

VI 英 文 資 料

of 3 million there are 500,000 Koreans. Upon repatriation each is permitted to take ¥ 1,000.

3. There has been a reduction in prices, for instance, Japanese cigarettes from ¥ 17 to ¥ 10, beef from ¥ 70 to ¥ 40. All department stores have reduced their marked prices as have many shopkeepers. It is remarked that it is early yet to judge the effect of the measures.

4. Japanese officials with whom major Sherbourne talked said that there was great fear that without some urgent action the equitable distribution of the rationed quantities of food would not be made. The central government moves too slowly and these officials are urgently desirous that the enforcement of the rice collection and distribution be made a local responsibility to the fullest extent possible. They state that it was necessary to force the farmers to deliver their rice to the authorities during the war and they fear that without similar strong measures now rice will continue to move through unofficial channels. Since the war because of fear of the opposition of the Occupation Forces these forceful measures have not been used, hence the failure of the government to secure sufficient supplies to meet rationed quotas.

These officials all insist that the ration of 2.1 Go is far too little and that if it is not raised to 3 Go they fear serious malnutrition and disorder. The latter especially if there are many people who are unable to get any rice at all.

5. All manufacturers or other producers with whom Major Sherbourne talked stated that a lack of credit was not a hinderance to production and conversion of industry.

C. F. T

注 作成者C.F.T.は経済科学局財政課長C.F.トーマス。文書中のシャーボン(Sherborne)少佐は経済科学局財政課所属。

出所 大蔵省資料Z703-15 (National Archives, RG No.331)。

(8) Government has failed to check operations of food distribution agencies and leakages are great;

(9) Many rumors that war supplies turned over to the Home Ministry for the people are being diverted to favored persons and companies and that ex-Army officers are employed to put pressure on Government officials to release raw materials and supplies to their employers.

7. Additional Comments of Bankers (7 March):

a. About 7,400 horse-drawn or ox-drawn carts and wagons in Aichi Prefecture. They form the largest transport for farm produce. Cost ¥ 50 a day to feed a horse and owners are forced into the black market for fodder. Farmers are refusing restricted checks and, many horse owners are unable to work their animals for lack of sufficient fodder.

b. During the last five months, most salaried people have had to sell personal effects because their salaries have covered only about a half of their living costs. Farmers have been buying up articles sold by salaried people. Farmers are also getting into the small loan business;

c. Under threat of strikes, many large firms have raised wages and salaries 300% in the last few weeks. Such companies are manufacturers, electric companies, mining companies, railways and newspapers. In some cases, even an inexperienced female clerk is making ¥ 500 a month. Employees of other enterprises are suffering greatly. The bankers say that all businesses that have raised wages radically are operating at a loss;

d. In paying out new yen for payrolls, banks will require a certified payroll showing name of each employee and amount of his wage. Banks will be unable to check the truth of the payrolls;

e. People who must use restricted checks are being discriminated against by repairmen and other service people. The cash holder gets the preference;

f. Many industries and businesses have been buying food on the market (mostly black market) and handing it out to their employees to assist them to get proper rations. This must stop now. Result will be dangerously low rations.

g. General public thinks Government and the banks are the favored groups because they administer the Ordinance and are the ones to grant favors and do not have to seek them. People say no one will check up on bank loans and deposit withdrawals and that the banks will favor certain customers.

8. Written Comments

At the writer's request several members of the four groups interviewed handed in anonymous statements of their opinions on the financial Ordinances. Some are in English and others in Japanese. Time has not permitted the translation of the Japanese texts. They are, nevertheless, attached hereto.

Thomas H. Hodgson  
Comdr. USNR

2 Incls:

1. Schedule A—list of persons attending conferences.
2. Ten anonymous statements on Ordinances.

注 添付書類は省略

出所 大蔵省資料 Z 703—15 (National Archives, RG No.331).

VI—5 金融緊急措置に関する調査メモ (昭和21年3月8日経済科学局)

8 March 1946

Memo for File:

1. Major Sherbourne telephoned last night to report from Osaka on his observation of the operations of the new economic measures.
2. He reports that on the conversion and blocking:
  - a. Most of the new currency which was paid out to the public was the result of the conversion of ¥100 for each holder of the old currency.
  - b. The old currency continued to be used until yesterday.
  - c. The banks and postoffices were experiencing little difficulty, except with Chinese and particularly Koreans, who seem to think they should be treated differently and more leniently. Out of a total population

controls. They are spending their money more carefully now. They have little faith in the Government's ability to hold things in line.

c. Much absenteeism because of pressure on employment during the war. Many skilled workers have been loafing since the end of the war. Many went to the country and have not returned. No fixed ceiling now on wages and they are about 3 times the war wages. Their wartime savings and bonuses are about used up, so at an early date it is expected that skilled labor will again seek employment. Employers are worried about finding enough work for skilled workers in the early future.

d. In textiles, silk leads with cotton second in production. Production of bicycles and textiles is increasing rather substantially, but shortages of coal and materials are retarding a healthy increase. Severe shortages of farm implements. Production for the next few months will be only 30% of the demand.

e. Working capital is still probably enough for present operations. But the high wages and low selling price ceilings are causing a dangerous threat to the margin between profit and loss. Nippon Toki co., Ltd. famous chinaware makers, must have three kilos operating to break even. Due to shortages of materials and coal, it can operate only two. It's monthly loss is ¥ 1 million.

#### 6. Specific Comments of Labor Leaders (7 March):

a. The Monetary Ordinances came too late. Much inconvenience caused the public because ¥ 5 notes were hoarded.

b. One labor leader asked the writer whether the writer thought for a moment the Government had the ability or the guts to enforce the Ordinances.

c. Labor's savings are now about exhausted. Worried about ability to live decently on ¥ 300 plus. Pessimistic about control of prices. Instead of ¥ 300 for the head of the family, a man and wife should be allowed ¥ 900.

d. Always will be a bad black market until food stocks meet demand. Ration is 35% short of enough to keep labor efficient.

e. Labor's ability to borrow from friends in order to live is gone.

f. Now that the Ordinances have killed the black market at least temporarily, many skilled workers will return to former factory jobs. In the last 3 or 4 days labor applications are 5 times the number in previous weeks.

g. Living costs for average laboring family of five: October 1945 ¥ 500; November ¥ 600-625; December ¥ 700; January 1946 about 900 yen; February unknown. Shortages were made up from savings, sale of personal effects, loans from friends and associations.

h. Prices are lower than the fantastic prices of 18 February to 2 March. But the drop is not great because people with supplies bought at high prices and are not yet ready to sell for less.

i. Many robberies and thefts are for food and small items of clothing.

j. Labor does not like the Government's plan to purchase food at high price and sell for less to the consumers in only the six largest cities. In the rural areas the farmer still charges exorbitant prices for produce sold to the small-town resident.

k. One labor leader summed up several views by saying that labor favors the steps to check the inflation but:

(1) The Government struck too late;

(2) Not having currency enough to supply everyone was a negligent slip-up;

(3) All currency should have been turned in;

(4) Government is not checking up on price controls;

(5) Undoubtedly payroll-padding by employers when drawing wages from banks in cash;

(6) Farmers should not be allowed the same monthly allowances that city dwellers have: the farmer has no rent to pay, no food to buy, and it is generally known that his cash outlays for living costs are negligible. Three scales of allowances should be set—one for residents in large cities, another for medium size cities and a third for farmers;

(7) Ordinance will stimulate barter and result in loss of revenue from income and sales taxes;

evidence of "over-the-counter" issuance of stocks and debentures;

1. Most restricted checks are going for materials. It is too early to generalize on their use. Totals of restricted check payments much greater than by cash. The restricted check is reaching the payee's restricted account in 2 to 3 days. Banks are requiring drawer of restricted checks to state the purpose of the remittance.

4. Specific Comments of Civil Officials (5 March):

a. As soon as farmers learned they would be paid in cash, they brought in on 5 March a record delivery of food stuffs—16,000 kan.

b. Between 18 February and 3 March, prices of foods and everyday necessities rose 200% above the free market price. Beef, since 3 March dropped to its price before 18 February. Rice rose from ¥ 50 to 60 a sho (1 kilo) to ¥ 100. Between 3 March and date of the conference there have been almost no rice transactions so price change is not ascertainable. Since farmers are demanding new currency and no one has any to spend, food is not appearing, but a change is expected. Rice distribution day was on 3 March, so everyone got a 15-day supply. Very little rice seems to be in black market hands;

On 5 March rice prices were again fixed at ¥ 23 per kan to producer and consumer at ¥ 10. Daikons bought at ¥ 22 and sold to consumer for ¥ 7. These prices to the farmer are about  $\frac{1}{3}$  of what he received on the free market on or about 17 February. In order to get fantastic prices, many farmers draw vegetables from the ground between 18 February and 3 March before the produce was fully grown or ripe. There has been some loosening up of produce after 2 March because farmers have already made their declarations for tax purposes;

c. Few clothing transactions since 2 March because people are afraid they will not be able to buy even food with small sum allowed them. The Ordinance killed the black market "only temporarily," as one official put it;

d. One official said the Government's plan will fail unless the American Forces enforce the regulations. In answer to my questions: "Why Americans? Why don't the Japanese enforce their own Regula-

tions?" the official said: "Power of the police have been so weakened they cannot combat black marketeers and other violators. People no longer take Imperial Ordinances seriously. The Emperor's influence is declining. Wartime slavery and discipline are having their normal unhealthy reactions. The food rations are too low to keep people well; self preservation is the important thing now."

There is lack of confidence in the Government's ability to hold prices down. If it fails to do so (and even if it should have fair success in doing so) the ¥ 300 plus allowance per month will not be sufficient. The whole answer is an increase in the supply of foods and other vital consumers' goods.

e. In order to speed up the conversion, currency stamps were given to the President of the Neighborhood Associations for distribution. The head of the Association brought currency of many persons to the bank and got stamps for ¥ 100 for each person. Many had less than ¥ 100, so there were surplus stamps. These were given in a "friendly fashion" to other neighbors who had more than ¥ 100. This leakage was exceedingly small and unimportant.

f. A new manufacturer's association has been formed to stimulate production of building materials, clocks, bicycles, small tools, textiles, boarding houses for laborers, clothing and so on. Many items are being made for export and for barter to farmers for food.

5. Specific Comment of Businessmen (6 March):

a. Since 2 March department store sales have dropped to 10% of sales prior to that date. Department stores have rigidly adhered to fixed prices on goods with ceilings and that includes almost everything sold except dolls, toys, handbags and some other luxury items. Hardest to get are pots, pans and soap. Pots and pans sold on the black market for 2 times the price the stores could charge. Manufacturers are letting stuff get into the black market because the price to the manufacturer is much higher. Stores are now dealing direct with manufacturers and have cut out a middle-man's profit.

b. Department store employees are concerned about future price

### 3. Specific Comments of Bankers (5 and 7 March):

a. Prices since 2 March 1946 about the same as between 18 February and 2 March. Commodities have disappeared from the market since 2 March because public does not have enough small change, there was excess buying between 18 February and 2 March, and because retailers (legitimate and black market) want payment only in new yen that does not have to be deposited in banks or exchanged. Unless the buyers strike continues, prices will not drop for a long time;

b. Except for a small supply of rice, almost no foods came into market between 2 March and 5 March. Customarily 6,000 to 7,000 kan of vegetables would come in daily; on 3 March only 1,000 kan were delivered; instead of 4,000 kan of fish daily, only 660 kan were received. The farmers and fishermen demanded currency, not restricted checks. So, to end the bottleneck, the Vegetable Controlling Co. and Fish Controlling Co. borrowed for 3 days from 3 March from Tokai Ginko in order to pay farmers and fishermen in new currency. These producers will now be paid regularly in new currency, and they are expected to hoard cash. However, the plan is to deposit farmers' receipts in unrestricted accounts. It seems that farmers ordinarily withdraw very little from their accounts. Inducing the farmer to disgorge his produce is an outstanding problem. He is allowed to keep one year's supply for his family and under the pretense of doing so, is holding produce off the market;

c. Black market activity between 18 February and 3 March was probably the worst in Japanese history. The black market is now inactive in Nagoya, but it is expected to blossom again as soon as money starts to circulate;

d. There is poor transportation in the Nagoya area. Fish is spoiling on the beaches. No trucks and no gasoline;

e. In every industry some kind of bottleneck hold up production and revival is at a snail's pace. Scarcities of raw materials and coal are the principal causes;

f. Best way to get produce from farmers is to force the Government to keep its promises (which it is not doing and has not done for a

long time) with respect to supply of the following: more fertilizer; rubber soled tabi (shoes) and working clothes; farm tools and implements. A fair increase in fertilizer now would increase production 20%. The farmers have received almost no fertilizer for the past five years. Prices of fertilizer are too low to interest fertilizer producers;

g. Doubling the price of produce will not bring foods to market. The legal price is still far below the market price. The farmers have supplied black markets rather than legitimate channels for obvious reasons. The farmer is Japan's new capitalist;

h. The exchange of currency was almost completed by 6 March. There is a scarcity now. Hoarding of currency in past months is indicated by the volume in which it is coming in. Much of the money now being exchanged has never been in actual hand to hand circulation. There is danger of some new currency hoarding. People bought heavily between 18 February and 2 March. Their larders are well filled. Further purchases for the time being are unnecessary. The unused cash will not be deposited in restricted accounts. And there is profound doubt about the future and the Government's action. This will cause hoarding of food and currency;

i. Currency stamps used widely in Nagoya. Up to 2 March only currency given out was stamped. On 3 March and after new currency was issued and up to 7 March banks intended to use stamps on exchange of ¥ 100. After 7 March only new currency; no stamps. There was no apparent black market in stamps in Nagoya;

j. All financial institutions are recording withdrawals on rice ration cards.

k. Bankers do not look for much trouble in making proper loans. The manufacturers must buy through regular control company at fixed prices. Banks will demand a certified copy of the purchase contract before extending credit.

Working capital is considered by some to be short in Nagoya at present. To some extent all of the principal industries are operating in restricted fashion. Only about 20% of the industrial capacity is being used due to shortages of raw materials and, especially, coal. There is no

one bought heavily between 18 February and 2 March, is now well supplied with foods, and will hoard new currency rather than deposit it in restricted accounts; failure to require surrender of ¥5 notes caused hoarding and great inconvenience to the public;

i. Very few new bank accounts being opened because nearly everyone had an account during the war;

j. In making conversions, the public favors the following organizations in the order named: banks ( i . commercial, ( ii ) savings ), farmers' associations and post offices;

k. No substantial black market in currency stamps in Nagoya;

l. No great difficulty in making loans and checking authenticity of applications anticipated;

m. Sufficient working capital available in Nagoya; no evidence of "over the counter" issue of stocks and debentures;

n. Other than in foods, almost no buying because consumers are trying to determine whether they can live on the small yen allowance;

o. Most people think the Ordinances will have only temporary beneficial effects; that old conditions will return in 3 or 4 months; that Allied Forces must assist vigorously in enforcement and study of conditions; police power has degenerated and influence of Emperor has declined to the extent that people do not take Imperial Ordinances seriously;

p. Great hardships will result if prices are not held down;

q. Department store sales dropped to 12% of sales before 2 March; stores forced to sell at fixed prices so manufacturers are letting goods get to the black market where they can get higher prices than from department stores; Manufacturers Control Association not well supervised and controlled;

r. No ceiling now on wages; now three times as high as during war; if prices are controlled, industry cannot operate with high wages and low selling prices;

s. Labor is returning to employment for the reason that savings during fabulous wartime are about used up and many who had gone into black market operations are now out of that business; white-color

employees have also used up their savings;

t. Severe shortages of farm tools and implements; shortage may delay opening of 10,000 chobu of new land in Aichi Prefecture in 1946-47;

u. Restricted check very unpopular now; it is believed that experience of a few weeks will remove the objections;

v. Local and prefectural governments have done little to force release of raw materials by the National Government to Nagoya industry;

w. Food ration now 35% short of enough to keep labor efficient;

z. Labor disgruntled because forced to live on the ¥300 plus (his savings have been used up in the black market) and the wealthier class with bank accounts can also draw on bank accounts;

y. The Government's purchase of food and sale to consumers at lower price restricted to six largest cities; this is considered unfair;

z. Ordinance should have classified amounts allowed monthly by areas, as wartime wages were classified, i.e. one allowance for people in largest cities, another for medium sized cities, and a third for rural areas;

aa. Currency controls will increase barter with resulting loss of sales and income tax revenues and currency will seek other market outlets;

bb. Great leakage of foods in distribution; should be better check of distributing agencies; rumors that Home Ministry is dealing in politics in distribution of Army and Navy supplies; some large enterprises have hired high-ranking Army and Navy officers to put pressure on government officials to release coal and raw materials to their employers.

cc. The person with cash is preferred by service shops (truck and bicycle repair shops, for example ) over the one using restricted checks;

dd. General public thinks bankers and public officials are favored by the Ordinances because they grant the favors and do not need to ask for them; that no agency will check on the Banks' lending policies;

ee. Bankers' biggest headaches in operating under the Ordinance will be the checking of honesty of payrolls and applications for loans;

ff. Restricted checks issued to date were mostly for raw materials, payment to old debts and taxes;

6. Your approval of the plan to issue the certificates is earnestly requested.

For the Ministry of Finance  
N. Kiuchi, Councillor.

注 覚書の複写タイプ。  
出所 大蔵省資料 Z 601-229。

VI-4 金融緊急措置に関する聞き取り調査(名古屋地区)(昭和21年3月5日-7日占領軍軍政部)

Conferences on Emergency Monetary Ordinances  
Bank of Japan, Nagoya Branch  
March 5-7, 1946

1. Conferences on Imperial Ordinances No. 83 and 84 (17 February 1946) and Ministry of Finance Ordinances No. 12 and 13 (17 February 1946) were held during the mornings and afternoons of 5, 6 and 7 March 1946 in Nagoya, Aichi Prefecture, at the Nagoya Branch of the Bank of Japan.

Those present at all sessions were:

Thomas H. Hodgson, Comdr. USNR

C. M. Stewart, 1st Lt. AUS, Banking Officer, 30th Mil Govt Hq and Hq Co, APO 25.

S. Kimura, Mgr. Nagoya Branch, Bank of Japan.

T. Okamoto, Sub-Mgr., Nagoya Branch, Bank of Japan.

George Kato, Interpreter, Mil Govt, Nagoya.

In advance of the scheduled meetings, the Nagoya Branch, Bank of Japan, had invited four groups to attend the conferences: bankers, businessmen, civil officials and labor leaders. The persons in attendance are named on Schedule "A" attached hereto.

This report is designed to reflect the views of the four groups. Comments are uncolored by any opinion of the writer. The conferences were conducted through an interpreter and where possible his interpretation was checked with other Japanese in the group who could speak some English. However, this report is subject to all the dangers attendant on a

reliance on interpreters.

The survey may have served some useful purpose but it probably was made at too early a date. Except for currency surrender and conversion, experience of the banks in operations under the new ordinances has been extremely limited. Consumers, well stocked with food purchased during the days immediately prior to 2 March 1946, have not felt the pinch of small amounts of currency or of food scarcities. It is suggested, therefore, that a second survey be conducted in the latter part of March or early April. Much more definite results of the Government's action will then be ascertainable.

2. General Opinions

Out of all the comments made by the four classes of individuals interviewed, certain general opinions were expressed by all of them:

a. Vital consumer goods, plentiful on the market prior to 2 March 1946 and bought at fantastic prices (200% of price prior to 18 Feb) for 10 days prior to that date, have disappeared from the market;

b. Prices have not dropped noticeably;

c. Farmers are Japan's favored group and they are loaded with currency and starting to make loans to friends and buyers; until paid in new yen, they refused to sell food products;

d. Very little black market now;

e. Dangerously bad transportation facilities for foods;

f. Principal industries in Nagoya: trucks, bicycles, spinning machinery, chinaware, pottery, clocks, woolen mills. Production of all consumers' goods in and around Nagoya is not increasing substantially due to shortage of coal, raw materials and skilled labor; only 20% of Nagoya's industrial capacity now being used;

g. Currency exchanges have progressed rapidly and as of the 6th or 7th of March the bankers thought the conversion about completed; currency shortage exists; ordinances should have been promulgated months ago;

h. Conversion indicates much currency hoarding over last few months; this tendency may continue for a time for the reason that every-

Article 19: Omit.

Article 20: Clarify that credit interest is to be paid into restricted account.

Article 21: Substitute "Any person who desires to obtain the approval by the Minister of Finance of any acts or operations restricted under the provisions of the Ordinance of this Regulation shall submit his application to the Minister of Finance through the Bank of Japan or a branch of agency thereof.

書込\*1 2-8 GHQヨリ受/2-9会議

注 司令部より受領した修正要求案の複写タイプ。勅令案・省令の修正添削テキストは省略。

出所 大蔵省資料Z526-3-3。

VI-3 日本銀行券貼付用証紙の発行(昭和21年2月18日大蔵省発経済科学局宛覚書)

Ministry of Finance

The Imperial Japanese Government.

LO 263

18 February 1946

Memorandum for: Economic & Scientific Section, G.H.Q.

Subject: Issue of Certificates to be put on Bank of Japan Notes

1. Reference is made to your Memorandum dated 28 November 1945, subject: "Control over Issue of New Currency". (AG 123 (28 Nov.45) ESS/FI).

2. The Government has initiated a series of emergency economic measures to surmount the present inflation crisis on 17 February 1946 and as one of the most important of them the present currency over 10 yen notes will all be deposited by March 7, while new currency will be released only to a limited extent. However owing to the emergency nature of the measure, the preparation of the new currency will not meet the expected immediate requirements so that we plan to enact an Imperial

Ordinance to have the Bank of Japan issue certificates to be put on the current issue notes and consider these notes with the certificates affixed as "new notes" in the meaning of Article 2 of the Deposit of Bank of Japan Notes Imperial Ordinance. This will be only a temporary measure to continue for the limited period of time during which the supply of new notes is insufficient. Once the supply becomes adequate, we contemplate to designate a specific date by which they are to be exchanged for the new currency and thereby withdraw them from circulation as soon as possible.

3. A draft copy of the Imperial Ordinance which we contemplate to have enacted as soon as it is approved by your Headquarters is in the inclosure attached hereto.

4. This plan has the fault in that the people may consider not only the notes with the certificates affixed as temporary but also all currency as a transient thing which has no stability. But in view of the fact this conversion of notes has had to be carried out at the same time as the other measures to combat the inflation crisis, while the supply of new currency available when the conversion is executed is very short, we will have to resort to the emergency measure to use the above mentioned certificates. The Minister of Finance will explain to the people the temporary nature of the certificates and the reasons why they are to be used so that there shall be no misunderstanding and the confidence in money shall not be impaired.

5. The reasons for the insufficient supply of new currency are many. The delay in the preparation of the designs and original plates, the delay in the printing due to the shortage of coal, pulp and other materials are some. However the main reason is because the Government found that the required amount of new notes could be obtained not earlier than April owing to delays and therefore had to change the printing program to permit printing of certificates which in effect, further decreased the available supply of new currency. This measure was resorted to only as an extrem emergency measure as we have explained and we would appreciate very much if your Headquarters will take a sympathetic view of our difficulties.

made in cash or by unrestricted check for any of the following purposes:

a. payment of wages, salaries and pensions against presentation to the depository agency of appropriate payrolls but only to an amount of 500 Yen per person per month;

b. payment of communication, travel and other sundry office expenses necessary to carry on essential business activities.

Article 4: Substitute: "Withdrawals from bank deposits for any of the following purposes shall be made only by restricted check:

a. payment of wages, salaries and pensions in excess of 500 Yen per person per month and of all bonuses and their allowances;

b. one-time purchase of clothing, household goods and other daily necessities not to exceed 1,000 Yen for each war victim and 5,000 Yen per household;

c. upon presentation of certificates of essentiality and submission of proof of availability of such materials and equipment at legal prices;

(i) purchase of building and other materials to be used for the repair or construction of dwellings, farm buildings, factories and other types of buildings necessary to carry on essential business activities;

(ii) purchase of materials and equipment necessary for the reconversion to peace-time production, in accordance with standards prescribed by appropriate Government agencies.

Article 5: Omit

Insert new Article 5: Withdrawals from bank deposits for any of the following purposes shall be made, at the option of the debtor, in cash or by restricted check:

a. payment of national, prefectural and local taxes as stipulated in Sub-Section (2) Section 1 of Article 2 of the Ordinance;

b. repayment of private debts incurred prior to X day;

c. payment of insurance and annuity premiums.

Article 7: Substitute: "The aggregate amount of money, referred to in Sub-Section (5), Section 1, Article 2 of the Ordinance, which is permitted to be withdrawn from all deposits and accounts in financial institutions shall be limited to 300 yen per month for the family head and

100 yen for each of the family members."

Article 8: Change "nationals" to "persons repatriated to or from Japan". Omit reference to "colony" and "foreign country." Change date to February 1, 1946.

Article 10: Add to (2) "only for the purposes specified in the Ordinance and under no circumstances in the name or for account of the transferor, except as authorized by the Minister of Finance.

Article 11: (1) Omit.

(2): Omit "colony" and "Foreign country."

(3): Omit.

(4): Only duly registered candidates for the Diet should be allowed to withdraw electioneering funds. All funds so withdrawn and the use thereof are to be reported.

(5): Funds to be released only against presentation of doctors and hospital bills.

(8): These expenditures should be specified and be made subject to limitations.

(9): Omit.

(10): Omit.

Article 12: Specify type of document required to be presented. It is urged that rations cards be used.

Article 13: Substitute: "The transfer or pledge of deposits may be permitted only to the extent and for the purposes for which funds may be withdrawn."

Article 14: Substitute: "The extension of credit by financial institutions shall be limited to the extent and the purposes for which withdrawals of funds from financial institutions are permitted under the provisions of the Ordinance and this Regulation."

New Article 15: "Deposits made in financial institutions after X Day in cash or by unrestricted check shall be free of any restriction.

Article 16: Omit.

Article 17: Omit.

Article 18: Omit.

1946.

Article 4: Change period stated there from February 25—March 16 to March 4—March 9, 1946.

Article 5: 2nd paragraph: Reduce period for repatriates to four weeks. Eliminate third and last paragraphs in Article 5. Omit reference to “nationals”, “colony” and “foreign country”.

Article 6 Substitute for preamble: “The amount of new notes to be released as per Section 1 of Article 2 of the Ordinance shall be:” (1): State that release of new notes to local governments is to be subject to supervision of prefectural governments.

(2): Substitute “per person” for “each family head or family member.”

(3): Substitute “amounts authorized under the provisions of Article 3 (a) and (b) of the Enforcement Regulation of Emergency Financial Measures Ordinance.”

Article 6: Omit last paragraph.

Article 7: Payments to repatriates to and from Japan to be limited to amounts authorized for such repatriates to be brought into or taken out of Japan. Omit reference to “exchange” in first paragraph. Omit entire second paragraph.

Article 8: It is not clear what type of persons are envisaged. If possible this article should be eliminated. In any event, omit reference to “exchange.”

Article 10: This should specify the type of document which will be required for certification. It is strongly urged to provide that ration cards be required to be stamped or otherwise marked by the depository agent.

Article 11: Omit.

### III. Imperial Emergency Financial Measure Ordinance

Article 1: Substitute “deposits and all other obligations of financial institutions stipulated by Ordinance (hereinafter called deposits) shall not be disposed of except as prescribed by Ordinance.”

Article 2 (4): Add “as prescribed by Ordinance”.

(7): Deposits and trust accounts of the type mentioned here should be

treated in the same manner as all other deposits.

(8): Substitute “From financial institution by other financial institutions”.

Articles 3, 4 and 5. Omit “if necessary”.

Article 7: Substitute “Depositors shall be permitted to make withdrawals from deposits only as prescribed by Ordinance”.

Second paragraph: Substitute: “Interest on deposits shall be allowed as prescribed by Ordinance.”

Omit last paragraph.

Insert New Article 9: “The provisions of this Ordinance and of the Enforcement Regulation supersede all provisions for the restriction of deposits contained in any ordinance or regulation previously issued, except that to the extent that such provisions of any ordinance or regulation previously issued or to be issued are more restrictive than the provisions of this Ordinance and of the Enforcement Regulation the more restrictive provisions shall apply.”

Change Article 9 to Article 10.

### IV. Enforcement Regulations for the Emergency Financial Measure Ordinance

Article 1 should be extended to include all monetary claims against financial institutions. Add: “payment of principal on government bonds and treasury bills, corporate and banking debentures and other obligations and stocks outstanding on X day and due thereafter shall be paid only by restricted check”.

Payment of interest and dividends shall be made only by restricted check.

Article 2: Omit.

Insert new Article 2: “All checks, drafts, money orders and similar instruments of payment drawn upon financial institutions shall not be endorsed or otherwise transferred but shall be paid to other except that financial institutions may endorse or otherwise transfer such instruments for purposes of collection.”

Article 3: Substitute: “Withdrawals from bank deposits may be

nationals may exchange ¥ 1,000. Enterprises may exchange enough for one day's needs. Juridical persons may exchange amounts as specified by the Finance Minister. The national, prefectural and local governments and financial institutions may exchange all notes held by them.

b. Comments

(1) The technique of converting currency notes by stamping a legend or certificate on existing notes makes counterfeiting an easy matter. It should be resorted to only if unavoidable because of scarcity of materials or facilities or absolute lack of time for printing new notes.

4. The effect of these measures will be an immediate and drastic reduction in the amount of currency in circulation and the immobilization of a large percentage of the deposits now owed to the public by financial institutions. Currency will be forced out of hoarding. The pressure of excess purchasing power on prices will be reduced. Essentially, however, the plan constitutes a device for reducing the inflationary potential rather than deflating the existing price structure. In order for these effects to be lasting, there must also be a halt to the creation of new bank deposits based on government borrowing. Otherwise the pressure will soon build up again. In addition, there is need of a government fiscal policy which will inspire confidence in the currency and the banks.

注 経済科学局より参謀長あてメモの草案と推定。日付なし。但し、内容から昭和21年1月29日頃の作成と推定。Tab "B" "C" (勅令案)は省略。  
出所 大蔵省資料Z703-15 (National Archives, RG No.331)。

VI-2 金融緊急措置勅令案・省令案司令部修正要求案 (昭和21年2月8日受領)

<sup>\*1</sup>  
Suggested Amendments of Japanese Ordinances and Regulations Dealing with Freezing of Deposits and Currency Conversion

I. Imperial Ordinance "Deposit of Bank of Japan Notes."

Articles 1, 2 and 3 should be reworded to provide for the issue of new notes rather than the use of stamps.

Article 1: Eliminate second sentence "provided that etc" down to the end of the paragraph.

Article 2: Substitute "Any person who holds old notes shall deposit such notes as prescribed by the Ordinance and upon making such deposit may immediately demand Bank of Japan notes designated by the Minister of Finance up to an amount prescribed by Ordinance within the period prescribed by Ordinance. Delivery of new notes shall be made without change.

Omit second paragraph.

Article 3: Substitute "Shall act for the Bank of Japan in connection with the deposit of old notes and the delivery of new notes" for "shall do etc."

Omit second paragraph.

Article 4 (2): Substitute "all drafts, checks, postal money orders and similar instruments of payment outstanding as of X day shall be deposited on X plus one day for validation. Such instruments not so deposited shall be declared invalid."

Omit last paragraph.

Article 5: It is not clear from the present wording why Bank of Japan notes have to revert to the Treasury. It is suggested that old notes be deposited in blocked "owed accounts" which banks would hold in custody for their customers and for the Bank of Japan and that the latter, in turn, would set up corresponding "owed accounts" to be held in custody for the government and the banks.

Article 6: Omit.

Article 7: New notes obtained fraudulently in excess of authorized amounts should be subject to confiscation in addition to the penalties provided for in this Article.

Article 8: Present wording is allright unless existing counterfeit law is more rigorous; if so, the latter shall apply.

II. Enforcement Regulations Concerning Deposit of Notes

Article 1: Exclude five yen notes, as otherwise a very serious shortage of small denomination notes is apt to arise during the exchange period, with resultant black market dealings in such small notes.

Articles 2 and 3: Change dates for X day and Y day to March 9,

### 3. The Public Health and Welfare Section ( )

#### Tab A

#### Analysis of Japanese Government's Financial Plan

1. The Japanese Government's Financial Plan is contained in two proposed Imperial Ordinances, each with a set of Enforcement Regulations to be promulgated by the Minister of Finance: the Emergency Finance Measures Ordinance (Tab "B") and the Exchange of Bank of Japan Notes Ordinance (Tab "C").

2. Emergency Finance Measures Ordinance (and Related Enforcement Regulations).

##### a. Content

By these measures, all withdrawals of deposits from financial institutions, except as noted below, are prohibited from the date of issuance of the Ordinance to 31 August 1946. Deposits of the national, prefectural and local governments and deposits of financial institutions in other financial institutions are exempted. Withdrawals for the purpose of paying taxes or to carry on essential business operations or to pay wages, salaries and other allowances, or to make deposits in the same or other banks, are authorized. Each family may withdraw, for any purpose, up to ¥ 300 per month for the head of the family and ¥ 100 per month for each member. Repatriated nationals may withdraw ¥ 1,000.

##### b. Comments.

(1) The statement of a definite termination date (Articles 1 and 7 of the Ordinance and Article 2 of the Regulations) is unnecessary and from the point of view of governmental stability is considered dangerous.

(2) The general license to withdraw deposits for business expenses etc., contained in Sub-sections 3 and 4, Section 1, Article 2 of the Ordinance, is too broad and is subject to abuses. Special licenses would permit closer control.

(3) The provisions limiting the amounts that families may draw (Sub-section 5 of Section 1, Article 2 of the Ordinance and Article 7 of the Regulations) make no distinction between persons who have in-

comes from wages, salaries or other sources and persons who depend entirely on their savings for current living expenses, nor do they differentiate between high-income and low-income persons. Some differentiation along these lines would appear desirable.

(4) Articles 3, 4 and 5 of the Ordinance authorize the Minister of Finance, at his discretion, to restrict or prohibit advances of funds by financial institutions or the transfer or pledge of deposits, and to prescribe the methods whereby juridical persons may pay monetary obligations. Such restrictions and regulations should not be left to the discretion of the Minister of Finance, but should be set forth in the law itself.

(5) Under Section 2 of Article 7 of the Ordinance and Article 20 of the Regulations, deposits in financial institutions are permitted to earn interest. It should be stated that such interest will be subject to the same restrictions as the principal.

(6) If savings in financial institutions and the interest earned thereon are to be blocked, then any interest, dividends and other income received from government and other securities should be deposited and similarly restricted. In addition, restrictions should be placed on the use of funds derived from the maturity or sale of such securities.

3. Exchange of Bank of Japan Notes Ordinance (and related Enforcement Regulations).

##### a. Content

Under this Ordinance a "new" note issue will be created by affixing (presumably by stamping) to the present Bank of Japan notes a form of certificate to be prescribed by the Minister of Finance. After 4 March 1946, all notes not bearing this certificate will cease to be legal tender. Holders of old notes will have between 26 February and 16 March 1946 to present their notes to the Bank of Japan through normal banking channels. Within prescribed limits, new notes will be issued in exchange for the old ones. The balance will be treated as deposits and blocked under the Emergency Finance Measures Ordinance discussed in paragraph 2 above. Each family may exchange an amount equal to ¥ 200 for the head of the family and ¥ 100 for each member thereof. Repatriated

10. The measures discussed have volunteered by the Japanese Government.

11. a. The proposed blocking and conversion have been widely discussed by the people and in the press and semi-official hints have been given that the measures would be adopted, therefore, the public is more or less prepared for them.

b. The program has been advocated by bankers, who are losing deposits, by the principal liberal groups and by many others even many of those who have considerable to lose by it. All fear that otherwise run-away inflation will be inevitable.

#### Discussion

1. While the necessities of the program is evident, it is felt that the restoration of price control and equitable distribution can not be accomplished without some drastic measures which will insure enforcement. The use of the police power would appear inadvisable because:

a. It would arouse the people to resist a long hated instrument of oppression which they have been encouraged to believe was not gone forever.

b. It would require the reactivation of an organization which this Headquarters has required to be considerably reduced in numbers and powers.

2. The blocking and currency conversion would then be the only means by which the situation could be brought under control.

a. It is expected that these will bring about the release of the stocks of grain held by the farmers but in any case the more reasonable and equitable distribution of perishables should result because no one will have more purchasing power than another.

b. Upon completion of the program it is estimated that the new currency in circulation will be about six times that of 1937, the price of rice about ten times, of coal about fifteen times. The government has just announced an increase in wages to two and a half times and other wage and salary increases have been recommended to other employers.

3. Present rations provide only about one thousand calories of an

estimated necessary eighteen hundred and the cost of the balance is fantastic and more and more people are unable to provide the needed extras for themselves. Returning repatriates without resources and goods or foods are arriving in increasing numbers to worsen the situation.

4. In emphasizing that this program has been volunteered by the Japanese government it should be considered that if its imposition is not permitted now;

a. It would probably not again be volunteered by the present government.

b. That the new Diet to be convened after the election might be unwilling to adopt it.

c. That it would be welcomed by the enemies of the present regime and greatly disliked by its friends.

d. That postponed until after the election could mean that the program could not be imposed until perhaps June or July, by which time the situation could have gotten out of hand.

5. It is believed that the prompt imposition of the financial program will greatly advance the date on which a general exchange rate can be established at private commerce between Japan and the outside world resumed.

#### Recommendations

1. The Japanese government be informed that there is no objection on the part of this Headquarters to the proposed blocking of deposits and conversion of currency.

2. That consideration for the proposed use of the police powers be deferred or its use denied.

3. That all possible assistance be given by this Headquarters in the establishment of a new and more equitable official pricing scheme.

4. That support be given to any other acceptable enforcement measure which will insure and equitable distribution of the necessities of life.

#### Concurrences

1. The Government Section ( ).

2. The Natural Resources Section ( ).

3. a. Total food supplies, particularly rice, are considerably short of estimated requirements.

b. The government has not been able to insure an equitable distribution of existing supplies to all ration card holders.

c. Prices have continued to rise sharply until rice is presently quoted at five thousand yen per koku against an official price of one hundred and fifty yen per koku.

d. To pay the exorbitant prices the people are exhausting their savings and the banks have been making loans to employers in order that they may pay black market prices for foods necessary to induce workers to stay on the job.

e. The savings, accumulated food stocks, and bargainable goods of increasing numbers of people are being exhausted.

f. It is estimated that food stocks are being exhausted faster than was earlier estimated and that the situation may reach a serious stage within six weeks instead of May or June as was first anticipated.

4. Strong opposition to the use of the police powers is evident from newspaper reports in statements of leaders in the rural areas.

5. The blocking and currency conversion program is probably the only effective enforcement measure which could be taken without the use of the police.

6. The blocking of deposits and conversion of currency is necessary for the successful imposition of the war profits tax, property tax, and increase in property value tax which are required to be imposed by Memorandum to the Imperial Japanese Government, file AG 121. 7 (24 Nov. 45) ESS/FI.

7. By directive No. 3, dated 22 September 1945, this Headquarters, the Japanese Government was required to continue price control and rationing, paragraph 2.

#### "2. Economic Controls

a. You are responsible for initiating and maintaining a firm control over wages and prices of essential commodities.

b. You are responsible for initiating and maintaining a

strict rationing program for essential commodities in short supply, to insure that such commodities are equitably distributed."

8. This Headquarters is directed to permit and encourage the Japanese Government on their own responsibility to take such measures as may be necessary to attain the objections expected to be reached by the program presently proposed. Pertinent sections of the JCS directive, radio WX 68524, dated 24 September 1945, are Part 2:

"Paragraph 19. The Japanese authorities will be expected to develop and effectively carry out programs of working activity that will enable them out of their own resources and labor to accomplish the following:

A. To avoid acute and economic distress.

B. To assure just and impartial distribution of available supplies.

Paragraph 21. The Japanese authorities shall be permitted on their own responsibility to establish and administer any control over economic activities that are appropriate or necessary in order to achieve the economic ends specified in paragraph 19.....subject to your approval .....

Paragraph 22. Serious inflation will substantially retard the accomplishment of the ultimate objectives of the occupation. You will, therefore, direct the Japanese authorities to make every feasible effort to avoid such inflation.

Paragraph 29. You will assure that all practicable economic and police measures are taken to achieve the maximum utilization of essential Japanese resources in order that imports into Japan may be strictly limited. Such measures will include production and price controls, rationing, control of black markets, fiscal and financial control.....

Paragraph 30. You will require that all practicable steps be taken to assure a fair and equitable distribution of supplies under uniform rations scales."

9. Similar blocking and conversion measures have been imposed since the end of this war with Austria, Belgium, and the Netherlands.

## 資料・金融緊急措置

終戦直後における「経済危機緊急対策」

昭和62年3月20日印刷

昭和62年3月30日発行

定価7,400円 円350円

不許

複製

編者 大蔵省財政史室

発行者 伊達弘邦

印刷者 松井余四次

発行所

東京都新宿区下宮比町15  
飯田橋ハイタウン805号

株式会社 霞出版社

TEL03(269)5939  
振替東京 9-3771

印刷 ヨシダ印刷両国工場

用紙 ㈱秀明社

## VI-1 金融緊急措置に関する司令部内部メモ

Memo to the Chief of Staff

Problem Presented

Blocking of Deposits in Financial Institutions, Currency Conversion, Price Control, Rationing, and Collection and Distribution of Essential Commodities, particularly primary Foodstuffs through legitimate Channels.

Facts Bearing on the Problem

1. a. The program was prepared by officials of the Ministry of Finance in consultation with officials of the other Ministries concerned.

b. It was presented by the Ministry of Finance to the Chief of Economic & Scientific Section a week ago and discussions have continued between the officials of the Ministries involved and officers of the interested sections of this Headquarters.

c. The Ministry of Finance has stated that the program has been approved by the cabinet and it is desired to present it to the Privy Council on Wednesday, 30 January, and if approved there to the Emperor on Friday, 1 February.

2. The proposals contemplated are:

a. A re-adjustment of official prices to higher realistic levels. This will involve increases to both producer and consumer.

b. The use of the police to enforce the sale of rice to the government by search and seizure.

c. An energetic attack on the black market.

d. A financial program which would drastically reduce the purchasing power in the hands of the people and more equitably distributed among them. The financial measures proposed are:

(1) A blocking of all present deposits in financial institutions.  
(2) The deposit and blocking of all presently outstanding currency.

(3) Issue of a new currency which would be free of restrictions.