DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

KYUSHU MILITARY GOVERNMENT REGION
HEADQUARTERS AND HEADQUARTERS DETACHMENT
Fukuoka, Kyushu, Japan

AUG 10 1948 10 44
AUG 13 1948 10 44

1948

INFORMATION	CONTENT	ACTION	INITIAL	Forward to:	Remarks
				Commanding Officer	
				Exective Officer	
				Adjutant	
				Personnel	
				Supply	
				Reports	
				CI & E	
				Welfare	
				Public Health	
				Industry & Reparations	
				Resourses & Commerce	
				Legal & Government	
				CPC	
				Sgt Major	
				Communications	
				Typing Section	
				File	
				Procurement	
				Disposition	
				Labor	
				CO MG TEAM	
				Message Center	

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

REPORT ON JAPANESE NATIONAL TAX DELINQUENTS
for
THE FISCAL YEAR 1947-48 FROM TAX PAYERS WHO OWE
¥500,000 OR MORE FOR MONTH ENDING 31 JULY 1948
from

OITA PREFECTURE OF THE KUMAMOTO REGION FINANCE BUREAU

Name of Tax Office	Number of Individual Delinquents	Amount Due 1 July 1948	Amount Collected During July 1948	Amount Due 31 Jul 1948
1. Oita	5	¥ 7,650,565	¥ 1,283,464	¥ 6,347,101
2. Hiji	5	7,561,423	450,000	7,111,423
3. Usuki	1	862,961	-	862,961
4. Saeki	8	6,559,453	-	6,559,453
5. Nie	1	631,211	-	631,211
6. Hita	1	520,640	-	520,640
7. Yokmichi	2	5,005,559	800,000	4,805,559
TOTAL	23	¥29,371,862	¥2,533,464	¥26,838,418

Negative report for Kumisaki, Takeda, Nori and Nakatsu Tax Office.

Report Prepared by William D. Morgan
WILLIAM D. MORGAN
Lt. Col., FA

Inclosure #1

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

HEADQUARTERS
SAGA MILITARY GOVERNMENT TEAM
Saga, Kyushu, Japan

JEN/rk

APO 929
4 August 1948

SUBJECT: Tax Collections for Fiscal Year 1947 - 48

THRU : COMMANDING OFFICER, Kyushu Military Government Region, APO 929

TO : COMMANDING GENERAL, Headquarters I Corps,
APO 301
Attn: Military Government Section

1. In compliance with par 3, letter, Headquarters I Corps, subject: "Tax Collections for Fiscal Year 1947 - 48," dated 19 July 1948, the following report is submitted concerning tax payers who owe 500,000 yen or more.

2. The sum of 22,010,894 yen has not been collected on the fiscal year 1947 - 48 from tax payers owing 500,000 yen or more.

3. The sum of 426,002 yen was collected during the month of July from subject tax payers.

4. 32,807,428 yen remains to be collected from subject tax payers.

5. The tax offices in this prefecture have had 398 attachments. Out of the 398 cases 228 have paid their taxes. There have only been 2 cases where the property was sold. The remaining 170 cases expect to be cleared up by 31st August 1948.

6. This Team has obtained a list from each of the 4 tax offices in this prefecture listing 100 tax payers who have the largest amount of unpaid taxes. Each of the above mentioned cases are being taken up individually with the tax office concerned.

FOR THE COMMANDING OFFICER:

Albert S. Buzash

ALBERT S. BUZASH
Capt., FA
Adjutant

DISTRIBUTION:
CC
1 - Kumamoto MG (Direct)

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DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

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48/LG/T/#1

HEADQUARTERS
FUKUOKA MILITARY GOVERNMENT TEAM
Fukuoka, Kyushu
APO 929

CRM/rl

012

21 May 1948

ODH.2 SUBJECT: Taxation of Prostitutes

THRU : Commanding Officer, Kyushu Military Government Region,
Headquarters and Headquarters Detachment, APO 929
ATTN: Government and Legal Officer

TO : Commanding General, Headquarters Eighth Army, APO 343
ATTN: Military Government Section

1. A report received from the General Affairs Department of Fukuoka Prefecture indicates that no tax is levied upon prostitution as it now exists in the Prefecture.

2. A study of the situation shows that prostitution is practiced on a somewhat wide spread scale although it is no longer licensed, nor is there any compulsion exerted on the girls which would constitute a breach of SCAPIN 642.

3. Prostitutes fall into three categories; geisha, jugyo-fu or set-tai-fu, (female attendants in special restaurants) and street girls. The first and third groups are not of particular interest from the tax point of view. The geisha are a small well regulated group whose income is already subjected to tax. The street girls constitute the group in which the majority of Occupation Personnel venereal disease contacts are made and every effort is being made to put a stop to their activities. The second group however, composed of the Jyugy-fu or Settai-fu, is the largest group of the three, numbering approximately 2,000 within the Prefecture. This group is composed of the old licensed prostitutes who have voluntarily returned to their former work. The patronage of these special restaurants and their Jyugyo-fu inmates is totally Japanese within this Prefecture. They constitute no source of venereal disease infection for Occupation Personnel as the industry is sufficiently lucrative to assure that the owners would, in every case, deny entrance to Occupation Personnel rather than run the risk of closure by military authorities. The income of these Jyugyo-fu averages approximately 30,000 yen a month or an industry income of approximately 720,000,000 yen annually. This amount is split on a 50-50 basis between the owners of the Tokushu Ryoriya (Special Restaurant) and the Jugyo-fu. The owners of these establishments do pay income tax, however the girls themselves make no returns on their incomes.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr, FMGT, APO 929, File No. 012, dtd 21 May 48, Subj: "Taxation of Prostitutes

Furthermore, no attempt has been made by the Ken Officials to collect the Entertainment and Amusement Tax as authorized by Article 2 of the Entertainment and Amusement Tax Law. The Ken Government is highly desirous of imposing the authorized taxes upon this industry as they realize that this additional revenue would alleviate, in a large measure, the present budget difficulties. The Chief of the General Affairs Department of the Prefectural Government is in receipt of a letter from a Mr. Kashiwamura, Chief of Finance Section, Home Ministry, Tokyo, subject: "Assessment of Amusement Taxes", dated 20 August 1946, which states; "Formerly amusement and entertainment taxes were collected from the owners of licensed prostitute houses in accordance with the old Amusement and Entertainment Tax Law. However, since measures have been already taken to liberate the licensed prostitute, it is considered improper to levy taxes on acts similar to licensed prostitution. You are directed to keep that in mind.". This letter constitutes the sole basis for the failure to collect not only the tax authorized by Article 2 of the current Entertainment and Amusement Tax Law but income tax as well on the salaries of the Jugyo-fu.

4. Request information as to whether the quoted letter in the previous paragraph reflects the policy of higher headquarters and if the imposition of such taxes is to be considered in contravention with SCAPIN 642.

CHARLES R. MUNSKE
Lt., Colonel, CAC
Commanding

L&C 1st Ind VRV/ce

KYUSHU MIL GOVT REGION, HQ & HQ DETACHMENT, APO 929, 25 May 1948

TO: Commanding General, I Corps, APO 301
ATTN: Mil Govt Section

Reference question raised by basic communication, this matter is one that is of present interest in all areas of this Region, because of conflicting opinions previously received and because the tax itself would constitute a major source of revenue for Ken governments. Attention is invited to 2d Indorsement, your headquarters, dated 21 June 1946 (file AG 726.1-BA), addressed to Commanding Officer, 95th Military Government Group, APO 926, in which it is stated that Article 2 of "Amusement and Entertainment Tax Law" is not in contravention to SCAPIN 642. However,

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

M6a

BASIC: Ltr, FMGT, APO 929, File No. 012, dtd 21 May 48, Subj: "Taxation of Prostitutes".

the communication, quoted in par 3 of basic letter, from the Chief of Finance Section, Home Ministry, Tokyo, dated 20 August 1946 (a copy of which is on file in this headquarters), takes the opposite view and so instructs tax officials.

2. In view of the above facts, an opinion is desired at this time whether taxes can be levied on the persons in question under the laws as set forth in basic communication.

FOR THE COMMANDING OFFICER:

G. W. SARGENT
Lt Col, CAC
Executive Officer

AG 012 - BA 2nd Ind RFS/lha

3273

Hq I Corps, APO 301 JUN 91948

TO: CG, Eighth Army, APO 343

1. Attached correspondence raises the question of taxation of female attendants in special restaurants and the owners of special restaurants under Article 2 of the Entertainment and Amusement Tax Law.

2. This headquarters interprets Article 2 of the law as applying to the owner of the establishment and sees no conflict with SCAPIN 642, which ordered the abolition of licensed prostitution and the abrogation of contracts binding the females.

3. The past year's earnings of the female attendants are subject to income taxes under Law. No. 27, The Income Tax Law, dated 31 March 1947. The question of legality of source of income has no bearing on the right of the government to levy a tax on subject income.

4. The foregoing view of taxing persons associated with special restaurants is not shared by the Japanese authorities. Request clarification of policy to be pursued.

FOR THE COMMANDING GENERAL:

WILDER A. JOHNSON
Capt., A.G.D.
Asst. Adj. Gen.

BA8850

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

HQ SCAP
JUN 7 1948
AGO RECORDS
JUN 1948

BASIC: Ltr, Hqs Fukuoka Mil Govt Team, APO 929, dtd 21 May 48, file 012, subj: Taxation of Prostitutes.

AGMGL 012 3rd Ind.

Headquarters Eighth Army, APO 343

TO: Supreme Commander for the Allied Powers, APO 500

1. The basic letter indicates that tax officials in Fukuoka Prefecture are using a letter from the former Home Ministry as a basis for not collecting certain taxes.

2. It is recommended that this be called to the attention of the Japanese authorities for corrective action.

8

FOR THE COMMANDING GENERAL:

S. R. Mahn, Capt CAC
for R SCHAFER
Lt Col, AGD
Asst Adj Gen

RECORDS

AG 012.2 (21May 48)PH 4th Ind.

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500,
8 July 1948

TO: Commanding General, Eighth Army, APO 343

1. Reference is made to par 2 of basic communication which indicates that Fukuoka Prefectural Government is desirous of collecting the entertainment and amusement tax from owners of special restaurants employing Jugyo-fu or Settai-fu (prostitutes) under authority of Article 2 of the Entertainment and Amusement Tax Law.

2. Attention is invited to 2nd indorsement of letter from Headquarters, Chugoku Military Government Region, dated 6 Jan 47, subj: Proposed Tax on Prostitution, copy attached, in which the amusement tax proposed by Hiroshima-ken to be levied on patrons of restaurants, brothels and similar establishments was deemed to constitute a direct governmental authorization of organized prostitution in contravention of policy established in SCAPIN 642, dated 21 Jan 46, subj: Abolition of Licensed Prostitution in Japan.

3. In accordance with the policy set forth in above-mentioned 2nd indorsement, the collection of an amusement tax by Fukuoka-ken from owners

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr, Hqs Fukuoka Mil Govt Team, APO 929, dtd 21 May 48, file 012, subj: Taxation of Prostitutes.

of special restaurants employing prostitutes would be in contravention with SCAPIN 642. However, there is no reason why an income tax cannot be levied on the yearly earnings of prostitutes under Law No. 27, the Japanese Income Tax Law, 31 March 1947. The legality or illegality of the sources of earned income has no bearing on the question of whether the income can be properly taxed.

5575

BY COMMAND OF GENERAL MacARTHUR:

1 Incl: a/s

J. F. Bradshaw

J. F. BRADSHAW
Major, AGD
Asst Adj Gen

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

1370

BASIC: Ltr, Hqs Fukuoka Mil Govt Team, APO 929, dtd 21 May 48, file 012, subj: Taxation of Prostitutes.

AGMGL 012 5th Ind.

Headquarters Eighth Army, APO 343 19 JUL 1948

TO: Commanding General, I Corps, APO 301

Attention is invited to the 4th indorsement.

BY COMMAND OF LIEUTENANT GENERAL EICHELBERGER:

R. B. SCHAFER
Lt. Col, AGD
Asst. Adj. Gen

1 Incl:
n/c

1460

AG 012 - BA 6th Ind RFS/lha

Hq I Corps, APO 301

JUL 23 1948

TO: CO, Kyushu Mil Govt Region, APO 929

Attention is invited to 4th indorsement, which, in answer to question raised in basic letter, opposed imposition of amusement taxes on owners of special restaurants employing jugyo-fu or settai-fu because such action would be interpreted as approval of licensed prostitution and, therefore, contrary to SCAPIN 642. However, income taxes may be levied on persons concerned, as the legality of source of earning has no bearing on the question of whether the income can be properly taxed.

BY COMMAND OF MAJOR GENERAL SWING:

1 Incl:
n/c

WILDER A. JOHNSON
Capt., A.G.D.
Asst. Adj. Gen.

90159

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr: Hqs Fukuoka Mil Govt Team, APO 929, 21 May 48, file 012
Subj: Taxation of Prostitutes

004.2

AGMGL 012 7th Ind VRV/mcl

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 4 August 48

TO: Commanding Officer, Fukuoka Mil Govt Team, APO 929
Commanding Officer, Saga Mil Govt Team, APO 929
Commanding Officer, Oita Mil Govt Team, APO 24-4
Commanding Officer, Kumamoto Mil Govt Team, APO 24-1
Commanding Officer, Nagasaki Mil Govt Team, APO 24-3
Commanding Officer, Kagoshima Mil Govt Team, APO 970
Commanding Officer, Miyazaki Mil Govt Team, APO 24-2

Forwarded for your information and coordination with the Chief of the General Affairs Department of the Prefectural Government.

BY ORDER OF COLONEL HILTON:

1 Incl:
n/c

/s/ Charles L. Bachtel
/t/ CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

COPY

HEADQUARTERS
CHUGOKU MILITARY GOVERNMENT REGION
HEADQUARTERS AND HEADQUARTERS DETACHMENT
APO 317

C/HE/ltn

Serial No. 993

Kure, Honshu
6 Jan. 1947

SUBJECT: Proposed Tax on Prostitution

TO : Commanding General, Eighth Army, APO 343

Reference: Conversation on 16 December between Mr. Benchard, Legal Bovernment, Military Government Section, 8th Army

1. Inclosures 1 through 6 are submitted for your information.

2. In bried, Hiroshima Ken intends to place and 80% tax on the proceeds of prostitution (listed as "other service charges" in Inclosures 3 and 4). The proposed tax will apparently be of widespread application.

3. Certain disadvantages of the proposed tax should be noted:

a. The tax is extremely high and is collected by the various associations from the owners of each establishment (see Inclosure 5). As such, it legislates against inmates of brothel houses in favor of street-walkers.

b. Such official recognition of prostitution by the Imperial Japanese Government might place the high aims of the occupation in an unfavorable light.

4. This Hqs. has instructed the Chugoku Liaison Office that no action on the proposed tax will be taken until an opinion is obtained, as the tax would seem to be in violation of SCAPIN 642, prohibiting "Laws---which directly or indirectly authorize or permit the existence of licensed prostitution in Japan.

5. Request an opinion as to whether the subject tax is a violation of SCAPIN 642 or any established policy of the occupation.

RUSSELL G. SNYDER
Colonel, FA
Commanding.

6 Incls:
1- Ltr., Chugoku CLO, dtd 28 Nov. subj: Levying Taxes upon Amusement Charges

Incl 1

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Ltr, Hqs Chugoku Mil Govt Reg, Hqs & Hqs Det., AG 933, dtd 6 Jan 47, Subj: "Proposed Tax on Prostitution".

22- Ltr., Chugoku CLO, dtd 31 Dec., Subj, Levying Taxes upon Amusement Charges.
3- Law #41, 1940, "Law of Assessment of Taxes upon Amusement Charges".
4- Ordinance #151, 1940, "Regulations Governing the Enforcement of Amusement Tax.
5- Method of Collection of Tax.
6- Receipt for Charges.

AG 000.5(MG-L) 1st Ind

HEADQUARTERS EIGHTH ARMY, APO 343, 21 January 1947

TO: Supreme Commander for the Allied Powers, APO 500

1. Correspondence concerning proposed tax on prostitution in Chugoku region is forwarded for your information and consideration.

2. The imposition by the Japanese government on the earnings of prostitutes does not appear, per se, to be in violation of SCAPIN 642.

3. The fact, however, that it is to be collected from the owner of the establishment and amounts to 80% on the charges, tends to place the girl under heavy financial obligation to the owner of the establishment, and indirectly would tend to bind her to the practice of prostitution.

4. Additional disadvantages of the proposed tax are set fourth in paragraph 3 of the basic communication.

5. As the 1940 law under which it is proposed to enforce this tax is a national law, it is recommended that the Japanese Government be informed that the provisions of such law, as it relates to the tax on earnings of prostitutes and geisha girls, are in violation of SCAPIN 642.

FOR THE COMMANDING GENERAL:

R. SCHAFER
Lt Col. AGD
Asst Adj Gen

6 Incls: n/c

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Ltr, Hqs Chugoku Mil Govt Region Hqs & Hqs Det., AG 993, dtd 6 Jan 47, subj: Proposed Tax on Prostitution.

AG 726.1(6 Jan 47)PH 2nd Ind.

GENERAL HEADQUARTERS, SUPREME COMMAND FOR THE ALLIED POWERS, APO 500
March 1947

TO: Commanding General, Eighth Army, APO 343

1. The tax proposed in inclosures in an amusement tax livied on partrons of restaurants, brothels and similar establishments. The parton is made to pay as a tax an amount equal to 80% of the bill rendared him. This tax is in addition to the ordinary bill for services rendered, and is collected by the owner of the establishment and turned over to the government. The owner of the establishment and the association of owners set as the agent of the government in collecting the tax. This constitutes a direct governmental authorization of organized prostitution in contravention of the policy established in SCAPIN 642.

2. The Imperial Japanese Government will be informally notified that the revenue provisions as they relate to prostitution are contrary to provisions of SCAPIN 642.

BY COMMAND OF GENERAL MacARTHUR:

6 Incls:
n/c

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

COPY

HEADQUARTERS
CHUGOKU MILITARY GOVERNMENT REGION
HEADQUARTERS AND HEADQUARTERS DETACHMENT
APO 317

C/HE/ltn

Serial No. 993

Kure, Honshu
6 Jan. 1947

SUBJECT: Proposed Tax on Prostitution

TO : Commanding General, Eighth Army, APO 343

Reference: Conversation on 16 December between Mr. Benchard, Legal Government, Military Government Section, 8th Army.

1. Inclosures 1 through 6 are submitted for your information

2. In brief, Hiroshima Ken intends to place and 80% tax on the proceeds of prostitution (listed as "other service charges" in Inclosures 3 and 4). The proposed tax will apparently be of widespread application.

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(b) Such official recognition of prostitution by the Imperial Japanese Government might place the high aims of the occupation in an unfavorable light.

4. This Hqs. has instructed the Chugoku Liaison Office that no action on the proposed tax will be taken until an opinion is obtained, as the tax would seem to be in violation of SCAPIN 642, prohibiting "Laws ---which directly or indirectly authorize or permit the existence of licensed prostitution in Japan.

5. Request an opinion as to whether the subject tax is a violation of SCAPIN 642 or any established policy of the occupation

RUSSELL O. SNYDER
Colonel, F.A.
Commanding.

6 Incls:
1- Ltr., Chugoku CLO, dd 28 Nov.
Subj: Levying Taxes upon Amusement Charges
22- Ltr., Chugoku CLO, dd 31 Dec., Subj, Levying Taxes upon Amusement Charges
3- Law #41, 1940, "Law of Assessment of Taxes upon Amusement Charges"
4- Ordinance #151, 1940, "Regulations Governing the Enforcement of Amusement Tax
5- Method of Collection of Tax.
6- Receipt for Charges

Incl #1

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Ltr, Hqs Chugoku Mil Gov't Region Hqs & Hqs Det., AG 993 dtd 6 Jan 47, subj: Proposed Tax on Prostitution.

COPY

AG 000.5(MC-1) 1st Ind.

Headquarters Eighth Army, APO 343 21 Jan. 1947

TO: Supreme Commander for the Allied Powers, APO 500

1. Correspondence concerning proposed tax on prostitution in Chugoku region is forwarded for your information and consideration.

2. The imposition by the Japanese government on the earnings of prostitutes does not appear, per se, to be in violation of SCAPIN 642.

3. The fact, however, that it is to be collected from the owner of the establishment and amounts to 80% on the charges, tends to place the girl under heavy financial obligation to the owner of the establishment, and indirectly would tend to bind her to the practice of prostitution.

4. Additional disadvantages of the proposed tax are set forth in paragraph 3 of the basic communication.

5. As the 1940 law under which it is proposed to enforce this tax is a national law, it is recommended that the Japanese government be informed that the provisions of such law, as it relates to the tax on earnings of prostitutes and geisha girls, are in violation of SCAPIN 642.

FOR THE COMMANDING GENERAL:

R. SCHAFER
Lt Col, AGD
Asst Adj Gen

6 Incls: n/c

AG 726.1 (6 Jan 47)PH 2nd Ind.

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500
March 1947

TO: Commanding General, Eighth Army, APO 343

1. The tax proposed in inclosures in an amusement tax levied on patrons of restaurants, brothels and similar establishments. The patron is made to pay as a tax an amount equal to 80% of the bill rendered him. This tax is in addition to the ordinary bill for services rendered, and is collected by the owner of the establishment and turned over to the government. The owner of the establishment and the association of owners act as the agent of the government in collecting the tax. This constitutes a direct governmental authorization of organized prostitution in contravention of the policy established in SCAPIN 642.

2. The Imperial Japanese Government will be informally notified that the revenue provisions as they relate to prostitution are contrary to provisions of SCAPIN 642.

BY COMMAND OF GENERAL MacARTHUR:

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE

BASIC: Ltr Hq Fukuoka Mil Govt Team, APO 929, 21 May 46, file 012
subj: Taxation of Prostitutes

AGMIL 012 7th Ind VRV/mel

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 4 August 46

TO: Commanding Officer, Fukuoka Mil Govt Team, APO 929
Commanding Officer, Saga Mil Govt Team, APO 929
Commanding Officer, Oita Mil Govt Team, APO 24-4
Commanding Officer, Kumamoto Mil Govt Team, APO 24-1
Commanding Officer, Miyazaki Mil Govt Team, APO 24-3
Commanding Officer, Kagoshima Mil Govt Team, APO 970
Commanding Officer, Miyazaki Mil Govt Team, APO 24-2

Forwarded for your information and coordination with the Chief of the General Affairs Department of the Prefectural Government.

BY ORDER OF COLONEL HILTON:

1 Incl:
n/c

CHARLES L. BARKER
1st Lt SIG C
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

file

KYUSHU MILITARY GOVERNMENT REGION
HEADQUARTERS & HEADQUARTERS DETACHMENT
Fukuoka, Kyushu, Japan

AFO/Jk

AFO 929
2 April 1948

004.2

SUBJECT: Information Projects on Tax Collection

TO : C.O., Fukuoka M.G. Team, APO 929, Attn: CI officer
C.O., Nagasaki M.G. Team, APO 24 Unit 3, Attn: CI officer
C.O., Kagoshima M.G. Team, APO 970, Attn: CI officer
C.O., Kumamoto M.G. Team, APO 24 Unit 1, Attn: CI officer
C.O., Oita M.G. Team, APO 24 Unit 2, Attn: CI officer
C.O., Miyazaki M.G. Team, APO 24 Unit 3, Attn: CI officer
C.O., Saga M.G. Team, APO 929, Attn: CI officer

1. References:

a. Letter, this headquarters, dated 22 March 1948, subject: "Japanese Tax Surveillance, I Corps, FWK, 20 March 1948". Copy attached as Inclosure 1.

b. FWK, Hqs I Corps, Gite AGRA965, dated 20 March 1948, subject: "Japanese Tax Surveillance". Copy attached as Inclosure 2.

2. Paragraph 1 of reference 1a. above, Kagoshima M.G. Team obtain a list of one million yen taxpayers. It is recommended that this list be publicized through the newspapers, and other effective information media, together with the amount of taxes paid to date. Periodic recapitulations on tax payments by these people can be publicized. The purpose behind this publicity is that if the Japanese see that people with large incomes are paying their taxes, the average citizen will be more likely to pay his share.

3. Paragraph 3 of reference 1a. above, suggests sending Japanese tax teams to remoter villages to collect taxes. As many Japanese have to travel long distances to pay their taxes, if this process is made easier for them they will not be as reluctant to pay. Therefore, if Japanese tax teams are sent to rural areas for a several day period, people will not have so far to travel. Wide publicity in that local area should be given, together with the dates the tax team will be there and the office in which they will be located.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

4. Paragraph 4 of reference 1a. above, recommends dropping of leaflets from the air on villages where tax payments are slow. Nagaoki Hq. Team found this to be an effective activity to stimulate rice collection, and Kagoshima M.G. Team has done this several times with good results.

5. Reference 1b. above, lists the penalties for strike activities. Publicity on this material might be effective in stopping these "wanton" strikes.

6. Enclosure 3 is a list of slogans on tax payment, prepared by the Japanese press and selected by the CIAE Section, Hqs I Corps, which might be used in the information program.

FOR THE COMMANDING OFFICER:

CHARLES L. BAGWELL
1st Lt AGD
Adjutant

3 Incls.
1 - Letter, this hqs, on Tax Surveillance
2 - WIR, Hqs I Corps, on Tax Surveillance
3 - Slogans

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

KYUSHU MILITARY GOVERNMENT REGION
HEADQUARTERS AND HEADQUARTERS DETACHMENT AG/cmc
Fukuoka, Kyushu, Japan

APO 929
28 March 1948

SUBJECT: Jap Tax Surveillance, I Corps, TWX, 20 March 1948

To: Commanding Officer, Fukuoka Mil Govt Team, APO 929
Commanding Officer, Kagoshima Mil Govt Team, APO 970
Commanding Officer, Kumamoto Mil Govt Team, APO 24 Unit 1
Commanding Officer, Miyazaki Mil Govt Team, APO 970 Unit 1
Commanding Officer, Nagasaki Mil Govt Team, APO 24 Unit 3
Commanding Officer, Oita Mil Govt Team, APO 24 Unit 2
Commanding Officer, Saga Mil Govt Team, APO 929

Immediate compliance is requested for following directions quoted from subject TWX.

"1. Obtain list of persons and tax paying units owing more than (1,000,000) one million yen in unpaid taxes. Special surveillance should be given these cases.

2. Bank of Japan Offices can give figures on tax collections much in advance of tax offices.

3. Give consideration to plan for sending Japanese Tax team into remote village for purpose of adjusting tax and reassessment claim. Any such program should be given advance publicity.

4. Some prefectures have been dropping leaflets from air craft on villages and areas slow in tax payments. Results to date good. Request has been made to higher headquarters to release publicity at national level answering the question "where do your taxes go."

BY ORDER OF COLONEL HILTON:

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

Incl 1

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Cite ICHA 925
20 March 1948

SUBJECT: I Corps TWX re Japanese Tax Surveillance

TO: All Teams

"Reference is made to LAW 25, 'Official Gazette' 149, dated 27 September 1946. Article 38 states 'Police officers, firemen, those employed at prisons and officials and employees engaged in the work of the National, Prefectural and Municipal Government administration or Judiciary, exclusive of Public enterprises, shall be DISALLOWED to resort to acts of DISPUTES'. Article 7 states, 'In this Law, act of dispute shall mean, STRIKE, soldiering, lockout, and other acts and counteracts hampering the normal course of work, of an enterprise, performed by the parties concerned with labor relations with the object of obtaining their respective claims'. Article 39 provides for penalties up to ten thousand (10,000.) yen on persons violating the provisions of law.

This headquarters is of the opinion that mass vacations represent a planned conspiracy on the part of union leaders to use an extended interpretation of one Law, namely Vacation Privileges, in order to contravene the provisions of the Labor Relations Law. The vacations are in effect a strike or acts hampering the normal course of work. The final decision rests with the Japanese Courts to decide whether or not the Tax Office Workers are violating Law 25. Recommend discussion of above proposition with Japanese Procurators with view of instituting court action against offenders.

Article 95 of Japanese Criminal Code, provides 'Every person who has used violence or threats against a public official in the performance of his duties shall be punished with penal servitude or imprisonment not to exceed three (3) years'.

Article 61 of Japanese Criminal Code provides. 'A person who has instigated another to commit a crime shall be considered a principal. The same applies to a person who has abetted an instigator'.

On 10 and 12 March 1948 the Ministry of Finance sent instructions to regional Bureau Directors directing administrative action be taken against mass vacationers.

Latest information indicates second round of conspired vacations will take place per following: 22 March in Kumamoto region (only part applying to Kyushu) Higher headquarters has been notified."

Swing

Incl 2

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

SLOGANS ON TAX PAYMENT
(Prepared by Press and selected by CI & E, I Corps)

1. Americans pay taxes in order to send us food,
   Let us pay taxes in order to receive food.

2. When you tax payment is late, prices will rise.

3. Let us establish our own Police and Fire Department by paying taxes.

4. Let us build schools and hospitals from taxes.

5. Inflation will not stop unless we pay taxes.

6. We selected our diet members who made the laws,
   The laws will become meaningless if we do not abide to them or change them legally.

7. Inquire at the tax office personally if you have any questions on tax payment.

8. Avoiding tax payment is a shame to the country.

Incl 3

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE
004.2

KYUSHU MILITARY GOVERNMENT REGION
HEADQUARTERS & HEADQUARTERS DETACHMENT
Fukuoka, Kyushu, Japan

EB/ce

319.1

APO 929
24 March 1948

SUBJECT: Clarification of Tax Reports

TO: Commanding General, Eighth Army, APO 343
ATTN: Military Govt Section

THRU: Commanding General, I Corps, APO 301
ATTN: Military Govt Section

1. This letter is submitted to clarify the difference in the tax report dated 12 March 1948, Headquarters Kumamoto Military Government Team, required by Operational Directive 4/1, 4 February 1948, and the tax reports submitted by Prefectural Tax Surveillance Teams in compliance with par.28, Operational Directive 4, 21 January 1946.

2. The report dated 12 March 1948, Headquarters Kumamoto Military Government Team, is a consolidated report from the Kyushu Regional Tax Office as of the last day of the month which will not agree with the reports submitted by the Prefectural Tax Surveillance Teams, which are reports from each local tax office as of the last day of the month, due to the time lag in reports from the local offices reaching the Regional Tax Office.

FOR THE COMMANDING OFFICER:

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

KYUSHU MILITARY GOVERNMENT REGION
HEADQUARTERS & HEADQUARTERS DETACHMENT
Fukuoka, Kyushu, Japan

LGW/ble

APO 929
22 March 1948

004.2

SUBJECT: False Tax Returns

TO : Commanding Officer, Kumamoto Mil Govt Team, APO 24 - 1

1. It is suggested that your tax offices investigate the below-named persons in paragraph 2, quoted from 24th Inf Div, G-2 Periodic Report No. 77, for false tax returns:

"2. The Takamori Area Police of Kumamoto Prefecture arrested IRIE Kunitaro (41), a livestock merchant, and two accomplices, of Takamori-machi, on 22 February who had been feared by all the people in Aso-gun as belong to a group of gangsters who had in their possession a double barrelled gun, pistols and daggers. They were taken into custody at the Kyo-machi branch prison of the Kumamoto Prison on 23 February. It is said that this gang consisted of 8 members, headed by IRIE. On 7 February they placed an order with YOSHIKAWA Kiyotaka (51), a livestock merchant in Hokkaido, for 20 horses, the gangsters took the horses, one dead, without paying the price amounting to 500,000 Yen. They sold the horses in Kumamoto and Takamori. Besides this they have also profited by similiar means of fraudulence on more than ten occasions, the total amount of which would be over 6,000,000 Yen. Moreover, they have extorted more than 2 million yen from a number of innocent people in Aso-gun, and when the victims visit them to have their money returned, the latter would drive them back by threatening them with pistols and daggers or by acts of violence. But the victims have so far reported nothing to the police for fear of reprisals. Up to 23 February, a pistol, an unauthorized double barrelled gun and a dagger were confiscated from the gangsters, and there is also an indication that the gang might have a machine gun hidden somewhere. The police, with instructions and cooperation from the local procurators' office and the criminal section of the Ken Government are now making further strict investigations. The missing five members of the gang will probably be arrested in a few days."

2. Report result of investigation and action taken.

BY ORDER OF LT COL SARGENT:

CHARLES L. BACHTEL
1st Lt SIG C

Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE

004.2

KYUSHU MILITARY GOVERNMENT REGION
HEADQUARTERS AND HEADQUARTERS DETACHMENT EB/cmo
Fukuoka, Kyushu, Japan

APO 929
22 March 1948

SUBJECT: Jap Tax Surveillance, I Corps, TWX, 20 March 1948

TO: Commanding Officer, Fukuoka Mil Govt Team, APO 929
Commanding Officer, Kagoshima Mil Govt Team, APO 970
Commanding Officer, Kumamoto Mil Govt Team, APO 24 Unit 1
Commanding Officer, Miyazaki Mil Govt Team, APO 970 Unit 1
Commanding Officer, Nagasaki Mil Govt Team, APO 24 Unit 3
Commanding Officer, Oita Mil Govt Team, APO 24 Unit 2
Commanding Officer, Saga Mil Govt Team, APO 929

Immediate compliance is requested for following directions quoted from subject TWX.

"1. Obtain list of persons and tax paying units owing more than (1,000,000) one million yen in unpaid taxes. Special surveillance should be given these cases.

2. Bank of Japan Offices can give figures on tax collections much in advance of tax offices.

3. Give consideration to plan for sending Japanese Tax team into remote village for purpose of adjusting tax and reassessment claim. Any such program should be given advance publicity.

4. Some prefectures have been dropping leaflets from air craft on villages and areas slow in tax payments. Results to date good. Request has been made to higher headquarters to release publicity at national level answering the question "Where do your taxes go." "

BY ORDER OF COLONEL HILTON:

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE

FILE

KYUSHU MILITARY GOVERNMENT REGION
HEADQUARTERS & HEADQUARTERS DETACHMENT
Fukuoka, Kyushu, Japan

LGW/ce

319.1

APO 929
18 March 1948

SUBJECT: Tax Reports (Confirmation of Telephonic Instructions)

TO: Commanding Officer, Fukuoka MG Team, APO 929
Commanding Officer, Saga MG Team, APO 929
Commanding Officer, Nagasaki MG Team, APO 24-3
Commanding Officer, Kumamoto MG Team, APO 24-1
Commanding Officer, Kagoshima MG Team, APO 970
Commanding Officer, Oita MG Team, APO 24-2
Commanding Officer, Miyazaki MG Team, APO 24-2

1. In order to comply with the instructions from higher headquarters each team will submit the following tax reports to this headquarters:

a. Report to reach this headquarters by the 9th of each month for each local tax office listing the amount of taxes collected for the preceding month and the total for the fiscal year as of the end of the month. Report to be by telephone, or TWX confirmation will be the information copy of the report mailed direct to Mighth Army.

b. Report to reach this headquarters by the 19th of each month listing the total of all taxes collected by the local tax offices in your prefecture from the 1st to the 15th of the month and the total of all taxes collected for the fiscal year as of the 15th of the month for all tax offices in your prefecture. This report to be confirmed by letter when original is by telephone.

2. Instructions contained in paragraph 2 are to be complied with by 20 March 1948.

BY ORDER OF COLONEL HILTON:

Incl
Ltr I Corps, 15 Mar 48
file AG 012-BA

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

File 1223

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

RFS/lha

AG 012 - BA

MAR 15 1948

SUBJECT: Interim Tax Collection Reports

TO : Commanding Officer, Kyushu Military Government Region, APO 929
Commanding Officer, Tokai-Hokuriku Military Government Region, APO 710
Commanding Officer, Osaka Military Government Team, APO 25

1. In order to comply with directives from higher headquarters it is desired that the following information be telephoned to this headquarters (Telephone Number 26479) on the 10th and 20th day of each month. If either date falls on Sunday, the information may be telephoned in the following day:

a. What are the latest tax collection figures from the regional tax offices under your jurisdiction?

2. Only one figure is desired, and that is the total for the entire regional area.

3. The first report will be due on 20 March 1948.

BY COMMAND OF MAJOR GENERAL SWING:

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

See Letter This Hqs 15 March
File 319.1 Tax Reports.

BA 78593

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

File 8

KYUSHU MILITARY GOVERNMENT REGION
HEADQUARTERS & HEADQUARTERS DETACHMENT
Fukuoka, Kyushu, Japan

LGW/ce

FILE 312

APO 929
16 March 1948

SUBJECT: Collection of Amusement Tax

TO: Commanding Officer, Fukuoka MG Team, APO 929
Commanding Officer, Saga MG Team, APO 929
Commanding Officer, Nagasaki MG Team, APO 24-3
Commanding Officer, Kumamoto MG Team, APO 24-1
Commanding Officer, Kagoshima MG Team, APO 970
Commanding Officer, Oita MG Team, APO 24-2
Commanding Officer, Miyazaki MG Team, APO 24-2

1. It is evident from the inclosed copy of correspondence that there is a Jap Law which places a tax on Prostitution. If this tax law is still in effect, it is suggested you contact each of your local tax offices and make every effort to enforce the collection of said tax.

2. Report results of this effort by 15 April 1948 to this headquarters.

BY ORDER OF COLONEL HILTON:

Incl
Corres

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

copy

WHP/tn

93RD MILITARY GOVERNMENT
HEADQUARTERS & HEADQUARTERS COMPANY
KAGOSHIMA DETACHMENT, KAGOSHIMA, KYUSHU, JAPAN
APO 929
8 June 1946

Serial No: 6281
SUBJECT: Amusement and Entertainment Tax on Fee of Prostitutes
TO: Commanding Officer, 95th Military Government Group, Headquarters & Headquarters Detachment, APO 929, Kurume, Kyushu. (Through Channels)

1. Request clarification of SCAP Directive, SCAPIN 642, subject, "Abolition of Licensed Prostitutes" with respect to taxation by local and national taxation officers.
2. Enclosed herewith a prospectus from the head of the Taxation Bureau of Kagoshima Prefecture.

3 Inclosures

/s/ Charles A. Payne Jr;
CHARLES A. PAYNE Jr
Major, SIG C, Opn Off

1st Ind WHP/ms
95TH HQ & HQ DET, MIL GOVT GROUP, APO 929, 13 June 1946
TO: Commanding General, I Corps, APO 301

Forwarded for clarification.

FOR THE COMMANDING OFFICER:

/s/ Alvin Kadish
ALVIN KADISH
Capt,CAC, Adj

AG 726.1 - BA 2nd Ind CHT/ks

Hq I Corps, APO 301, 21 Jun 1946

TO: CO, 95th Mil Govt Gp, APO 929

1. Article 2 of Amusement and Entertainment Tax Law is not in contravention of SCAPIN 642. This tax is paid by the person entertained, and is collected for the Japanese Government by the prostitute, or by the house, at the time the bill is paid. The tax is then remitted to the Government. The same procedure is applicable to taxes upon services of Geisha and upon the service of food or drink.
2. This tax is not deemed a license of prostitution.

BY COMMAND OF MAJOR GENERAL WOODRUFF:

/s/ O. H. Schmidt
O.H. SCHMIDT
Major, AGD, Asst Adj Gen

1 Incl:
Prospectus from the head of the Taxation Bureau of Kagoshima Prefecture (dup)

Incl 1

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

copy

1 May 1946

TO: Lt Cmdr C. G. Barry, N. C. O.

FROM: Chief of Kagoshima Taxation Office

SUBJECT: Imposition of Amusement and Entertainment Tax on Fee of Prostitutes

Sir:

We had been taxing the fee of prostitutes in brothel houses and special restaurants elegibly under the Article Two of Amusement and Entertainment Tax Law, before your instruction was made to release the girls of these houses from their employers. Yet these girls are found engaging in prostitution by their own choice and earning money, substantially the same incomes with the former prostitution fee. Our Finance Ministry makes it a principle to levy in consideration of the substantial character of business, and instructed us to tax these incomes, interpreting the matter as follows:

1. The earnings of these girls are prostitution fee, and regarded as akin to "Charges of Geisha."

2. Character of the business falls under the categories of "Brothel house and the like."

to report on3. Each of these girls is regarded as the proprietor of business, under obligat on their business, and to keep the book and report the assessed sum according to the regulation.

But some of the employers are such opinion that if these management should be taken, and their prostitution would be recorded in the official document, it would mean that both the taxation office and employers admit or connive at the prostitution therefore those are against your instruction.

These understand the instruction as follows:

The Occupation authorities never approve the prostitution. If some women engage in prostitution secretly and without their employers notice, the booking stipulated in the tax law naturally cannot be made, so this is out of question. And when these deeds come to light punishment must be imposed on those responsible for the deeds.

The instructions on the prostitution may be somewhat different according to the Occupation areas. But as far as the Kagoshima area is concerned, I take your instruction to the following purport:

1. Your instruction aims at the abolition of the slavish position of women fettered with debt under the licensed prostitution system.

Encl 1

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

2. The Occupation authorities has no intention to restrain these girls from continuance of their business by their own choice.

3. In other words, your instruction denies the system of licensed prostitution and does not relate to unauthorized prostitution nor to the taxation on these deeds.

Therefore, the taxation in the sense as before must be given up, after your instruction was issued. But when the purport of your instruction is observed and the prostitution which is the object of this tax law is found to be committee. We are right to impose tax on this sort of deed. We do not mean to approve the deeds contravening your instruction as some of the employers protest, but just to find whether there is a fast - the income which is the object of the taxation.

When I was called at your office and stated my above view, you told me we might as well impose the tax in such occasions. As it is desirable that the administration of every taxation office should be unified, I wish you would instruct us by your official document whether you view should be applicable in whole Kagoshima-Ken.

Yours truly,

T. Sakano
The Chief of Taxation Office

Encl 2

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

TO: 95TH HEADQUARTERS AND HEADQUARTERS DETACHMENT, MILITARY GOVERNMENT GROUP
FROM: Kyushu Central Liaison Office, Kurume, Kyushu

SUBJECT: Imposition of Amusement Tax on Fee of Prostitution after the Abolition of Licensed Prostitution

KCLO No. 15 24 June 1946

1. With reference to the letter enclosed herewith, the Kyushu Central Liaison Office wishes to furnish to the 95th Headquarters and Headquarters Detachment Military Government Group the official point of view of the Imperial Japanese Government on the above subject after consulting to the Finance Bureau at Kumamoto. It was asked by Lt. Walter H. Powell to report on this problem showing the above referred letter on 13 June, with the opinion that this matter should be decided by the discretion of the Japanese Government and all the taxation offices in Kyushu district should take the same steps about this taxation.

2. The law under which this tax is imposed is the Law No. 41 of 1940 "Amusement, Eating and Drinking Tax Law", and the articles which have the direct connection with this problem are quoted as follows:

a. From the Amusement, Eating and Drinking Tax Law;

Art. 1. Amusement, eating and drinking tax shall be imposed under this law to the amusement, eating and drinking or stay at restaurant, brothel house, hotel or other place which may be stipulated by the Order.

Art. 2. The rates of the amusement, eating and drinking tax are as follows:

2. The charges of girls, such as that of geisha-girls and stipulated by the Order. (hereafter referred to as "other charges of girls") 80% of the charge.

Art. 4. Amusement, eating and drinking tax shall be collected from the manager of the place stipulated in the first paragraph of Art. 1.

b. From the Amusement, Eating and Drinking Tax Law Enforcement Ordinance;

Art. 1. Amusement, eating and drinking tax

Encl 1

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Inclosure No 2 to Ltr, 95th Hqs & Hqs Det, Mil Govt Group, Subject, "Collection of Tax on Fees of Prostitutes" dtd 25 June 1946.

Art. 1. Amusement, eating and drinking tax shall be imposed by the first paragraph of Art. 1. of the Amusement, Eating, and Drinking Tax Law to the practice of amusement, eating and drinking at the places mentioned hereunder.

1. Brothel house and the like.

2. Introductory restaurant to prostitution (hikitechay).

Remarks of the office; Though, how-a-days this is rare in Japan, this kind of restaurant introduces guests to harlots or prostitution house and entertain guests by eating and drinking but does not afford facilities for stay.

Art. 2. The charges for amusement, eating and drinking shall be assessed at the total sum of all the charges paid to the manager of the place stipulated in the first paragraph of Art. 1 of the law by the guest who have practised the deed of amusement or eating and drinking for his deed under whatever name they may be paid, such as service charge by the hours (hanadai), charge for prostitution (agedai), charge for eating and drinking or charge for the room.

3. This Amusement, Eating and Drinking Tax Law is not abrogated after the issuance of the SCAP directive AG 726.7 (21 Jan 46) PH, Subject; "Abolition of Licensed Prostitution in Japan", and now in force, because it is deemed to have no connection with the licensed prostitution. The Imperial Japanese Government understands this problem as follows:

a. The above said SCAP directive aims at the abolition of licensed prostitution by annulling all the contracts and agreements which include such stipulations as to obligate the women the practice of prostitution by restraining the physical freedom of them for returning the loan, and has no intention to prohibit the prostitution practised by women by their own free will.

b. Taxation on these prostitution under this law has no relations to the licensed prostitution whether it

Incl 1 3

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Incl No. 2 to Ltr, 95th Hqs & Hqs Det, Mil Govt Group, subj: "Collection of Tax on Fees of Prostitutes", dtd 25 June 1946.

may be abolished or not and so long as such prostitutions as mentioned in item (a) above exist, the imposition of the tax on such deeds as the objects of taxation does not contravene the principle of the SCAP directive.

c. Accordingly, this tax law is not included in the "laws, ordinances and other enactments which directly or indirectly authorize or permit the existence of licensed prostitution", as directed in the second clause of the said directive.

4. But some of the employers or managers are alleging as mentioned hereunder for the purpose to be exempted from the obligation to pay taxes, receiving the same amount of charges as to include the amount of tax from the guest, to cover their losses inflicted by the cancel of their loans and, in some places, dare to solicit the Occupation Forces directly or are objecting against the taxation offices for their collections of tax.

a. The employers or managers cannot know when and where these deeds occurred as the women engage in prostitution secretly and without their employers notice by their own free will, so there is no duties for them to pay tax on these deeds.

b. The Amusement, Eating and Drinking Tax Law should be involved in the "laws, ordinances and other enactments which directly or indirectly authorize or permit the existence of licensed prostitution" as stipulated in the said directive.

Among these statements mentioned above, as for item (b), it is already clear as referred to in clause 2, that it does not make sense.

As for item (a), although these prostitutions are practised by women by their own free will, it is necessary for the maintenance of public order and good behaviour and public health to limit the business of this kind within certain area. So it cannot be alledged that the managers of the houses within this area cannot know the prostitutional practice, most of whom having been the employers of prostitutes and engaged in the same kind of business.

In short, all these allegations are nothing but distorted theories for themselves to recover their losses and are unlogical in themselves.

Incl 1 3

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Incl No 2 to Ltr, 95th Hq & Hqs Det, Mil Govt Group, subj: "Collection of Tax on Fees of Prostitutes", dtd 25 June 1946

As for the means to collect this tax, there is noother way than to collect from these managers of the houses, as stipulated in the said law.

5. In some places, the opinions of the Occupation Forces on this matter seem to be affected by this tactical manoeuvers of the managers as mentioned in the preceding clause, and most of the taxation offices in Kyushu are now in great difficulties to collect this tax.

It is earnestly requested by the Finance Bureau at Kumamoto that the office of the 95th Headquarters Military Government Group is good enough to convey this point of view of the Japanese Government to the stationed officer of the Military Government at Kagoshima and also to all the Military Government Companies in Kyushu to make it easier for taxation offices to enforce the tax law.

FOR THE DIRECTOR:

/s/ M. Sawaki
/t/ M. SAWAKI
Liaison Officer
of
Kyushu Central Liaison Office

Enclosure: An official letter to Lt. O. G. Barry, M. G. O.

Incl 13

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE

OUH.2

HEADQUARTERS
NAGASAKI MILITARY GOVERNMENT TEAM
Nagasaki, Kyushu, Japan

APO 24 Unit 3
12 March 1948

SUBJECT: Activities of Tax Collectors Union

TO : Commanding General, Hq Eighth Army, APO 343
(ATTN: Military Government Section)

1. In compliance with par 25 of Inclosure 1 to OD 4, Hq Eighth Army, dtd 21 Jan 1948, the following report is hereby submitted:

a. At 0945 on 12 March 1948 Nagai, Sustaro, Nagasaki Prefecture Leader of the National Tax Collectors Union, and Kobayashi, Kamao, Nagasaki City Tax Office Union Leader, requested M. Kawamura, Nagasaki City Tax Office Chief, permission to hold a union meeting at 1000 during office hours. Kawamura refused the request explaining that the meeting would impede the work of the office, and asked the union leaders to hold the meeting at 1600 in the afternoon. The union members, however, held a meeting, against the tax chiefs orders, at 1010 lasting until 1025. This is in violation of par 18, Incl 1 to OD 4, Hq 8th Army, dtd 21 Jan 46.

b. As near as can be ascertained, the tax office union leader told the members that the union would disagree with the government in the future, and, therefore, should be prepared for action, and instructions.

2. The union published a poster on the tax office wall immediately following the union meeting. Following is a summary of the declaration stated on the poster:

Declaration

The heartiness negotiations of us to solve peacefully our demands were finally collapsed by the inactive and uncareful considerations of the authorities.

The present situation means nothing but defeat on our side.

They have recently planned to alter the labor union law in an unfavorable way, and tried to make the labor union into a company union, infringing upon our rights and dragging us to the mournful conditions which we had before.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr Hq Nagasaki Mil Govt Team, APO 24 Unit 3, 12 March 1948
subj: "Activities of Tax Collectors Union"

We will fight gallantly to protect our rights of freedom and to gain an enjoyable working office.

The 50,000 members of the union will fight with the maximum power of their organization under the cooperation of the Public Working Laborers. Hereby we will strike our last action with the date starting on 15 March 1948.

All Japan Finance Labor Union.

The poster continued to list, and explain their demands.

3. This Headquarters was warned by a telephone message from Regional Headquarters on 11 March 48 that the union meeting would be held. Regional Headquarters also warned that a mass application for leaves for all officials and employees would be submitted to tax chiefs. As of this date this action has not been taken, but several union members were overheard talking of a holiday starting on 15 March.

4. It is believed that the above actions have taken place in all tax offices in this prefecture, as it has been brought to the attention of the tax surveillance team that a cross check system was used by union branches to see that all offices held meetings at 1000 on 12 March.

FOR THE COMMANDING OFFICER:

VERNON C HILL
Captain CAC
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr, Nagasaki Mil Govt Team, APO 24 Unit 3, dtd 12 March 1948, subj: Activities of Tax Collectors Union.

1st Ind RNH/cmo

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 18 March 1948

TO: Commanding General, I Corps, APO 301
Attn: Military Government Section

Similar dispute tactics were used in all prefectures of the Region. A "Holiday" was taken on 15 March 1948 by most of the tax offices. This was also a dispute tactic. It is believed that clarification of Article 38, Labor Relations Adjustment Law, and Article 11 of the implimenting ordnance would greatly assist Military Government Teams in the handling of such disputes in the future.

FOR THE COMMANDING OFFICER:

CHARLES L. BACHTEL
1st Lt. SIG C
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr, Nagasaki Mil Govt Team, APO 24 Unit 3, dtd 12 March 1948, subj: Activities of Tax Collectors Union.

004.2

1st Ind RNH/cmo

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 18 March 1948

TO: Commanding General, I Corps, APO 301
Attn: Military Government Section

Similar dispute tactics were used in all prefectures of the Region. A "Holiday" was taken on 15 March 1948 by most of the tax offices. This was also a dispute tactic. It is believed that clarification of Article 38, Labor Relations Adjustment Law, and Article 11 of the implimenting ordnance would greatly assist Military Government Teams in the handling of such disputes in the future.

FOR THE COMMANDING OFFICER:

CHARLES L. BACHTEL
1st Lt. SIG C
Adjutant

FILE

AG 012 - BA 2nd Ind WTM/mss

Hq I Corps, APO 301, APR 9 1948

TO: CO, Kyushu Mil Govt Region, APO 929

1. On 30 March, SCAP instructed the Japanese Government that coordinated work stoppages or systematic or organized series of related work stoppages on the part of members of affiliated unions in a single industry or a group of industries is considered to be subject to the provisions of the statement of SCAP dated 21 January 1947. The Japanese government was instructed to take appropriate measures to insure that such work stoppages do not henceforth occur.

2. In the event that work stoppages occur as a result of acts of dispute

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr, Nagasaki Mil Govt Team, subject: "Activities of Tax Collectors Union", dated 12 March 1948, cont'd.

by the tax collectors unions, military government teams will take steps as directed by TWX, Hq I Corps, Cite ICBA - 948, dated 6 April 1948.

BY COMMAND OF MAJOR GENERAL SWING:

APR 9 1948

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

3rd Ind RNH/tmn

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 20 April 1948

TO: Commanding Officer, Nagasaki Mil Govt Team, APO 929

Attention is invited to preceeding indorsement.

BY ORDER OF COLONEL HILTON:

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

1862

FILE

FILE 004.2

1653

HEADQUARTERS EIGHTH ARMY
United States Army
Office of the Commanding General
APO 343

AG 430 (MG-Ep)

19 FEB 1948

SUBJECT: Financing of Incentive Goods Shipments

TO : Commanding General
I Corps
APO 301

1. It has been brought to the attention of this headquarters that in the past the distribution of incentive goods has been delayed because wholesalers in receiving prefectures have failed to secure adequate financing to pay for the incentive goods in order to obtain shipment of same.

2. Arrangements have now been completed with the Bank of Japan whereby certain officers of the branch offices of the bank will aid wholesalers in obtaining necessary financing to pay for incentive goods.

3. Attached as inclosure 1 is a list of the officers in specific branch offices of the Bank of Japan who should be contacted in connection with requests for such aid. It is desired that this information be disseminated to all military government teams.

8

BY COMMAND OF LIEUTENANT GENERAL EICHELBERGER:

R SCHAFER
Lt Col, AGD
Asst Adj Gen

1 Incl:
as above

AG 430 - BA 1st Ind EHH/mk

Hq I Corps, APO 301,

TO: CO, Kyushu Mil Govt Region, APO 929

FEB 24 1948

For your information.

BY COMMAND OF MAJOR GENERAL SWING:

WILDER A. JOHNSON
Capt., A.G.D.
Asst. Adj. Gen.

BA 7698 1 Incl:
n/c

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr, Hq SA, APO 343, file AG 430 (MG-Ep), subj: "Financing of Incentive Goods Shipments," dtd 19 February 1948

2nd Ind HRM/pem

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 27 February 1948

TO: Commanding Officer, Fukuoka Mil Govt Team, APO 929
Commanding Officer, Kagoshima Mil Govt Team, APO 970
Commanding Officer, Kumamoto Mil Govt Team, APO 24 Unit 1
Commanding Officer, Miyazaki Mil Govt Team, APO 970 Unit 1
Commanding Officer, Nagasaki Mil Govt Team, APO 24 Unit 3
Commanding Officer, Oita Mil Govt Team, APO 24 Unit 2
Commanding Officer, Saga Mil Govt Team, APO 929

For your information.

BY ORDER OF COLONEL HILSMAN:

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

1 Incl:
n/c

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

List of Assistant Managers and Chiefs of Business Section
of Branches of the Bank of Japan (as of February 3,1948)

Branch	Ass't, Manager	Chief, Business Section
1. Sapporo	Satoru Kagiyama	Muichi Nakagawa
2. Otaru	Seiichiro Hatsugai	Ichiro Iwaya
3. Hakodate	Harusaburo Yamamoto	Yasuo Kawakubo
4. Aomori	Tadashi Nishizawa	Yoshimori Saito
5. Akita	Takeo Wake	Susumu Abiru
6. Sendai	Uematsu Kato	Iwajiro Ueno
7. Fukushima	Tsutomu Isukahara	Shinsaku Katano
8. Maebashi	Yuichiro Oguri	Seigoro Genma
9. Niigata	Shigenao Kamijo	Shoiiro Honma
10. Kanazawa	Hisashi Suzuki	Hisanao Bandai
11. Kofu	Kisuke Meguro	Minezo Amano
12. Matsumoto	Yoji Fukii	Makio Yamada
13. Shizuoka	Sachio Ujinara	Kiyoto Hayashi
14. Nagoya	Taro Sekine	Ichiro Dobashi
15. Kyoto	Junzaburo Mita	Koichi Niitsu
16. Osaka	Shigemitsu Miyake	Masayosni Kamata
17. Kobe	Takeshi Yoshizawa	Seizo Ikeda
18. Okayama	Nobuo Kuniyasu	Kenzo Kimura
19. Hiroshima	Tsuyoshi Katayama	Shigeo Ugawa
20. Matsue	Masakazu Suzuki	Tsugio Ogura
21. Shimonoseki	Daizo Kaechi	Masayoshi Futatsugi
22. Takamatsu	Bunro Watanabe	Yoshio Yamanouchi
23. Matsuyama	Genjiro Nakamura	Masakazu Nakai
24. Kochi	Saburo Nakano	Takanaga Saigo
25. Fukuoka	Tomoyuki Ohara	Seichi Uchida
26. Oita	Masae Tanabe	Kiyoshi Okayama
27. Kumamoto	Toshiyuki Morita	Masao Sasamoto
28. Kagoshima	Toshio Tanaka	Jugoro Yoshida

Encl 1

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

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4. Aomori	Tadashi Nishizawa	Yoshimori Saito
5. Akita	Takeo Wake	Susumu Abiru
6. Sendai	Uematsu Kato	Iwajiro Ueno
7. Fukushima	Tsutomu Tsukahara	Shinsaku Katano
8. Maebashi	Yuchiro Ogura	Seigoro Genma
9. Niigata	Shigenao Kamijo	Shoiiro Honma
10. Kanazawa	Hisashi Suzuki	Hisanao Bandai
11. Kofu	Kisuke Meguro	Minezo Amano
12. Matsumoto	Yoji Fukii	Makio Yamada
13. Shizuoka	Sachio Ujinara	Kiyoto Hayashi
14. Nagoya	Taro Sekine	Ichiro Dobashi
15. Kyoto	Junzaburo Mita	Kochi Niitsu
16. Osaka	Shigemitsu Miyake	Masayoshi Kamata
17. Kobe	Takeshi Yoshizawa	Seizo Ikeda
18. Okayama	Nobuo Kuniyasu	Kenzo Kamura
19. Hiroshima	Tsuyoshi Katayama	Shigeo Ugawa
20. Matsue	Masakazu Suzuki	Tsugio Ogura
21. Shimonoseki	Daizo Kaechi	Masayoshi Futatsugi
22. Takamatsu	Bunro Watanabe	Yoshio Yamanouchi
23. Matsuyama	Genjiro Nakamura	Masakazu Nakai
24. Kochi	Saburo Nakano	Takanaga Saigo
25. Fukuoka	Tomoyuki Ohara	Seichi Uchida
26. Oita	Masae Tanabe	Kiyoshi Okayama
27. Kumamoto	Toshiyuki Morita	Masao Sasamoto
28. Kagoshima	Toshio Tanaka	Jugoro Yoshida

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE
004.2

HEADQUARTERS
SAGA MILITARY GOVERNMENT TEAM
Saga, Kyushu, Japan

FJB/kzn/jk

APO 929
2 February 1948

SUBJECT: Exemption from Payment of Entertainment Tax

TO : COMMANDING OFFICER, Kyushu Military Government Region, APO 929
Attn: C I & E Officer

1. On 20 January OTA Shigeyasu of the Saga Prefectural Education Section went to the General Affairs Section (SHOMUKA) of the Ministry of Education to inquire about the entertainment tax remission in connection with school-improvement fund-raising activities as described in the SCAP C I & E Bulletin for 15 November 1947, Vol I, No. 11.

2. The General Affairs Section head was attending a meeting at the time OTA visited the Ministry of Education, but the official to whom OTA spoke went to ask him whether the information contained in C I & E Bulletin No. 11 had been sent to the prefectures. The answer was that no document concerning this matter had been issued. OTA sent a telegram back to Saga on 21 January to this effect. OTA was told further that schools desiring to obtain such exemption should make application to local tax authorities who would give proper consideration to the request.

3. Upon returning to Saga OTA inquired at the Saga Tax Office whether instructions concerning this matter had been received from Tokyo and was told that no authority to remit entertainment taxes had been received, except in the case of entertainment to raise funds for Community Chest drives (Ministry of Finance Directive KURAZEI No. 3320, dated 3 December 1947, to Chief of Kumamoto Finance Bureau, from Chief of Tax Bureau of the Ministry of Finance, subject: On the exemption of tax on admission fees for philanthropic performances sponsored by Community Chest local committees). Thus at present the Tax Office can grant no exemptions.

FOR THE COMMANDING OFFICER:

BURLEY R. DARLINGTON
Capt., CMP
Adjutant

Incl:
1 Telegram w/translation

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

file

BASIC: Ltr Saga Mil Govt Team, APO 929, 2 Feb 48
subj: "Exemption from Payment of Entertainment Tax"

1st Ind RFS/jk

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 2 Feb 48

TO: Commanding General, I Corps, APO 301
Attn: CI&E Officer, Military Government Section

1. Forwarded.

2. Request information as to whether or not a regulation has been issued by the Japanese Government, as indicated in CI&E Bulletin , GHQ, SCAP, dated 15 November 1947, No. 1, Vol. II; and if so, the name, number, date and issuing agency of this regulation.

3. This problem has become dominant in this area due to the publicity given to the article from the CI&E Bulletin, which was marked "Public". None of the Japanese Prefectural Education Sections have received any information on this subject, and the Finance Bureau in Kumamoto, the central agency for Kyushu, disclaims any knowledge of it.

4. As there have been many inquiries from Japanese educational agencies who wish to take advantage of such tax exemption, this headquarters desires to clear up the existing confusion.

FOR THE COMMANDING OFFICER:

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

1 Incl:
n/c

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr, Saga Mil Govt Team, subj: "Exemption From Payment of Entertainment Tax", dtd 2 Feb 1947.

60H.2
AG 000.8 - BA 2nd Ind RSA/mth

Hq I Corps, APO 301,

TO: CO, Kyushu Mil Govt Region, APO 929

The following indorsement stating policy on subject tax remission has been received from Eighth Army:

"1. The article appearing in the 15 November 1947 issue of the SCAP, CI&E Bulletin in reference to entertainment tax remissions for schools states that the "First requisite is that the whole amount of the admission charges or proceeds must be contributed to a philanthropic purpose." It also states that the "Decision in each case will be made by local tax authorities."

2. In each case when a school makes applications for the remission of entertainment taxes, the local tax authorities must determine whether or not the purpose for which the funds were spent can be considered a philanthropic purpose.

3. The Ministry of Educad on and the Finance Ministry have been requested to clarify for local education and tax officials the provisions of the tax remission agreement."

BY COMMAND OF MAJOR GENERAL SWING:

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

1 Incl:
n/c

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

File

BASIC: Ltr Saga Mil Govt Team, APO 929, 2 Feb 48
subj: "Exemption from Payment of Entertainment Tax"

3rd Ind RFS/jk

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 24 Feb 48

TO: Commanding Officer, Saga Mil Govt Team, APO 929,
Attn: CE Section

C. L. B.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE

OITA MILITARY GOVERNMENT TEAM
APO 929

RDB/tk

4 August 1947

~~350~~
0042

SUBJECT: Problem of Exhorbitant Tax Rate Imposed on School-Sponsored Entertainment Programs

THRU : Commanding Officer, Kyushu Military Government Region, APO 929

TO : Commanding General, Eighth Army, APO 343
Attn: Military Government Section

1. Below is reprinted an item from paragraph 6, Education Section, Annex E, this team's Activities Report for June 1947. This problem is submitted in the form of a special letter because this office believes that its solving would result in far-reaching benefits for the schools of Japan.

"6. A problem detrimental to the effective operation of new PTA's is becoming noticeable in this prefecture. The crux of the problem is that PTA's are trying to raise funds through admission to entertainment programs in order to renovate local schools, provide vocational equipment, rebuild libraries, etc. The Revenue Office steps in and taxes their income fifty percent which apparently is the legal entertainment tax. This hardly encourages parents and teachers to put forth much effort to raise money for school benefit when profits disappear into the Revenue Office. Recently, the PTA of the Nakatsu Girls' High School, Oita-ken, sponsored a program of a well-known singer and pianist from Tokyo. Parents and teachers were allowed to make donations for this program and received complimentary tickets. General admission tickets were sold at each of the two performances for ¥30 per adult and ¥10 per student. The donations exceeded all expectations, totaling ¥40,000, while general admission grossed ¥15,000. It is understood that only the latter sum is taxable, making a total of ¥7,500 to be paid to the Revenue Office, which is still an exhorbitant tax. Representatives of this PTA anticipate trouble with the Revenue Office since they have already been challenged on attendance figures at these performances by junior officers from the Revenue Office.

It is felt that schools need all the financial support they can get at this time and that this high post-war entertainment tax is a definite hindrance to school benefit programs. This CI&E Section

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

raises three questions. First, is 50% of the gross returns of a school-sponsored entertainment program the correct amount to be paid to revenue authorities? Second, is it legal for schools to receive donations for defraying entertainment costs and to exclude this sum from the total amount taxable -- that is, the amount paid at the admission window. Third, can steps be taken to eliminate such a ridiculous tax rate when funds are used for educational purposes?"

2. Undoubtedly this problem has been considered at top-level, but to date this team has had no knowledge of the decisions made, favorable or unfavorable.

3. Reflecting on the sorrowful economic conditions surrounding schools today, particularly the newly established Junior High Schools, the removal of such a high tax would be a significant step in the direction of improved school facilities throughout Japan.

FOR THE COMMANDING OFFICER:

LUTHER G. JONES, JR.
Captain, TC
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

File
350 Edu Dep
FILE

BASIC: Ltr fr Oita MG Team, APO 929, dtd 4 Aug 47, Subj: Problem of Exhorbitant Tax Rate Imposed on School-Sponsored Entertainment Programs.

004.2

1st Ind RFS/tmn

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 14 August 1947

TO: Commanding Officer, Oita Mil Govt Team, APO 929.
Attn: CI&E Section

1. Returned.

2. In answer to the first question stated in paragraph 1, basic communication, the following information was obtained from the Revenue Section of Fukuoka Prefecture:

a. The basis for this amusement tax is the Entrance Tax Law (Nyujozei) promulgated by the National Government on 29 March 1940, and still in force. Under its provisions motion pictures, theaters, and other amusements (e.g. sports, concerts, dance halls, billiards, golf courses, etc) and various other establishments promulgated by seperate laws (e.g. exhibition halls for business purposes) are subject to the tax on admission fees.

b. Formerly, the rate was 50% of each ticket; but from 1 April 1947 it was increased to 100%. For example, if the admission fee is 5 Yen, the tax is 5 Yen; thus, the price, per ticket, is 10 Yen.

c. The only exemption allowed has been on social welfare activities, where all proceeds are turned over to such organizations (e.g. Red Cross).

d. On 11 July 1947, the Kumamoto Finance Bureau, the central Kyushu agency of the Ministry of Finance, issued a directive (Kan 1364) stating that no exemptions will be given to those enterprises which raise funds for the restoration of schools.

3. In answer to the second question stated in paragraph 1, basic communication, the following information was obtained from the Fukuoka Revenue Office:

a. Tickets in bulk are received by the sponsor of the concert, bazaar, etc from the Revenue section of the Ken Government. Unused tickets are returned to the Revenue section after the concert. Tax is paid on the balance. If the sponsor wishes to distribute complimentary tickets, he is responsible for the tax.

4. This headquarters agrees that the existing system is detrimental to educational organizations and supports the

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE

contention that for educational purposes the tax should not apply.

5. It is the recommendation of this headquarters that the CI&E section, Oita M.G. Team, substantiate the above findings with the Revenue division of the Oita Prefectural government, and that this correspondence be rewritten and returned for indorsement to higher headquarters.

FOR THE COMMANDING OFFICER:

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

NAGASAKI MILITARY GOVERNMENT TEAM
Sasebo Detachment

EDA/fi

APO 929
10 April 1947

0043

SUBJECT: Korean Frozen Accounts.
THRU - Kyushu Mil. Gov't. Region APO 929

TO : Supreme Commander Allied Powers, FEC. APO 500.
ATTN - Finance Dept - SCAP.

1. A report from the Haenosaki Branch, Shinwa Bank, Sasebo, Japan reveals a deposit of 50,066.00 Yen to the credit of Chosen Kikoku Domei.

2. At the present time the above Korean Society does not exist as it was liquidated in March 1946, however the fund was started to help Koreans being repatriated to Korea.

3. An investigation reveals the non-existence of bank books or other documents pertaining to the bank deposit.

4. Request that the fund be transferred to SCAP, United States Army, Military Gov't Korea.

FOR THE COMMANDING OFFICER:

/s/ Irvin W. Rogers
/t/ IRVIN W. ROGERS
CAPT. T.C.
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr, Nagasaki Mil Govt Team, subj: "Korean Frozen Accounts", dtd 10 Apr 1947

~~CO~~ 91.4 1st Ind CLB/sk

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 15 April 1947

TO: Commanding General, I Corps, APO 301

Forwarded.

FOR THE COMMANDING OFFICER:

/s/ Charles L. Bachtel
/t/ CHARLES L. BACHTEL
1st Lt., Sig C
Adjutant

AG 386.7 - BA 2nd Ind RAS/em

Hq I Corps, APO 301, 19 Apr 1947

TO: CG, Eighth Army, APO 343

For your consideration of request contained in paragraph 4, basic communication.

FOR THE COMMANDING GENERAL:

/s/ H. B. Taylor
/t/ H. B. TAYLOR
Major, A.G.D.
Asst. Adj. Gen.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Ltr, Nagasaki Mil Govt Team, subj: "Korean Frozen Accounts," dtd 10 Apr 1947

AG 132 (MG-F) 3rd Ind

Headquarters Eighth Army, APO 343, 23 Apr 1947

TO: Supreme Commander for the Allied Powers
APO 500
(Attn: Economic & Scientific Section)

For your consideration and information as to disposition of funds referred to in basic communication.

FOR THE COMMANDING GENERAL:

/s/ R. Schafer
/t/ R. SCHAFER
Lt Col, AGD
Asst Adj Gen

AG 130 (10 Apr 47)CPO/FP 4th Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500, 24 May 1947

TO: Commanding General, Eighth Army, APO 343

1. The Japanese Government has been ordered to transfer subject funds to "Custody Account for the Supreme Commander for the Allied Powers," in the Bank of Japan.

2. Inclosed is a copy of the memorandum for the Japanese Government referred to above.

BY COMMAND OF GENERAL MacARTHUR:

/s/ A J Rehe
/t/ A J REHE
Major, AGD
Asst Adj Gen

1 Incl
Memo for Japanese
Government

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

Ltr, Nagasaki Mil Govt Team, subj: "Korean Frozen Accounts," dtd 10 Apr 1947

AG 132 (MG-F) 5th Ind

Headquarters Eighth Army, APO 343

TO: Commanding General, I Corps, APO 301 28 MAY 1947

Attention is invited to 4th indorsement and inclosure.

BY COMMAND OF LIEUTENANT GENERAL EICHELBERGER:

R. SCHAFER
Lt Col, AGD
Asst Adj Gen

1 Incl. n/c

AG 130 - BA 6th Ind RAS/mmn

Hq I Corps, APO 301, 5 JUN 1947

THRU: CO, Kyushu Mil Govt Region, APO 929

TO : CO, Nagasaki Mil Govt Team, APO 929

Attention is invited to 4th indorsement and inclosure.

BY COMMAND OF MAJOR GENERAL WOODRUFF:

O. H. SCHMIDT
MAJOR, AGD
ASST. ADJ. GEN.

1 Incl:
n/c

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE

004 7th Ind CLB/rld

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 10 June 1947

TO: Commanding Officer, Nagasaki Mil Govt Team, APO 929

Attention is invited to 4th Indorsement.

BY ORDER OF COLONEL COUGHLIN:

CHARLES L. BACHTEL
1st Lt SIG C
Adjutant

Incl:
n/c

FILE

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

file

1841

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

RAS/okw

004.2

~~AG 061.03 - BA~~

24 FEB 1947

SUBJECT: Tracer

THRU: Commanding Officer
Kyushu Military Government Region
APO 929

TO: Commanding Officer
Fukuoka Military Government Team
APO 929

1. Reference: Letter, Headquarters Eighth Army, AG 004 (MG-F), subject: "Surveillance of Closed Institutions", dated 12 December 1946, and 1st indorsement, this headquarters, thereto.

2. To date this headquarters has not received the report indicating that the records of the South Manchuria Railway Company, Shimonoseki, in the custody of the Moji Branch of the Bank of Japan, Fukuoka, have been shipped to the Tokyo office of the Bank of Japan in compliance with the provisions of reference 1 above.

3. It is desired that this headquarters be furnished the required information at the earliest practicable date.

BY COMMAND OF MAJOR GENERAL WOODRUFF:

H. B. TAYLOR
MAJOR, A.G.D.
ASST. ADJ. GEN.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr, Hq I Corps, AG 004-BA, subj: "Tracer", dtd 24 Feb 1947

004.2 1st Ind LAW/enh

KYUSHU MIL GOVT REGION, HQ & HQ DET, APO 929, 28 February 1947

TO: Commanding Officer, Fukuoka Mil Govt Team

It is desired that necessary action be taken to effect compliance with basic letter and that the required information be forwarded through this headquarters prior to 5 March 1947.

BY ORDER OF COLONEL COUGHLIN:

CHARLES D. ALLEN
Captain, Infantry
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE

BASIC: Ltr, Hq I Corps, AG 004 - BA, subj: "Tracer", dtd 24 February 1947.

004.2 3rd Ind RSL/cbe

KYUSHU MIL GOV'T REGION, Hq & Hq DET, APO 929, 7 Mar 47.

TO: Commanding General, Hq I Corps, APO 301
Attn: Military Government Section

Compliance with basic communication attached.

FOR THE COMMANDING OFFICER:

FILE

CHARLES L. BACHTEL
1st Lt., SIG C
Adjutant

Incl:
n/c

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

HEADQUARTERS EIGHTH ARMY
United States Army
Office of the Commanding General
APO 343

AG 004.2 (MG-F) 5 Feb 1947

SUBJECT: Revocation of Permit for Korean Coal Miners to Remit Funds to Korea through the Bank of Japan.

TO : Commanding General, I Corps, APO 301.

1. References:

a. Memorandum for the Imperial Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 248 (29 Oct 45) ESS/FI, (SCAPIN 207), dated 29 October 1945, subject: "Payment of Savings and Allotments in Korea of Korean Laborers in Japanese Coal Mines".

b. Memorandum for the Imperial Japanese Government from General Headquarters, Supreme Commander for the Allied Powers, AG 248 (24 Jan 47) ESS/FI, (SCAPIN 1484), dated 24 January 1947, subject: "Revocation of Permit 'Payment of Savings and Allotments in Korea of Korean Laborers in Japanese Coal Mines.'"

2. Japanese coal mine operators have been instructed to deposit with the Bank of Japan or with Military Government Units, prior to 28 February 1947, all accumulated savings and allotments accepted from Korean laborers.

3. It is desired that you inform Military Government Units within your command that they will not accept, subsequent to 28 February 1947, savings or allotments proffered by Japanese mining companies for remittance to Korea.

4. Military Government Units will deposit with branch offices or agencies of the Bank of Japan for credit to the Custody Account of the Supreme Commander for the Allied Powers, prior to 7 March 1947, all funds received which were accumulated under authority of reference Memoranda.

5. Report of such deposits by Military Government Units will be submitted to this headquarters prior to 15 March 1947. Negative report will not be required.

BY COMMAND OF LIEUTENANT GENERAL EICHELBERGER:

/s/ R. Schafer
/t/ R. SCHAFER
Lt Col, AGD
Asst Adj Gen

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FEB 18 1947 11 07

BASIC: Ltr, Hq Eighth Army, subj: "Revocation of Permit for Korean Coal Miners to Remit Funds to Korea through the Bank of Japan", dtd 5 Feb 47.

AG 014 - BA 1st Ind S - 11 Mar 47
RAS/mmn

Hq I Corps, APO 301, 14 February 1947

TO: See Distribution.

1. For compliance with basic communication.

2. Report required by paragraph 5, basic communication, will be submitted so as to reach this headquarters on or before 11 March 1947.

BY COMMAND OF MAJOR GENERAL WOODRUFF:

O. H. Schmidt
O. H. SCHMIDT
Major, AGD
Asst. Adj. Gen.

DISTRIBUTION:
2 ea MG Region & Team
I Corps Z/R
3 AG Rec, I Corps

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

HEADQUARTERS
KUMAMOTO MILITARY GOVERNMENT TEAM
KUMAMOTO, KYUSHU, JAPAN

RFH/jk

00-4-2
~~200~~

APO 929
3 February 1947

SUBJECT: POW Checks

TO : Finance Officer, Kyushu Military Government Region,
Headquarters & Headquarters Detachment, APO 929

1. Submitted herewith are the following listed POW checks.

Check No.	Amount	Payee
70,275,199	$37.62	Masao Yokoi, 162569
70,335,894	$32.44	Masanori Kamei
70,332,219	$19.20	Minoru Kosa
70,263,285	$27.09	Takazo Akahoshi, 14J-5811

2. The necessary identifications have been established and checks have been signed in Japanese and stamp affixed thereon in the presence of an officer of this organization.

3. Request that checks be cashed for Japanese Yen and forwarded to this office for payment to POWs.

4. Request that receipt of the above listed checks be acknowledged by your office.

ROBERT F. HARTMAN
Major, CMP
Commanding

1 Incl:
POW Checks (4)

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

BASIC: Ltr. Hqs. Kumamoto Mil. Govt. Team, Subj: [illegible], --- 3 February 1947

1st Ind. THM/yk

FROM: Kyushu Military Government Region Headquarters & Headquarters Detachment, APO 929 dtd 4 February 1947.

TO : Finance Office, 24th Infantry Division APO 24.

Request basic communication be complied with.

FOR THE COMMANDING OFFICER:

CHARLES D. ALLEN
Capt, INF
Adjutant

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

HEADQUARTERS 24TH INFANTRY DIVISION
Office of the Finance Officer
(Kokura, Kyushu)

A.F.O. 24
21 January 1947

0042

SUBJECT: Exchange of Dollar Instruments for Japanese Nationals.

TO : Commanding Officer
Oita Military Government Team
APO 929, U. S. Army

1. Inclosed herewith Military Payment Order as described below:

Payee	MPO No.	Dollars	Yen
Masaharu Yoshing	70,270,307	$19.92	¥299.00

2. Above Military Payment Order received this office by mail, is transmitted your office for identification of the payee, and return.

3. The check will be converted to yen, which can be delivered to you for payment by registered mail.

/s/ M. B. Hale
M. B. HALE
Lt. Col. F.D.
Finance Officer

1 Incl: MPO No. 70,270,307 & pertinent correspondence

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDG NO. 775013

FILE

BASIC: Ltr, Hq 24th Inf Div, Office of the Finance Officer, subj: "Exchange of Dollar Instruments for Japanese Nationals", dated 21 Jan 1947.

319 1st Ind FKM/tk

OITA MILITARY GOVERNMENT TEAM, APO 929, 4 March 1947

TO: Finance Officer, Hq 24th Inf Div, APO 24

THRU: Commanding Officer, Kyushu Mil Govt Region Hq & Hq Det, APO 929

1. In compliance with par 2, basic communication, the payee was properly identified at time of affixing his signature.

FRED K. MAGHIOT
Lt. Col., INF
Commanding

1 Incl:
MPC No.70,270,307
(Pertinent correspondence w/d)

319 2nd Ind CLB/blc

XYUSHU MIL GOV'T REGION, HQ & HQ DET, APO 929, 6 March 1947

TO: Commanding General, Hqs 24th Infantry Division, APO 24
(Attn: Finance Officer)

Forwarded.

FOR THE COMMANDING OFFICER:

CHARLES L. BACHTEL
1st Lt, SIG C
Adjutant

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004.2
Fixed

HEADQUARTERS EIGHTH ARMY
United States Army
Office of the Commanding General
APO 343

AG 004 (MG-F) 12 Dec 1946

SUBJECT: Surveillance of Closed Institutions

TO : Commanding General, I Corps, APO 301

1. The Bank of Japan has been directed to ship to its Tokyo office, all documents and records owned by local agencies of the Wartime Finance Bank now held in safekeeping by the branches of the Bank of Japan and similar items pertaining to the United Funds Bank, Southern Development Bank, South Manchuria Railway, and Southseas Enterprise Company, all as indicated by inclosure 1.

2. To facilitate and expedite the shipment of records and documents referred to in paragraph 1 above, it is desired that the military government teams:

a. Contact the local branches of the Bank of Japan and determine whether or not any of the items referred to in inclosure 1 are present; if present, grant permission for their transfer to Tokyo.

b. Determine whether or not any additional records pertaining to the closed institutions referred to are in custody of the occupation forces in the team zone of responsibility; if so, effect a transfer of all such records to the nearest branch of the Bank of Japan and authorize that branch to transfer subject records to Tokyo.

c. Instruct the branch banks of the Bank of Japan or a duly accredited representative of the Committee of Conservators for Closed Institutions in the branches of the Bank of Japan, to report when documents and records of closed institutions have been shipped to the Committee of Conservators at the Bank of Japan, Tokyo. When the documents and records of closed institutions have been shipped, guarding is no longer necessary. After shipment of records, contact the tactical units maintaining the guard and notify them that the guard may be discontinued.

3. The Bank of Japan or a duly accredited representative of the Committee of Conservators through the Bank of Japan may from time to time request the assistance of military government authorities in negotiation of loan settlements, attempts

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to recover property and other matters relating to liquidation procedure in the recovery or preservation of assets of closed institutions and their affiliates or subsidiaries. As has been done in the past, it is desired that continued cooperation and assistance be accorded representatives of the liquidating agencies by military government authorities in these matters. Responsibility of military government authorities in such instances is purely advisory and consultive in order to lend prestige and authority to the efforts of the liquidating agencies.

4. For the purpose of carrying out the instructions in paragraph 2 above, direct communication is authorized between military government units and the tactical units involved.

BY COMMAND OF LIEUTENANT GENERAL EICHELBERGER:

/s/t/ R. SCHAFFR
Lt Col, AGD
Asst Adj Gen

1 Incl.
Chart containing location, present custodian, owner and description of items to be shipped to Tokyo.

AG 004 - BA 1st Ind RAS/jyn

Hq I Corps, APO 301,

TO: See Distribution

1. For compliance with basic communication.

2. Tactical troops having any records pertaining to closed institutions will, through the appropriate Military Government Team, arrange for their transfer to the nearest branch of the Bank of Japan, as directed in paragraph 2b, basic communication.

3. Military Government Teams will make a report to this headquarters when transfers to the Tokyo office of the Bank of Japan have been completed, including the following information:

a. a. Description of records and documents shipped.

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BASIC: Ltr, Hq 8th Army, file AG 004 (MG-F), subj: "Surveillance of Closed Institutions," dtd 12 Dec 1946.

b. Date of shipment.

c. Identity of the tactical unit notified that guarding is no longer necessary, and date of this notification.

BY COMMAND OF MAJOR GENERAL WOODRUFF:

Lawrence E. Noble

LAWRENCE E. NOBLES
Colonel, AGD
Adjutant General

1 Incl:
n/c

DISTRIBUTION:
2 - CG, 24th Inf Div
2 - CG, 25th Inf Div
2 - ea MG Reg and Team,
I Corps Z/R

AREA	PRESENT CUSTODIAN	OWNER OF ARTICLES	REMARKS
IX Corps	Niigata Branch, Bank of Japan	Niigata Branch, Wartime Finance Bank	Records and Documents
I Corps	Nagoya Branch, Bank of Japan	Shizuoka, Wartime Finance Bank	Records and Documents
I Corps	Nagoya Branch, Bank of Japan	Nagoya, Wartime Finance Bank	Records and Documents
I Corps	Nagoya Branch, Bank of Japan	Tsu, Wartime Finance Bank	Records and Documents
I Corps	Kobe Branch, Bank of Japan	Kobe, Wartime Finance Bank	Records and Documents
I Corps	Osaka Branch, Bank of Japan	Osaka Branch, United Funds Bank	Promissary Notes
I Corps	Osaka Branch, Bank of Japan	Osaka Branch, Southern Development Bank	Deposit pass-book - 1
I Corps	Osaka Branch, Bank of Japan	South Manchuria Railway Company, Osaka	National Bonds ¥500 Fixed Deposit Certificates Receipt for caution money 1 Cheque books 5 Fixed savings pass-books 4 Incl 1
I Corps	Osaka Branch, Bank of Japan	South Seas Enterprises Co. Osaka	Pass-book 1 Cheque books 3
I Corps	Nagoya Branch, Bank of Japan	South Manchuria Railway Company, Nagoya	Cheque books (Mitsubishi Bank)

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AREA	PRESENT CUSTODIAN	O.N.R OF ARTICLE	REMARKS
Chugoku	Hiroshima Branch, Bank of Japan	Ujina Branch, Southern Development Bank	Special Current acct Pass-book 1 Certificate of balance of Current a/c 1 Postal Savings Pass-book 1
[redacted]orps	Kanazawa Branch, Bank of Japan Ishikawa Ken	South Manchuria Railway Company, Tsuruga	Pass-book 1
Shikoku	Takamatsu Branch, Bank of Japan	South Manchuria Railway Com ny, Takamatsu	Deposit Pass-book 1
I Corps	Moji Branch, Bank of Japan Fukuoka	South Manchuria Railway Company, Shimonoseki	Pass-books 2
IX Corps	Sapporo Branch, Bank of Japan	South Manchuria Railway Company, Sapporo	Documents related to the current deposit for the Hokkaido Takushoku Bank.
S[redacted]koku	Shikoku Military Government Region, (Kochi Military Government Team.)	Kochi Branch, Maritime Finance Bank	Bills receivable 2 in the amount of ¥354,350 Breakdown: Loaned to the Tosa Kihansen Shipping Co. Ltd. ¥204,750 Loaned to the Hokoku Shipping Co., Ltd. ¥149,600.00 Accessory documents to the above mentioned bills 2 Ledgers 3

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AREA	PRESENT CUSTODIAN	OWNER OF ARTICLES	REMARKS
	Continued from Page 2, last item		Insurance Policies 3 Kyo-Shin-Sho No. 516 ¥57,200.00 517 ¥55,100.00 518 ¥56,400.00 Total ¥168,700.00
Shikoku	Shikoku Military Government Region. (Takamatsu Military Government Detachment.)	Matsuyama Branch, Wartime Finance Bank Takamatsu Branch, Wartime Finance Bank	Bills Receivable 23 Accessory documents to the above mentioned bills: Certificates of loan contracts 4 Insurance Policies — belonging to Matsuyama Agency. 1 Bill Receivable -- belonging to Tokushima Agency. 1 sealed envelope containing all records, documents, etc. of the Wartime Finance Bank, Ehime Branch. (Note: The above envelope was received by Captain Jay Ryan of the 91st Mil Govt Company on 29 June 46

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