerned in accordance with the provisions of Article 7, within the limitation of the amount equivalent to the amount accumulated up to the fiscal year concerned of the profits under the provisions of the proviso to Article 7 paragraph 1 of the same Law.

REASON

In view of the fact that there exist great difficulties in obtaining nickel in this country, it is urgently needed to increase production of nickel by taking provisional promotion measures for nickel refining industry.

The above is the reason for submitting this bill.