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HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

FLR/km

AG 000.5 - BA

SUBJECT: Confinement of Chinese National

Jan 18 1949

TO : Commanding General
Eighth Army
APO 343

1. In view of certain pressure which may be brought to bear upon higher headquarters, the following information is submitted. This headquarters is very desirous of having this case prosecuted successfully. It is particularly desired that the accused not be admitted to bail, for in past instances, nationals of this type have absconded. In fact, two other principals involved in this case have already absconded.

2. On 27 December, one Chinese national by the name of WU PAI FU, of Izumi-otsu, Osaka Prefecture, was placed in 25th Division stockade by the 21st CID for alleged violation of foreign trade laws.

3. On 3 January, a confinement order requested by Osaka Military Government Team, was issued by the Provost Court for confinement of above named Chinese national for violation of income tax laws.

4. On 12 January, charges were preferred against WU PAI FU by Osaka Military Government Team as follows:

a. Charge 1. Violation of Articles 26 and 69, Japanese Income Tax Law No. 27, 31 March 1947.

Specification: Failure to file income tax returns for fiscal year 1947.

b. Charge 2. Violation of Articles 63 and 70 of the Japanese National Income Tax Law 27, 31 March 1947.

Specification: 1. Presenting false documents to avoid payment of income tax for fiscal year 1947. 2. Answering falsely to questions pertaining to income tax in order to avoid payment of 1947 income tax.

5. The circumstances surrounding the tax law violations are as follows:

a. WU PAI FU was assessed ¥ 6,104,000 for fiscal year 1946. No tax return was filed nor any payment made on this amount. Income tax assessed

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Tax Violations by
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on WU PAI FU for fiscal year 1947, including penalties and interest, amounted to ¥ 8,745,072. No return was filed nor any payment made on this tax. He filed a return for ¥ 289,025 in 1948 and has paid ¥ 192,782 on this return; however, the reassessment has not been finished by the tax office.

6. On 31 December attachment proceedings were instituted to attach all tangible assets of WU PAI FU. The attachment was completed on 4 January and consisted of the following assets with approximate value:

- a. 1 wooden house, estimated value ¥ 600,000
- b. Movable property in above wooden house, estimated value ¥ 2,000,000
- c. Land and restaurant, estimated value ¥ 3,350,000
- d. Movable property in above restaurant, estimated value ¥ 350,000
- e. Two-story wooden office building with land (128 tsubo) estimated value ¥ 3,000,000
- f. One forest, area unknown, estimated value ¥ 3,000,000
- g. Other property is under investigation as to ownership at the present time.

7. On 14 January, the Japanese authorities turned over to the Osaka Provost Court, report of investigation of foreign trade law violations. This investigation indicates that additional charges may be placed against WU PAI FU for violation of Imperial Ordinance 328, consisting of 6 specifications concerning 3 violations of import laws and 3 violations of export laws. This investigation was in Japanese and is now in the process of being translated prior to placing of charges.

FOR THE COMMANDING GENERAL:

/s/ William A. Franks

WILLIAM A. FRANKS
Capt, AGD
Ass't Adjutant General

AGYJ 250.53
(18 Jan 1949)

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SUBJECT: Confinement of Chinese National

Hq, Eighth Army, APO 343

TO: Commanding General, I Corps, APO 301

1. The strict enforcement of Japanese income tax laws, which apply equally to all residents of Japan who are not members of the occupation forces, is a matter of concern to this and higher headquarters.

2. A radio message from the Supreme Commander for the Allied Powers, Cite ZX 36937, dated 20 January 1949, is quoted for your information and guidance:

"This radio consists of 3 parts.

"Part 1. It is reported that United Nations Nationals in Japan subject to Japanese tax laws have violated said laws subjecting them to criminal liability therefor.

"Part 2. The assessment and collection of Japanese Government taxes against United Nations Nationals are civil matters and as such come under the jurisdiction of the Japanese Government. It is not intended that the occupation authorities assume the functions and responsibilities of the Japanese tax collection agencies. However, where Japanese tax officials are prevented from carrying out their legal duties by United Nations Nationals who thus violate Japanese laws, criminal prosecution in Military Occupation courts is in order.

"Part 3. The Japanese authorities are being advised of the general contents of this message."

3. The question of whether to release the accused Wu Pai Fu on bail pending trial is within the discretion of the military occupation provost court as provided by paragraph 6a, Operational Directive 33, this headquarters, 14 May 1948, as amended.

4. It is desired that if the accused Wu Pai Fu is found guilty of the criminal aspects of the Japanese income tax laws, as alleged, appropriate publicity be given the case in order to achieve the maximum deterrent effect.

AGYJ 250.53

(18 Jan 1949)

SUBJECT: Confinement of Chinese National

5. It is desired that this headquarters be advised of the final disposition of the case.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ECONOMIC AND SCIENTIFIC SECTION
Price and Distribution Division
APO 500

PD ENFORCEMENT MEMORANDUM NO. 20

UNITED NATIONS NATIONALS AND ECONOMIC LAWS

27 May 1949

Incl. /²

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ECONOMIC AND SCIENTIFIC SECTION
Price and Distribution Division
TPO 500

27 May 1949

UNITED NATIONS NATIONALS AND ECONOMIC LAWS

1. The following is a reissue of a memorandum subject: Chinese Nationals (originally issued as APPENDIX I I to the perishable food program). It sets out the principles generally governing the arrest of United Nations Nationals for violations of Japanese law:

"1. Chinese Nationals are generally subject to Japanese law. However SCAPIN 756 19 Feb 1946 (par 6) provides as follows:

'The Imperial Japanese Government shall have no authority to arrest United Nations Nationals, except (a) in areas where Allied troops are not actually present on duty and there is a reasonable evidence that a serious crime has been committed by a United Nations National, or (b) when otherwise directed by the Supreme Commander for the Allied Powers or his authorized subordinates: provided that, when such persons are taken into custody, the apprehending authority will immediately report the incident to the nearest Allied Military Authority and deliver such persons upon instructions from such authority.'

2. It is noted that investigation and questioning of Chinese Nationals by Japanese police is not prohibited. However, in the event a Chinese National refuses to submit to questioning voluntarily the only recourse of the Japanese Police is to the occupation authorities for further action. In other words, the Japanese police must apply to the local occupational authorities and arrest and search is generally made in the company of an M.P. or any other occupational personnel authorized to make arrest. The appropriate commanding officer of any area may authorize any member of an M.G. team to make arrest.

3. Chinese nationals must be tried by an occupation court of which a Chinese national is a member. However there is no bar to holding a Chinese national in the custody of the military authorities until arrangements can be made to constitute such a court.

4. It is noted that there is no bar either legally or as a matter of policy to surveillance and arrest of Chinese nationals directly by M.G. teams.

5. Only Formosans who have proper documents from the Chinese Mission are treated as Chinese nationals for purposes of criminal jurisdiction.

6. This memorandum does not apply to Koreans as they are subject to Japanese laws and procedures."

2. In addition to the above, it is noted that United Nations Nationals are subject to the licensing requirements contained in economic laws to the same extent as Japanese and the licenses of such United Nations Nationals may be revoked by the appropriate Japanese Government officials without reference to Occupation authorities.