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Description of contents

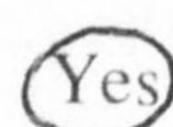
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HEADQUARTERS WAKAYAMA MILITARY GOVERNMENT TEAM APO 25

HNR/my

371.2-16

17 April 1948

SUBJECT: Inefficiency of Tax Officials at Tanabe Nishimuro-gun, Wakayama Prefecture)

Commanding Officer, Kinki Military Government Region APO 301
ATTN: Colonel Frank Kowalski

- 1. Mr. K. KOMORI, Tax Chief at Tanabe city, Nishimurogun, Wakayama Prefecture, is considered to be inefficient in office.
- 2. Recommendations for removal of Mr. K. KOMORI as chief of the Tanabe Tax office has been made to the Osaka Regional Finance Bureau on three separate occasions by Tax Surveillance officers of this Military Government Team:
 - a. On 17 March, 1948 by 2nd Lt Philip Nagao
 - b. On 27 March, 1948 by 1st Lt William Carlin
 - c. On 10 April, 1948 by 1st Lt Hubert Reed
- 3. On about 2 April 1948, representatives of the Osaka Regional Finance Bureau made an invesigation of the Tanabe Tax office (see attached report) but failed to take any positive corrective action.
- 4. The deficiencies noted by each of the above mentioned Tax Surveillance officers and which were reported to the Osaka Regional Finance Bureau, to substantiate replacement of Mr. K. KOMORI are as follows:
 - a. Lacking in knowledge of tax laws and administration.
 - b. Hesitant in making decisions.
 - c. Takes no authoriative action when such action is warranted.
 - d. Under-officials have no confidence in Mr. K. Komori's ability for the job.
- 5. On 10 April 1948, Lt. Hubert Reed recommended to Mr. K. KOMORI (chief of Tanabe Tax office), and to the Osaka Relional.

1 (cop)

Subject: "Inefficiency of Tax Officials at Tanabe (Nishi-muro-gun, Wakayama Prefecture), dated 17 April 1948, cont'd. Finance Bureau, the removal of six (6) employees of the Tanabe Tax office, due to their reported activities in obstruction to the tax collection program and subversive affiliations. Final action on this recommendation has not as yet been reported to to this office. 6. Wakayama Military Government and tax offices in this prefecture have received little cooperation from the Osaka Regional Finance Bureau. l Incl. C. M. LYONS As indicated. Lt Col, Inf Commanding

DECLASSIFIED E.O. 12065 SECTION 5 402/ MILES BASIC: Ltr Wakayama Mil Govt Team, APO 25, Subj: Inefficiency of Tax Officials at Tanabe (Nishimuro-gun, Wakayama Prefecture), dtd 17 Apr 48. 012 1st Ind RFS/lha Hq Kinki Mil Govt Region, APO 301, 25 Apr 48 TO: CO, Osaka Mil Govt Team, APO 25 1. Attention is invited to basic letter and particularly to paragraphs 2 and 6 alleging that the Wakayama tax offices have received littel cooperation for the Osaka Regional Finance Bureau. 2. OD No. 8 (1948), outlining the procedure for removal of certain Japanese officals, requires the submission of sufficient facts and other evidence to show beyond a resonable doubt that further retention of the Japanese in public office is undesirable. The operating units of Military Government provide the facts and evidence on which higher headquarters base their conclusions. 3. It is desired that you investigate the sitaution at the Osaka Regional Finance Bureau and forward your recommendations to this office as soon as practicable. BY ORDER OF COLONEL DEVINE: J E ENGLEHARDT Capt, 1 Incl/ Adjutant

DECLASSIFIED E.O. 12005 SECTION 5 402/ MILES Ltr. Wakayama Mil Govt Team, APO 25. subj: "Inefficiency of Tax Officials at Tanabe (Nishimuro-gun. Wakayama Prefecture), dtd 17 April 1948 CAP/myt 2nd Ind 012 Hq Osaka Mil Govt Team, APO 25. 6 May 1948 To: Co. Kinki Mil Govt Region, APO 301 1. Conferences have been held with Mr. T. Yoshida. Director of the Osaka Finance Bureau, and his section chiefs rolative to the matters set forth in basic communication and lat indorsement thereto. The actions of the Director of the Osaka Finance Bureau are adequately explained in inclosure 2. attached. Results of this investigation indicate: a. That on 12 March 1948 Mr. Masami Funabashi, Chief of the Inspection Section, General Affairs Department, Osaka Regional Finance Bureau made an investigation of the Tanabe Tax Office. At that time the chief of the tax office asked to be permitted to resign but action was deferred due to the nearness to the end of the 1947 tax collection year. b. That the Regional Director acted in good faith and in accordance with established custom in regard to his plans for replacement of the chief and other personnel in the Tanaba office after completion of the 1947 tax collection year (circa 20 May 1948). c. That actions of the Regional Director were in consonance with his understanding of Japanese Civil Service Regulations. d. That no evidence in writing to substantiate the charges in paragraph 4 of basic communication was submitted to the Regional Finance Director. e. That the Regional Directors actions were slow and not in consonance with established American business procedure thus giving an erroneous impression that no action was planned or taken. That the Tanabe Tax Office collected over 100% of its goal of \$150.637.000.

DECLASSIFIED E.U. 12003 SECTION 3 4027 MILES BASIC: Ltr. Wakayama Mil Govt Team, APO 25. subj: "Inefficiency of Tax Officials at Tanabe (Nishimuro-gun. Wakayama Prefecture), dtd 17 April 1948 g. That there is no evidence to indicate wilful failure on the part of Regional tax officials to cooperate with the Wakayama Wilitary Government Team. 3. Recommendation is made that: a. The Regional Director be permitted to continue with his plans for removal of the Chief of the Tanabe Tax Office and other office person mel during the month of May 1948. b. Requests for removal of Japanese officials be substantiated by statements citings pecific facts, names and dates in order that they may be used as evidence against such officials. 2 Incls: MALCOLM E. CRAIG 1. n/e Colonel, Infantry 2. Ltr. Osaka Finance Commanding Bureau, dtd 4 May 1948 012 3rd Ind RFS/lha Hq Kinki Mil Govt Region, APO 301 10 MAY 1948 To: CO, Wakayama Mil Govt Team, APO 25 Attention is invited to 2nd indorsement and added inclosure for further comment and return to this headquarters for further processing. BY ORDER OF COLONEL DEVINE: 2 Incls: E. ENGLEHARDT Captain, AGD Adjutant

DECLASSIFIED E.U. 12003 SECTION 3 4027 Ltr. Wakayama Mil Govt Team, file 371.2-Id, dtd 17 Apr 48. CMI/jhr 4th Ind 371.2-IA Headquarters, Wakayama Mil Govt Team, APO 25, 18 May 1948. CO. Kinki Mil Govt Region, APO 301 1. The Tanabe tax office, after close surveillance and almost continual pressure by members of this team, obtained their annual tax quota as of 30 April 1948. 2. The Osaka Regional Finance Bureau did receive from this headquarters sufficient reports and ample information (as stated in basic letter) to warrant the several investigations, which they conducted, of conditions existing in the Tanabe tas office. It is not believed that further reports from this headquarters are necessary. 3. It is believed that the investigations conducted by the Regional office, and pressure exerted by tax surveillance teams from this headquarters, influenced greater effort on the part of the Tanabe tax chief to meet his quota during the month of April. and to quiet, temporarily, obstruction to the tax collection program by the six communist members of that tax office. 4. Reports received on 17 May 1948 state that all six communist employees are still on the job in the Tanabe tax office. 5. Attached hereto (as inclosure 3) is copy of report of police investigation of activities of communist members in the Tanabe tax office. It Col. Inf added - Rpt of police investigation of activities of communist members in Tanabe tax office.

Report on Inefficiency of Tanabe Tax Office

by Csaks Finance Bureau

1. The collection of taxes in Tanabe Tax Office on Merch 30, 1948 is as follows:

Goal of Tax Actual Collection Percentage

DECLASSIFIED E.O. 12005 SECTION 5 4027 MILES

Yen 166,637,000

However, the income tax actually collected by March 30, 1948 is Yen 21,024,000 which shows 24.9% against Yen 84,222,000, the goal of income tax.

Yen 97,132,000

58.2

2. The main reasons which created inefficiency in the same are due to the radical activity of the Union members of Tanaba Branch the shortage of the staff, the delay of final reassessment and the official corruption of the senior staffs of Direct Tax Section in the same which causes the utmost confusion for interviewing the taxpayers.

Date when reassessment was notified: March 6, 1948
Last day of payment: March 28, 1948
Number of reassessment notified to: 18,949
Number of complaints: 7.093

3. On March 18, the general meeting of village representatives under its jurisdiction was held and the petition has been submitted to the chief of the same.

Further, though some communists, farmers union made objection to the reassessment, no violence has ever been performed. The name of the villeges which comparatively made strong objection are as follows:

Nishimuro-gun	Wabuka-mura
	Tanami-mura
	Shinjo-mura
	Shirahama-cho
	Higashi Tonda-mura
	Nishi Tonda-mura
	Minami Tonda-mura
	Atsuso-mura
	Mikawa-mura
Eawasoe-mure	

4. The following action has been taken by the office after the inspection was made by Head Office.

22 staffs of Tanabe Tax Office have been already sent out to the villages and strong enforcements are being made by them since March 28. And it is anticipated that collection be completed by DECLASSIFIED E.O. 12003 SECTION 3 402/ MILES Report on Inefficiency of Tanabe Tax Office by Osaka Finance Bureau, continued. April 15. For the reasons stated above it is believed that the high percentage be indicated after middle of April. (Incls 2)

TAX COLLECTIONS IN TANABE TAX OFFICE

			As of March 30, 1948 (Unit Yen 1000
Kind of Tax	Goal of Tax	Actual Collections	Percentage
Payroll	16,158	38,047	105.3
Self-assessment	84,222	21,024	24.9
Additional Income Tax	10,853	7,985	73.5
Corporation Tax	1,733	1,812	104.5
Liquor Tax	33,245	31,374	94.2
Admission Tax	6,564	2,754	84.5
Commodity Tax	3,682	6,006	91.5
Non-War Suffers' Special Tax	7,619	6,812	89.4
Others	2,561	2,338	90.2
Total:	166,637	97,132	58.2

OSAKA FINANCE BUREAU (Osaka) May 4, 1948 SUBJECT: Report on Request for Resignation of Tanabe Tax Office Officials TO Osaka Military Government Team In compliance to your request we are forwarding the following results of our investigation on the Tanabe Tax office: 1. In December of last year when the All Japan Finance Workers Union were conducting an Anti-Public Taxation movement the staff of the Tanabe Tax Office was divided into two fractions. The six sympathizers of the movement: Administration officials TOGAWA, Hiroshi and FWIII, Haruo; Office Workers MIZOGOSHI, Hideji, YASUDA, Eichi, ITANI, Yoichi, and MIYAMOTO, Katsumi, individually devoted their time and energy in this movement at public meetings for explanation of Income Tax Settlement Statement and Non War Sufferer's Special Tax which they had in their charge. They also participated in Communist-sponsored Anti-Bad Tax meetings. However diligent efforts of the opposing fraction, especially the higher officials, in raising the tax collection more than offset the effectiveness of the six sympathizers. Therefore the sympathizers with the help of the Communists planned to expose the higher officials. On February 17, 1948 Fujii and Mizogoshi, together with four Communists exposed Direct Tax Section Chief Mieda with a friend at a simple meal in a closed restaurant. This incident was widely used as propaganda material via Communist wall posters and greatly influenced the sympathizers position in the tax office, as well as creating considerable doubt and suspicion among tax payers. On February 23 at the meeting for formation of Democratic Tax Payment Association of Tanabe City sponsored by NATSUMI, Michio, committee head of Nishimuro District, Wakayama Ken Communist Party, TSUCHIDA, Haruo, committee head of the Osaka District Federation, All Japan Finance Workers Union, speaking on the subject of Malicious Tax Assessment conferred with the audience for the expulsion of Direct Tax Section Chief Mieda. This speech resulted in further lowering the desire to pay taxes and created an inflammable tension between the two fractions in the tax office. From the above mentioned circumstances we believe that the following reasons were responsible for the sluggishness of tax collection at Tanabe Tax Office: cont'd Capy

Participation in the various anti-tax payment movement by members of the Tax Office at the instigation of Communists thus reflecting an unfavorable opinion to the tax payers. b. That disclosures of corrupt practices of the Direct Tax Section Chief and his assistant of March 7 greatly aided the Communist's Anti-Tax Payment movement by lowering the citizens desire to pay taxes. Faced with the above circumstances, the Osaka Finance Bureau replaced the Direct Tax Section Chief on March 20 and called a general meeting of all chiefs and direct tax section heads in Wakayama Prefecture to discuss remedial measures to accelerate tax collection. Furthermore, on March 31 the Bureau dispatched two capable officials from the Direct Tax Section to assist the Tanabe Tax Office Chief in smoothing the relations within the office and asking for the cooperation of the Peoples Tax Payment Committee in raising tax collection results. 3. In reference to the six sympathizers within the office, the Tax Office Chief, who had been keeping them under surveillance, submitted at a Workers Mass Meeting on March 6, a request for resignation of the six individuals as detrimental to smooth functioning of the office. This request was passed and presented to the six sympathizers. Instead of complying with the request they appealed to the Communist and groups friendly with the local labor unions. Through the efforts of the All Japan Finance Workers Union, Tanabe branch, the Wakayama District Federation Committee Head was asked as mediator to settle the problem. On the strength of a written promise of the six workers to hereafter perserve order within the tax office and pay heed to their conduct, nullification of the resignation request was confirmed at the next Workers Mass Meeting on March 13. In view of the above circumstances the Bureau dispatched their Inspection Section chief to Tanabe Tax Office in March 12 to investigate the conditions. While there he met Lieutenant Nagao of the Wakayama Military Government Team who was visiting the office to encourage, and observe the results of the tax collection. He was told by the officer that in order to improve the situation the following procedures should be carried out: (a) An establishment of a conference room where the public could discuss their tax problems, (b) Replacement of all workers within the office detrimental to tax collection procedure, and (c) Replacement of the tax office chief. - cont'd -Chpy.

would be a more appropriate time for termination. 5. In reference to the termination of the six individuals: In view of insufficient concrete evidence proving that they (four) had violated the Government Public Service Regulation is in doubt it is difficult to terminate them. Moreover to immediately discharge the two, against whom sufficient evidence has been gathered, we feel would create an impression to the labor union that the government is conducting an unilateral management and grounds for further disturbances. Since it would also reflect upon the present tax collection results we feel that the most proper time is when the tax collection is eased and time for sufficient evidence is gathered to terminate the tax office chief and the six individuals at the same time. s/ Hirohisa Teruta t/ T. YOSHIDA Director, Osaka Finance Bureau COPY

Chief, Tanabe City Police Station Wakayama Military Government Team Tanabe Tax Office's Trouble Tanabe Tax office is in complication while they are being kept very busy with the revision of income tax now. Six tax officers of Direct Tax Section Itani Yolchi Horikoshi Hideji Sogawa Hiroshi Yasuda Elichi Miyamoto Katsumi -Fujii Haruo With the Nippon Communist Party Nishimuro area, Chief, Mr. Natsumi Tatsuo, have been trying to empel the Chief tax officer. Mr. Mieda, who once suspected to have been breaking the 7 - 5 Directive by eating and drinking at Hashimoto's restaurant Kaneyashiki Tanabe. These six people were trying get others to join their activities at all time. At every meeting they were crying corruption of executive officers. Demoralizing of taxation and expelling of Mieda, chief Dimect Tax Section. At the meeting of March 6, "All Financial Worker's Union" Tanabe Branch, Chief, Moriguchi Mines moved that these six officers are disturbing peace and giving bad idea to the tax payers, so they must be expelled from the union. The result of voting was; 46 votes Expel. - 29 votes No Accordingly they were expelled from the union Tanabe Branch. Upon the report of expelling of six members, Niopon Communist Party Nishimuro Committee supported leftists in Tax office fully and announced that they fight the tyranny executives, and posted posters here and there in the city. On the other hand they are planning to hold impeachment speach against tax office posting Mr. Shiga Yoshio, former Diet Representative of Communist Party. Incl 3

"Tanabe Tax Office's Trouble", dated 12 March 1948, continued. As to the Tax office, Direct Tax section chief, Mieda and his executive Arai Yoshiro are arrested for the suspecion of receiving bribes. Indirect Tax section officer, Konlshi and Direct Tax section officer, Yamamoto also arrested for the suspicion of bribe. But the citizens are very quiet and chief of Tax office, Mr. Komori thinks tax collection will be done smoothly. I certify that above is a true copy of translation of an investigation by Tanabe city police. Inclosure No. 3 Legal and Government Officer

Sol M. M. M. M. M. Subject: Samuel Dix Office 3 Intulle Danabe Par office is in complication while they are being kept very builty with the revision of income Six tax officers of Direct tex section: Morrhooks Midrich Little Watch Greath Eilen 20 garden de marke The think the tensor of the te Milyanati - Catalina mit the Report Comment Besty Mislimuso acco Brief mr. Maturial Victorio, late Lean trying to It sell the Chief tax officer Mr. Muyera mis ones purposed to have been been becalling the 7-5 directive by entire and drinking at fushimotos restaurant Kennyaskiki Janabe. There in people were trying get others to from their activities at all time. At every meeting, they were Erying corruption of executive officer. Demonstrying of taxation and Expelling of Micala, Chief, Director 50026700

at the meeting of Mer. & all financial year her & mon" Tarabe Branch Chief Morigueti nines moved that There was afficers one disturbing peace and giving but idea to the tax payers, so try must be expelled from the union The realty meting men; 116 1425 accordingly they were grapefied from the Amor Timabe Upon the Experience of six members, Ryppon Comment Party Historius Committee explorated delitation Tax office fully and announced that they fight the tyrany executives, and ported foreters were and there in the City. Contine the strength they are planning to doed impersionent specie against Dexisted parting The Tripe Harris former west representative of Comment Person, it to the Cax office Direct Zax Bection chief, Mucha and his executive are yoshers are arrested for the purposion of receiving drifter. Indirect Tax Beetion officer Kondsh and Direct For rection officer Gamanisto cles arrested for the suspection of Dribe, But the citizens are very quiet and Chief of Tax office The Konson Thinks tax collection mulling de donce onestille.