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NATIONAL ARCHIVES
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UNITED STATES

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Description of contents

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(2) Folder title/number : (4)
Memos to Ministry of Finance

(3) Date : June 1949 - Aug. 1950

(4) Subject :

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(5) Item description and comment :

(6) Reproduction : (Yes) No

(7) Film no. Sheet no.

MEMOS TO MINISTRY OF FINANCE

1949 - 50

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

Aug 50)ESS/PF 17 August 1950

T: Yen Transfer to Counterpart Fund

Ministry of Financo, No. 6 Honshio-cho, Yotsuya, Tokyo

Ministry of International Trade and Industry, 3-4 Kasumigaseki
Chiyoda-ku, Tokyo

1. Reference is mado to Memorandum from the Japanese Government from eral Headquarters, Supreme Commander for the Allied Powers, AG 091.31 pr 49)ESS/EX, SCAPIN 1988, 1 April 1949, subject: Yen Counterpart of OA and EROA Imports, and Momorandum to the Ministries of Financo and ernational Trade and Industry for the Chief, Economic and Scientific tion, 123(10 Jul 50)ESS/PF, 10 July 50, subject: Yen Transfer to nterpart Fund.

2. The amended report of American Aid Imports in Japan for the th of May, prepared by the Ministry of International Trade and Industry been received and noted. The Japanese Government is directed to de- t in the Counterpart Fund for United States Aid to Japan the sum of ,371,525,326.80, the yen equivalent of the dollar amount reported and yet deposited. Including above deposit, the directed yen transfers to Counterpart Fund to date totals ¥ 186,673,704,083.40.

3. Deposit required per paragraph 2 will be accomplished within 48 after receipt of this memorandum and written report of the transfer ccomplished will be made by the Ministry of Finance to the Economic cientific Section.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

E. M. REED
Chief
Public Finance Division

MAY CONTAIN MATERIAL EXEMPT FROM DISCLOSURE UNDER 5 U.S.C. 552(b)(5) AND 5(E) AND 5(D) OR (E) ENOA # 11012

GOV'T. SECT.

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

514(12 Aug 50)ESS/BFE 12 August 1950

SUBJECT: On Travel from Ryukyus to Japan

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reply is made to your subject communication, file FCO No. 1144/50 (FI/FEI), dated 15 June 1950.

2. Transportation Drafts issued by the Office of the Military Governor of the Ryukyu Islands express the amount of Japanese yen which shipping agencies will be reimbursed as passenger fares between the Ryukyu Islands and Japan. The question of the recognition of a rate of exchange between Military Type "B" yen and Japanese yen is not posed for the Japanese Government.

3. You are advised, therefore, that there is no objection to your informing the Bank of Japan that shipping agencies will be reimbursed the amount of Japanese yen expressed in Transportation Drafts presented by these agencies.

4. Any problems as to the adjustment of payments made to shipping agencies by the Bank of Japan against receipts expressed in Military Type "B" yen and formerly in use by the Office of the Military Governor of the Ryukyu Islands should be submitted by the Bank of Japan to Office of Comptroller, General Headquarters, Far Eastern Command for resolution.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

VINCENT L. RICH
Acting Chief
Banking and Foreign Exchange Division

GOV'T. SECT.

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

010(11 Aug 50)ESS/BFE

11 August 1950

SUBJECT: Application for Authorization to Export Silver Wares

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is Ministry of Finance Memorandum FCO 1713/50 (FI/CU) dated 10 August 1950, subject: Application for Authorization to Export Silver Wares.

2. No objection is offered to approval of subject application of Z. Horikoshi and Company for export of silver wares to Regal Accessories Inc., New York.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

/s/ V. L. Rich

VINCENT L. RICH
Acting Chief
Banking and Foreign Exchange Division

GOV'T. SECT.

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

123.7(2 Aug 50)FSS/BFE 2 August 1950

SUBJECT: Abolition of Ministerial Ordinance and Notification Concerning Receipt of Military Notes Expressed in Dollar or Sterling Pound

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is memorandum from Ministry of Finance FCO 1150/50 (FI/FEP), dated 20 June 1950, subject: Abolition of Ministerial Ordinance and Notification concerning Receipt of Military Notes expressed in dollar or sterling pound.

2. No objection is offered to the rescission of Ministeries of Finance and Communications Ordinance No. 1 dated 30 September 1946 and Ministry of Finance Ordinance No. 56 dated 29 May 1947 which established provisions for the acceptance of Military Payment Certificates and British Armed Forces Special Vouchers in connection with Japan's international telecommunications service.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Frank R. J. Gerard

FRANK R. J. GERARD
Chief
Banking and Foreign Exchange Division

GOV'T SECT.
~~EXO~~
Rizzo JR

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

010(28 Jul 50)ESS/BFE 28 July 1950

SUBJECT: Application for Authorization to Export Precious Metals Bullion

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is Ministry of Finance Memorandum FCO 1704/50 (FI/CU) dated 28 July 1950, subject: Application for Authorization to Export Precious Metals Bullion.

2. No objection is offered to subject application of Mr. Sze Chia-Foh, Director of Taiwan Gold and Copper Mining Company, to export to that company in Formosa gold (gross weight 75,971.3 grams, fine weight 75,895.3 grams) and silver (gross weight 663,435 grams, fine weight 662,772 grams) provided no incumbrances, financial or otherwise, exist against the same.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

FRANK R. J. GERARD
Chief
Banking and Foreign Exchange Division

DECLASSIFIED BY AUTH: SCAP DIR. 3(E) AND 3(D) OR (E) NNDB # 774012

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McCulloch
File

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

123(10 Jul 50)ESS/PF 10 July 1950

SUBJECT: Yen Transfer to Counterpart Fund

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

Ministry of International Trade and Industry, 3-4 Kasumigaseki Chiyoda-ku, Tokyo

1. Reference is made to Memorandum from the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 091.31 (1 Apr 49)ESS/EX, SCAPIN 1988, 1 April 1949, subject: Yen Counterpart of GARIOA and ERCA Imports, and Memorandum to the Ministries of Finance and International Trade and Industry for the Chief, Economic and Scientific Section, 123(22 Jun 50)ESS/PF, 22 June 1950, subject: Yen Transfer to Counterpart Fund.

2. The amended reports of American Aid Imports in Japan for the months of March and April 1950, prepared by the Ministry of International Trade and Industry have been received and noted. Deductions requested for the month of April pertaining to wheat, soy beans and petroleum imports have not been allowed pending further justification. The Japanese Government is directed to deposit in the Counterpart Fund for United States Aid to Japan the sum of ¥ 13,859,550,619.20, the yen equivalent of the dollar amount reported and not yet deposited. Including above deposit, the directed yen transfers to the Counterpart Fund to date totals ¥ 174,302,178,756.60.

3. Deposit required per paragraph 2 will be accomplished within 48 hours after receipt of this memorandum and written report of the transfer when accomplished will be made by the Ministry of Finance to the Economic and Scientific Section.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Eugene M. Reed

E. M. REED
Chief,
Public Finance Division

AUTHORITY NARA DATE 11-3-76 SEC. 3(E) AND 3(D) OR (E) NND # 775012

GOV'T SECTION
EXO
MC Wheeler
File

AFF

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

123(13 Jul 50)ESS/BFE 13 July 1950

SUBJECT: Remittance of Yen Profits by Central Motion Picture Company

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is memorandum from Chief of the Financial Bureau, Ministry of Finance, to Mr. J. R. Allison, Director of Finance, Economic and Scientific Section, dated 28 June 1950, requesting an opinion as to the appropriateness of the application submitted by the Central Motion Picture Exchange of the Motion Picture Export Association, Inc., under date of 20 June 1950.

2. The proposal as outlined in your memorandum above referenced is approved in principle and steps should promptly be taken to finalize the same.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Frank R. J. Gerard

FRANK R. J. GERARD
Chief
Banking and Foreign Exchange Division

DECLASSIFIED E.O. 12958 SEC. 3(E) AND 3(D) OR (E) NNDB # 779012

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

123(22 Jun 50)ESS/PF 22 June 1950

SUBJECT: Yen Transfer to Counterpart Fund

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

Ministry of International Trade & Commerce, 3-4 Kasumigaseki, Chiyoda-ku, Tokyo

1. Reference is made to Memorandum from the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 091.31 (1 Apr 49)ESS/EX, SCAPIN 1988, 1 April 1949, subject: Yen Counterpart of GARIOA and EROA Imports, and Memorandum to the Ministries of Finance and International Trade and Industry for the Chief, Economic and Scientific Section, 123(9 May 50)ESS/PF, 9 May 50, subject: Yen Transfer to Counterpart Fund.

2. The amended report of American Aid Imports in Japan for the month of March 1950, prepared by the Ministry of International Trade and Industry has been received and noted. The Japanese Government is directed to deposit in the Counterpart Fund for United States Aid to Japan the sum of ¥ 12,990,578,997.60, the yen equivalent of the dollar amount reported and not yet deposited. Including above deposit, the directed yen transfers to the Counterpart Fund to date totals ¥ 160,442,628,137.40.

3. Deposit required per paragraph 2 will be accomplished within 48 hours after receipt of this memorandum and written report of the transfer when accomplished will be made by the Ministry of Finance to the Economic and Scientific Section.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

E. M. REED
Chief
Public Finance Division

PURCHASED FOR ENG. FROM SEC. 3(2) AND 3(3) OR (E) NMCS # 115012

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

123 (21 May 50)ESS/PF 21 May 1950

SUBJECT: Counterpart Fund Transfer to State Forest Service Special Account

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is made to memorandum for Public Finance Division, Economic and Scientific Section, GHQ, FCO 727/50 (FI/CF 243), dated 1 May 1950, subject: Application for Release of U. S. Aid Counterpart Fund for Transfer to Special Account for State Forest Service.

2. No objection is offered to the proposed program for use of ¥ 3,000 million in 1950-51 fiscal year for State Forest Service.

3. No objection is offered to the transfer of ¥ 665 million from the Counterpart Fund to the Special Account for State Forest Service as requested in paragraph 3 of reference 1 for use in the first quarter of JFY 1950-51, as required.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(31 May 50)ESS/PF

31 May 1950

SUBJECT: Release of Counterpart Funds to Telecommunications Enterprises Special Account

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 730/50(FI/CF-247), dated 1 May 1950, subject: Application for Release of Transfer of Funds from U. S. Aid Counterpart Fund to the Telecommunications Enterprises Special Account.

2. No objection is offered to the plan for release during the current fiscal year of twelve billion yen (¥ 12,000,000,000) from the Counterpart Fund for use by Telecommunications Enterprises Special Account as outlined in reference 1 above.

3. No objection is offered to release of ¥ 4 billion of the agove ¥ 12 billion to be used for the program of construction and improvement during the months of May and June.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

24 May 1950

123(24 May 50)ESS/PF

SUBJECT: Purchase by Counterpart Fund of Preferred Stock of the Central Bank for Commercial and Industrial Cooperatives (Shoko Kumiai Chuo Kinko)

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for Underwriting the Preferred Stock by the Counterpart Fund submitted by the Central Bank for Commercial and Industrial Cooperatives.

b. Memorandum for Public Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 729/50(FI/CF-246) dated 24 April 1950, subject: Application for Release of U. S. Aid Counterpart Fund for Underwriting Preferred Stock of the Central Bank for Commercial and Industrial Cooperatives.

c. Law for Issuance of Debentures by Banks promulgated 31 March 1950.

2. No objection is offered to use of Counterpart Funds to purchase ¥ 500 million par value of preferred stock of the Central Bank for Commercial and Industrial Cooperatives. Stock will be issued in accordance with provisions of reference 1c and will also be subject to the following conditions:

a. Preferred stock will be entitled to cumulative dividends of 7½% per annum payable 31 March and 30 September. The first dividend payment will be 30 September 1950. No common dividends may be paid while preferred dividends are in arrears.

b. In the event that this sum of deposits and outstanding debentures exceeds twenty times the capital account, including stock and surplus, the total amount set aside for depreciation, write-downs and surplus at the end of each business term shall not be less than 50% of net income, after taxes, until the disparity has been corrected.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(16 May 50)ESS/HF 16 May 1950

SUBJECT: Purchase by Counterpart Fund of Preferred Stock of the Hypothec Bank of Japan

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for Underwriting the Preferred Stock by the Counterpart Fund submitted by Nippon Kangyo KK (Hypothec Bank of Japan).

b. Memorandum for Public Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 726/50 (FI/CF 242) dated 19 April 1950, subject: Application for Release of the U. S. Aid Counterpart Fund for the Underwriting of the Preferred Stocks of the Hypothec Bank of Japan.

c. Law for Issuance of Debentures by Banks promulgated 31 March 1950.

2. No objection is offered to use of Counterpart Funds to purchase ¥ 1 billion par value of preferred stock of Hypothec Bank of Japan. Stock will be issued in accordance with provisions of reference 1c and will also be subject to the following conditions:

a. Preferred stock will be entitled to cumulative dividends of 7½% per annum, payable 31 March and 30 September. No common dividends may be paid while preferred dividends are in arrears.

b. In the event that the sum of deposits and outstanding debentures exceeds twenty times the capital account, including stock and surplus, the total amount set aside for depreciation, write-downs and surplus at the end of each business term shall not be less than 50% of net income, after taxes, until the disparity has been corrected.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123 (16 May 50) ESS/PF 16 May 1950

SUBJECT: Purchase of Counterpart Fund of Preferred Stock of the Hokkaido Colonial Bank

TO: Ministry of Finance, No. 6 Honshio Cho, Yotsuya, Tokyo

1. References are:

a. Application for Underwriting the Preferred Stock by the Counterpart Fund submitted by the Hokkaido Colonial Bank (Hokkaido Takushoku Ginko).

b. Memorandum for Public Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 728/50 (FI-CF-245), subject: Application for Release of U. S. Aid Counterpart Fund for the Underwriting of Preferred Stock of the Hokkaido Colonial Bank.

c. Law for Issuance of Debentures by Banks promulgated 31 March 1950.

2. No objection is offered to use of Counterpart Funds to purchase ¥ 700 million par value of preferred stock of the Hokkaido Colonial Bank. Stock will be issued in accordance with provisions of reference 1c and will also be subject to the following conditions:

a. Preferred stock will be entitled to cumulative dividends of 7½% per annum, payable 31 March and 30 September. No common dividends may be paid while preferred dividends are in arrears.

b. In the event that the sum of deposits and outstanding debentures exceeds twenty times the capital account, including stock and surplus, the total amount set aside for depreciation, write-downs and surplus at the end of each business term shall not be less than 50% of net income, after taxes, until the disparity has been corrected.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

004.2(3 May 50)ESS/BFE 3 May 1950

SUBJECT: Central Cooperative Bank of Agriculture and Forestry

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Official Report of Examination of Central Cooperative Bank of Agriculture and Forestry, made by the legal supervisor of said bank and other representatives of Ministry of Finance, as of close of business 26 January 1950, the original copy of which report is understood to be in the files of Banking Bureau, Examination Division.

b. Letter of Requirement addressed to Board of Directors of Central Cooperative Bank of Agriculture and Forestry, dated March 1950, the original of which letter is understood to have been delivered with an authenticated complete copy of the Report of Examination referred to, on 21 March 1950.

2. References a. and b. above indicate that Central Cooperative Bank of Agriculture and Forestry is in very serious condition and that the Bank and its members present many problems of national significance which deserve early, thoughtful and vigorous attention.

3. In view of the importance of this matter and its relationship to the implementation of the Economic Stabilization Program, it is urged that special attention be given to whatever corrective actions you deem necessary to insure establishment of the Central Cooperative Bank of Agriculture and Forestry on a permanently sound basis. Accordingly this Headquarters will appreciate being kept informed regarding your progress toward eliminating the weaknesses covered by the report referenced under paragraph 1.

W F Marquat
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

GS
Eg Title
Rec'd 7K
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GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
APO 500

004.2(3 May 50)ESS/BFE 3 May 1950

SUBJECT: Central Cooperative Bank of Agriculture and Forestry

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Official Report of Examination of Central Cooperative Bank of Agriculture and Forestry, made by the legal supervisor of said bank and other representatives of Ministry of Finance, as of close of business 26 January 1950, the original copy of which report is understood to be in the files of Banking Bureau, Examination Division.

b. Letter of Requirement addressed to Board of Directors of Central Cooperative Bank of Agriculture and Forestry, dated March 1950, the original of which letter is understood to have been delivered with an authenticated complete copy of the Report of Examination referred to, on 21 March 1950.

2. References a. and b. above indicate that Central Cooperative Bank of Agriculture and Forestry is in very serious condition and that the Bank and its members present many problems of national significance which deserve early, thoughtful and vigorous attention.

3. In view of the importance of this matter and its relationship to the implementation of the Economic Stabilization Program, it is urged that special attention be given to whatever corrective actions you deem necessary to insure establishment of the Central Cooperative Bank of Agriculture and Forestry on a permanently sound basis. Accordingly this Headquarters will appreciate being kept informed regarding your progress toward eliminating the weaknesses covered by the report referenced under paragraph 1.

W F Marquat
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Gov't Sect

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

123(2 May 50)ESS/BFE 2 May 1950

SUBJECT: Printing and Issuance of New Design Bank of Japan Notes of 500 Yen and 100 Yen Denominations

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is Memorandum from Ministry of Finance, FCO 776/50 (FI/GA) 26 April 1950, subject: Applications for Printing and Issuing of Bank of Japan Notes (500 yen and new 100 yen).

2. Printing and issuance of subject notes conforming to design and volume described in reference memorandum, paragraph 1. above, is authorized.

3. Prior to actual issuance of subject notes, a schedule of time of issuance and volume will be submitted.

Frank R J Gerard

FRANK R. J. GERARD
Chief
Banking and Foreign Exchange Division

Copies to:
CLCO (2)
SRS
Govt. Sec.
ESS (3)
ESS/BFE
CI&E
8th Army

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

123(24 Apr 50)ESS/PF

24 April 1950

SUBJECT: Purchase of Counterpart Fund of Preferred Stock of Industrial Bank of Japan, Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for Underwriting the Preferred Share by the Counterpart Fund submitted by K.K. Nippon Kogyo Ginko (Industrial Bank of Japan, Ltd.).

b. Memorandum for Public Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 723/50(FI/CF 239), dated 6 April 1950, subject: Application for Release of the U.S. Aid Counterpart Fund for the Underwriting of the Preferred Stocks of the Industrial Bank of Japan.

c. Law for Issuance of Debentures by Banks promulgated 31 March 1950.

2. No objection is offered to use of Counterpart Funds to purchase ¥ 1 billion par value of preferred stock of Industrial Bank of Japan, Ltd. Stock will be issued in accordance with provisions of reference 1c and will also be subject to the following conditions;

a. Preferred stock will be entitled to cumulative dividends of 7½% per annum, payable 31 March and 30 September. No common dividends may be paid while preferred dividends are in arrears.

b. In the event that the sum of deposits and outstanding debentures exceeds twenty times the capital account including stock and surplus, not less than 50% of net income after taxes at the end of each business term will be applied to depreciation and write-downs or to surplus accumulation until the disparity has been corrected.

For:
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

FRJG/JCS/zl

123(18 Apr 50)ESS/BFE

18 April 1950

SUBJECT: Portraits Used for Design of New Bank of Japan Note

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is Memorandum from the Ministry of Finance, FCO 542/50 (FI/GA) 17 March 1950, subject as above.

2. The use of the portraits of the five persons described in referenced memorandum is approved for use in the new Bank of Japan note.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

FRANK R. J. GERARD
Chief
Banking and Foreign Exchange Division

Copies to:
CICO (2)
SRS
Govt Sec
ESS (3)
ESS/BFE
CIE
8th Army

GOVT SECTION

GOV'T. SECT.

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

091.31(17 Apr 50)ESS/BFE 17 April 1950

SUBJECT: Interim Measure re Sale of Merchandise Financed with Importers' Funds Abroad

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References:

a. Memorandum for Ministry of Finance, 091.31(16 Dec 49) ESS/JF dated 16 December 1949, subject as above;

b. Memorandum for Ministry of Finance, 091.31(24 Mar 50) ESS/BFE dated 24 March 1950, subject as above.

2. No objection is offered to the renewing of existing licenses or the issuing of new licenses for the sale for foreign exchange of goods properly imported into Japan as follows:

a. Sutlers who will finance their own imports and sell only to Occupation organizations and agencies for designated foreign currency instruments of exchange;

b. All wholesale and retail establishments which finance their own imports and sell to Occupation organizations, foreign nationals and Occupation personnel (military and civilian) for designated foreign currency instruments of exchange;

c. Foreign non-profit club type operations which will finance their own imports and service their own membership in accordance with agreements between club authorities and club members.

3. Such licenses as may be renewed or issued should contain the following provisions:

a. No licensee may sell to Occupation personnel (military or civilian) without the express approval of the Supreme Commander for the Allied Powers;

b. No licensee may sell for Military Payment Certificates except in accordance with procedures approved by the Supreme Commander for the Allied Powers;

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

123(10 Apr 50)ESS/FF 10 April 1950

SUBJECT: Yen Transfer to Counterpart Fund

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

Ministry of International Trade & Industry, 3-4 Kasumigaseki, Chiyoda-ku, Tokyo

1. Reference is made to memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 091.31(1 Apr 49)ESS/EX, SCAPIN 1988, 1 April 1949, subject: Yen Counterpart of GARIOA and EROA Imports, and memorandum to the Ministries of Finance and International Trade and Industry for the Chief, Economic and Scientific Section, 123 (20 Mar 50)ESS/FF, 20 March 1950, subject: Yen Transfer to Counterpart Fund.

2. The amended report of American Aid Imports in Japan for the month of January 1950 prepared by the Ministry of International Trade and Industry has been received and noted. An additional amendment to the December report pertaining to subsistence and cotton seed oil American Aid Import arrivals not previously reported due to lack of price information has also been received and addition made to December report.

3. The Japanese Government is hereby directed to deposit in the Counterpart Fund of United States Aid to Japan the sum of ¥ 6,886,872,230.40 the yen equivalent of the dollar amount reported and not yet deposited. Including above deposit the directed yen transfers to the Counterpart Fund to date totals ¥ 134,754,867,474.60.

4. Deposit required per paragraph 3 will be accomplished within 48 hours after receipt of this memorandum and written report of the transfer when accomplished will be made by the Ministry of Finance to the Economic and Scientific Section.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

E. M. REED
Chief
Public Finance Division

GOV'T. SECT.

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

091.31(17 Apr 50)ESS/BFE 17 April 1950

SUBJECT: Interim Measure re Sale of Merchandise Financed with Importers' Funds Abroad

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References:

a. Memorandum for Ministry of Finance, 091.31(16 Dec 49) FSS/JF dated 16 December 1949, subject as above;

b. Memorandum for Ministry of Finance, 091.31(24 Mar 50) FSS/BFF dated 24 March 1950, subject as above.

2. No objection is offered to the renewing of existing licenses or the issuing of new licenses for the sale for foreign exchange of goods properly imported into Japan as follows:

a. Sutlers who will finance their own imports and sell only to Occupation organizations and agencies for designated foreign currency instruments of exchange;

b. All wholesale and retail establishments which finance their own imports and sell to Occupation organizations, foreign nationals and Occupation personnel (military and civilian) for designated foreign currency instruments of exchange;

c. Foreign non-profit club type operations which will finance their own imports and service their own membership in accordance with agreements between club authorities and club members.

3. Such licenses as may be renewed or issued should contain the following provisions:

a. No licensee may sell to Occupation personnel (military or civilian) without the express approval of the Supreme Commander for the Allied Powers;

b. No licensee may sell for Military Payment Certificates except in accordance with procedures approved by the Supreme Commander for the Allied Powers;

c. That licensees will be subject to all applicable rules and regulations of the Supreme Commander for the Allied Powers and Japanese law.

d. Licensees will maintain full and complete records of all purchases and sales and will submit financial and other reports as required by the Japanese Government;

e. That licenses are renewed and issued for an indefinite period, may be revoked with or without notice, that operations thereunder are engaged in entirely at the risk of the licensees and that commodities imported may be placed under ration or other distribution controls at any time.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Frank R. J. Gerard

FRANK R. J. GERARD
Chief
Banking and Foreign Exchange Division

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

123(10 Apr 50)ESS/FF 10 April 1950

SUBJECT: Yen Transfer to Counterpart Fund

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

Ministry of International Trade & Industry, 3-4 Kasumigaseki, Chiyoda-ku, Tokyo

1. Reference is made to memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 091.31(1 Apr 49)ESS/EX, SCAPIN 1988, 1 April 1949, subject: Yen Counterpart of GARIOA and EROA Imports, and Memorandum to the Ministries of Finance and International Trade and Industry for the Chief, Economic and Scientific Section, 123 (20 Mar 50)ESS/FF, 20 March 1950, subject: Yen Transfer to Counterpart Fund.

2. The amended report of American Aid Imports in Japan for the month of January 1950 prepared by the Ministry of International Trade and Industry has been received and noted. An additional amendment to the December report pertaining to subsistence and cotton seed oil American Aid Import arrivals not previously reported due to lack of price information has also been received and addition made to December report.

3. The Japanese Government is hereby directed to deposit in the Counterpart Fund of United States Aid to Japan the sum of ¥ 6,886,872,230.40 the yen equivalent of the dollar amount reported and not yet deposited. Including above deposit the directed yen transfers to the Counterpart Fund to date totals ¥ 134,754,867,474.60.

4. Deposit required per paragraph 3 will be accomplished within 48 hours after receipt of this memorandum and written report of the transfer when accomplished will be made by the Ministry of Finance to the Economic and Scientific Section.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

E. M. REED
Chief
Public Finance Division

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

123(31 Mar 50)ESS/PF 31 March 1950

SUBJECT: Counterpart Fund Loans for Sweet Potato Warehouses

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is Memorandum for Public Finance Division, ESS, GHQ from Ministry of Finance, FCO 574/50(FI/CF 230), dated 25 March 1950, subject: Counterpart Fund Financing of Agriculture.

2. No objection is offered to Counterpart Fund loans aggregating ¥ 70,100,000 to 148 agricultural cooperatives for building 167 sweet potato storage warehouses. Loans will be made to individual cooperatives listed in reference 1 in the amounts therein set forth.

3. Procedure for making loans will be as set forth in reference 1. Loans will be made and administered by Central Bank for Agriculture and Forestry, acting on behalf of the Bank of Japan as agent for the Counterpart Fund. Central Bank for Agriculture and Forestry will be allowed to receive from the Bank of Japan, acting as agent for the Counterpart Fund, an annual commission of 2½% of the outstanding balance at each fiscal year-end of the Counterpart Fund loans administered by it.

4. Loans will be subject to the following conditions:

a. Interest rate will be 7½% per annum.

b. Repayment schedules of individual loans will be as set forth in reference 1.

c. Security will be the warehouses financed with Counterpart Fund loans.

d. Central Bank for Agriculture and Forestry will exercise surveillance over Cooperatives which borrow Counterpart Funds to prevent excessive borrowings which might endanger repayment of Counterpart Fund loans.

For:
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(31 Mar 50)ESS/PF

31 March 1950

SUBJECT: Counterpart Fund Loan to the Kokura Coal Mine Partnership

TO: Ministry of Finance, No. 6 Yonshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for Loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Kokura Coal Mine Partnership, dated 27 December 1949.

b. Memorandum for Public Finance Division, ESS, GHQ from Ministry of Finance, FCO 33/49(FI/CF 161), dated 21 January 1950, subject: Counterpart Fund to the Kokura Coal Mine.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP from Bank of Japan, LS 157, dated 30 December 1949, subject: Application for Loans from the Counterpart Fund by the anonymous Association Kokura Coal Mine.

2. No objection is offered to approval of loan from the Counterpart Fund to the Kokura Coal Mine Partnership totaling ¥ 14,000,000 for the 1949 JFY. The loan will be released immediately to finance the following project:

Construction of Coal Dressing Plant	¥ 14,000,000

3. The loan is subject to the following conditions:

a. Interest rate is 7.5% per annum payable quarterly.

b. Repayment of principal to be made in four equal annual installments beginning not later than 31 March 1951 with last installment payable not later than 31 March 1955. The company retains the right to anticipate repayments whenever able to do so.

c. Security will be provided by a first mortgage on all properties and facilities of the Kokura Mine.

d. The Kokura Coal Mine Partnership will submit in advance for review by the Ministry of Finance any plans for capital investment from sale of stocks, debentures or private borrowings to insure against diversion of funds to non-essential developments and to assure that programs detrimental to repayment of Counterpart Fund or RFB loans are not undertaken.

For:
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(31 Mar 50)ESS/PF 31 March 1950

SUBJECT: Counterpart Fund Loan to Otsuji Kogyosho, Reizo Takeuchi

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Otsuji Kogyosho, Reizo Takeuchi.

b. Memorandum for Public Finance Division, ESS, GHQ, SCAP, from Ministry of Finance, FCO 31/50(FI/CF 159), dated 3 March 1950, subject: Counterpart Fund Loan to Otsuji Kogyosho, Reizo Takeuchi.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, LS 143, dated 29 December 1949, subject: Application for Loan from the Counterpart Fund by the Otsuji Kogyosho, Reizo Takeuchi.

2. No objection is offered to approval of a Counterpart Fund loan to Otsuji Kogyosho, Reizo Takeuchi in the amount of ¥ 20,000,000, to be released as needed. Proceeds will be used to finance the installation of a coal washing plant at the Otsuji Coal Mine.

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Security will be a first mortgage on the entire property of the Otsuji Coal Mine.

c. Repayment of principal will be made annually as follows:

¥ 2,000,000	1950
¥ 3,000,000	1951
¥ 3,750,000	1952 through 1955

The company reserves the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plan for incorporation, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(31 Mar 50)ESS/PF 31 March 1950

SUBJECT: Counterpart Fund Loan to Nitchitsu Mining Development Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Nitchitsu Kogyo Kaihatsu KK.

b. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 510/50(FI/CF 208), dated 7 March 1950, subject: Counterpart Fund Loan to Nitchitsu Kogyo Kaihatsu KK.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from Bank of Japan, LS 13, dated 3 March 1950, subject: Application for Loans from the Counterpart Fund by the Nitchitsu Kogyo Kaihatsu KK.

2. No objection is offered to approval of a Counterpart Fund loan to Nitchitsu Kogyo Kaihatsu KK in the amount of ¥ 23,700,000 to be available for release as needed. Proceeds will be used to finance restoration and development projects at the Emukai Mine in the amounts stipulated below:

Construction of No. 1 Level Haulway	¥ 1,000,000
Excavation of New No. 3 Pit	13,000,000
Coal Dressing Facilities	2,000,000
Coal Cars	5,400,000
Mining Machinery	2,300,000
	¥ 23,700,000

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Security will be a first mortgage on the entire property of the Emukai Coal Mine.

c. Repayment of principal to be in annual installments as follows:

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subj: Counterpart Fund Loan to Nitchitsu Mining Development Co., Ltd.

1951 thru 1955 each year	¥ 3,000,000
1956	4,000,000
1957	4,700,000

The company reserves the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

H.S.

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

123(31 Mar 50)ESS 31 March 1950

SUBJECT: Application from Japan Coal Mining Co., Ltd. for Counterpart Fund Loan

TO: Ministry of Finance, No. 6 Honshio-Cho, Yotsuya, Tokyo

1. References are:

a. Application from Japan Coal Mining Co., Ltd. for Loan from the U.S. Aid Counterpart Fund for Japanese Stabilization, dated 7 December 1949.

b. Memorandum for Finance Division, ESS, GHQ, SCAP from Ministry of Finance, FCO 3134/49(FI/CF-15), dated 13 December 1949, subject: Application for Release of Counterpart Fund for a Loan to Japan Coal Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from Bank of Japan, LS 137, dated 28 December 1949, subject: Application for Loans from the Counterpart Fund by the Nippon Coal Mining Co., Ltd.

2. No objection is offered to approval of loan from the Counterpart Fund to the Japan Coal Mining Co., Ltd., of ¥ 177,000,000 for the 1949 JFY. Loan is to be used to finance the following projects in the amounts stipulated:

a. Development and Mechanization of Futashima Pit	¥ 70,000,000
b. Excavation of No. 3 Shaft at Takamatsu Mine	24,000,000
c. Development and Mechanization at Ainoura Mine	83,000,000
	¥177,000,000

3. No proceeds of the loan will be used for housing. Requests of ¥ 14,807,000 at the Takamatsu Mine and ¥ 20,000,000 at the Ainoura Mine for such purposes are denied.

4. The loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be made in equal annual installments beginning 1951 JFY with last installment payable not later than

123(31 Mar 50)ESS
Subj: Application from Japan Coal Mining Co., Ltd. for Counterpart Fund Loan

31 March 1958. The company retains the right to anticipate repayments whenever able to do so.

c. Security will be provided by a first mortgage on the company's entire properties and facilities.

d. Increase of capital stock and issuance of debentures will be effected at the earliest appropriate time to finance current rehabilitation and development program.

e. The Japan Coal Mining Co., Ltd. will submit in advance for review by the Ministry of Finance any plans for capital investment from sale of stocks, debentures or private borrowings to insure against diversion of funds to non-essential developments and to assure that programs detrimental to repayment of Counterpart Fund or RFB loans are not undertaken.

For:
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

31 March 1950

123(31 Mar 50)ESS/PF

SUBJECT: Counterpart Fund Loan to Japanese Government Corporation for the Housing of Allied Personnel

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund submitted by Japanese Government Corporation for Housing of Allied Personnel.

b. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 580/50(FI/CF 231), dated 30 March 1950, subject: Release of U.S. Aid Counterpart Fund for a Loan to the Japanese Government Corporation for the Housing of Allied Personnel.

c. Memorandum for Japanese Government, AG 628(27 Jan 50)ESS/PF, SCAPIN 2076, dated 27 January 1950, subject: Provision of Additional Dependent Housing for Occupation Forces.

2. No objection is offered to approval of a Counterpart Fund loan to the Japanese Government Corporation for Housing of Allied Personnel in the amount of ¥ 5,256,000,000 to be made available as follows:

1 April 1950	¥ 1,600,000,000
1 May "	228,000,000
1 June "	828,000,000
1 July "	1,300,000,000
1 August "	1,300,000,000

Proceeds of the loan will be used to construct the houses at locations designated by the Engineer's Section, General Headquarters, Far East Command.

3. Loan is subject to the following conditions:

a. Interest rate is 5.5% per annum.

b. Security will be a first mortgage on the entire property of Japanese Government Corporation for the Housing of Allied Personnel.

c. The total rentals paid by the tenants will be applied to the payment of interest and repayments of principal.

123(31 Mar 50)ESS/PF
subj: Counterpart Fund Loan to Japanese Government Corporation for the Housing of Allied Personnel.

d. Interest payments will be made on the 31st of March and 30th of September each year excepting that in the 1950-51 Japanese fiscal year, they will be made on the 31st days of December and March. Repayment of principal will start in December 1951 and will be made in quarterly installments over a period not to exceed thirteen (13) years. The company reserves the right to anticipate repayments whenever able to do so.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

28 March 1950

123(28 Mar 50)ESS/PF

SUBJECT: Application of Mitsui Mining Co., Ltd. for a Counterpart Fund Loan

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Mitsui Kozan Kabushiki Kaisha (Mitsui Mining Co., Ltd.).

b. Memorandum for Finance Division, ESS, GHQ, from Ministry of Finance, FCO 3112/49(FI/CF-101), dated 8 December 1949, subject: Counterpart Fund Loan to Mitsui Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from Bank of Japan, LS 154, dated 30 December 1949, subject: Application for Loans from the Counterpart Fund by the Mitsui Mining Co., Ltd.

2. No objection is offered to approval of a Counterpart Fund Loan to Mitsui Mining Co., Ltd. in the amount of ¥ 941,000,000. Funds will be released immediately and used for the projects and in the amounts specified below:

Miike Mine	Development of submarine coal bed	¥ 389,000,000
Tagawa Mine	Excavation of No. 3 incline	120,000,000
Tagawa Mine	Renovation of haulage system	60,000,000
Yumano Mine	Installation of coal dressing equipment	20,000,000
Yumano Mine	Excavation of interior part of Pit No. 3	146,000,000
Sunagawa Mine	Excavation of ventilating shaft, No. 1 Pit	46,000,000
Ashibetsu Mine	Installation of coal dressing equipment	96,000,000
Ashibetsu Mine	Excavation of No. 2 Pit	64,000,000

123(28 Mar 50)ESS/PF
Subj: Application of Mitsui Mining Co., Ltd. for a Counterpart Fund Loan

3. Loan is subject to the following conditions:

a. Interest rate will be 7.5% per annum.

b. Repayment will be made in equal annual installments beginning in JFY 51 and to be completed by 31 March 1959. The company retains the right to anticipate repayments whenever able to do so.

c. Loan to be unsecured until after the reorganization and the separation of the coal and metal companies. Loan then to be secured by first mortgage equally with bonds and RFB loans.

d. Company will submit in advance for review its plans for new construction, sale of securities and disposition of the proceeds thereof to prevent the diversion of funds to non-essential uses and to make certain that programs detrimental to repayment of Counterpart Fund loans are not undertaken.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
APO 500 28 March 1950

123(28 Mar 50)ESS/PF

SUBJECT: Counterpart Fund Loan to Yubetsu Colliery and Railway Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for Loan from U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Yubetsu Colliery and Railway Co., Ltd.

b. Memorandum for Finance Division, ESS, GHQ, from Ministry of Finance, FCO 3161/49(FI/CF 125), dated 20 December 1949, subject: Counterpart Fund loan to Yubetsu Colliery and Railway Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from Bank of Japan, LS 150, dated 30 December 1949, subject: Application for Loans from the Counterpart Fund by the Yubetsu Colliery and Railway Co., Ltd.

2. No objection is offered to approval of loan from the Counterpart Fund to the Yubetsu Colliery and Railway Co., Ltd. totaling ¥ 75,000,000 for the 1949-50 JFY. The loan will be released as needed to finance the following projects in the amounts stipulated:

a. Yubetsu Mine			
	Transportation Facilities	¥ 6,000,000	
	Coal Dressing Plant	9,000,000	
			¥ 15,000,000
b. Mojiri Mine			
	Coal Dressing Plant		32,000,000
c. Shokubetsu Mine			
	Run of Mine Coal Bin	7,800,000	
	Shale Dumping Facilities	20,200,000	
			28,000,000
	Total		¥ 75,000,000

123(28 Mar 50)ESS/PF
subj: Counterpart Fund Loan to Yubetsu Colliery and Railway Co., Ltd.

3. The loan will be subject to the following conditions:

a. Interest rate 7.5% per annum.

b. Repayment of principal in equal annual installments beginning JFY 1951 with last payment due 31 March 1956. The company to retain the right to anticipate repayments whenever able to do so.

c. Security will be provided by a first mortgage on all the property and facilities of the Mojiri Mine.

d. The Yubetsu Colliery and Railway Co., Ltd. will submit in advance for review by the Ministry of Finance any plans for capital investment from sale of stocks, debentures or private borrowings to insure against diversion of funds to non-essential developments and to assure that programs detrimental to repayment of Counterpart Fund or RFB loans are not undertaken.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

GOV'T. SEC.

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

200.2(29 Mar 50)ESS/BFE 29 March 1950

SUBJECT: Licensing of Foreign Exchange Banks

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is Ministry of Finance Memorandum, EI/FE No. 396, 28 March 1950, subject: "License of Foreign Exchange Bank to Kagoshima Kogyo Bank and Two Banks."

2. The matter of licensing foreign exchange banks is one within the competency of the Ministry of Finance. In this connection full responsibility rests with the Ministry in respect to their licensees' financial worthiness, complete ability to satisfactorily undertake the purpose for which licensed and to competently represent Japan in international financial and trade matters.

3. The Nippon Kogyo Bank should in no event be licensed as a foreign exchange bank until, both in law and fact, it has become a private commercial banking enterprise.

4. Applications forwarded with referenced memorandum are returned herewith.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Frank R. J. Gerard

FRANK R. J. GERARD
Chief
Banking and Foreign Exchange Division

3 Incls
1. Appli fr Kagoshima Kogyo Bk w/incls
2. Appli fr Indus Bk of Japan
3. Appli fr The Kyowa Bk, Ltd.

Copies to:
CLCO (2)
SRS
Govt Sec
ESS (3)
ESS/BFE
CIE
8th Army

GOV'T SECT.

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

123.7(24 Mar 50)ESS/BFF 24 March 1950

SUBJECT: Type "B" Currency Taken Up From Takeo Matsumoto Upon Entry Into Japan

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is memorandum for the Japanese Government, AG 130 (18 Jan 49)FSS/FIN, SCAPIN 1966, subject: Property Individuals are Authorized to Carry on Entering and Leaving Japan, dated 18 January 1949, which directs the Japanese Government to take up yen currency from all persons entering Japan to be held in safe custody by the Bank of Japan against receipt.

2. In accordance with referenced memorandum, Japanese Customs took up 35,050 Type "B" yen from Mr. Takeo Matsumoto who was repatriated from the Ryukyu Islands and arrived in Japan on 8 April 1949 aboard the Bogota Maru. Mr. Matsumoto was formerly employed by the Military Government of the Ryukyu Islands as an interpreter and was permitted to leave the Islands with his Type "B" yen earnings by officials who were not aware that Type "B" yen could not be converted into Japanese yen in Japan.

3. The Military Governor of the Ryukyu Islands has indicated that upon return of subject Type "B" yen, Japanese yen funds equivalent to the value of the Type "B" yen currency taken up will be released to Mr. Matsumoto through the Ryukyuan yen account in The National City Bank of New York, Tokyo.

4. In view of the unusual circumstances involved, it is considered that favorable consideration should be given to forwarding the type "B" yen to the Military Governor of the Ryukyu Islands in order that payment in Japanese yen may be made to Mr. Matsumoto. Return of subject yen may be effected through the Ryukyus Procurement Department, Tokyo Division, Empire House, Tokyo.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Frank R. J. Gerard

FRANK R. J. GERARD, Chief
Banking and Foreign Exchange Division

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

091.31(24 Mar 50)ESS/BFT 24 March 1950

SUBJECT: Interim Measure re Sale of Merchandise Financed with Importers' Funds Abroad

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References:

a. Memorandum for Ministry of Finance, file 091.31(16 Dec 49)ESS/JF dated 16 December 1949, subject: as above.

b. Memorandum from Ministry of Finance, file FCO 531/50 (FI/FE) dated 13 March 1950, subject: as above.

2. There is no objection to extending temporarily present licenses issued for import and sale of imported commodities for foreign exchange within Japan or to issuing new licenses both on the present basis and subject to revocation without notice. The operations of aforesaid licensees will continue to be subject to applicable Supreme Commander for the Allied Powers regulations and Japanese law.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

FRANK R. J. GERARD, Chief
Banking and Foreign Exchange Division

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

123(23 Mar 50)ESS/PF 23 March 1950

SUBJECT: Counterpart Fund Loan to Nippon Hassoden Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization from Nippon Hassoden Co., Ltd.

b. Memorandum for Public Finance Division, ESS, GHQ, SCAP, from Ministry of Finance, FCO 36/50(FI/CF 164), dated 20 January 1950, subject: U.S. Aid Counterpart Fund Financing Program for the Electric Industry.

2. No objection is offered to approval of a loan from the Counterpart Fund to Nippon Hassoden Co., Ltd. in the amount of ¥ 1,762,349,000, funds to be made available for release as needed. Proceeds will be used to finance the projects listed in the attached table and in the respective amounts therein set forth.

3. Loan will be subject to the following conditions:

a. Interest rate is 7½% per annum.

b. Terms of repayment of principal to be as set forth in the application, e.g. a five-year period of immunity, and repayment to be made in 25 equal annual installments to be completed by 31 March 1980, the company reserving the right to anticipate repayments whenever able to do so.

c. The Ministry of Finance to negotiate with the company's other creditors for an agreement permitting reasonable security for Counterpart Fund loans by pledge of assets.

d. Nippon Hassoden Co., Ltd. will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of the Counterpart Fund loans are not undertaken.

c. Use of Counterpart Funds to repay stop-gap loans or other temporary indebtedness incurred to finance the projects listed in the accompanying table is permitted.

4. Nippon Hassoden Co., Ltd. should be advised that no commitment is being given as to granting additional Counterpart Fund loans in future fiscal years, and that granting of such loans will depend upon progress already made, the efficiency of utilization of previous loans, and the company's ability to finance its capital requirements through private channels. The Ministry of Finance is reminded of its supervisory responsibility for Counterpart Funds and its responsibility for making recommendations on future applications.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

22 March 1950

123(22 Mar 50)LSS/PF

SUBJECT: Counterpart Fund Loan to Ohama Coal Mining Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Ohama Coal Mining Co., Ltd.

b. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 84/50(FI/CF 179), dated 28 January 1950, subject: Counterpart Fund Loan to Ohama Coal Mining Company.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from the Bank of Japan, LS 144, dated 29 December 1949, subject: Application for loans from the Counterpart Fund from Ohama Coal Mining Company.

2. No objection is offered to approval of a Counterpart Fund loan to Ohama Coal Mining Co., Ltd. in the amount of ¥ 16,000,000, funds to be released as needed. Proceeds will be used to finance projects in its Ohama Mine, ¥ 13,000,000 for pit development and ¥ 3,000,000 for coal washing equipment.

3. Loan is subject to following conditions:

a. Interest rate to be 7.5% per annum.

b. Security will be a third mortgage on the entire mine.

c. Repayment of principal to be in equal quarterly installments beginning March 1951 and completed by March 1956. The company will reserve the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(22 Mar 50)ESS/PF 22 March 1950

SUBJECT: Counterpart Fund Loan to Kaijima Mining Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by the Kaijima Mining Co., Ltd.

b. Memorandum for Finance Division, ESS, GHQ, from Ministry of Finance, FCO 3122/49(FI/CF-110), dated 12 December 1949, subject: Counterpart Fund Loan to Kaijima Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from the Bank of Japan, LS-149, dated 30 December 1949, subject: Application for Loans from the Counterpart Fund by the Kaijima Mining Co., Ltd.

2. No objection is offered to approval of a Counterpart Fund loan to Kaijima Mining Co., Ltd. in the amount of ¥ 161,000,000, funds to be made available for immediate release. Proceeds will be used to finance projects in the Onoura Mine as follows:

Development Eastern Onoura Mine	¥ 100,000,000
Coal Dressing Plant	61,000,000

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Security will be establishment of a mining foundation.

c. Repayment of principal to be in annual installments over a period of nine years. Repayment will start March 1951 and be completed in March 1959. The company will reserve the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

For:

W. F. MARQUAT
Major General, U. S, Army
Chief, Economic and Scientific Section

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

123(22 Mar 50)LSS/PF 22 March 1950

SUBJECT: Counterpart Fund Loan to the Seika Mining Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Seika Mining Co., Ltd.

b. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 3133/49(FI/CF-116), dated 16 December 1949, subject: Counterpart Fund Loan to Seika Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, from Bank of Japan, LS 155, dated 30 December 1949, subject: Application for Loans from Counterpart Fund by the Seika Mining Co., Ltd.

2. No objection is offered to approval of loan from the Counterpart Fund to the Seika Mining Co., Ltd. totaling ¥ 170,060,000 for the 1949 JFY. The loan will be released as funds are required to finance the following projects in the amounts stipulated:

Akabira Colliery

1.	North Shitaban cross cut - 200 level	¥ 3,420,000
2.	South main level - 200	3,420,000
3.	West cross cut - 350	3,420,000
4.	South main level - 350	3,420,000
5.	North main level - 350	3,420,000
6.	West cross cut 0 level	3,420,000
7.	No. 1 main cross cut	3,420,000
8.	No. 2 main cross cut	2,736,000
9.	Raw coal pocket - 60 level	1,749,000
10.	Blind shaft - 80 level	3,444,000
11.	Sub slope	2,286,000
12.	South main - 20 level	4,104,000
13.	South main - 90 level	4,104,000
14.	500 h.p. air compressor	5,722,000
15.	400 h.p. winder installation	1,420,000
16.	Man car and safety car	1,000,000
17.	South main - 100 level	4,560,000
18.	Air shaft concrete lining	1,537,000
19.	Open adit concrete lining	4,899,000
20.	Transport equipment between No. 4 pit and washery	3,600,000

21.	Sand flushing	1,600,000
22.	Coal car	5,060,000
23.	600 h.p. skip	1,000,000
24.	No. 1 put main fan	2,760,000
25.	No. 3 pit main fan	1,639,000
26.	No. 4 pit main fan	900,000
27.	Underground cable	1,500,000
28.	Boring machine	1,500,000
29.	Special mine telephone	4,000,000
30.	Sub-station	10,000,000
		¥ 95,060,000

Honbetsu Colliery

1.	600 h.p. winder No. 9 slope (90% completed)	)
2.	Man car haulage	)
3.	No. 3 level cross cut	)
4.	Central No. 7 slope	)
5.	Iron cars, coal	) 39,000,000
6.	Skip	)
7.	Water work	)
8.	Boring	)
9.	10" air piping	)
10.	300 h.p. turbine pump	)
11.	Surface tippler	)
12.	Washery (refuse dumping)	8,000,000
13.	Face loader	1,000,000
		¥ 48,000,000

Utashinai Colliery

1.	No. 1 pit airway	10,373,000
2.	Concrete lining	700,000
3.	No. 1 incline (Haulage slope)	6,800,000
4.	Washery repair	3,177,000
5.	Man car (materials for 20 cars)	3,800,000
6.	4 ton locomotive	1,050,000
7.	15 h.p. conveyor engine	1,100,000
		¥ 27,000,000

Total all projects ¥ 170,060,000

4. The loan will be subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be made in seven (7) equal annual installments beginning in 1951 JFY. The company retains the right to anticipate repayments whenever able to do so.

c. Security will be provided by a first mortgage on all the property and facilities of the Honbetsu Colliery.

d. Soika Mining Co., Ltd. will submit in advance for review by the Ministry of Finance any plans for capital investment from sale of stocks, debentures or private borrowings to insure against diversion of funds to non-essential developments and to assure that programs detrimental to repayment of Counterpart Fund or RFB loans are not undertaken.

for: W.F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(20 Mar 50)ESS/PF

20 March 1950

SUBJECT: Yen Transfer to Counterpart Fund

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

Ministry of International Trade & Industry, 3-4 Kasumigaseki, Chiyoda-ku, Tokyo

1. Reference is made to Memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 091.31(1 Apr 49)ESS/EX, SCAPIN 1988, 1 April 1949, subject: Yen Counterpart of GARIOA and EROA Imports, and Memorandum to the Ministries of Finance and International Trade and Industry for the Chief, Economic and Scientific Section, 123(23 Feb 50)ESS/PF, 23 February 1950, subject: Yen Transfer to Counterpart Fund.

2. The amended report of American Aid Imports in Japan for the month of December 1949 prepared by the Ministry of International Trade and Industry has been received and noted. Additional information pertaining to freight charges paid by the Japanese Government to CMTC for hauling POL products lifted at sources outside of Japan and delivered to U.S. Army stocks was also received and the MITI deduction for such charges eliminated from December report.

3. The Japanese Government is hereby directed to deposit in the Counterpart Fund of United States Aid to Japan the sum of ¥7,941,454,531.20 the yen equivalent of the dollar amount reported and not yet deposited. Including above deposit the directed yen transfers to the Counterpart Fund to date totals ¥ 127,867,995,244.20.

4. Deposit required per paragraph 3 will be accomplished within 48 hours after receipt of this memorandum and written report of the transfer when accomplished will be made by the Ministry of Finance to the Economic and Scientific Section.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

E. M. Reed

E. M. REED
Chief,
Public Finance Division

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

123(20 Mar 50)LSS/PF 20 March 1950

SUBJECT: Counterpart Fund Loan to the Sawara Mining Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Sawara Mining Co., Ltd.

b. Memorandum for Public Finance Division, ESS, GHQ, SCAP from the Ministry of Finance, FCO 60/50(FI/CF-173), dated 23 January 1950, subject: Application for Release of Counterpart Fund for a Loan to Sawara Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP from the Bank of Japan, LS-147, dated 30 December 1949, subject: Application for Loans from the Counterpart Fund by the Sawara Coal Mine Co., Ltd.

2. No objection is offered to approval of a Counterpart Fund loan to Sawara Mining Co., Ltd. in the amount of ¥ 23,000,000, funds to be made available for immediate release. Proceeds will be used to finance extension of coal dressing and loading facilities at its Sawara Mine.

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Security will be a first mortgage on the Sawara Mine including mining rights.

c. Repayment of principal will be in annual installments over a period of 3 years. Repayment will start in 1951 and be completed in 1953. The company will reserve the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities and disposition of the proceeds thereof to insure against diversion of funds and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(20 Mar 50)ESS/PF 20 March 1950

SUBJECT: Counterpart Fund Loan to Joban Coal Mining Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for Loan from U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Joban Coal Mining Co., dated 5 December 1949.

b. Memorandum for Finance Division, ESS, GHQ, from Ministry of Finance, FCO 3320/49(FI/CF-107), dated 12 December 1949, subject: Counterpart Fund Loan to Joban Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, LS-153, from Bank of Japan, dated 30 December 1949, subject: Application for Loans from the Counterpart Fund by the Joban Coal Mining Co., Ltd.

2. No objection is offered to approval of loan from the Counterpart Fund to the Joban Coal Mining Co., Ltd. totaling ¥ 100,000,000 for the 1949 JFY. The loan will be released immediately to finance the following projects:

a. Completion of the Kashima Pit Coal Dressing Plant	¥ 52,000,000
b. Construction of the Iwasaki Pit Coal Dressing Plant	¥ 48,000,000
	¥100,000,000

3. The loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be made in equal annual installments beginning in 1951 JFY with last installment payable on or before 31 March 1957. The company retains the right to anticipate repayments whenever able to do so.

c. Security will be a first mortgage established on the entire plant and facilities of the Taira and Yumoto Steam Plant Generating Stations.

d. The Joban Coal Mining Co. will submit in advance for review by the Ministry of Finance any plans for capital investment from sale of

123(20 Mar 50)ESS/PF
Subj: Counterpart Fund Loan to Joban Coal Mining Co., Ltd.

stocks, debentures or private borrowings to insure against diversion of funds to non-essential developments and to assure that programs detrimental to repayment of Counterpart Funds or RFB loans are not undertaken.

for W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(20 Mar 50)ESS/PF 20 March 1950

SUBJECT: Counterpart Fund Loan to Kyushu Haiden Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Kyushu Haiden Co., Ltd.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 3303/49(FI/CF-143), dated 27 December 1949, subject: Application for Release of Counterpart Fund of U.S. Aid to Japan for a Loan to Kyushu Haiden KK.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from the Bank of Japan, LS-139, dated 29 December 1949, subject: Application for Loans from the Counterpart Fund for Kyushu Haiden KK.

d. Memorandum for Public Finance Division, ESS, GHQ, SCAP, from Ministry of Finance, FCO 36/50(FI/CF-164), dated 20 January 1950, subject: Counterpart Fund Financing Program for the Electric Industry.

2. No objection is offered to approval of a Counterpart Fund Loan to Kyushu Haiden Co., Ltd. in the amount of ¥ 104,000,000, funds to be made available for immediate release. Proceeds will be used to finance construction of the projects listed in reference 1d, Table 1B, page 15 in the respective amounts therein set forth.

3. Loan will be subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be in 20 years with a one year period of immunity, thereafter in 38 equal semi-annual installments beginning in March 1951 and completed by September 1969. The company will reserve the right to anticipate repayments whenever able to do so.

c. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

4. Use of Counterpart Funds to repay stop-gap loans or other temporary indebtedness is incurred to finance the 17 projects described in paragraph 2 above is authorized.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

DECLASSIFIED: AUTH: NARA LETTER DATED SEP. 5(E) AND 5(D) OR (E) NND # 773012

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

122(20 Mar 50)ESS/BFE

20 March 1950

SUBJECT: Sapporo Stock Exchange

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Memorandum for the Japanese Government, AG 091.3 (5 May 49)ESS, (SCAPIN 2004), 11 May 1949, subject: Securities Exchanges;

b. FOR Memorandum No. 509 (FIN) dated 17 March 1950, subject: Opening of Securities Exchanges, which requests authorization to open the securities exchange in Sapporo at the earliest date.

2. The request as submitted in reference b. above is hereby approved under conditions as specified in SCAPIN 2004 and the opening date of such exchange shall be 1 April 1950.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

FRANK R. J. GERARD
Chief,
Banking and Foreign Exchange Division

DISTRIBUTION:
CLCC (2)
SRS
Govt Sec
ESS (3)
ESS/BFE
CIE
~~Sth Army~~ CAS
AG

Govt Sec

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 5(D) OR (E) NND # 775012

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

123(16 Mar 50)ESS/PF 16 March 1950

SUBJECT: Counterpart Fund Loan to Shikoku Haiden Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for Loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Shikoku Haiden Co., Ltd.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 3132/49(FI/CF-114), dated 15 December 1949, subject: Application for Release of Counterpart Fund of U.S. Aid to Japan for a loan to the Shikoku Haiden K.K.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from the Bank of Japan, LS 141, dated 29 December 1949, subject: Application for Loans from the Counterpart Fund by the Shikoku Haiden Co., Ltd.

d. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 36/50(FI/CF-164), dated 20 January 1950, subject: U.S. Aid Counterpart Fund Financing Program for the Electric Industry.

2. No objection is offered to approval of a Counterpart Fund loan to Shikoku Haiden Co., Ltd. in the amount of ¥ 103,922,000, funds to be made available for immediate release. Proceeds will be used to finance projects listed in reference 1d, Table 1 B, pages 13 and 14, in the respective amounts therein set forth.

3. The loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment to be in 20 years with a one year period of immunity from date of loan. Repayment will be in 38 semi-annual installments beginning in 1951 and completed in 1969. The company is to reserve the right to anticipate repayments whenever able to do so.

c. Shikoku Haiden will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

DECLASSIFIED E.O. 11652 SEC. 3(E) AND 5(D) OR (E) NND 9 713012

123(16 Mar 50)ESS/PF
Subj: Counterpart Fund Loan to Shikoku Haiden Co., Ltd.

4. Use of Counterpart Funds to repay stop-gap loans or other temporary indebtedness incurred to finance the 23 projects described in paragraph 2 above is authorized.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

DECLASSIFIED AUTH: NARA DATE 2005 SEC. 3(E) AND 3(D) OR (E) MNN # 111012

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

123( )ESS/PF

SUBJECT: Counterpart Fund Loan to Kansai Haiden Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Kansai Haiden Co., Ltd.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, from the Ministry of Finance, FCO 3075/49(FI/CF-88) dated 29 November 1949, subject: Application for Release of Counterpart Fund of U.S. Aid to Japan for a Loan to the Kansai Haiden, KK.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from the Bank of Japan, LS-140, dated 29 December 1949, subject: Application for Loans from the Counterpart Fund by the Kansai Haiden Co., Ltd.

d. Memorandum for Public Finance Division, ESS, GHQ, from the Ministry of Finance, FCO 36/50(FI/CF-164), dated 20 January 1950, subject: U.S. Aid Counterpart Fund Financing Program for the Electric Industry.

2. No objection is offered to approval of a Counterpart Fund loan to Kansai Haiden Co., Ltd. in the amount of ¥ 375,690,000, funds to be made available for immediate release. Proceeds will be used to finance projects listed in reference 1d, Table 1 B, pages 9 and 10 in the respective amounts therein set forth.

3. The loan will be subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment to be made in 20 years with a one year period of immunity from date of loan. Repayment will be in 38 semi-annual installments beginning in 1951 and completed in 1969. The company is to reserve the right to anticipate repayments whenever able to do so.

c. Kansai Haidon will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

4. Use of Counterpart Funds to repay stop-gap loans or other temporary indebtedness incurred to finance the 32 projects described in paragraph 2 above is authorized.

For: W. F. MARQUAT
Major, General, U. S. Army
Chief, Economic and Scientific Section

NARA RECORD GROUP 331 PROJ SEC. 5(E) AND 5(D) OR (E) MDG # 119012

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

123(16 Mar 50)ESS/PF 16 March 1950

SUBJECT: Counterpart Fund Loan to Meiji Mining Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Meiji Mining Co., Ltd.

b. Memorandum for Finance Division, ESS, GHQ, from Ministry of Finance, FCO 3157/49(FI/CF 121), dated 20 December 1949, subject: Application for Release of Counterpart Fund of U.S. Aid to Japan for a loan to the Meiji Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP from the Bank of Japan, LS 151, dated 30 December 1949, subject: Application for Loans from the Counterpart Fund by the Meiji Mining Co., Ltd.

2. No objection is offered to approval of a Counterpart Fund loan to Meiji Mining Co., Ltd. in the amount of ¥176,000,000, funds to be made available for immediate release. Proceeds will be used to finance specific projects in specific mines as indicated below:

Mine	Purpose	Amount
Tateyama	Coal Washing Equipment	¥ 22,000,000
Kami Ashibetsu	Coal Washing Equipment	36,000,000
Kami Ashibetsu	Bridge Construction	28,000,000
Nishiki	Coal Washing Equipment	10,000,000
Nishiki	Excavation	15,000,000
Shoro	Coal Washing Equipment	16,000,000
Shoro	Development	20,000,000
Akaike	Coal Dressing Equipment	29,000,000
	Total	¥ 176,000,000

3. Loan is subject to the following conditions:

a. Interest rate to be 7.5% per annum.

b. Security will be a first mortgage on the Hirayama and Tondo mines including mining rights.

c. Repayment of principal to be in quarterly installments over a period of nine (9) years beginning in March 1951 and ending September 1959. The company will reserve the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

122(20 Mar 50)ESS/BFE 20 March 1950

SUBJECT: Sapporo Stock Exchange

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Memorandum for the Japanese Government, AG 091.3 (5 May 49)ESS, (SCAPIN 2004), 11 May 1949, subject: Securities Exchanges;

b. FOM Memorandum No. 509 (FIM) dated 17 March 1950, subject: Opening of Securities Exchanges, which requests authorization to open the securities exchange in Sapporo at the earliest date.

2. The request as submitted in reference b. above is hereby approved under conditions as specified in SCAPIN 2004 and the opening date of such exchange shall be 1 April 1950.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Frank R. J. Gerard

FRANK R. J. GERARD
Chief,
Banking and Foreign Exchange Division.

Copies to:
CLCO (2)
SRS
Govt. Sec.
CHS
ESS (3)
ESS/BFE
CI&E
8th Army

PURSUANT TO EXECUTIVE ORDER 13526, SEC. 3(E) AND 3(D) OR (E) NNDM # 779012

Hw/1 Sec

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

123(9 Mar 50)ESS/PF 9 March 1950

SUBJECT: Counterpart Fund Loan to the Taisho Mining Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Taisho Mining Co., Ltd.

b. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 34/50(FI/CF 163), dated 11 January 1950, subject: Application for Release of Counterpart Fund for a Loan to the Taisho Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP from Bank of Japan, LS 156, dated 30 December 1949, subject: Application for Loans from Counterpart Fund by the Taisho Mining Co., Ltd.

2. No objection is offered to approval of a loan from the Counterpart Fund to the Taisho Mining Company totaling ¥ 40,000,000 for the 1949 JFY. The loan will be released immediately to finance the following projects in the amounts stipulated below:

a. Excavating of New Pits No. 1 and No. 2	¥ 20,000,000
b. Flood prevention work	5,000,000
c. Shale dumping facilities	15,000,000
	¥ 40,000,000

3. The loan is subject to the following conditions:

a. Interest rate is 7.5% per annum payable quarterly.

b. Repayment of principal to be made in annual installments beginning 1951 JFY with last installment payable on or before 31 March 1958. The company retains the right to anticipate repayments whenever able to do so.

c. Security will be provided by a first mortgage on all the property and facilities of the Nakatsuru Coal Mine.

123(9 Mar 50)ESS/PF
subj: Counterpart Fund Loan to the Taisho Mining Co., Ltd.

d. Taisho Mining Co., Ltd. will submit in advance for review by the Ministry of Finance any plans for capital investment from sale of stocks, debentures or private borrowings to insure against diversion of funds to non-essential developments and to assure that programs detrimental to repayment of Counterpart Fund or RFB loans are not undertaken.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(9 Mar 50)ESS/PF 9 March 1950

SUBJECT: Counterpart Fund Loan to Chubu Haiden Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Chubu Haiden Co., Ltd.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 3076/49(FI/CF 89), dated 3 December 1949, subject: Application for Release of Counterpart Fund of U.S. Aid to Japan for a Loan to Chubu Haiden Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from the Bank of Japan, LS 123, dated 6 December 1949, subject: Application for Loans from the Counterpart Fund by the Chubu Haiden Co., Ltd.

d. Memorandum for Public Finance Division, ESS, GHQ, SCAP, from Ministry of Finance, FCO 36/50(FI/CF 164), dated 20 January 1950, subject: U.S. Aid Counterpart Fund Financing Program for the Electric Industry.

2. No objection is offered to approval of a Counterpart Fund loan to Chubu Haiden Co., Ltd. in the amount of ¥ 203,000,000, the funds to be released immediately. Proceeds will be used to finance construction of the projects listed in reference 1d, Table 1B, pages 6 and 7 in the respective amounts therein set forth.

3. The loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be as recommended in reference 1b, e.g., a one-year period of immunity, and repayment to be made in 38 equal semi-annual installments with the company reserving the right to anticipate repayments whenever able to do so.

c. Chubu Haiden Co., Ltd. will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

123(9 Mar 50)ESS/PF
subj: Counterpart Fund Loan to Chubu Haiden Co., Ltd.

4. Use of Counterpart Funds to repay stop-gap loans or other temporary indebtedness incurred to finance the 30 projects described in paragraph 3 above is permitted.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Form 2c

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

123(9 Mar 50)ESS/PF

9 March 1950

SUBJECT: Counterpart Fund Loan to Ube Industrial Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Ube Industrial Co., Ltd.

b. Memorandum for Public Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 3/50(FI/CF 157), dated 9 January 1950, subject: Application for Release of the U.S. Aid Counterpart Fund for a loan to Ube Industrial Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from the Bank of Japan, LS 160, dated 30 December 1949, subject: Application for Loans from the Counterpart Fund by the Ube Industrial Co., Ltd.

2. No objection is offered to approval of a Counterpart Fund loan to Ube Industrial Co., Ltd. in the amount of ¥ 100,000,000, the funds to be made available for immediate release. Proceeds are to be used as follows:

Okinoyama	Restoration	¥ 60,000,000
Higashimisome	Enlargement	40,000,000

3. The loan is subject to the following conditions:

a. Interest rate is 7½% per annum.

b. Security will be Okinoyama mine foundation.

c. Repayment to be made as recommended in references 1b and 1c above, the company reserving the right to anticipate repayments whenever able to do so.

d. Ube Industrial Co., Ltd. will submit in advance for review to the Ministry of Finance its plans for rehabilitation, sale of securities, and disposition of proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(6 Mar 50)ESS/PF

6 March 1950

SUBJECT: Counterpart Fund Loan to Nippon Suiso Kogyo Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Nippon Suiso Kogyo Co., Ltd.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 3080 (FI/CF-91), dated 30 November 1949, subject: Application for Release of the U.S. Aid Counterpart Fund for a Loan to the Nippon Suiso Kogyo Co., Ltd.

2. No objection is offered to approval of a Counterpart Fund loan to Nippon Suiso Kogyo Co., Ltd. in the amount of ¥ 40,000,000, funds to be made available for immediate release. Proceeds will be used to finance improvement of ammonium sulphate producing facilities at its Onahama plant.

3. Loan will be subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Security to be a first mortgage shared jointly with RFB.

c. Repayment of principal to be made in semi-annual installments beginning 31 March 1951 and ending not later than 31 March 1956. The company reserves the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential development and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(6 Mar 50)ESS/PF 6 March 1950

SUBJECT: Counterpart Fund Loan to Chugoku Haiden Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Chugoku Haiden Co., Ltd.

b. Memorandum for Japanese Finance Division, Economic and Scientific Section, GHQ, from the Ministry of Finance, FCO 3142/49 (FI/CF 118), dated 22 December 1949, subject: Application for Release of U.S. Aid Counterpart Funds for a Loan to Chugoku Haiden Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from the Bank of Japan, LS 133, dated 27 December 1949, subject: Application for Loans from the Counterpart Fund by the Chugoku Haiden Co., Ltd.

d. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 36/50(FI/CF 164), dated 20 January 1950, subject: U.S. Aid Counterpart Fund Financing for the Electric Industry.

2. No objection is offered to approval of a Counterpart Fund loan to subject company in the amount of ¥ 100,230,000, the funds to be released immediately. Proceeds will be used to finance construction of the projects listed in reference 1d, Table 1B, pages 11 and 12, in the respective amounts therein set forth.

3. The loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. A one-year period of grace before repayment of principal, payments to be made thereafter in 38 equal semi-annual payments, the company reserving the right to anticipate repayments whenever able to do so.

c. The company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

4. Use of Counterpart Funds to repay stop-gap loans or other temporary indebtedness incurred to finance the 22 projects described in paragraph 3 above is permitted.

For W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Not to be

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

123(4 Mar 50)ESS/PF 4 March 1950

SUBJECT: Counterpart Fund Loan to Befu Chemical Industry Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization from the Befu Chemical Industry Co., Ltd.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, FCO 2760/49(FI/CF 53), dated 2 November 1949, subject: Application for Release of U.S. Aid Counterpart Fund for a Loan to Befu Kagaku Kogyo Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP from the Bank of Japan, LS 102, dated 1 October 1949, subject: Application for Loans from the Counterpart Fund by the Befu Chemical Industry Co., Ltd.

2. No objection is offered to approval of a Counterpart Fund loan to subject company in the amount of ¥ 60,000,000, funds to be made available for immediate release. Proceeds will be used to finance the following projects:

Repairs of Boiler Plant	¥ 29,000,000
Repairs of Ammonium Plant	20,000,000
Installation of Ammonium Circulators	11,000,000

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Security will be a first priority mortgage shared jointly with RFB and Nihon Hiryo Co., Ltd.

c. Repayment of principal to be in semi-annual installments beginning April 1950 and ending in 1955 with the company reserving the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

For:
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Gen'l Lee

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

123(4 Mar 50)ESS/PF 4 March 1950

SUBJECT: Counterpart Fund Loan to Tohoku Haiden Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization by the Tohoku Haiden Co., Ltd.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 3003/49 (FI/CF-73), dated 21 November 1949, subject: Application for release of the U.S. Aid Counterpart Fund for a loan to the Tohoku Haiden Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from the Bank of Japan, LS 128, dated 19 December 1949, subject: Application for Loans from the Counterpart Fund by the Tohoku Electric Power Supply Co., Ltd. (Tohoku Haiden, KK).

d. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 36/50 (FI/CF-164), dated 20 January 1950, subject: U.S. Aid Counterpart Fund Financing Program for the Electric Industry.

2. No objection is offered to approval of a Counterpart Fund loan to subject company in the amount of ¥ 283,000,000, the funds to be released immediately. Proceeds will be used to finance construction of the projects listed in reference 1d, Table 1b, page 3 in the respective amounts therein set forth.

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be as set forth in references 1b and 1c, e.g., a one year period of immunity, and repayment to be made in 38 equal semi-annual installments, the company reserving the right to anticipate repayments whenever able to do so.

c. Tohoku Haiden Co., Ltd. will submit in advance for review to Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

123\ 4 Mar 50)ESS/PF
Subj: Counterpart Fund Loan to Tohoku Haiden Co., Ltd.

4. Use of Counterpart Funds to repay stop-gap loans or other temporary indebtedness incurred to finance the projects approved in paragraph 2 above is permitted.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Addl Ltr

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

123(4 Mar 50)ESS/PF 4 March 1950

SUBJECT: Counterpart Fund Loan to Nichiman Mining Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for Loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Nichiman Mining Co., Ltd.

b. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 8/50(FI/CF-156), dated 6 January 1950, subject: Counterpart Fund Loan to Nichiman Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from Bank of Japan, LS 145, dated 30 December 1949, subject: Application for Loans from Counterpart Fund by Nichiman Mining Co., Ltd.

2. No objection is offered to approval of a Counterpart Fund loan to Nichiman Mining Co., Ltd. in the amount of ¥ 10,000,000 the funds to be made available for immediate release. Proceeds will be used to finance purchase of equipment and improvement of transportation facilities in its Shinyashiki mine as set forth in reference 1a above.

3. The loan will be subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Security will be establishment of a mining foundation of the Shinyashiki mine.

c. Repayment of principal to be made by annual payments over a period of 6 years, as recommended in reference 1c. Repayment to be completed in 1955 with the company reserving the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition

Memo to MOF, subj: Countorpart Fund Loan to Nichiman Mining Co., Ltd.

of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Hod'A Lee

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

123(4 Mar 50)ESS/PF 4 March 1950

SUBJECT: Counterpart Fund Loan to the Furukawa Mining Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Furukawa Mining Co., Ltd.

b. Memorandum for Public Finance Division, ESS, GHQ from Ministry of Finance, FCO 3163/49(FI/CF 122), dated 20 December 1949, subject: Counterpart Fund Loan to Furukawa Mining Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP from Bank of Japan, LS 158, dated 30 December 1949, subject: Application for Loans from the Counterpart Fund by the Furukawa Mining Co., Ltd.

2. No objection is offered to approval of a Counterpart Fund loan to Furukawa Mining Co., Ltd. in the amount of ¥ 149,000,000, funds to be made available for immediate release. Proceeds will be used to finance restoration and development projects at two mines as indicated below:

Omine	¥ 65,000,000
Yoshima	84,000,000

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Security will be Omine Mining Foundation.

c. Repayment of principal to be in annual installments over a period of eight years. Repayment will start in 1951 and will be completed in 1958. The company reserves the right to anticipate repayments whenever able to do so.

d. Subject company will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(4 Mar 50)ESS/PF 4 March 1950

SUBJECT: Application from Nippon Mining Co., Ltd. for Counterpart Fund Loan

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application from the Nippon Mining Co., Ltd. dated 13 Oct 49.

b. Memorandum for Japanese Finance Division, ESS, GHQ, FCO 3079/49(FI/CF 90) dated 30 Nov 49, subject: Application for Release of U.S. Aid Counterpart Fund for a loan to the Nippon Kogyo KK (Nippon Mining Co.).

2. No objection is offered to approval of loan from the Counterpart Fund to the Nippon Mining Co., Ltd. totaling ¥ 308,000,000 for the 1949 JFY. Loan is to be used to finance construction of two (2) sulphuric acid contact system plants as outlined in reference 1b.

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be made over period of six (6) years in semi-annual installments as recommended by the Ministry of Finance; first installment to be due in one year following completion of project. Installments will be in the following amounts:

JFY 52	¥ 15,000,000
–	15,000,000
53	15,000,000
–	15,000,000
54	30,000,000
–	30,000,000
55	30,000,000
–	30,000,000
56	30,000,000
–	30,000,000
57	34,000,000
–	34,000,000
	¥ 308,000,000

123(4 Mar 50)ESS/PF
subj: Application from Nippon Mining Co., Ltd. for Counterpart Fund Loan

c. Security will be best available priority mortgage on existing factory and mining foundation. First priority mortgages will be made against a Mining Foundation to be created to include all the facilities of the two sulphuric acid plants when completed.

d. Nippon Mining Co., Ltd. will submit in advance for review by the Ministry of Finance any plans for capital investment from sale of stocks, debentures or private borrowings to insure against diversion of funds to non-essential developments and to assure that programs detrimental to repayment of Counterpart Fund or RFB loans are not undertaken.

For:
W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Not to be

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

123(4 Mar 50)ESS/PF

4 March 1950

SUBJECT: Application from Tokai Ammonium Sulphate Industry Co., Ltd. for Counterpart Fund Loan

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application from the Tokai Ammonium Sulphate Industry Co., Ltd., dated 28 November 1949.

b. Memorandum for Japanese Finance Division, ESS, GHQ, FCO 3082/49 (FI/CF 92), dated 1 December 1949, subject: Application for Release of the U.S. Aid Counterpart Fund for a Loan to the Tokai Ryuan Kogyo Co., Ltd.

2. No objection is offered to approval of a loan from the Counterpart Fund to the Tokai Ammonium Sulphate Industry Co., Ltd. in the amount of ¥ 36,500,000 for the 1949 JFY. Loan is to be used for purposes set forth in reference 1b.

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be made in equal semi-annual installments beginning 1 October 1951, with final payment to be made during 1954 JFY.

c. Security will be first mortgage on Yokkaichi Plant including equipment to be installed with CPF loan.

d. Tokai Ammonium Sulphate Industry Co., Ltd. will submit in advance for review by the Ministry of Finance any plans for capital investment from sale of stocks, debentures or private borrowings to insure against diversion of funds to non-essential developments and to assure that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

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

123(23 Feb 50)LSS/PF

23 February 1950

SUBJECT: Yen Transfer to Counterpart Fund

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

Ministry of International Trade & Industry, 3-4 Kasumigaseki, Chiyoda-ku, Tokyo

1. Reference is made to Memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 091.31(1 Apr 49)LSS/EX, SCAPIN 1988, 1 April 1949, subject: Yen Counterpart of GARIOA and EROA Imports, and Memorandum to the Ministry of Finance for the Chief, Economic and Scientific Section, 123(7 Jan 50)LSS/PF, 7 January 1950, subject: Dried Skimmed Milk Imports for School Lunch and Nursery Feeding Program.

2. The amended report of American Aid Imports in Japan for the month of November 1949 prepared by the Ministry of International Trade and Industry has been received and noted. Memorandum for the Economic and Scientific Section from the Ministry of Finance, FCO 211/50, dated 21 February 1950, subject: Dried Skimmed Milk Imports for School Lunch and Nursery Feeding Program has also been received. Dried Skimmed milk imports arriving during the current fiscal year and allocated for the school lunch and nursery feeding program have been noted and yen deductions totalling ¥ 1,931,625,508.20 have been effected in this directed transfer to the Counterpart Fund in order to exclude retroactively from directed deposits that amount previously deposited for such milk imports.

3. The Japanese Government is hereby directed to deposit in the Counterpart Fund of United States Aid to Japan the sum of ¥ 7,447,581,615.00 the yen equivalent of the dollar amount reported and not yet deposited. Including above deposit the directed yen transfers to the Counterpart Fund to date totals ¥ 119.926,539,713.00.

4. Deposit required per paragraph 3 will be accomplished within 48 hours of receipt of this memorandum and written report of the transfer when accomplished will be made by the Ministry of Finance to the Economic and Scientific Section.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

R. M. REED
Chief, Public Finance Division

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

123(11 Feb 50)ESS/PF 11 February 1950

SUBJECT: Counterpart Fund Loan to Hokkaido Haiden Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Hokkaido Electric Supply Co., Inc.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 2754/49 (FI/CF-51), dated 26 October 1949, subject: Application for release of the U.S. Aid Counterpart Fund for a loan to the Hokkaido Haiden Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP from Bank of Japan, LS 112, dated 9 November 1949, subject: Application for Loans from the Counterpart Fund by Hokkaido Electric Power Supply Co., Ltd.

d. Memorandum for Public Finance Division, ESS, GHQ from Ministry of Finance, FCO 36/50 (FI/CF-164), dated 20 January 1950, subject: U.S. Aid Counterpart Fund financing program for the electric industry.

2. No objection is offered to approval of a Counterpart Fund loan to Hokkaido Haiden Co., Ltd. in the amount of ¥ 186,850,000, the funds to be released immediately. Proceeds will be used to finance construction of the projects listed in reference 1d, Table 1B, pages 1 and 2 in the respective amounts therein set forth.

3. The loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be as set forth in the application, e.g. a three-year period of immunity, and repayment to be made in 22 equal annual installments to be completed by 31 Mar 1975, the company reserving the right to anticipate repayments whenever able to do so.

123(11 Feb 50)ESS/PF
subj: Counterpart Fund Loan to Hokkaido Haiden Co., Ltd.

c. Hokkaido Haiden Co., Ltd. will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

4. Use of Counterpart Funds to repay stop-gap loans or other temporary indebtedness incurred to finance the projects approved in paragraph 2 above is permitted.

For W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Distri:
SRS
CI&E
ESS/PF - 3
ESS - 3
Civil Affairs
8th Army

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

123(6 Feb 50)ESS/PF

6 February 1950

SUBJECT: Counterpart Fund Loan to Hokuriku Haiden KK

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U. S. Aid Counterpart Fund for Japanese Stabilization submitted by Hokuriku Haiden K. K.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, FCO 2796/49(FI/CF 65), dated 14 November 1949, subject: Application for Release of Counterpart Fund for a loan to the Hokuriku Haiden Co., Ltd.

c. Letter to Japanese Finance Division, ESS, GHQ, SCAP, from Bank of Japan, LS 120, dated 1 December 1949, subject: Application for Loans from the Counterpart Fund by the Hokuriku Electric Power Supply Co., Ltd.

2. No objection is offered to approval of loan from the Counterpart Fund to Hokuriku Haiden KK in the amount of ¥ 84 million. Proceeds are to be released immediately and will be used for the projects and in the amounts set forth in reference 1a.

3. Loan is subject to the following conditions:

a. Interest rate is 7.5% per annum.

b. Repayment of principal to be as set forth in the application, e. g. a three-year period of immunity, and repayment to be made in 22 equal annual installments to be completed by 31 Mar 1975, the company reserving the right to anticipate repayments whenever able to do so.

c. Hokuriku Haiden KK will submit in advance for review to the Ministry of Finance its plans for new construction, sale of securities and disposition of the proceeds thereof to insure against

123(6 Feb 50)ESS/PF
subj: Counterpart Fund Ioan to Hokuriku Haiden K

diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of Counterpart Fund loan are not undertaken.

4. Use of Funds to repay stop-gap loans or other temporary indebtedness incurred to finance the two projects is permitted.

for W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

Distri:
SRS
CI&E
ESS/PF - 2
ESS - 3
Civil Affairs
8th Army

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

123(30 Jan 50)ESS

30 January 1950

SUBJECT: Application from Japan Iron and Steel Co., Ltd. (Nihon Seitetsu KK) for a Loan from the Counterpart Fund

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application from the Japan Iron and Steel Co., Ltd. (Nihon Seitetsu KK).

b. Memorandum for Japanese Finance Division, ESS, GHQ, from Ministry of Finance, FCO 2756/49(FI/CF-52), dated 27 October 1949, subject: Application for Release of the U. S. Aid Counterpart Fund for a Loan to the Nihon Seitetsu Co., Ltd.

c. Memorandum for Public Finance Division, ESS, GHQ, from Ministry of Finance, FCO 37/50(FI/CF-165), dated 12 January 1950, subject: Application for Release of U. S. Aid Counterpart Fund for a Loan to the Nihon Hirohata Iron Works Factory.

2. No objection is offered to approval of a loan in reference 1b from the Counterpart Fund in the amount of ¥ 884,545,000 for the current JFY for the following equipment and projects requested in the original application and in the corresponding itemized amounts:

Kukioka #2 Blast Furnace	¥ 174,000,000
Repair Iron Ore Crushers & Screening	5,000,000
Purchase of 25 Ton Slag Cars	10,000,000
Purchase of Coke Cars	1,800,000
Higashida Tar Plant	20,800,000
Waste Oil Receiving Plant	4,339,000
Coal Economizers	8,400,000
Transfer of Tobata Boilers	33,000,000
Water Softeners	11,500,000
Pump at Reservoir	10,000,000
Boilers at Nishida Power Plant	150,000,000
Small Electric Locomotive	1,450,000
Thirty Freight Cars	15,000,000
Three Locomotives	15,000,000
Coalite Equipment	17,570,000
Nakamachi #1 Coke Oven	50,000,000
Nakamachi #3 Coke Oven	80,231,000

123(30 Jan 50)ESS
Subj: Appl fr Japan Iron and Steel Co., Ltd. (Nihon Seitetsu KK) for a Loan from the Counterpart Fund

Blast Fce & Coke Oven Gas to Sheet Mill	¥ 10,500,000
One Scrap Crane from Osaka	3,330,000
Field Regulator on Boilers	2,625,000
Kamaishi #3 Coke Oven	101,989,000
#2 Steel Plant	20,000,000
Waste Heat Boilers #2 Plant	3,650,000
Repair #1 Power Plant	23,500,000
Repair #2 Power Plant	5,200,000
One Unloader at North Pier	14,000,000
Railroad Improvement	7,000,000
Sheet Mill at Kamaishi	77,461,000
	¥ 884,545,000

3. No objection is offered to approval of a loan in reference 1c from the Counterpart Fund in the amount of ¥ 172,396,000 for the current JFY for the following purposes as requested in the original company application and Ministry of Finance supplemental recommendation. No part of this loan will be used toward repayment of ¥ 50,000,000 borrowed as an interim stop-gap measure from private sources.

Pig Iron Mfg. Facilities	¥ 24,879,000
Coke Mfg. Facilities	12,331,000
By Products Mfg. Facilities	16,356,000
Steel Ingot Mfg. Facilities	57,671,000
Power Generating Facilities	7,362,000
Steel Materials Mfg. Facilities	23,780,000
Water Supply and Drainage Facilities	4,145,000
Transportation	25,872,000
	¥ 172,396,000

4. The loans in paragraphs 2 and 3 above will be subject to the following provisions:

a. Interest 7.5% per annum.

b. For that part of the loan in paragraph 2 to be assumed by the Yawata Iron Mfg. Co. upon its establishment, repayment of principal with interest will be made in seven annual installments beginning in the 1950-51 JFY. Lighter payments for the first two (2) years would be allowed during the adjustment period following the company's organization.

c. For the portion of the loan in paragraph 2 to be assumed by the North Japan Iron Mfg. Co. upon its establishment, repayment of principal with interest should be made in ten (10) annual installments beginning in the 1950-51 JFY. Lighter payments for the initial three (3) years would be permissible.

123(30 Jan 50)ESS

Subj: Appl fr Japan Iron and Steel Co., Ltd. (Nihon Seitetsu KK) for a Loan from the Counterpart Fund

d. For the loan for the re-opening of the Hirohata Works (para 3) the repayment plan will be identical to that in 4c above whether eventually assumed by the North Japan Iron Mfg. Co. or by another newly established corporate entity.

e. Security to be temporarily provided by the creation of a Negative Clause Agreement against physical assets sufficient to adequately cover the full amount of the loan followed by establishment of first priority mortgages which will provide equally for Counterpart Fund and R. F. B. loans.

f. Further borrowing, sale of additional stocks or debentures for capital investment, or payment of dividends will be subject to review by Ministry of Finance to judge effect upon Counterpart Fund loan and to pass upon necessity and prevent unnecessary diversion of funds from repayment of existing indebtedness.

for: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

GOV'T SECT

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

018(26 Jan 50)ESS/BFE 26 January 1950

SUBJECT: Registration of Converted National Bonds Owned by Saburo Yamada and Four Others

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is memorandum from Ministry of Foreign Affairs FOM No. 922(FIM), dated 22 September 1949, subject as above.

2. Legal Section has studied the question presented by the above referenced application but states the information contained in the application is insufficient upon which to base an opinion.

3. Accordingly it is requested that the Ministry of Finance request Mr. Yamada to call on Mr. Carrington of the Legal Section which is located on the seventh floor of Meiji Building, Tokyo. It is suggested that a representative of the Ministry of Finance accompany Mr. Yamada and that an appointment with Mr. Carrington be previously arranged.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Frank R. J. Gerard

FRANK R. J. GERARD
Chief
Banking and Foreign Exchange Division

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

123(18 Jan 50)ESS 18 January 1950

MEMORANDUM FOR: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

SUBJECT: Application of Japan Steel Tube Co., Ltd. for Counterpart Fund Loan

1. References are:

a. Application from Japan Steel Tube Co., Ltd. (Nippon Kokan KK).

b. Memorandum for Finance Division, ESS/GHQ from Ministry of Finance, FCO 2577/49 (FI/CF-30), dated 11 October 1949, subject: Application for Release of the U.S. Aid Counterpart Fund for a Loan to the Nihon Kokan Co., Ltd.

2. No objection is offered to approval of a loan of ¥ 360,364,000 for immediate release to finance the following specific projects in the amounts designated:

a.	Kawasaki No. 4 Blast Furnace	¥ 10,929,000
b.	No. 4 Blast Furnace Hot Stoves	3,123,000
c.	No. 1 Benzol Recovery Plant	11,677,000
d.	No. 1 Chemical Plant	10,473,000
e.	No. 1 Gas Tar Plant	9,169,000
f.	No. 2 Ammonium Sulphate Plant	5,014,000
g.	Tar Distilling Plant	99,367,000
h.	Nos. 2 & 3 Kawasaki Coke Ovens	25,279,000
i.	Special Molten Pig Cars	16,625,000
j.	Purchase 15 Ton Coke Trailer	8,250,000
k.	Power House Repair	8,600,000
l.	Boiler House Repair	15,784,000
m.	Railway Repair & Maintenance	2,530,000
n.	Kawasaki Open Hearth	56,205,000
o.	Repair Ore Cranes	26,526,000
p.	Dump Truck Purchase	3,000,000
q.	Railway Cars	1,373,000
r.	Locomotive	2,273,000
s.	Gas Producer Screens	3,245,000
t.	Gas Producer Boiler	11,160,000
u.	Ground Sinking Prevention	9,851,000
v.	Pyridine Chemical Equipment)	4,478,000
w.	Chemical Building Construction)	6,113,000
x.	Gas Holder	¥ 360,364,000

123(18 Jan 50)ESS
Subj: Application of Japan Steel Tube Co., Ltd. for Counterpart Fund Loan.

Those other projects totalling ¥ 352,966,000, listed in the company request for financing, do not meet basic Counterpart Fund requirements and are denied.

3. Release of the loan in paragraph 2 above should be made subject to the following provisions:

a. Repayment against principal with interest in ten (10) annual installments beginning upon completion of the projects in amounts of ¥ 20 million in each of the first three years with the balance in equal payments each year thereafter.

b. Interest rate 7.5% per annum.

c. Security to be first mortgages on physical assets in value adequate to cover the full amount of the loan.

d. Further borrowing, sale of additional stocks or debentures for c pital investment be subject to review by inistry of Finance to judge affect upon Counterpart Fund Loan and to pass upon necessity and prevent unnecessary diversion of funds from repayment of existing indebtedness.

For: W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section

H-1.

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

123(16 Jan 50)ESS/PF 16 January 1950

SUBJECT: Counterpart Fund Loans for Conversion of "A" Type Cargo Vessels

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Memorandum for Finance Division, ESS, GHQ, SCAP, FCO 3135/49(FI/CF 117), dated 15 December 1949, subject: Application for Approval of Program for Accommodation of New Shipbuilding Funds, etc. to Shipping Companies from the U.S. Aid Counterpart Fund.

b. Memorandum for Minister of Finance, dated 22 December 1949, 123(22 Dec 49)ESS, subject: Counterpart Fund Loans for Shipbuilding.

c. Informal Memorandum for Ministry of Transportation, General Maritime Bureau, 564(13 Dec 49)ESS/IHI, dated 13 December 1949, subject: Application for Permission to Convert "A" Type Cargo Vessels.

d. Memorandum for Public Finance Division, ESS, GHQ, SCAP, from Ministry of Finance, FCO 3179/49(FI/CF 130), dated 24 December 1949, subject: Application for Release of the U.S. Aid Counterpart Fund for a Loan to the Osaka Shosen Co., Ltd.

2. No objection is offered to granting a Counterpart Fund loan to the Osaka Shosen Co., Ltd. as requested in reference 1d above for converting the Haikai Maru No. 2 to class according to "rules for building and classing steel vessels" of the American Bureau of Shipping. Work will be done by Sakurajima Dockyard of Hitachi Dockyards and Engineering Co., Ltd. Amount of loan approved is ¥68,250,000 and it is to be released immediately.

3. Loan is contingent upon arrangements being made to finance not less than 30% of the cost of converting the vessel to class being financed from sources other than the Counterpart Fund.

4. Further Counterpart Fund loan for financing conversion of this vessel mentioned in paragraph 2 above will be subject to approval of estimated cost by Economic and Scientific Section, Industry Division.

5. Loan will be subject to the conditions listed below:

a. Interest rate will be 7½% per annum. Payment of interest may, at the option of the borrower, be deferred for a period not exceeding two years from the date of the loan; any deferred interest will be added to the face amount of the loan.

b. Repayment of loan will be completed in 10 years from date of loan. At the option of the borrower, repayment of principal may be deferred for a period not exceeding three years from the date of the loan, but will be made thereafter in equal semi-annual installments. In all cases, the borrower has the right to anticipate repayments.

c. Security for the loan will be in accordance with the recommendations of the Ministry of Finance as stated in reference 1d.

d. Not less than 50% of the net earnings of the ship after deduction of its proportionate share of income taxes, depreciation and overhead expenses will be applied to interest and amortization charges of bank and Counterpart Fund loans incurred for its construction.

e. The borrower will submit in advance to the Ministry of Finance for review its plans for new construction, sale of securities, and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to insure that programs detrimental to the Counterpart Fund loans are not undertaken.

E. M. REED
Chief, Public Finance Division

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

123(16 Jan 50)ESS/PF 16 January 1950

SUBJECT: Yen Transfer to Counterpart Fund

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is made to memorandum for the Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 091.31(1 Apr 49)ESS/EA, SCAPIN 1988, 1 April 1949, subject: Yen Counterpart of GARIOA and EROA Imports, and memorandum to the Ministry of Finance from the Chief, Economic and Scientific Section, 123(29 Jul 49)ESS/FIN, 29 July 1949, subject: Yen Transfer to Counterpart Fund.

2. The amended report of American Aid Imports in Japan for the month of October 1949 prepared by the Ministry of International Trade and Industry has been received and noted. A misprint in Memorandum issued to the Ministry of Finance on 29 July 1949 regarding April and May yen transfer to the Counterpart Fund resulting in a one thousand yen overpayment has also been noted. The Japanese Government is hereby directed to deposit in the Counterpart Fund of United States Aid to Japan the sum of ¥ 12,030,614,720.40 the yen equivalent of the dollar amount reported and not yet deposited.

3. Deposit required per paragraph 2 will be accomplished within 48 hours of receipt of this memorandum and report of the transfer when accomplished will be made by the Ministry of Finance to the Economic and Scientific Section.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Eugene M. Reed

E. M. REED
Chief,
Public Finance Division

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

123(13 Jan 50)ESS/PF

13 January 1950

SUBJECT: Application from Matsushima Coal Mining Co., Ltd. (Matsushima Tanko KK) for a Loan from the Counterpart Fund.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application from the Matsushima Coal Mining Co., Ltd., (Matsushima Tanko KK).

b. Memorandum for Japanese Finance Division, ESS/GHQ, from Ministry of Finance, FCO 2583/49(GI/CF-34), dated 7 September 1949, subject: Application for Release of the U. S. Aid Counterpart Fund for a Loan to the Matsushima Tanko KK.

2. No objection is offered to approval of a loan from the Counterpart Fund to the Matsushima Coal Mining Co., Ltd. in the amount of ¥ 100,400,000 for the 1949-50 fiscal year with ¥ 62,000,000 to be released immediately. The funds are to be used for completing mechanization of the first and second pits of the Oshima Mine as requested in the company's application.

3. Request for ¥ 26,600,000 for the rock driving in Pits 1 and 2 is considered part of the normal operation of the mine and release of Counterpart Funds to assist this phase of the project is denied.

4. Company request for ¥ 48,000,000 to inaugurate development of Pit 3 is disapproved.

5. The loan approved in para 2 above should be made subject to the following provisions:

a. Interest rate, 7.5% per annum.

b. Repayment of principal with interest in seven (7) annual equal installments beginning upon completion of the project in the 1950-51 fiscal year.

c. Security to be first mortgages on physical assets in value adequate to cover the full amount of the loan.

Ltr to MOF, subj: Application from Matsushima C al Mining Co., for a Loan from the Counterpart Fund, dtd 29 Dec 49

d. Further borrowing, sale of additional stocks, or debentures to raise funds for capital investment be subject to review by the Ministry of Finance to judge affect upon the Counterpart Fund loan, pass upon necessity of the project, and prevent unnecessary diversion of funds from repayment of existing indebtedness.

W. F. MARQUAT
Major General, U.S. Army
Chief, Economic and Scientific Section

GOV'T SECT.

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

O1C(12 Jan 50)ESS/BFE

12 January 1950

SUBJECT: Rescission of SCAPIN 45

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Memorandum for the Japanese Government, AG O1C(1 Jan 50) ESS/FTC, SCAPIN 2070, dated 1 January 1950, subject: Foreign Exchange and Foreign Trade Control;

b. Memorandum from the Ministry of Foreign Affairs FOM No. 1682(FIM), dated 15 December 1949, subject: Application for Approval of Importation of Financial Instrument;

c. Memorandum from the Ministry of Foreign Affairs FOM No. 1716(FIM), dated 20 December 1949, subject: Application for Approval of Patent Royalty Contract with Foreign Juridical Persons and Transactions in Foreign Exchange;

d. Memorandum from the Ministry of Finance, dated 26 December 1949, subject: Application for License on Foreign Exchange Transaction.

2. In view of the issuance of 1a above references 1b, c and d above are returned herewith as being matters for determination by the Japanese Government.

FOR THE CHIEF ECONOMIC AND SCIENTIFIC SECTION:

Frank R. J. Gerard

FRANK R. J. GERARD
Chief
Banking and Foreign Exchange Division

Incls
As indicated above

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

7 January 1950

123(7 Jan 50)ESS/PF

SUBJECT: Dried Skimmed Milk Imports for School Lunch and Nursery Feeding Program

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Dried Skimmed milk imports received in Japan since 1 April 1949, reported on Monthly cargo arrival report as U.S. aid imports and distributed for use in the school lunch and nursery feeding program subsequent to 1 October 1949 will be considered as a gift from the U.S. Government and not American Aid. Adjustments deemed necessary to the Foreign Trade Special Account, Counterpart Fund S/A, Ministry of International Trade & Industry, Ministry of Agriculture and Forestry, Food Bureau, Price Subsidy and other accounts affected by such consideration will be determined and written request indicating details of desired action to accomplish such adjustments will be forwarded to this office within ten days from receipt of this memorandum.

2. Future GARIOA and/or ERCA dried skimmed milk imports received and distributed for use in the school lunch and nursery feeding program will be considered as a gift from the U.S. Government and reported on the monthly cargo arrival report (U.S. Aid Imports) as a deduction from the total dried skimmed milk arrivals.

3. The Japanese Government will clearly define and establish a plan for channeling such milk to ultimate consumer and give guidance, supervision and advice as necessary.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

E. M. REED
Chief,
Public Finance Division

GOV'T SECT

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

130(6 Jan 50)ESS/BFE 6 January 1950

SUBJECT: Receipt of Foreign Exchange by Japanese Stevedore Concern

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. Reference is memorandum from the Ministry of Foreign Affairs, FOM No. 1612(FIM) dated 6 December 1949, subject: Application for Approval of Foreign Exchange Transaction, which forwarded an application from the Sankyu Transportation Company, Tokyo, requesting authority to receive from Scott and English, Ltd., in payment for stevedoring services, approximately Stg. £2,410 which would be sold to a foreign exchange bank in Japan against yen.

2. No objection is offered to the above referenced application insofar as the proposed exchange transaction is concerned.

FOR THE CHIEF, ECONOMIC AND SCIENTIFIC SECTION:

Frank J. R. Gerard

FRANK J. R. GERARD
Chief,
Banking and Foreign Exchange Division

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

123(31 Dec 49)ESS/PF 31 December 1949

SUBJECT: Counterpart Fund Loan to Nippon Hassoden Co., Ltd.

TO: Ministry of Finance, No. 6 Honshio-cho, Yotsuya, Tokyo

1. References are:

a. Application for loan from the U.S. Aid Counterpart Fund for Japanese Stabilization submitted by Nippon Hassoden Co., Ltd.

b. Memorandum for Finance Division, Economic and Scientific Section, GHQ, from Ministry of Finance, ECO 2590/49(FI/CF-56), dated 12 October 1949, subject: Application for Release of the U.S. Aid Counterpart Fund for a loan to the Nippon Hassoden Co., Ltd.

2. No objection is offered to approval of loan from the Counterpart Fund to Nippon Hassoden Co., Ltd. in the amount of ¥ 4,307,861,000 proceeds to be used to finance construction of the projects listed in the attached table in the respective amounts therein set forth. Of the ¥ 4,307,861,000 approved, ¥ 1,794,072,000 are to be released immediately and ¥ 2,513,789,000 are to be released in the fourth quarter of Japanese fiscal year 1949.

3. The loan is subject to the following conditions:

a. The interest rate be 7½% per annum;

b. Terms of repayment of principal to be as set forth in the application, e.g., a five year period of immunity, and repayment to be made in 7 equal annual installments to be completed by 31 March 1980, the company reserving the right to anticipate repayments when able to do so;

c. The Ministry of Finance to negotiate with the company's other creditors for an agreement permitting reasonable security for Counterpart Fund loans by pledge of assets;

d. Nippon Hassoden Co., Ltd. will submit in advance for review to Ministry of Finance its plans for new construction, sale of securities and disposition of the proceeds thereof to insure against diversion of funds to non-essential developments and to make certain that programs detrimental to repayment of the Counterpart Fund loans are not undertaken.

e. Use of Counterpart Funds to repay stop-gap loans or other temporary indebtedness incurred to finance the projects listed in the accompanying table is permitted.

4. Nippon Hassoden Co., Ltd. should be advised that no commitment is being given as to granting additional Counterpart Fund loans in future fiscal years, and that granting of such loans will depend upon progress already made, the efficiency of utilization of previous loans, and the company's ability to finance its capital requirements through private channels. The Ministry of Finance is reminded of its supervisory responsibility for Counterpart Funds and its responsibility for making recommendations on future applications.

5. The Japanese Government will be advised in a subsequent memorandum of decisions taken on the other projects listed in the Nippon Hassoden application.

For:

W. F. MARQUAT
Major General, U. S. Army
Chief, Economic and Scientific Section