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FILE # 7

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3	- -	-	KINKI	13/5	Tax Surveillance
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HEADQUARTERS
TOKAI-HOKURIKU CIVIL AFFAIRS REGION JBS/m1
APO 710 (Nagoya, Honshu)

27 Sept 1949

SUBJECT: Information Desired concerning Legal and Government Section.

TO: Chief, Aichi Civil Affairs Team, APO 710
Chief, Mie Civil Affairs Team, APO 710
Chief, Gifu Civil Affairs Team, APO 25
Chief, Toyama Civil Affairs Team, APO 301
Chief, Ishikawa Civil Affairs Team, APO 301
Chief, Fukui Civil Affairs Team, APO 301

1. In addition to general information requested from teams the following specific information is desired from the Legal and Government Section.

a. Names and office addresses of following prefectural officials.

(1) Governor

(2) Vice-Governor

(3) Chief of Police

(4) Chief of General Affairs Section

(5) Chairman of Assembly

(6) Head of Legal Section

(7) Chief Judge

(8) Chief Procurator

(9) Chief of Prison

(10) Chief of the Liaison Section

(11) President of the Bar Association

(12) Officers of Chanese Association

BASIC: Ltr, Hq Tohoku-Hokuriku Civil Affairs Region, APO 710, Subj: "Information Desired concerning Legal and Government Section."

(13) Officers of Korean Resident's Union.

b. Names and offices addresses of the following city officials for principal cities.

(1) Mayor

(2) Chief of General Affairs Section

(3) Chief of Police

(4) Chairman of Assembly

(5) Chief Judge of Branch of District Court if a branch is located in the city.

c. A personal background sketch of each individual if available.

d. A confidintial list of persons who are of assistance to the occupation.

e. A similar list of persons considered to be a detriment to the occupation.

f. A list of incomplete investigations or programs.

g. Any other specific information deemed by the Legal and Government Officer to be of value.

BY ORDER OF COLONEL COULTER:

JAMES W. WALLIN
CWO USA
Adjutant

HEADQUARTERS
TOKAI-HOKURIKU CIVIL AFFAIRS REGION
APO 710 (Nagoya, Honshu)

JBS/m1

AG 004

22 Sept 1949

SUBJECT: Hotels in Tokai-Hokuriku Region

TO: Commanding General
I Corps
APO 301
(Attn: Civil Affairs Section)

1. In compliance with telephone conversation of 21 Sept 1949, the following confirmation of telephone report is submitted.

a. The cost per night per person varies between 400 and 500 yen. However, that cost is based upon prices established two years ago by the Special Procurement Board and is believed by the Hotel operators to be too low. This belief is said to be reflected in the type of service supplied by the hotel.

b. The number of "On Limits" Hotels is 95.

c. The number of "Off Limits" Hotels is 2169.

d. The estimated number of persons using the hotels during the Japanese fiscal year of 1950 is 129 persons per month.

FOR THE CHIEF:

JAMES W. WALLIN
CWO USA
Adjutant

HEADQUARTERS
TOKAI-HOKURIKU CIVIL AFFAIRS REGION
APO 710 (Nagoya, Honshu)

RJD/rd

8 September 1949

SUBJECT: Special Report: Charges by NRP to Cities, Towns and Villages

TO: Commanding General
1 Corps
APO 301

Attached hereto are Special Reports from the Aichi, Gifu, Toyama, Ishikawa, and Fukui Civil Affairs Teams concerning charges by the NRP for services given to cities towns and villages. A negative report was received from the Mie Civil Affairs Team.

FOR THE CHIEF:

JAMES W. WALLIN
CWO USA
Adjutant

Incls:
1. Aichi Report
2. Toyama Report
3. Fukui Report
4. Ishikawa Report
5. Gifu Report.

18

AICHI PREFECTURAL MRP HQ
PERSONNEL & EQUIPMENT SECTION

19 August 1949

TO: Commanding Officer of Aichi Civil Affairs Team

FROM: Aichi Prefectural Police Troop Commander

SUBJECT: Re Expenses for persons despatched for assistance.

I hereby report to you that the above subject since the start of the New Police System is as per attached sheets.

/s/ Makoto Yamada,
/t/ MAKOTO YAMADA,
Police Troop Commander,
Aichi Prefectural MRP.

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DATE 1948	TOWN	REASON	MRP MAN-DAYS	AMT ASKED ¥	AMT PD ¥	AMT UNPD ¥
Feb.21/Oct.15	Gamagori-cho	Violation of Temporary Demand and Supply Adjustment Law	20		600	500
Mar.24/Apr.8	Tahara-cho	Robbery case	75			9,900
Mar.24/	Tsushima City	-"-	30		1,000	9,000
Mar.25	Haisaka-cho	Congestion Control	8		1,000	500
Mar.28	Okazaki City	Horse-racing Place Control	6			1,200
Apr.4	Obu-cho	Collective violence Case	12			1,920
Apr.4/Apr.8	Shinkawa-cho	Homicide case	80		4,000	8,000
Apr.22/Apr.27	-"-	Case of Infanticide and abandonment of a corpse	21			2,100
Apr.8/Apr.24	Inuyama-cho	Free fight case	236		3,000	47,200
Apr.19	Chiryu-cho	Theft case	4			760
Apr.26/May 25	Sohue-cho	Robbery resulting in injury case	155		16,500	4,000
Apr.28/June 20	Gamagori-cho	Violation of Price Control Law	80		500	500
Apr.30	Kozoji-cho	Attempted Robbery case	14		1,400	1,000
June30/Aug.14	Kasugai City	Robbery and homicide case	20		5,040	14,800
July 8/July 16	Futagawa-cho	-"-	54			18,000

DATE	TOWN	REASON	NRP MAN-DAYS	AMT ASKED ¥	AMT PD ¥	AMT UNPD ¥
July 14/Aug.10	Kiyosu-cho	Robbery case	150		9.000	5.250
July 6	Nisho-cho	Control over congestion at festival	9		405	1,800
July 19	Tsushima City	Control of congestion	11		1,100	1,980
July 24	Nishio-cho	Homicide case	3		210	300
Aug.27/Aug.29	Kanie-cho	Robbery resulting in injury	6		2,900	200
Aug.30	Yoshida-cho	Control of congestion at fireworks display	4			800
Oct.7/Oct.9	Shinshiro-cho	Control of congestion at festival	10		1,500	500
Oct.23	Kisogawa-cho	Violence case	16			3200
Oct.29	Yoshida-cho	Robbery case	4			800
Oct.29/Dec.25	Shinkawa-cho	Labor dispute	70		1,300	13,000
Nov.9	Kariya-cho	Theft case	10		1,000	980
Nov.12	Heisaka-cho	Major theft case	7		350	500
Nov.12/Nov.14	Morozaki-cho	Control of terrorists	15		2,100	2,100
Dec. 9	Ichinomiya City	Control of illegal brewing	22		2,400	2,200

DATE	TOWN	REASON	NRP MAN-DAYS	AMT ASK'D ¥	AMT ED ¥	AMT UNP'D ¥
1949 Jan. 4	Fukue-cho	Arrest of police wanted criminal of murder	5			500
Jan.8/Feb.15	Shinkamigoto-cho	Hoya Kogyo labor dispute	3,370		10,000	70,000
Jan.24	Jimokuji-cho	Robbery and wounding case	6			336
Jan.26/Jan.28	Hoisaka-cho	Control over illicit brewing	58			35,100
Jan.26/Jan.27	Nishio-cho	-"-	20		3,400	4,000
Feb.10	Inasawa-cho	Control of hustle of Nude Festival of Konomiya Shrine	56		30,000	12,880
Feb.16/Mar.31	Kosaki-cho	Robbery and wounding case	286		25,000	25,000
Feb.22	Tomida-cho	Wounding and assault case	49			9,800
Mar. 4	Chiryu-cho	Theft case	4		640	120
Mar.15	Heisaka-cho	Control of hustle	8		1,000	500
Mar.19/June 18	Narumi-cho	Homicide case	660		44,000	23,100
Mar.28/Apr.30	Koromo-cho	-"-	20			4,000

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DATE	TOWN	REASON	MRP MAN-DAYS	AMT ASKED ¥	AMT PD ¥	AMT UNPD ¥
Apr.1/Apr.30	Imuyama-cho	Police guard for Exhibition for Children	162		32,400	32,400
Apr.1/Apr.20	Shinshiro-cho	Control of hustle	40		2,850	2,850
Apr.3/Apr.16	Taketoyo-cho	Labor dispute	600			36,000
Apr.23	Utsumi-cho	Homicide case	10			2,000
Apr.9/May 16	Oku-cho	Violation of Temporary Demand & Supply Adjustment La-	114			22,800
Apr.25/Apr.26	Seto City	Police guard against homicide case	39		5,104	8,000
May 5	Nishio-cho	Control on congestion	6		600	600
May 10	Tomida-cho	Control on Smuggling	686			68,600
May 12	Handa City	Robbery case	4		400	520
May 19	Kiyosu-cho	Robbery & Rape case	13		780	880
May 29	Terazu-cho	Control on congestion	2		200	200
June 14/June 15	Oku-cho	Car-tag exchange	10		350	1,650
June 22	Handa City	Robbery case	1			200
July 1/Aug.15	Gamagori-cho	Theft case by means of car-tag exchange	180		6,000	6,000
July 9	Tsushima-cho	Control on congestion	11		2,200	2,200

DATE	TOWN	REASON	MAN-DAYS	AMT ASKED ¥	AMT PD ¥	AT UNPD ¥
July 12/Aug.6	Kanie-cho	Blackmailing	50			10,000
July 16/July 19	Inasa-n-cho	Control on marshalling yard in prevention of unrest in connection with slashing of Government employees	60			15,000
Aug.7/Aug.10	Meisaku-cho	Robbery and wounding [redacted]	28		1,960	3,640
		Total 59 cases	8,937	0	¥222,189	¥551,866

C O P Y

HEADQUARTERS
TOYAMA CIVIL AFFAIRS TEAM
APO 301

319.1

6 September 1949

SUBJECT: NRP Aid to Municipal Police

TO: Commanding Officer
Tokai-Hokuriku Civil Affairs Region
APO 710
ATTN: Legal and Government Section

1. In compliance with telephone request by your headquarters the following report is submitted on assistance rendered by Toyama NRP to various Municipalities at their request:

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DATE	No.of NRP:	PLACE	PURPOSE
21 Apr 48:	20	:Demachi	:Insure peace at public meeting;Communists responsible.
21 Apr48 :	1	:Inami-machi	:Aid investigation of fire
1 May 48:	5	:Oosawano-machi	:Insure peace at public meeting;Communists responsible
16 May 48:	24	:Mizuhashi-machi	:Maintain order at town festival
1 Jun 48:	1	:Namericana	:Invest. of clothing theft
9 Jun 48:	9	:Kamiichi-machi	:Maintain order at town festival
15 Jun 48:	8	:Oyama-machi	: " " " " "
16 Jun 48:	11	:Namerikawa	: " " " " "
1-3Sep 48:	14	:Yatsuo-machi	: " " " " "
10-16 Sep:	3	:Uozo-machi	:Suppress blackmarket of new rice
" " :	5	:Sakurai-machi	: " " " " " "
" " :	5	:Nyuzen-machi	: " " " " " "
" " :	2	:Tomari-machi	: " " " " " "
17-23 Sep:	5	:Kamiichi-machi	: " " " " " "
" " " :	5	:Namerikawa	: " " " " " "
" " " :	5	:Oyama-machi	: " " " " " "
5 Oct 48 :	59	:Takaoka-shi	: Raid on Korean bootlegger
13 Oct 48:	40	:Toyama-shi	:Raid on Korean bootleggers
17-22 Dec:	1	:Takaoka-shi	:Invest. of smuggling from No. Korea to Fushiki Port
23-31 Dec:	3	:Takaoka-shi	:Same as above
4 Apr 49:	125	:Takaoka-shi	:Raid on bootleggers
16 May 49:	15	:Mizuhashi-machi	:Maintain order at town festival
21-31 May:	4	:Takaoka-shi	:Invest. violation of Drugs Distribution Law

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BASIC: Ltr, Hq Toyama Civil Affairs Team, APO 301, dtd 6 Sep 49
Subj:"NRP Aid to Municipalities Police"

DATE	No. of NRP	PLACE	PURPOSE
5-6Jun 49:	18	:Uozo-machi	:Maintain order at town festival
18 Jun 49:	6	:Nyuzen-machi	: " " " "
15-17 Jun:	3	:Namerikawa	:Guard prisoners-prison inadequate
15-16 Jun:	3	:Namerikawa	:Maintain order at town festival
23-27 Jul:	3	:Inami-machi	:Maintain order at a shrine festival
3-25 Aug:	5	:Kosugi-machi	:Invest. of santonin blackmarket
12 Aug 49:	10	:Nyuzen-machi	:Preclude disturbance at dismissal of members of Communication Workers Union

2. No expenditures involving use of the NRP have been borne by the municipality which called the NRP to their aid. It is not contemplated that any reimbursement will be made for such services in this prefecture. According to NRP interpretation of the Police Laws there is no need for payment of costs to the NRP.

FOR THE CHIEF:

s/ Russel E. Anderson
t/ RUSSEL E. ANDERSON
1st Lt, Inf
Adjutant

C O P Y

1A

C O P Y

HEADQUARTERS
FUKUI CIVIL AFFAIRS TEAM
APO 301 (Fukui,Honshu)

16 August 1949

SUBJECT: Charges against Towns and Villages for Assistance Rendered by N. R. P.

TO: CHIEF
Tokai-Hokuriku Civil Affairs Region
APO 710

In compliance with telephone conversation between Lt Drda, your headquarters and Capt Munaker, this headquarters this date, the following information is submitted:

Inclusive Dates	Number of Police	Where Used	Type of Case	Expenditures	Paid By
4Sep48 5Sep48	5	Tsuruga	Korean Rally	¥4,800	Tsuruga -shi
11Dec48 13Dec48	43	Mikuni	Smuggling Case	¥48,370	This has not been paid to date
26Feb49 27Feb49	13	Tsuruga	Communist Party Rally	¥14,040	Tsuruga-shi
12Mar49	9	Maruoka	Illegal Sake Raid	¥1,224	Not paid to date

FOR THE CHIEF:

s/ Charles Cook
t/ CHARLES COOK
WOJG USA
Adjutant

16

C O P Y

HEADQUARTERS
ISHIKAWA CIVIL AFFAIRS TEAM
APO 301 (Kanazawa, Honshu)

014.12 22 August 1949

SUBJECT: Special Report

TO: Chief
Tokai-Hokuriku Civil Affairs Region
APO 710

1. In compliance with instruction received by telephone conversation, 16 August 1949, from Headquarters Tokai-Hokuriku Civil Affairs Region, following report is hereby submitted.

2. Negative.

FOR THE CHIEF:

T. C. [illegible]
Capt, CRD
Adjutant

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HEADQUARTERS
GIFU CIVIL AFFAIRS TEAM
APO 25, Unit 2 (Gifu, Honshu)

FAT/hp

22 August 1949

SUBJECT: Special Report, National Rural Police Charges to Cities, Towns and Villages.

THRU: Chief
Headquarters Tokai-Hokuriku Civil Affairs Region
APO 710

TO: Commanding General
I Corps
APO 301
ATTN: Civil Affairs Section

The National Rural Police in this Prefecture do not assess a charge upon cities, towns or villages for special assistance rendered by National Rural Police.

FOR THE CHIEF:

VAN B. POLLARD
Captain, Ordnance
Adjutant

18

HEADQUARTERS
TOKAI-HOKURIKU CIVIL AFFAIRS REGION
APO 710 (Nagoya, Honshu)

RJD/rd

AG 337 - BA

6 September 1949

SUBJECT: City Government Conferences

TO: Chief, Gifu Civil Affairs Team, APO 25
Chief, Mie Civil Affairs Team, APO 710
Chief, Fukui Civil Affairs Team, APO 301

1. Conferences on city government, sponsered by the Legal and Government Division, Civil Affairs Section, Headquarters Eigth Army, will be held in the following cities on the dates indicated:

City	Prefecture	Dates
Tsuruga	Fukui	29-30 September
Uji-Yamada	Mie	3-4 October
Ogaki	Gifu	18-19 October

2. Detailed arrangements for these conferences will be made directly between Headquarters Eigth Army and the appropriate Civil Affairs Teams.

3. The Legal and Government Officer of the Prefectural Civil Affairs Team, and the Legal and Government Officer, this headquarters, will attend and participate in these conferences.

BY ORDER OF COLONEL COULTER:

JAMES W WALLIN
CWO USA
Adjutant

(11)

C-O-P-Y

BASIC: Ltr, Hq Tokai-Hokuriku Civil Affairs Region, APO 710,
Subj: "Letter of Complaint" dtd 26 July 49.

1st Ind SBT/as

Hq Aichi Civil Affairs Team, APO 710, 10 August 1949

TO: Chief, Tokai-Hokuriku Civil Affairs Region, APO 710

1. Subject of basic reference has been initially investigated by the prefectural procurator's office. It appears from this initial investigation that the general tenor of the allegations is correct.

2. The procurator's office advises that the subject GENKURO MIZUTANI is guilty of extensive black-market operations and it is expected that upon completion of the investigation, said MIZUTANI will be sent to the Nagoya District Court for trial.

FOR THE CHIEF:

/s/Stephen D. Brown
/t/STEPHEN D. BROWN
Major, Infantry
Adjutant

2nd Ind LWC/mi

Hq Tokai-Hokuriku Civil Affairs Region, APO 710, 15 Aug 49

TO: Chief, Aichi Civil Affairs Team, APO 710

It is requested that this headquarters be notified as to the results of the trial.

BY ORDER OF COLONEL COULTER:

JAMES W. WALLIN
CWO USA
Ass't Adjutant

16

HEADQUARTERS
TOKAI-HOKURIKU CIVIL AFFAIRS REGION
APO 710 (Nagoya, Honshu)

RJD/m1

26 July 1949

SUBJECT: Letter of Complaint

TO: Commanding Officer, Aichi Civil Affairs Team, APO 710

1. Attached hereto is a letter received by this headquarters concerning black market operations and low tax assessment.

2. It is requested that you investigate this matter and inform this headquarters of the results of this investigation.

BY ORDER OF COLONEL DUMONT:

1 Incl:
As noted

JAMES W. WALLIN
CWO USA
Asst Adjutant

C-O-P-Y

Colonel Dumont
Commanding Officer
Tokai-Hokuriku Mil Govt Region

The following is a true report.

I am sure your are aware of the fact that there are a large number of malicious Japanese who are trying to obstruct the rehabilitation of Japan. I have a feeling that the Economic Police and the Taxation Office are partly at fault for this.

The following merchant is representative of this:

Genkuro Mizutani, 1-chome Sugino Machi, Naka-ku, Nagoya Shi, opened up a restaurant publicly, from about April last year, within the Higashi Market under a women's name (Genkuro Mizutani's mistress). His main business is dealing in black-market and he also owns other places such as in the market called Higashi Market, Teradori, Enton, Nishi-ku and at Ura Shio Machi where he is manufacturing leagly prohibited Japanese cakes using refined sugar, wheat gluten, wheat flour and rice flour on a large scale doing a monthly business of about ¥1,000,000.00; accordingly making a great deal of profit. He is now constructing a 60 tsubo two-story house at Egawa Cho Dori in Nishi-ku. A big merchant like this was only assessed ¥70,000.00 and he is also on the good side of the police in their economic control etc. He says that by doing business in a woman's name he can get by the problems with the police and tax office easily. It seems that the police and tax office do not have any power whatsoever.

I ask your favor to assist us in wiping out completely these malicious merchants who are hindering the economic rehabilitation.

Kaname Ichihara
2-chome, Nishi Kikuicho
Nishi-ku, Nagoya

L.G. FILE

HEADQUARTERS
T KAI-HOKURIKU CIVIL AFFAIRS REGION
A[illegible] 710 (Nagoya, Honshu)

NWC/md

12 July 1949

SUBJECT: Administration of Japanese Tax Laws

TO: Commanding General
I Corps
A[illegible] 301

TO: Commanding General
Eighth Army
A[illegible] 343

1. SITUATION

a. The most prominent weakness in the administration of the Japanese tax laws lies in the lack of voluntary compliance on the part of those taxpayers who are required to file self-assessed personal income tax returns. Two groups make up the bulk of such taxpayers, farmers and businessmen, and these two groups pay over 35% of all national tax revenues from all sources. This lack of voluntary compliance is evidenced in two ways, first, failure to maintain satisfactory records of income and deductions, and second, failure to report reasonably accurate tax liabilities on tax returns, both on provisional returns during the year and on final returns filed in January for the preceeding calendar year.

b. This lack of voluntary compliance leads to many evils and difficulties in administration, such as:

(1) The necessity for tax officials to reassess well over 50% of all self-assessed returns, without accurate knowledge of correct figures as to income or tax liabilities.

(2) Failure to collect considerable amounts of such reassessments, with attendant threats of property attachments and sales before payment is made. Delinquent self-assessed taxes outstanding at the end of the last fiscal year

BASIC: Ltr, Hq Tokai-Hokuriku Civil Affairs Region, A[illegible] 710, dtd 12 July 49, Subj: "Administration of Japanese Tax Laws".

exceeded 25% of the amount of such taxes collected during that year.

(3) Actual excessive reassessments in many cases.

(4) Numerous requests for reinvestigation, more than can be properly handled.

(5) Assessment of uncollectible penalties and interest on delinquent accounts.

(6) Ill-will between taxpayers and tax officials, and a fertile breeding-ground for anti-tax and anti-democratic political factions.

(7) An excessive work load on tax offices, making it necessary to maintain many additional records and additional employees for assessment and collection duties, and making difficult also the proper administration of other tax laws.

(8) Settlement of tax liabilities by negotiation, rather than by facts and law, with resultant possibility of bribery of underpaid tax officials.

c. As between farmers and businessmen, the greater difficulty is with businessmen. Although about as many farmers as businessmen receive reassessment notices, the farmer's income is more easily determinable, and more farmers than businessmen pay the reassessments. As a result, about 60% of all delinquent self-assessed taxes at 30 April and 31 May 1949 was due from businessmen, about 10% from farmers, and 10% from others such as professional classes.

d. The two problems failure to maintain adequate records, and failure to file reasonably accurate returns, are in reality the same problem, which is lack of voluntary compliance with tax laws. Failure to maintain records leads to inaccurate tax reporting, and those who underpay their taxes also refuse to maintain records.

BASIC: Ltr, Hq Tokai-Hokuriku Civil Affairs Region, APO 710, dtd 12 July 49 Subj: "Administration of Japanese Tax Laws".

e. In order for proper corrective action to be taken, it is necessary to decide whether the underpayments of tax and failure to maintain records is deliberate or not. It is probably true that, in view of the relatively short time that self-assessed taxes have been in effect in Japan, and perhaps also because of lack of education, both formal and tax-wise, that the situation is due in part to ignorance of requirements, and that improvement could be expected through proper publicity and education. However, there is no evidence that there was any appreciable improvement in tax reporting habits or in bookkeeping practices in the past fiscal year over the prior year. The evidence strongly indicates that the underdeclarations of tax were deliberate. Such is not only the opinion of numerous tax officials, but has also been unequivocably acknowledged by a considerable number of businessmen and representatives of associations of businessmen who have been interviewed by tax surveillance officers in this Region.

f. Three principal reasons are advanced for the deliberate noncompliance with the tax laws:

(1) A taxpayer who wishes or might wish to be honest has no adequate defense against the determination of his tax liability by tax officials. The present requirement of appeal to the Finance Ministry in Tokyo, and from there to District Court, is beyond the capacity of the ordinary taxpayers. Experience of those who claimed to have kept proper records and filed proper returns, only to be reassessed regardless, without proper defense, has led to a universal attitude that the only course to follow is for everyone to deliberately understate his tax liability, with expectation of being reassessed, and then to negotiate a settlement.

(2) The fact that tax returns and tax office records are open to the public and to all other law enforcement agencies has been a factor causing taxpayers to omit profits from black market operations from tax

BASIC: Ltr, Hq Tokai-Hokuriku Civil Affairs Region, APO 710, dtd 12 July 49, Subj: "Administration of Japanese Tax Laws".

returns for fear of prosecutions under economic laws. Businessmen state that this is true, and tax officials assume it to be true as a matter of course, and make reassessments on that assumption.

(3) The tax burden is claimed to be so high, especially on the small and medium sized incomes, as to discourage accurate self-assessments. It is claimed that exemptions and tax credits are unrealistic, and that tax is assessed against those who do not earn enough to supply themselves and their families with basic necessities. Some tax officials have intimated that assessments have taken into account that some taxes are uncollectible, and are consequently not assessed.

2. RECOMMENDATIONS.

a. It is recommended that an appeal board or court be created, with authority to make binding determinations of fact as to tax liabilities, based upon all facts presented at hearings before such court. In order to be effective, the following situations should exist:

(1) The court must have independent authority. The justices must therefore be appointed, not elected.

(2) Jurisdiction must be confined to tax cases only, preferably national taxes only.

(3) Terms of appointment, and pay, should be sufficient to attract capable personnel.

(4) The court should be incorporated into the legal system to allow for appeals on questions of law. Preferably the court should be on the same level as the District Courts, with appeals direct to the High Courts.

BASIC: Ltr, Hq Tokai-Hokuriku Civil Affairs Region, APO 710, dtd 12 July 4[illegible], Subj: "Administration of Japanese Tax Laws".

(5) Determinations of fact, such as determinations of amounts of income and deduction, should be final, and appeals to the High Court limited to interpretations of law.

(6) Decisions should be published, with the exception that, if possible, the name and location of the taxpayer and the amounts of income and tax involved, should be deleted from the published decisions.

(7) It must be possible for taxpayers to bring cases to court at little cost, in as informal a manner as possible, with ut benefit of legal counsel if desired, and at a convenient location. These provisions constitute the heart of this recommendation, which is to make available in disputed cases, a determination of tax liability by an independent agency outside the tax authorities.

(8) If possible, no more than one additional hearing after the initial hearing should be allowed, in order to expedite the closing of cases.

b. It is recommended that income tax returns, taxpayer's retained copies of such returns, and all records of local tax offices, regional tax bureaus, and the Tax Administration Agency be made confidential by law, to all except tax authorities, in order to encourage the reporting of any income which the taxpayer considers confidential, and to correct what appears at present to be not only an undemocratic airing of private affairs, but possibly also an unconstitutional invasion of rights of private citizens.

c. It is recommended that study of the present tax rates, exemptions and credits be conducted to determine the accuracy of taxpayers' claims of unjust an uncollectible tax burdens.

3. DISCUSSION.

a. It might be feared that such a tax court would

BASIC: Ltr, Hq Tokai-Hokuriku Civil Affairs Region, APO 710, dtd 12 July 49, Subj: "Administration of Japanese Tax Laws".

be swamped with cases. If so, that should be evidence of its need. It is not believed, however, that a large number of appeals of the type of cases that now exist would be made. Once the court had established in a few cases that the taxpayer has the burden of disproving the tax official's determination of tax liability, where the tax-payer has inadequate records to support his return, then only very extreme cases would likely be filed, and it seems reasonable to assume that such decisions would be a great inducement toward maintenance of proper records. Similarly, a decision to the effect that the burden is on the government to show beyond reasonable doubt the inaccuracy of a return, where the taxpayer presented records of income and deductions, would also have a very healthy effect both on taxpayers and on tax officials. It is believed that such a court would provide that which apparently does not now exist, that is, protection for the honest, and a strong hand against the dishonest, and an improvement in relations between the government and its citizens. Properly constituted, with good personnel, good decisions by an independent court should do much to encourage and make necessary honest returns and good bookkeeping practices, and at the same time to strengthen the hand of tax officials in dealing with dishonest or negligent tax payers by making less likely the participation of tax officials in settlement of cases by negotiation. Further, creation of such a court should have a healthy political effect. The tax administration structure at present is subjected to continuous and possibly justified, criticism by anti-democratic factions.

b. It is obvious that as long as black market operations exist, collecting tax from such profits is very difficult. There is however, no factor which will encourage the reporting of such income at present, and it is believed that, given the protection of confidential tax office records, combined with a fear of prosecution in case of proof of fraudulent filing of returns, that more black market income would be reported than at present. There should be nothing immoral about protecting such records from view of other public officials, inasmuch as the tax laws do not differentiate between legal and illegal income, and it is the duty of the tax official to collect tax without regard to the legality of the source of income.

FERNAND G. DUPONT
Colonel, Infantry
Commanding

G-3 FILE

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

AG 400 - BA 27 June 1949

SUBJECT: CAD Enforcement Memorandum No 21 and Supplement to No 17.

TO : Commanding Officer, Aichi Mil Govt Team, APO 710
Commanding Officer, Mie Mil Govt Team, APO 710
Commanding Officer, Gifu Mil Govt Team, APO 325
Commanding Officer, Toyama Mil Govt Team, APO 301
Commanding Officer, Ishikawa Mil Govt Team, APO 301
Commanding Officer, Fukui Mil Govt Team, APO 301

Subject memorandum and supplement are forwarded herewith for your information.

BY COMMAND OF LIEUTENANT GENERAL EICHELBERGER:

2 Incls:
1. Supplement to No 17
2. CAD Enforcement Memo No 21

JAMES L. HALLIN
Capt USA
Asst Adjutant

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

RWC/mi

AG 012

20 June 1949

SUBJECT: Tax Collections

TO: Commanding General
I Corps
APO 301

Attached hereto is an information copy of a letter which was sent to all teams from this headquarters, concerning the tax collection program for the fiscal year 1949-50.

FOR THE COMMANDING OFFICER:

JAMES W. WALLIN
CWO USA
Asst Adjutant

1 Incl:
Budget-Estimated-F/Y 194(-50

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

RWC/mi

AG 012

20 June 1949

SUBJECT: Tax Collections

TO: Commanding Officer, Aichi Mil Govt Team, APO 710
Commanding Officer, Mie Mil Govt Team, APO 710
Commanding Officer, Gifu Mil Govt Team, APO 25
Commanding Officer, Toyama Mil Govt Team, APO 301
Commanding Officer, Ishikawa Mil Govt Team, APO 301
Commanding Officer, Fukui Mil Govt Team, APO 301

1. Tax collection goals have not been established for the 1949-50 fiscal year and possibly none will be established.

2. The national budget for 1949-50 as presently in effect requires a considerable increase in tax collections over the 1948-49 fiscal year in order to keep the national budget in balance.

3. The enclosed schedule may be used by tax surveillance officers as a guide in judging the course of tax collections in this region. This schedule is for information and guidance purposes only and is not to be used as a goal. The schedule assumes that the present tax rates will produce the revenue required by the national budget, and that this region will produce about the same portion of the total national budget as was produced last year. Neither of these assumptions are fully justified.

4. Tax surveillance officers should become acquainted with the tax assessment and collection procedures and problems for each classification of tax in order to conduct efficient tax surveillance activities.

BY ORDER OF COLONEL DUMONT:

JAMES W. WALLIN
CWO USA
Asst Adjutant

1 Incl:
Budget-Estimated-F/Y 1949-50

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

SWC/mi

Budget-Estimated-F/Y 1949-50 20 June 1949

Computed by applying increase in national budget in each type of tax, to the 1948-49 goals for such taxes:

Unit - ¥1,000,000

National Budget:	1948-49	1949-50	Percent
S/A Income Tax	122,198	190,000	155
Withholding	61,271	120,202	196
Corporation	18,056	27,271	151
Liquor	45,776	65,035	142
Commodity	17,508	27,044	155
Transaction	21,400	45,100	211
Textile	10,090	17,313	172
Others	15,158	15,700	103
Total	311,457	507,665	163

Estimated share of 1949-50 national budget applicable to Region:

Unit - ¥1,000

	Region	Aichi	Gifu	Mie	Toyama	Ishikawa	Fukui
S/A Income Tax	20,124,909	9,720,045	2,720,117	2,676,698	2,221,227	1,877,577	909,245
Withholding	13,348,955	7,756,335	1,430,976	1,586,204	1,117,960	929,791	527,689
Corporation	2,645,220	1,532,197	319,818	258,965	200,830	227,255	106,455
Liquor	6,316,828	2,875,758	829,585	913,166	619,971	654,015	424,733
Commodity	2,269,373	1,192,308	433,585	240,481	225,633	113,883	63,483
Transaction	1,212,508	636,186	155,074	134,209	108,623	105,601	72,735
Textile	6,303,717	3,679,066	298,107	420,704	235,196	952,132	718,432
Others	1,092,145	588,555	214,641	44,818	90,187	85,219	68,705
Totals	53,313,955	27,980,450	6,401,903	6,275,405	4,819,227	4,945,493	2,891,477

HEADQUARTERS
T KAI-[illegible]EUTSU M IL GOVT ENGLISH
A.P.O. 710 (Nagoya, Honshu)

AG 015 ( ) (C)

18 June 1949

SUBJECT: Establishment of Military Occupation Provost Courts

TO : Commanding Officer, Aichi Mil Govt Team, A.P.O. 710
Commanding Officer, Mie Mil Govt Team, A.P.O. 710
Commanding Officer, Gifu Mil Govt Team, A.P.O. 25
Commanding Officer, Toyama Mil Govt Team, A.P.O. 301
Commanding Officer, Ishikawa Mil Govt Team, A.P.O. 301
Commanding Officer, Fukui Mil Govt Team, A.P.O. 301

Transmitted herewith are copies of Memo 31, Headquarters I Corps, dated 10 June 1949, for your information.

BY ORDER OF COLONEL DUMONT:

JAMES W. WALLIS
Capt USA
Asst Adjutant

Incls:
5 copies Memo 31 each team

FILE COPY
L.G. FILE

(2)

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

MEMORANDUM:

19 June 1949

NUMBER 31:

ESTABLISHMENT OF MILITARY OCCUPATION
PROVOST COURTS

1. References:

a. Circular No. 8, GHQ, SCAP, dated 31 March 1949, subject: "Military Occupation Courts".

b. Operational Directive No. 25, Headquarters Eighth Army, dated 9 May 1949, Subject: "Military Occupation Courts".

2. Rescissions:

Memorandum No. 17, this headquarters, dated 31 March 1949, Subject: "Establishment of Military Occupation Courts".

3. Appointment and Control:

a. This headquarters will establish and maintain Special and General Provost Courts for the City of Kyoto.

b. The CG, 24th Infantry Division, will establish and maintain within his territorial area of responsibility such Special and General Provost Courts as may be required.

c. The CG, 25th Infantry Division, will establish and maintain within his territorial area of responsibility, exclusive of the City of Kyoto, the City of Kobe, and Hyogo Prefecture, such Special and General Provost Courts as may be required.

d. The CO, Kobe Base Command, will establish and maintain Special and General Provost Courts for the City of Kobe and Hyogo Prefecture.

4. Local Occupation Force Court Administrators:

a. The senior judge of each of the following Provost Courts, established pursuant to this memorandum, is designated the Local Occupation Force Court Administrator within the meaning of O.D. No. 25, with the respective area of exclusive responsibility hereinafter indicated:

Court and Location	Area of Responsibility
I Corps Provost Court, Hq I Corps, Kyoto	City of Kyoto
Kobe Base Provost Court, Kobe	City of Kobe and Hyogo Prefecture

/2

b. The Commanding Officer of the prefectural military government team in each of the following prefectures is designated the local Occupation Force Court Administrator, within the meaning of O.D. No. 25 with his respective prefecture as the area of exclusive jurisdiction:

Aichi
Ehime
Fukui
Fukuoka
Gifu
Ishikawa
Kagawa
Kagoshima
Kochi
Kumamoto
Kyoto (less Kyoto City)
Miyazaki
Miye
Nagasaki
Nara
Oita
Okayama
Osaka
Saga
Shiga
Shimane
Tokushima
Tottori
Toyama
Wakayama
Yamaguchi (less Iwakuni Police District)

5. Composition of courts, jurisdiction over persons and offenses, duties of local Occupation Force Court Administrator, privileges and rights of accused persons, investigation and initiation of cases, procedure, inspections and surveillance, post-trial responsibilities and disposition of fines and property will be governed by the provisions of the references cited in paragraph 1.

6. Reports:

a. Reports as required by O.D. No. 25 will be prepared by the officials and agencies therein designated and promptly submitted to the headquarters exercising provost court jurisdiction over the prefecture or area for which the report is made.

b. Those reports which are required by O.D. No. 25 to be forwarded to Headquarters Eighth Army will be transmitted directly thereto by the command exercising provost court jurisdiction over the area or place covered by the report and information copy will be furnished this headquarters. (O)

BY COMMAND OF MAJOR GENERAL COULTER:

EUGENE L. HARRISON
Brigadier General, GSC
Chief of Staff

OFFICIAL:

C. C. CARTER
Colonel, AGD
Adjutant General

DISTRIBUTION:
"A" & "O"
JA - 10 copies

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

KBB
FRB/mi

AG 014.1 - BA 18 June 1949

SUBJECT: Proprosed Prefectural Legislation

TO: Commanding Officer, Aichi Mil Govt Team, APO 710
Commanding Officer, Mie Mil Govt Team, APO 710
Commanding Officer, Gifu Mil Govt Team, APO 25
Commanding Officer, Toyama Mil Govt Team, APO 301
Commanding Officer, Fukui Mil Govt Team, APO 301

Reference: Letter Hq I Corps, APO 301, dtd 4 April 1949, File AG 014.1 - BA, Subj: "Parades, Demonstrations and Assemblies."

1. Referring particularly to paragraph 3 of the above mentioned letter it should be noted that the proprosed legislation is recommended for prefectural governments. Some suggestions have been made that the same result would be obtained by the adoption of such legislation at city or town level. This might be generally true but might result in confusion due to variance between ordinances of different cities and towns which would in turn result in difficulty of enforcement.

2. In recommending the passage of this legislation it should further be noted that paragraph 3, Article 1, reference letter is the keystone of the ordinance. Without the provisions of this article the remainder of the ordinance is rendered ineffective.

3. In recommending this legislation to prefectural governments particular emphasis should be placed on the two aforementioned points. The fact that the legislation should be passed without undue delay should likewise be emphasized.

4. The Japanese people should be informed that in no way would such an ordinances curtail their freedoms under the constitution. Such ordinances are necessary to promote law and order and for the protection of the peoples rights. Such ordinances are in no way contradictory to a democratic form of government.

BASIC: Ltr, Hq Tokai-Hokuriku Mil Govt Region, APO 710, dtd 18 June 1949, Subj: "Proprosed Prefectural Legislation."

5. A copy of legislation passed by the Ishikawa prefectural government is inclosed. It is believed by this headquarters that the ordinance passed by the Ishikawa prefectural assembly effectively complies with the requirements of the reference letter.

BY ORDER OF COLONEL DUMONT:

JAMES N. WALLIN
CWO USA
Asst Adjutant

1 Incl:
Ishikawa-ken By-Law Concerning Mass Movements

C-O-P-Y

ISHIKAWA-KEN BY-LAW CONCERNING MASS MOVEMENTS (#3 OF 1949)
(Passed by the Assembly on 26 April 1949)

Art 1. This By-Law purports. pursuant to the provision of the Constitution that the people's right of freedom shall be utilized always for public welfare, to provide the conditions necessary to prevent mass movements occupying streets, open spaces or parks from encroaching upon legitimate rights of other persons concerning the use thereof or (endangering) public safety.

Art 2. For a mass movement referred to in the preceding article permission of the Public Safety Commission having jurisdiction over the locality must be obtained in advance. However, the permission is unnecessary for each of the following cases.

1. (One consisting of) less than 500 people.

2. Such customary ceremonial function as wedding, funeral and festival.

3. Movement for physical training such as sports and games.

4. Function customarily performed by a school or a government or public office.

Art 3. Application for permission provided in the preceding Article must be made in writing to the Public Safety Commission concerned at least 72 hours before the time scheduled for the movement by the person or a representative of the body promoting the movement.

Art 4. The application for permission prescribed in the preceding Article must contain the following information.

1. The date and time scheduled for the beginning and ending of the mass movement.

2. Names and addresses of the promoter and all participating bodies.

3. Route or prospective location of the mass movement.

4. Number of expected participants.

5. Purpose and nature of the mass movement.

Art 5. In case a change of the matter prescribed in any of the items of the preceding Article is (contemplated) permission for the change must be obtained 24 hours prior to the time scheduled for the mass movement.

In case the Public Safety Commission has withheld the permission pursuant to the provisions of the preceding paragraph, it must send without delay to the Assembly of the place to which it belongs, a report of the fact accompanied by detailed explanation and the reason (for the refusal).

Art 7. A person who has marshalled a mass movement for which the permission prescribed in the two preceding Article has false statement in the application prescribed in Article 4, or has contravened the condition added to the permission by the Public Safety Commission under the provisions of the proviso of the first paragraph of the preceding Article, shall be punished with penal servitude not exceeding one year or fine not exceeding 50,000 yen.

Art 8. None of the provisions of this by-law shall be construed as;

(a) To prohibit or restrict in any way whatsoever the right to hold public meeting except the mass movement defined in Article 1, or

(b) To empower Public Safety Commissions, police officials, or any other officials or personnel of the Prefecture, cities, towns, or villages, to supervise or censor public meetings, political activities, placards, publications or other printed or written matters.

Art 9. This by-law does not purport to exercise any influence to laws and ordinances concerning election of public officials nor to require advance notice of political gatherings or speeched during election campaigns.

Art 10. Matters necessary for the enforcement of this By-law shall be provided by Public Safety Commissions.

Supplementary Provisions.

This By-law shall come into effect on 27 April 1949.

26 April 1949

SHIBAN , KANJI
Governor, Ishikawa-ken

Certified

2

L.G. FILE

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

FRB/m1

17 June 1949

AG 000.1

SUBJECT: Communist's Funds

TO: Commanding General
I Corps
APO 301

1. Attached hereto is a report, prepared by the Liaison section of this Headquarters, concerning communistic activities.

2. Forwarded for your information.

FOR THE COMMANDING OFFICER:

JAMES E. WALLIN
CWO USA
Asst Adjutant

1 Incl:
Ltr, Subj: Communist's Funds

(10

C-O-P-Y

JAPANESE LIAISON AND COORDINATION OFFICE
TOKAI-HOKURIKU DISTRICT
16 June 1949

SUBJECT: Communist's funds

TO: Colonel F. G. Dumont, Commanding Officer, Tokai-Hokuriku Military Government Region

FROM: A. Miyazaki, Director

Question 8b of the questionaire of the Military Government Section, Headquarters Eighth Army of February 1949 reads "what are their (extremist organizations) principal source of funds?"

Answer was given in "Answers to the Questionnaire of the Military Government Section, Headquarters Eighth Army" to Brigadier General W. F. Shepord under date of 31 March 1949, to which the following information acquired by this office yesterday may be added:

The Japan Communist Party is suspected to be engaged in illicit and clandestine foreign exchange business. Koreans in Japan are mostly from the Soviet occupied zone in North Korea. They have relations there and wish to remit money to them. They pay in Japanese yen to the headquarters of the Communist Party, which gives through the Party organization in North Korea North Korean equivalent of the sum to the

addresses. Japanese yen thus paid in amounts to a considerable sum and can be employed as funds by the Japan Communist Party.

Now that a big portion of China has fallen into the hands of the Communists, the Japan Communist Party may find itself in a position to utilize Chinese residents in Japan in the same manner as it does with North Koreans.

During the transitory period from the old Yen to the new in 1946 the Russions were said to have brought in a tremendous sum of Japanese Yen from occupied Manchuria and North China and turned them into the new currency by making use of their special status of allied nationals and that money has been distributed as campaign funds.

They are also said to have abused their privilege and smuggled santonin, the Russian produced vermicide, which was badly needed among roundworm-suffering Japanese.

Mr. Sanzo Nozaka, a Communist Party leader and the editor of the "Red Flag", has recently been to Osaka. He approached Osaka merchants who used to specialize in China trade and told ther that it was only himself who could arrange trade relation with red China. He was in Yennan all through the Sino-Japanese war, and had special connections. Quite a number of traders seemed to have been sold.

Recently a meeting was gathered in Tokyo by China trade promoters, to which Japanese officials and Diet members were

/D

also invited. At this meeting an Osaka merchant made a speech which was almost a copy of what Mr. Nozaka preached. It can be imagined that their likes, who put profit before everything else, may have made a considerable donation to the coffer of the Communist Party.

L.G. FILE

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

RWC/m1

AG 012

7 June 1949

SUBJECT: Tax Surveillance

TO: Commanding Officer, Aichi Mil Govt Team, APO 710
Commanding Officer, Mie Mil Govt Team, APO 710
Commanding Officer, Gifu Mil Govt Team, APO 25
Commanding Officer, Toyama Mil Govt Team, APO 301
Commanding Officer, Ishikawa Mil Govt Team, APO 301
Commanding Officer, Fukui Mil Govt Team, APO 301

1. The following memorandum, Hq I Corps, APO 301, dated 31 May 1949 is forwarded for your information. Refer also to letter this headquarters dated 27 May 1949 on the same subject.

2. In view of the greatly increased amount of taxes which the Japanese will have to collect to balance the budget of the current fiscal year it is desired that team commanders give their tax collection program top priority. As a first step, it is desired that immediate surveillance be directed towards collecting taxes from tax delinquents and evaders. Steps to prosecute selected and important tax evaders should be started now by the Japanese. Prosecutions should be timed to occur during critical periods of the tax year such as the date of the first tax return June 30, the dates when other returns are due and January 31 when final returns should be in. As a temporary basis for determining the amount of taxes to be collected in the present fiscal year, a factor of 2.0 times the amount collected last year should be used.

3. Military Government officials must not become directly involved in the collection of taxes. Their activities will be limited to surveillance, to include advice, suggestions, and stimulation, of Japanese officials directly or indirectly concerned with the collection of taxes.

BY ORDER OF COLONEL DUMONT:

GERALD J. FICO
Capt, INF
Adjutant

(9)

L.G. FILE

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

RMC/mi

AG 012

6 June 1949

SUBJECT: Tax Collection Progress of Fiscal Year 1949-50.

TO: Colonel Dupont

The following is a report of tax revenue collected for the month of May 1949. (Unit ¥1,000)

	All Taxes		Self-assessed Tax	
Prefecture	May Collections	Total Collections	May Collections	Total Collections
Aichi	1,337,069	1,812,113	107,938	129,107
Mie	277,303	377,645	26,187	28,613
Gifu	256,634	390,581	29,979	32,532
Toyama	191,793	304,945	36,718	65,184
Ishikawa	202,058	308,972	17,498	17,775
Fukui	161,190	230,091	19,558	22,015
Region	2,426,047	3,424,347	237,878	295,226

Goals for 1949-50 fiscal year have not yet been established.

Raymond H. Carlson

RAYMOND H. CARLSON
Finance & Civil Property Officer

Info copy to all Teams.

L.G. FILE

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

LWC/mi

AG 430

3 June 1949

SUBJECT: PD Enforcement Memorandum No. 19

TO: Commanding Officer, Aichi Mil Govt Team, APO 710
Commanding Officer, Mie Mil Govt Team, APO 710
Commanding Officer, Gifu Mil Govt Team, APO 25
Commanding Officer, Toyama Mil Govt Team, APO 301
Commanding Officer, Ishikawa Mil Govt Team, APO 301
Commanding Officer, Fukui Mil Govt Team, APO 301

Forwarded herewith for your information and files is a memorandum that summarizes the major provisions of the Restaurant Control Law.

BY ORDER OF COLONEL DUPONT:

GERALD J. FICO
Capt, INF
Adjutant

(7)

L.G. FILE

AGMGL 000.5 2nd Ind MAY 16 1949
SUBJECT: Disposal of Yen in the Kaikoku Maru Case (9 May 1949)

conspiracy by their own admission, will have to establish their claims to a pro rata share of the proceeds of the sale of the confiscated sugar by proper action in the Japanese courts.

4. In reply to paragraph 4 of the basic communication, paragraph 4e of SCAPIN 996 directs that if it is judicially determined as it was in this case, that property is the subject of illicit import and export trade the property shall be confiscated and the proceeds from the sales of the confiscated property shall be credited to the general account of the Imperial Japanese Government. Therefore, the proceeds from the sale of the sugar in question are the property of the Japanese Government and not of the Occupation Forces.

5. It is requested that Mr. Kanno, Public Procurator, Nagoya High Public Procurator's Office, be furnished with a copy of this letter.

BY COMMAND OF LIEUTENANT GENERAL WAIKER:

6 Incls
n/c

J. A. O'BRIEN
CWO, USA
Asst Adj Gen

AG 100 - BA 3rd Ind MAY 21 1949 LEJ/mo

Hq I Corps, APO 301,

TO: CO, Tokai-Hokuriku Mil Govt Region, APO 710

A. S.

6 Incls:
n/c

(6)

11

BASIC: Ltr, Hq Tokai-Hokuriku Mil Govt Region, APO 710, dtd 9 May 1949, Subj: "Disposal of Yen in the Kaikoku Maru Case."

3. Request from Nagoya High Prosecutors Office for the return of confiscated goods.

4. Report of trial by Provost Court.

5. Investments by cargo owners.

6. Goods received by Nagoya District Prosecutor's Office.

AG 100 - BA 1st Ind LEJ/tc

9564

Hq I Corps, APO 301,

TO: CG, Eighth Army, APO 343

A. S.

6 Incls:
n/c

AGMGL 000.5 2nd Ind

Headquarters Eighth Army, APO 343 MAY 25 1949

TO: Commanding General, ICorps, APO 301

3463

1. The conviction of Higuchi, ringleader of the smuggling ring, and Watanabe, captain of "Kaikoku Maru", by a Japanese court along with the conviction of Ri Sogen and O Sekijo, Formosans, by the Nagoya Provost Court on smuggling charges shows that the cargo of the "Kaikoku Maru", which was seized and sold, was in fact contraband in violation of existing Japanese law and Occupation directives.

2. SCAPIN 996, 4 June 1946, covers this case, provisions of which have been complied with in placing in regular distribution channels the sugar which was in danger of spoilage, paragraph 3c.

3. Therefore, in reply to paragraph 3 of the basic communication, this headquarters is of the opinion that the three Chinese applicants, who were not tried by the Provost Court but who are implicated in the smuggling

6

L.G. FILE

HEADQUARTERS
TOKAI-[illegible] UNIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

AG 012 RWC/ml

24 May 1949

SUBJECT: Tax Collection Progress of Fiscal Year 1949-50.

TO : Colonel Dumont

The following is a report of tax revenue collected for the period of 11-20 May 1949. (Unit ¥1,000)

	All Taxes		Self-Assessed Tax	
Prefecture	11-20 May Collections	Total Collections	11-20 May Collections	Total Collections
Aichi	574,843	1,332,632	47,340	87,206
Mie	68,310	267,065	9,204	17,347
Gifu	52,169	295,497	6,482	17,027
Toyama	78,024	249,466	7,929	57,470
Ishikawa	59,777	220,967	6,100	10,066
Fukui	57,473	175,876	6,368	12,350
Region	890,596	2,541,503	83,623	201,466

Goals for 1949-50 fiscal year have not yet been established.

Raymond H. Carlson

RAYMOND H. CARLSON
Finance & Civil Property Officer

Info copy to all Teams

(5)

L.G.FILE

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

RJD/rjw/af

AG 300.1

19 May 1949

SUBJECT: Correspondence File Numbers

TO: Commanding Officer, Aichi Mil Govt Team, APO 710
Commanding Officer, Gifu Mil Govt Team, APO 25
Commanding Officer, Mie Mil Govt Team, APO 710
Commanding Officer, Ishikawa Mil Govt Team, APO 301
Commanding Officer, Toyama Mil Govt Team, APO 301
Commanding Officer, Fukui Mil Govt Team, APO 301

CO
EX
A/C
C/C
M/C
PER
REPORTS
SUPPLY
ECON
MG
CR
CI
PW
PH
CHAP
CPO
PROC
FILE

1. Reference: War Department Decimal File System.

2. Purpose: The purpose of this directive is to make a more co-ordinated system in which correspondence may be filed and kept in complete records and not construed with other correspondence, in accordance with directives which organize the present records program.

3. Scope: Inclosed herewith is a list of the more specified Dewey Decimal File System numbers, which are used most frequently in this region. The numbers are broken down to the various sections in Military Government which will take necessary action to assign a number to all out-going correspondence. Team Adjutants will insure responsibility to see that these instructions are complied with (See Par 2, Memorandum 38, this Hq, dtd 16 May 49).

4. Definition: (a) The Dewey Decimal File System was adopted for the purpose of forming a uniform records system in using active files when required and forming a method in which they could later be restored to use. In doing this, there would be a uniform retirement procedure which even the smallest units could use.

(b) The method of numbering and deciding subject classification is based on 10 main classes represented by the numerals 0 to 9. These numerals are expressed in numbers of three digits (000, 100, 200, 300, 400, 500, 600, 700, 800, and 900). The first digit represents the main class, the second a subclass, and the third a subdivision. Further subdivisions is made possible by adding a point which represents subdivisions of the subject.

(c) The general subject of the 10 main classes are:

(1) 000 GENERAL

(2) 100 FINANCE AND ACCOUNTING

(3) 200 PERSONNEL

(4) 300 ADMINISTRATION

(5) 400 SUPPLIES, SERVICES, AND EQUIPMENT

(6) 500 TRANSPORTATION

(7) 600 BUILDINGS AND GROUNDS

(8) 700 MEDICINE, HYGIENE, AND SANITATION

(9) 800 RIVERS, HARBORS, AND WATERWAYS

(10) 900

(d) When the general subject has been assumed, and the detailed features, the number is then derived in sequence as subclasses, divisions and subdivisions.

(e) Example: A letter has a subject: "Request for Extension of Overseas Tour", submitted by Sgt John J. Jones:

(1) The main classification is first determined: (200 Personnel).

(2) Then the subclass is determined: (220 Enlisted Personnel).

(3) After determining the specific classification, the decimal subdivision is determined: (200.45 Duty Tours and Status).

(4) When this number is determined it classifies itself: (220.45 Duty Tours and Status of Enlisted Personnel).

5. Request that distribution be made to all sections of this directive and that a system is established whereby Administrative Filing and Correspondence will be given much more improvement. It is believed by this headquarters that this will provide improvement with simplicity and produce more satisfactory results.

BY ORDER OF COLONEL DUMONT:

ROBERT J. DRDA
1st Lt, Infantry
Asst Adjutant

1 Incl:
List of War Dept
Dewey Decimal File
System Numbers.

WAR DEPARTMENT DEWEY DECIMAL FILE SYSTEM

Sections Using Most Frequently	Number	Subject
L.G.	000.1	Politics (Campaigns, demonstrations, elections, parties)
L.G.	000.5	Crimes, Criminal Offenses & Domestic Subversive Activities.
C.I.	000.76	Newspapers and Magazines (Camps, organizations, posts, press indicates, etc.).
C.E.	000.8	Educational Institutions, Civil.
P.W.	000.92	Natural or Physical Phenomena.
L.G.	001.	Celebrations, Conventions, Exposition Fairs, Regattas, Reunions.
Econ	004.	Commercial Enterprises, Plants and Projects.
Econ	004.06	Labor Conditions and Statistics.
Adm	005.	Charity and Gratuity (Contributions, donations, gifts, gratuities, prizes).
Adm	006.	Holidays (Fire Prevention Week, Flag Day, Memorial Day, Mother's Day, Special days or weeks).
L.G.	012.	Taxation and Tariff and Exemption Form.
L.G.	013.	Legal Actions, Instruments, Persons and Representatives.
All Sect	014.	Civil Matters
L.G.	014.33	Citizenship (Acquisition of, expatriation, loss of repatriation, restoration of).
Adm & Econ	014.331	Passports and Visas.
L.G.	015.	Courts.
P.W.	080.	Societies and Associations (Charitable, clubs, commercial, engineering, fraternal, historical, labor unions, moral, patriotic, political, religious, secret, trade unions, veterans, etc)
All Sect	091.	Countries.
Econ	091.31	Commerce (Exports and imports)

WD Dewey Decimal File System (Cont'd)

Sections Using Most Frequently	Number	Subject
Adm	120.	Funds, and Disbursements.
Supply	141.5	Memorandum Receipts and Accounts.
Adm	141.8	Reports of Survey.
Adm	150.	Claims and Accounts (Assignment, assignment of funds arising from, calls for evidence, laws and regulations affecting, methods of presenting, records of services, reports of boards, submission to Congress).
Adm	200.	Personnel
"	200.3	Assignment and allotment
"	200.4	Travel Duty
"	200.6	Rewards, Badges, Decorations and Citations.
"	201.22	Commendations.
"	201.23	Complaints.
"	201.3	Individual Histories & Historical Records etc.
"	201.61	Efficiency Reports.
"	210.	Commissioned and Warrant Officers
"	210.1	Appointments.
"	210.3	Assignment, Change of Station, and Transfer
"	210.45	Duty Tours and Status.
"	221.	Titles and Grades
"	220.	Enlisted Men and Aviation Cadets.
"	220.01	Classification & Reclassification.
"	220.2	Promotions.
"	220.3	Assignment, Attachment, Change of Station and Transfer.
"	210.2	Promotions.
"	210.711	With Leave; Leave of Absence.
"	220.711	With Leave; Furlough

WD Dewey Decimal File System (Cont'd)

Sections Using Most Frequently	Number	Subject
Adm	220.45	Duty Tours & Status.
"	230.	Civilian Employees.
"	230.01	Designation of Positions (Job titles)
"	230.14	Hire of Employees and Laws and Legislation Affection.
"	230.145	Employment of Local Labor and Hired Labor Generally.
"	230.3	Status and Changes in Assignments, and Transfers.
"	230.346	Reports of Efficiency.
"	230.38	Reports and Returns.
"	230.32	Promotions.
"	230.5	Absence.
"	230.81	Resignations and Separations.
"	231.3	Clerical.
"	240.	Pay and Allowances.
"	248.	Allowances, Pay Salaries, and Wages (Employees).
"	248.8	Increases and Reductions.
"	250.1	Morals and Conduct (Dilenquent Reports)
"	250.4	Courts Martial.
"	250.53	Provost Courts
"	253.	Military Prisoners.
"	300.	Administration.
"	300.1	Laws Relating to Administration of Army.
"	300.4	Orders (Courts martial, field messages or orders, general, obituary, operations, sealed or secret orders, special including travel, technical).
"	300.5	Bulletins and circulars.
"	311.3	Telephones.

4

WD Dewey Decimal File System (Cont'd)

Sections Using Most Frequently	Number	Subject
Adm	311.5	Confidential and Secret Communication, Methods of Transmittal.
"	312.	Correspondence, Classes, Forms, and Methods.
"	313.6	Disposition, such as burning and destroying (Obsolete records, useless records)
"	314.7	Military Histories.
"	319.1	Reports (Annual, miscellaneous, monthly, periodical).
"	320.	Organization of theArmy.
"	320.2	Strength.
"	330.32	Personnel Rosters (Organizations and posts, renditions and corrections).
"	331.2	Clubs (Officers and Enlisted Men).
"	331.3	Camp, Company and Post exchanges and commissaries. (Councils of administration, credit, employees, establishment of, fixtures, loss, officers, operation reports, profit, regulations, stocks, supplies.).
"	331.5	Laundries, Repair Shops etc.
All Sec	333.	(I Corps) Inspections and investigations by inspectors general and other officers, and reports.
	333.	(8th Army) Inspection's and investigations by inspectors general and other officers, and reports.
	333.	(Tokai) Inspections and investigations by inspectors general and other officers, and reports.
	333.	(Toyama) Inspections and investigations by inspectors general and other officers, and reports.
	333.	(Ishikawa) Inspections and investigations by inspectors general and other officers and reports.
	333.5	Investigations.
	334.	Boards, commissions, committees, councils and missions.
	337.	Conferences, military and naval and other.

D Dewey Decimal File System (Cont'd).

Sections Using Most Frequently	Number	Subject
	340.	Recruitment.
"	352.	Army service and technical schools, staff colleges, and troop schools.
"	353.	Training (Subdivide alphabetically by branch of service or type of training).
"	353.8	Amusements and athletics (Baseball, basketball, billiards, bowling, boxing, concerts, dances, dramatics, entertainment, exhibitions, football, games, golf, gymnastics, handball, hockey, jujitsu, polo, pool, prize fighting, swimming, tennis, wall scaling, wrestling.)
	370.2	Operations and Reports.
on	386.3	Captured property.
Supply	400.	Supplies, Services, and Equipment.
"	400.12	Procurement.
Con	400.1912	Price Lists.
Supply	400.312	Requisitions for supplies, alterations, repairs etc.
"	400.34	Allowances (tables of basic allowances).
"	400.32	Sales.
"	400.38	Relief of destitutes.
"	400.4	Using, wearing, utilizing, maintaining, and operation & methods.
Econ	403.	Farming Operations.
"	403.2	Crop reports.
"	410.2	Metals, all classes.
"	413.	Tools, instruments, and machines.
Supply	414.	Furniture, utensils, etc.
"	416.	Target range equipment and war games.
"	420.	Clothing and Equipage.

4

ections Using Most Frequently	Number	Subject
Econ	430	Subsistence stores.
Supply	421	Uniforms.
Adm	430.2	Rations and Component Parts.
Econ & Sup-ly	435.	Coffee, tea, beverages and drinks.
	441.	Chemicals Drugs and Medicines.
upply	451.	Vehicles.
"	454.	Animals.
& CI	461.	Publications, books, newspapers, and periodicals.
upply	463.3	Coal.
Supply	463.	Fuel, light, water, and power.
Econ.	464.	Fertilizer, forage, and manure.
upply	471.	Ammunition and explosives.
S	500.	Transportation.
upply	524.	Personnel Property.
Adm	510.	Transportation of Persons.
"	531.	Railroads.
Supply	537.	Automobiles and motor truck transportation.
Adm	537.5	Accidents, Collisions, and damages.
Econ	550.	Transportation Accounts, Contracts, Rates, Tariffs, Tickets, etc.
"	552.02	Bills of Lading.
"	560.	Army Transport Service, Transports, Vessels, and Boats, all types.
"	561.	Aquisition and construction of vessels.
"	563.5	Cargo or Freight.
"	565.1	Schedules of Ships.

D Dewey Decimal File System (Cont'd)

tions ing Most requently	Number	Subject
upply	600.1	Construction and installation.
con	602.	Disposition of real property or land.
"	611.	Driveways, gutters, highways, roads, sidewalks, subways, trails, tunnels, walks, etc.
Adm	620.	Barracks and Quarters.
ll Sect	671.	Water, sewage, and fire prevention.
ply	673.	Cooling, ice, and refrigerating.
con.	676.	Cable, telegraph, & telephone (installation of systems).
PI	700.	Medicine, Hygiene, and Sanitation.
	704.1	Sick, wounded, and invalid.
	710.	Affections, afflictions, diseases, Injuries, etc., and remedies therefore.
& Adm	720.	Health and Prevention of Disease.
n & PH	726.1	Genito-urinary, venereal, prostitution, and sex vices.
	729.	Miscellaneous.
dn	729.3	Protection of life from casualties and accidents safety programs.
con	813.	Harbors.

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

RWC/mi

13 May 1949

SUBJECT: Tax Surveillance

TO: Commanding Officer
Kinki Mil Govt Region
APO 25
ATTN: Finance and Civil Property Officer

1. On 10 May 1949, Mr. Shichiho Inaba of Inaba Cloisanne Co., Ltd. of Kyoto appeared in this office with copy of enclosed letter, which explains the situation. It appears that manufacturers in Kinki region are being exempted from payment of commodities tax on goods sold to Mr. Inaba, whereas the Japanese tax authorities in Tokai-Hokuriku region are requiring payment of the tax, which is passed on to Mr. Inaba, who cannot get a refund of such tax until he sells the goods to occupation personnel and receives exemption certificates from the purchaser. This Headquarters informed Mr. Inaba that his problem was one for Japanese tax authorities.

2. Mr. Takeo Tokoro, Chief of Tsushima tax office also appeared at this Headquarters on 10 May on the same subject and he was also informed that this Headquarters could see no reason for intervening, but it was suggested that the Osaka and Nagoya Regional Finance Bureaus should discuss the matter so as to apply the tax laws consistently.

3. The above forwarded for your information.

FOR THE COMMANDING OFFICER:

ROBERT J. DRDA
1st Lt, INF
Asst Adjutant

(3)

3 May 1949

Dear Sir:

This is to introduce you to Mr. Inaba, who is a cloisonne ware dealer in Kyoto. Mr. Inaba sells exclusively to occupation forces and as such should not be subject to the commodities tax, nor should the manufacturer be subject to pay a commodity tax on the goods manufactured for sale to Mr. Inaba.

One of the manufactures whom Mr. Inaba deals with is the Cloisonne Manufacturing Association in Nagoya. It is the only manufacturer to whom Mr. Inaba has to pay a commodity tax. It is located in the Tsushima Tax Office's area of responsibility.

Mr. Inaba has visited the Tsushima Tax Office once, and I've phoned you once in connection with this matter. But still the tax office refuses to allow the Cloisonne Manufacturing Association to wave the commodity tax on the goods manufactured for Mr. Inaba and consequently, they in turn tack the tax onto the price Mr. Inaba pays for the goods manufactured by them.

I've checked this personally and found that goods sold to occupation forces are not subject to the commodity tax. I'd appreciate it if you'd take this up personally with the Tsushima Tax Office, in Mr. Inaba's behalf.

Sincerely Yours,

It. Forrest A. Fowler
Finance & Civil Property
Section
Kyoto Mil Govt Team

L.G. FILE

BASIC: Ltr, Hq Tokai-Hokuriku Mil Govt Region, dtd 2 Jan 49,
Subj: "Request by Japanese for Release of ¥150,000.00"

AG 015 12th Ind FRB/m1

Hq Tokai-Hokuriku Mil Govt Region, APO 710, 13 May 1949

TO: Commanding General, 25th Infnatry Division, APO 25
Attn: Staff Judge Advocate

Forwarded herein is receipt requested in par 2, 7th Ind.

FOR THE COMMANDING OFFICER:

ROBERT J. DEDA
1st Lt, INF
Asst Adjutant

Incl:
n/c

..G. FILE

BASIC: Ltr, Hq Tokai-Hokuriku Mil Govt Region, dtd 2 Jan 49,
Subj: "Request by Japanese for Release of ¥150,000.00"

AG 015 10th Ind FRB/mi

Hq Tokai-Hokuriku Mil Govt Region, APO 710, 10 May 1949

TO: Commanding Officer, Aichi Mil Govt Team, APO 710

1. Request receipt for check from payee.

2. Return correspondence with receipt.

BY ORDER OF COLONEL DUMONT:

ROBERT J. DPDA
1st Lt, INF
Asst Adjutant

Incl:
n/c

11th Ind SLP/hk

Hq Aichi Military Government Team, APO 710, 12 May 1949

TO: Commanding Officer, Tokai-Hokuriku Mil Gov't Region,
APO 710

1. Check No. A-2050 has been returned to payee, as instructed.

2. Receipt, in triplicate, inclosed.

FOR THE COMMANDING OFFICER:

/s/Sabin C. Taplin
/t/SABIN C. TAPLIN
Capt CMP
Acting Adjutant

1 Incl:
Receipt (in triplicate)

C-O-P-Y

HEADQUARTERS
AICHI MILITARY GOVERNMENT TEAM
APO 710

11 May 1949

I, Hikotaro Adachi, Director, Nihon Orimono Kogyo K.K., do hereby acknowledge to have received form Lt. S. L. Palmers, Legal & Government officer, Aichi Military Government Team, on this 11th day of May, 1949. US FEC MISCELLANEOUS ACCOUNTS check, drawn on The Chase National Bank of the City of New York, and payable to Nihon Orimono Kogyo Kaisha, numbered A-2050, dated at Tokyo on 20 April 1949, in the amount of one hundred fifty thousand Yen (¥150,000.00).

/s/Hikotaro Adachi
/t/HIKOTARO ADACHI
Nihon Orimono Kogyo K.K.,
#120 3-chome, Shindeki-machi,
Higashi-ku, Nagoya, Japan

WITNESSED:

/s/Sabin C. Taplin
/t/SABIN C. TAPLIN
Capt. CMP
O-400438

L.G.FILE

Report Control Symbol MG-13

HEADQUARTERS
TOKAI-HOKURIKU MIL GOVT REGION
APO 710 (Nagoya, Honshu)

RWC/m1

AG 012

11 May 1949

SUBJECT: Surveillance of Japanese Tax Administration

THRU: Commanding General
I Corps
APO 301

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

1. In compliance with OD #48, Headquarters Eighth Army, dated 17 August 1948, subject as above, the following report is submitted.

a. Total National taxes collected at beginning of the period: ¥35,240,772,000.

b. Total National tax collections during period 1-30 April 1949 in Tokai-Hokuriku Military Government Region: ¥1,735,519,000.

c. Total National taxes collected for fiscal year 1948-1949 through 30 April 1949: ¥36,976,291,000.

2. Major Problems.

The major problem is to determine the cause of under declarations of self-assessed tax by merchants and unincorporated businessmen, which under declaration necessitates large reassessments by tax officials and consequent strain of collecting large amounts of delinquent taxes. More than half of the delinquent taxes outstanding consists of reassessments of income tax on unincorporated businessmen. It appears at present that the principal cause of under-declaration is the feeling of the taxpayer that the tax laws and/or administrative procedures do not provide him with adequate protection against excessive reassessments. Study of the problem is continuing.

(1)

BASIC: Ltr, Hq Tokai-Hokuriku Mil Govt Region, APO 710, dtd 11 May 49, Subj: "Surveillance of Japanese Tax Administration."

3. Operational assistance given local tax offices and regional finance bureaus by Military Government Team: Numerous conferences were held with the Nagoya Regional Finance Bureau with respect to various subjects such as procedures in collecting delinquent taxes, internal tax office administration, policy as to attachments and sales, analyses of under declaration of self-assessed taxes, suggestions for improvement in tax laws, dependence of tax officials on military government support, methods of conducting fraud investigations, effect of anti-tax movements, improved bookkeeping methods by taxpayers, prosecution of tax evaders, and other subjects. One visit was made to the Kanazawa Regional Finance Bureau. A conference was held with the tax chiefs of all local tax offices in Toyama prefecture. One local tax office was visited in Mie and one in Gifu.

FOR THE COMMANDING OFFICER:

ROBERT J. DRDA
1st Lt, INF
Asst Adjutant

Report Prepared By:

Raymond W. Carlson

RAYMOND W. CARLSON
Finance and Civil Property Officer