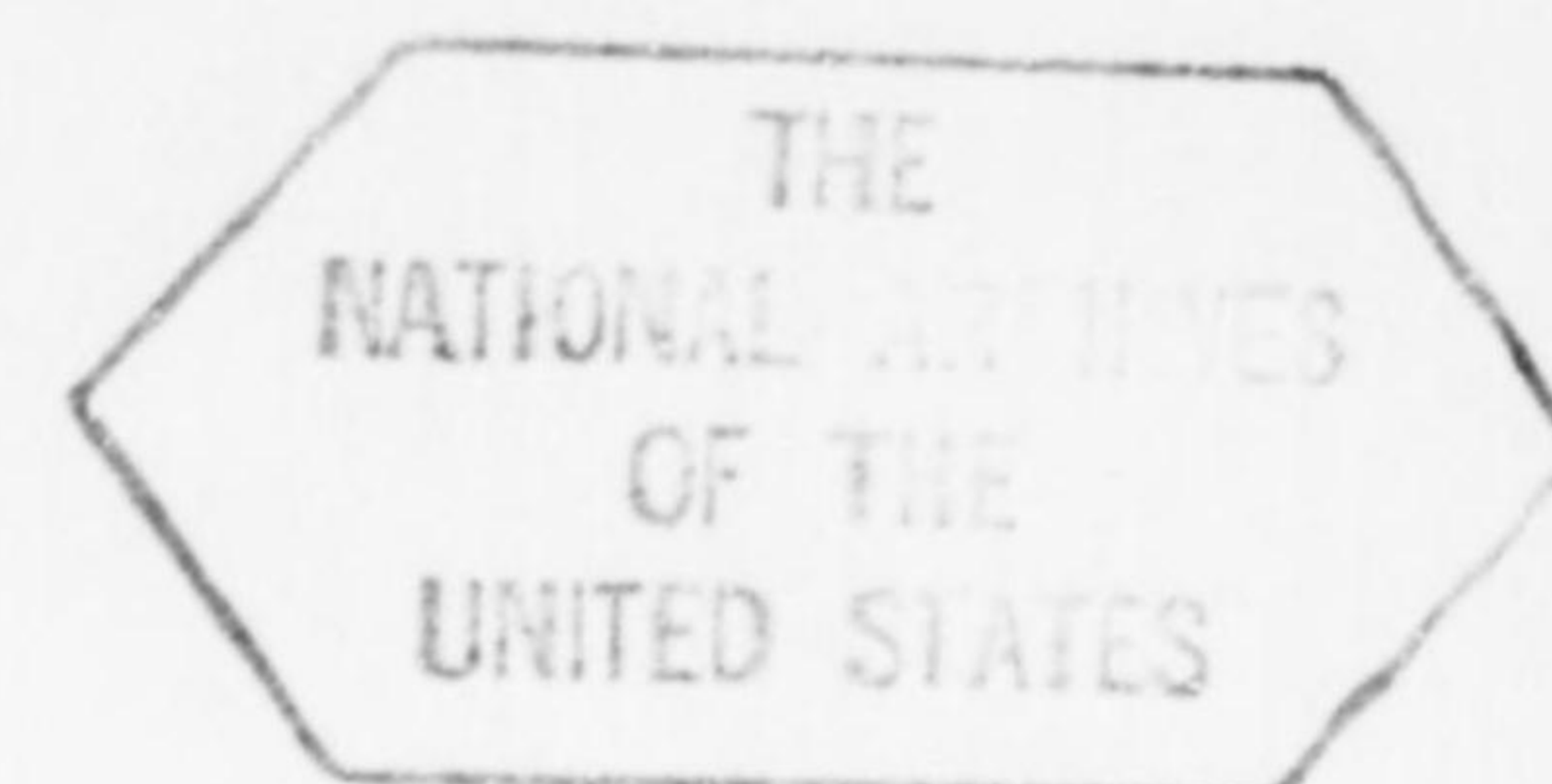


**GHQ/SCAP Records(RG 331)**  
**Description of contents**



- (1) Box no. 2205
- (2) Folder title/number: (12)  
Prime Minister's Office - 6th National Diet

(3) Date: Nov. 1949

(4) Subject:

Classification	Type of record
560	d, m

(5) Item description and comment:

(6) Reproduction:  Yes  No

(7) Film no. \_\_\_\_\_ Sheet no. \_\_\_\_\_

Title	Comment
1. Foreign Exchange and Foreign Trade Control Law	LS (Neptune) No comment ESS (Ryder) No obj
2. Foreign Exchange Control Board Establishment Law	LS (Neptune) Obj ESS

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) CW/JN/JW/CFG/vs

Subject: Draft Legislation

Capt. Guida

26-6076

Note No.

From: Govt Sec

To: LS/LAJ

Date: 22 November 1949

1.

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl

Foreign Exchange & Foreign  
Trade Control Law

C. W.

P & P DIV

(1)

Foreign Exchange and Foreign Trade Control Law

u/22

P.M.

From: LS

To: GS

R.H. NEPTUNE-2635-479

Date: 1 December 1949

2.

1. LS was represented in the Committee which considered the draft of the Foreign Exchange and Foreign Trade Control Law. The basic draft prepared by Dr. Mladek of the International Monetary Fund included broad delegations of legislative authority to the Cabinet, which were objectionable to LS on the basis of Staff Memorandum No. 81, 1 Oct 47, entitled "Curtailment of Scope of Japanese Cabinet Orders". However, this point was not considered important by other SCAP section representatives, and the broad delegations remained in the approved final draft. Other LS legal comments on the bill are not now timely, since the bill has already been enacted into Law.

Rec'd GS 12/6/49

1 Incl: w/d

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

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) **CW/JW/JW/CPO/vs**

Subject: Draft Legislation

**Capt. Guide**

26-6076

Note No.

From: Govt Sec To: **ISS**

Date: **22 November 1949**

1.

1. Immediate introduction of the attached draft bill in the Diet is proposed by **the Prime Minister's Office.**

2. Your prompt comment is requested.

1 Incl

**Foreign Exchange & Foreign  
Trade Control Law**

C. W.

P & P DIV

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
APO 500

20 November 1949

MEMORANDUM FOR: Mr. Rizzo

Attached hereto is a draft, "Foreign Exchange and Foreign Trade Control Law", which was completed by final review on the evening of 19 November 1949.

The draft law was prepared by a joint working group comprised of representatives of this Section and the Legal Section and representatives of the interested agencies of the Japanese Government, viz, MITI, Ministry of Finance, FECB, ESB, Legislative Bureau, and Attorney General's Office. In addition, the working group was assisted by Mr. Mladek (International Monetary Fund) during all phases of the detailed preparation of the law and its final review.

Mr. Masuda (Cabinet Secretary) has indicated that if he can get a copy of the draft by early tomorrow, it can be considered formally at the Cabinet meeting tomorrow morning and forwarded directly to this headquarters for clearance by tomorrow afternoon. If clearance of this headquarters can be obtained by tomorrow afternoon, the law may be introduced into the Diet by tomorrow night for passage before the end of this month.

There should be no delays in Cabinet action because of the fact that the Japanese Government working group which drafted the law

was a joint group representing all interested Government agencies and selected by Mr. Masuda at the direction of the Prime Minister for the specific purpose of preparing a draft that would be satisfactory to all concerned.

It is requested that Government Section accord the draft emergency priority consideration in light of the need to implement the export and import features of the law by 1 December and 1 January, respectively.

Mr. Neptune of the Legal Section sat with the working group during the entire preparation of the law so the draft is not objectionable from a Legal Section point of view.

Your cooperation will be appreciated.

*MR*  
W. T. R.

Bill

to be submitted for GS approval  
Legislative Affairs Section, FOM  
(TEL. 57-6010)

November 21, 1949

1. FOM Number: 64
2. Name of Bill: Foreign Exchange and Foreign Trade Control Bill

3. Competent Ministry: Prime Minister's Office  
(Foreign Exchange Control Commission)
4. Date of Cabinet Approval: November 21, 1949
5. SCAP Section concerned: ESS, Gen. Marquat's Office  
Lt. Col. Ryder  
" Finance Div.  
Deputy Chief Mr. Allison  
" Foreign Trade Div.  
Mr. Hale  
Mr. Neptune
6. Remarks: (Reference:) LS.

*Trade Association Law (Law No. 191)*  
*July 29, 1948 Official Gazette No. 698*  
*Law relating to Prohibition of Private*  
*Monopoly and Method of Preserving*  
*Fair Trade*

7. G.S Reviewers: *Official Gazette No. 309*  
*April 14, 1947*

CS to: ESS  
LS/LNT

Received by GS  
Date 11/21/49



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) CW/JN/JW/CFG/vs

Subject: Draft Legislation

Note No.	From: Govt Sec	To: ESS	Date: 22 November 1949
1.	<ul style="list-style-type: none"><li>1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.</li><li>2. Your prompt comment is requested.</li></ul>		
	1 Incl Foreign Exchange Control Board Establishment Law		
	C. W.		

Capt. Guida  
26-6076

P & P DIV

(5)

GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS

C H E C K S H E E T

(Do not remove from attached sheet) CW/JN/JW/CFG/vs

Subject: Draft Legislation

Capt. Guida

26-6076

Note No.

From: Govt Sec

To: LS/LAJ

Date: 22 November 1949

1.

1. Immediate introduction of the attached draft bill in the Diet is proposed by the Prime Minister's Office.

2. Your prompt comment is requested.

1 Incl

Foreign Exchange Control  
Board Establishment Law

C. W.

P & P DIV

*Foreign Exchange Control Bd Establishment*  
11/22

2. From: LS

To: GS

2635-479 - R.H. Neptune  
Date: 29 November 1949

1. The draft bill establishes the Foreign Exchange Control Board, which will manage the Foreign Exchange Account, maintain records of foreign exchange transactions, and make recommendations on the foreign exchange policy to the Prime Minister. The Board consists of a Chairman and four members, appointed with the consent of the Diet, for three year terms.

2. Article 7 is objectionable in that items (4) and (5) thereunder permit discretion to the Prime Minister in discharging a member so that the term of office becomes in reality one at the will of the Prime Minister. It is suggested that the removal by the Prime Minister in these cases also be subject to approval by the Diet.

1 Incl:

w/a

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

**Bill**

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to be submitted for GS approval  
Legislative Affairs Section, FOM  
(TEL. 57-6010)

November 22, 1949

1. **FOM Number:** 65
2. **Name of Bill:** Foreign Exchange Control Board Establishment Law
3. **Competent Ministry:** Prime Minister's Office  
(Foreign Exchange Control Commission)
4. **Date of Cabinet Approval:** November 22, 1949
5. **SCAP Section concerned:** ESS Lt. Col. Ryder  
Finance Div. Mr. Allison  
Legal Section Mr. Neptune
6. **Remarks: (Reference:)**
  1. The Foreign Exchange Control Board Order  
(Cabinet Order No. 53 of 1949).....
  2. Cabinet Order concerning the Action to be Taken in Case  
of the Term of Office etc. of the Member of the Foreign  
Exchange Control Board (Cabinet Order No. 33 of 1949)
  3. Prime Minister's Office Establishment Law.....  
(Law No. 127) of 1949)  
.....  
.....
7. **G.S Reviewers:**

Received by GS  
Date 11/22/49