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

TRANSLATION

Feb. 19, 1949

TO : Tax Chiefs.

SUBJECT: Proper Arrangement of Records and Office Maintenance.

In reference to the above the Osaka Finance Bureau feels that the chiefs are taking necessary measures in accordance with the various instructions issued in the past by this office. However, we have been warned by the competent authority to invite further your attention to this problem.

You are strictly directed that clean maintenance and proper arrangement of the records in your office be conducted according to the following lines by the end of this month.

1. Proper arrangement of records.

   a. The records or stationery should be well kept by the user and these should be kept in the drawers, filing cabinets, or in a certain box after officer hours.

   b. The user should be always careful about the orderly arrangement of records or stationery on the desk during the office work to prevent misplacement or loss.

   c. The records which are not used frequently by the staffs should be kept in a designated place.

   d. Records or instruments should be used with care.

2. Clean maintenance.

   a. Economic use of papers is particularly required. Careful attention should be invited not to waste papers. To scatter waste papers on the floor in the office is strictly prohibited.

   b. No posters or leaflets should be discriminatly posted on the wall or pillar in the office.

   c. Strict sanitation measures of toilets, servant rooms, kitchen and watchmen's rooms is requested.

Incl 5

- cont'd -

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

d. Dust or dirt in the office room should be cleaned always and spitting on the floor is prohibited. It is requested that every possible measure be taken by chiefs to maintain the government offices in the most efficient way possible.

Director General,
Osaka Finance Bureau

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

012

23 April 1949

SUBJECT: Report on Tax Embezzlement

TO: Director
Osaka Finance Bureau
Osaka, Honshu

1. Reference is made to the recently publicized case of embezzlement of tax funds effected at the Sakai Tax Office in Osaka prefecture.

2. You are requested to submit to this office a report relative to the details of this case, the names of individuals involved, the amounts embezzled, and other material data. Further, it is requested that you advise this office as to what official action will be taken against the alleged embezzlers and the tax officials in this office.

3. It is further desired that you advise, as soon as practicable, of what measures have been taken to prevent similar occurrences in other offices, and to uncover embezzlements of a similar nature which may conceivably have been perpetrated in other offices under your jurisdiction.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Captain, CE
Adjutant

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka,Honshu)

HLM/km

012

20 April 1949

SUBJECT: Tax Surveillance Report

TO: Commanding General
I Corps
APO 301

1. Inclosed are supplemental reports prepared by the Osaka Finance Bureau relative to elimination and prevention of the embezzlement of tax revenues.

2. The original report relative to defalcations and preventative measures to be taken was submitted 15 March 1949.

FOR THE COMMANDING OFFICER:

2 Incls:
As indicated

GEORGE MINARIK
Captain, CE
Adjutant

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

OSAKA FINANCE BUREAU
(Osaka)

5 April 1949

OFB No. 236

TO : Mr. Mangerich,
Kinki Military Government Team.

SUBJECT: Supplement Report on Prevention and Detection of Dishonest Tax Collection.

In supplement to the report to your headquarters, subject "Revised System to Prevent Illegal Tax Collection", dated 25 March 1949, the Bureau wishes to report that the following directive has been sent out to each tax office:

TRANSLATION

SUBJECT: Prevention and Immediate Detection of Dishonesty Concerning Cash Collection Accounts.

In reference to supervision and direction of handling cash accounts the directive Keicho Ichi No. 173, dated 12 March 1949, all tax office chiefs are requested to strictly enforce the following information in connection with the above subject.

1. The tax office chief or the general affairs section head of each tax office will personally conduct and send out, either monthly or twice a month, inquiry by letters to tax payers (The number to be spot checked is from 50 to 100, in case of large tax offices from 100 to 200. Naturally the cases suspected or in doubt will be positively and completely investigated.)

2. The receipt stamps issued to collection officials and cashiers will be kept is separate custody under direct responsibility of the general affairs section head. Furthermore the seal will be affixes on the edges of both the original and duplicate receipt copies.

3. The cash collection receipt from book will be carefully checked for any possible typographical errors before issuance to tax collection officials.

4. The tax office chief and/or general affairs section head will keep watch on the regular attendance and behavior of tax collection officials and cashiers to avert incidents.

- cont'd -

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

Furthermore the following report form will be submitted to this Bureau each month not later than the 10th.

Date _____

Report on Prevention and Immediate Detection of Dishonest Tax Collection.

Letters Sent Out	Replies Received	No Returned Undelivered	Non Reply	Detection	Remarks

Note: When a case is detected a detailed report on the tax collection official or cashier concerned and action taken by the tax office is required.

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

The following is a report on cases of receipt in case during February conducted by the tax collection officials of every tax office under the Bureau's Jurisdiction and the estimated additional inquiries if about 5 percent of the receipt cases are checked.

Pref.	Number of Tax Office	Case Handled During Feb. cases	Estimated Case of Inquiry cases	Estimated Case of Inquiry Each Tax Office cases	In Case of 50 Cases are checked by Every Tax Office cases
Osaka	28	23,166	1,158	41	1,400
Kyoto	13	11,360	568	43	650
Hyogo	24	8,455	422	17	1,200
Nara	4	864	43	10	200
Wakayama	7	1,283	64	9	350
Shiga	7	2,936	146	20	350
Total:	83	48,064	2,401	28	4,150

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

OSALA FINANCE BUREAU
(OSAKA)

OFB No. 232 25 March 1949

TO: Mr. Mangerich,
Kinki Military Government Region

SUBJECT: Revised System to Prevent Illegal Tax Collection

1. The Finance Bureau will:

a. If any doubt as to the integrity of tax officials occurs during the Bureau's periodic inspection of the tax collection system in local tax offices, they will immediately send out inquiries concerning the tax collection receipts to taxpayers by return postcard requesting their reply.

b. The present system of receipt form issued by tax collection officials will be completely revised. The present procedure where the official keeps the carbon copy and gives the roginal to the tax payer will be revised and he will keep the original and give the carbon copy to the tax payer. This will prevent falsification of receipt forms as the original is reported to the tax office.

2. Tax Office:

a. In case the tax office chief or the general affairs section head has reason to question the integrity of any collection official, they will send out inquires concerning the items mentioned in the receipt to the tax payer. The reply will be by confidential letter addressed to either the tax office chief or the general affairs section head. The investigation will be conducted in a strictly confidential manner.

b. The chief of the general affairs section will take full responsibility over the collection official's receipt stamp and the use thereof. Furthermore the seal will be affixed on the edges of both the original and duplicat receipt copies.

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

NARA MILITARY GOVERNMENT TEAM
APO 25, Unit 4

kn/def

012

16 April 1949

SUBJECT: Letter of Appreciation

TO: Commanding Officer
Kinki Military Government Region
APO 25
ATTENTION: Finance and Civil Property Officer

Transmitted herewith an information copy of Letter of Appreciation to Sakurai Tax Office, dated 31 March 1949 for delivery to the Osaka Financial Bureau.

FOR THE COMMANDING OFFICER:

/s/ Joseph W. Donovan
/t/ JOSEPH W. DONOVAN
Capt, Inf
Adjutant

1 Incl:

012

1st Ind

HLM/def

Hq Kinki Mil Govt Region, APO 25, 19 April 1949

TO: Osaka Finance Bureau, Osaka

For your information.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Capt CE
Adjutant

1 Incl:
n/c

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

NARA MILITARY GOVERNMENT TEAM
APO 25, Unit 4

kn/def

31 March 1949

SUBJECT: Letter of Appreciation

TO: All Personnel: Sakurai Tax Office

It is with pride that I view the accomplishments of the Sakurai tax office, and knowing of the tremendous efforts and long hours spent by you to achieve this success, I wish to personally extend my appreciation and congratulations.

I recognize a sound tax collection as one of the main factors in the successful recovery of Japan. I am also well aware of the difficulties you encounter in accomplishing this very important mission for your country. I feel that each of you, acting as both stateman and as servant of the people, has personally contributed to your countries future far more than you perhaps have realized.

I consider that for your part, you have laid a good foundation to future success of your program. However, your real work has only begun. You must continually strive for better knowledge of your duties through study and thus prepare yourselves for your own individual futures as well as membership in a sound and efficient governmental agency. You must educate the tax paying citizen. You must work hard to clear up all taxes in arrears and delinquent accounts and in the future, keep your books free of them. You must strive continually to equal or better this high standard you have established in your tax office.

In any problem you encounter in which you feel the need of Military Government assistance, do not hesitate to ask it of this team. I stand ready to give you any assistance within my jurisdiction.

My sincerest best wishes.

/s/ E. G. Hickman
/t/ E. G. HICKMAN
Senior Military Government Officer
Nara Prefecture

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

File

HLM/km

012

18 April 1949

SUBJECT: Report on Tax Officials

TO: Commanding Officer
Kyoto Mil Govt Team
APO 301

1. Inclosed is a report of the Osaka Finance Bureau advising of the transfer of two tax officials as a disciplinary measure pursuant to the request of this office for investigation and action.

2. These officials were guilty of misconduct, drunkenness, and other acts of indiscretion reflecting adverse criticism upon the tax program generally.

3. It is desired that these officials be contacted personally by tax surveillance officers and advised that they are in a probational category subject to continuing review and observation of their conduct, and that any repetition of their misconduct will result in more severe censure and discharge from the revenue service.

BY ORDER OF COLONEL O'MOHUNDRO:

1 Incl:
As indicated

GEORGE MINARIK
Captain, CE
Adjutant

KM

9

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

OSAKA FINANCE BUREAU
(Osaka)

7 April 1949

OFB No. 238

TO : Mr. Mangerich,
Kinki Military Government Team.

SUBJECT: Report on Omihachiman Tax Officials.

1. Reference is made to OFB No. 209, dated 2 March 1949, subject, "Report on Two Senior Staffs of Omihachiman Tax Office of Shiga Prefecture."

2. We respectfully inform you that the following desciplinary action has been taken against the staffs of Omihachiman Tax Office.

a. SUZUKI, Yoshio, Chief of Direct Tax Section.

The Bureau has transferred Y. Suzuki to Sonobe Tax Office of Kyoto Prefecture on March 29, 1949.

b. TAKAHASHI, Tadashi, Chief of Indirect Tax Section.

The above has been transferred to Yamashiro Tanabe Tax Office of Kyoto Prefecture on April 2, 1949.

3. In the presence of Suzuki and Takahashi the strict warning has been given to them by the Chief of Bureau who strongly demanded then to conduct themselves properly in the future.

TOSUKE YOSHIDA
Resident
Osaka Finance Bureau

K N/kn/eo

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

Reports Control
Symbol: MG-13

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka,Honshu)

HLM/km

18 April 1949

SUBJECT: Surveillance of Japanese Tax Administration

TO: Commanding General
Eighth Army
APO 343
ATTN: MC Section

1. In compliance with Operational Directive #48, Headquarters Eighth Army, 17 August 1948, the following information is submitted:

a. Total tax collections in the Kinki Military Government Region	¥49,405,735,000
b. Total March collections	10,262,916,000
c. Total, End of Period	59,668,651,000

2. Major problems:

a. Lack of adequate audit procedures and investigative procedures in the tax offices continue to lend itself to fraudulent practices and embezzlement of tax receipts by tax personnel. This has been evidenced by several cases of defalcations brought to light recently. As the methods are uncovered, remedial action is taken, but the system of controls is so loose generally that these devices serve as mere stop-gaps. A thorough revision of the collection and report administrative procedures appear urgently desirable.

b. Anti-tax payment activities are increasing in intensity in the Region. Measures resorted to by the Communist organizations are of such a nature normally as to just border the fringes of law violations. They are primarily harassing tactics currently coordinated with the general plan to create mass evasion of taxes. Insidious fly-by-night devices are used that effectively nullify the efforts of tax officials to enforce collections. Successful prosecution of leaders guilty of violations of the law has proved no substantial deterrent; others arise to take their places and continue to create immeasurable difficulties in the enforcement program.

(8)

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

c. Personnel problems continue as a burden to the program. Shortages, lack of training, defalcations by employees and evidences of dishonest practices generally all indicate the existence of serious inherent shortcomings in the personnel structure. Pay and working conditions must be improved to attract the calibre of personnel necessary in the tax structure.

3. Operational assistance:

a. Numerous problems arising pursuant to surveillance activities and brought to the attention of this office are coordinated for solution and coordination with appropriate agencies.

b. Daily contact is maintained with the Osaka Finance Bureau to insure receipt of information regarding current activities, advice to tax offices and concentration of effort on current vital matters of collection.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Captain, CE
Adjutant

Info Copy
to: CG, I Corps

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

File

HLM/km

012

18 April 1949

SUBJECT: Report on Large Scale Delinquent Tax Cases

TO: Commanding General
Hqs Eighth Army
APO 343
ATTN: Colonel Shields, Finance & Civil Property Section

Transmitted herewith is the report on large scale delinquent tax cases by the Osaka Finance Bureau, as requested by Colonel Shields on his visit to Osaka, 11 April 1949.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Captain, CE
Adjutant

1 Incl:
Rpt tax cases

7

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka,Honshu)

EET/km

012

15 April 1949

SUBJECT: Request for Investigation of Tax Office Employee

TO: Osaka Finance Bureau
Osaka, Honshu

1. Advice is requested as to the official status of FUKUOKA, Namoru, employed by the Akashi Tax Office.

2. Subject tax employee has been reported to this office as addressing anti-tax payment meetings.

3. Request investigation of the activities and status of this employee, and advice as to your contemplated action and possibilities for prosecution in such cases.

WILEY H. O'MOHUNDRO
Colonel, INF
Commanding

6

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

MILITARY GOVERNMENT ROUTING SLIP

SMGO			PUBLIC WELFARE			ECONOMICS		
EXECUTIVE			PUBLIC HEALTH			INDUSTRY		
ADJUTANT			PH NURSE			NAT RES		
ADM ASST						IMP&EXP		
CHIEF CLERK			CIVIL INFO			LABOR		
CORRES CLERK			CIVIL EDUC					
SUPPLY						LEGAL&GOVT		
PARS SEC						PUB SAFETY		
			CLASSIFIED SEC					
						PROCUREMENT		
						FIN&CIV PROP		

FILE ☐ INFO ☐ ACTION BY ☐

REMARKS: The original and 1 copy were handed directly to Agent of Osaka Finance Bureau

EEM

FOR YOUR FILES

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

012

14 April 1949

SUBJECT: Reports on Tax Surveillance Activities

TO: Commanding General
Eighth Army
APO 343
ATTN: Finance and Civil Property Section

Enclosed herewith are two reports prepared by the Osaka Finance Bureau pursuant to the request of Lt. Col. Shields of the Finance and Civil Property Section.

FOR THE COMMANDING OFFICER:

2 Incls:
As indicated

GEORGE MINARIK
Captain, CE
Adjutant

5

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

HYOGO MILITARY GOVERNMENT TEAM
APO 317

DBC/ak

012

11 April 1949

SUBJECT: Surveillance of Japanese Tax Administration

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

1. In compliance with G.O. No. 48, Headquarters Eighth Army, dated 17 August 1948, subject as above, the following report is submitted:

a. Total national tax collected at beginning of period: ¥ 13,008,677,000.

b. Total national tax collected during March: ¥ 2,555,300,000. 98% of total quota was attained as of the end of March.

c. The major problems confronting tax administration in this prefecture is as follows:

(1) Shortage of competent personnel in the tax offices.

d. All tax chiefs were informed of the various laws under which anti-tax movements can be prosecuted. They were encouraged to vigorously prosecute these elements.

FOR THE COMMANDING OFFICER:

LOUIS C. HUTTON
Major, Cavalry
Executive Officer

4

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

BASIC: Ltr, Hyogo Mil Govt Team, APO 317, dtd 11 April 49, subj: "Surveillance of Japanese Tax Administration"

File

012 1st Ind

Headquarters, Kinki Mil Govt Region, APO 25, 15 APR 1949

TO: Commanding Officer, Hyogo Mil Govt Team, APO 317

1. Basic communication returned for following corrective action:

a. Pursuant to paragraph #5, Operational Directive 48, Headquarters 8th Army, 1948, the MG 13 Report will be submitted directly to 8th Army, and copies sent this headquarters and I Corps.

b. The report will be prepared in conformity with letter Headquarters I Corps, dated 21 October 1948, subj: "MG 13 Reports" (copy inclosed)

2. Extreme brevity completely defeats the puppose of these reports. Tax surveillance personnel should review the contents of paragraphs 4 and 5, of Operational Directive 48, relative to the information desired. A conscientious effort should be made to analyze the existing conditions and to report problems and difficulties encountered in the program.

3. It is desired that a more comprehensive report, in spirit with the intent of Operational Directive 48, be regularly prepared and submitted as requested.

BY ORDER OF COLONEL O'MOHUNDRO:

1 Incl:
a/s

GEORGE MINARIK
Captain CE
Adjutant

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

MCC/tn

AG 012 - BA

8 April 1949

SUBJECT: Public Opinion Research - Tax Education Programs

TO : Commanding Officer
Kinki Military Government Region
APO 25

1. A public opinion research survey on tax education will be conducted in the Kinki Military Government Region.

2. The purpose of this public opinion research survey is to provide information necessary for the evaluation of the effectiveness and stage of development of tax education programs, for increasing their effectiveness, and for making such recommendations as may be necessary to the appropriate headquarters.

3. Military Government Section, this Headquarters, will furnish five (5) Japanese public opinion research specialists to assist in the supervision of this survey. This personnel will serve only in consultative and not in a directive capacity. Their function is to advise within the limits specified by the Kinki Military Government Region requirements, available personnel, and available funds. In keeping with the objectives of the economic recovery program, prefectural officials should keep the cost of the interviews at a minimum level. This can be done by using personnel which are already employed by the local government of Military Government team. It is not intended for this survey to constitute an unnecessary burden on military government operations. This means, in effect, an absolute minimum use of military government employees and maximum use of available prefectural government resources.

4. Planning of survey, preparation of samples, allocation of areas, collection of completed questionnaires, tabulation and analysis of results, preparation of reports of analysis and interpretation of results is the responsibility of the Military Government, Public Opinion Research Branch, this Headquarters. The questionnaires, instruction sheets, sample designs, and schedule of survey will be supplied by this Headquarters. There will be no changes, additions or deletions, in the forms which have been prepared.

(9)

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

Ltr, Hq I Corps, AG 012-BA, subj: "Public Opinion Research - Tax Education Program", dtd cont'd.

5. It is absolutely necessary to assure the highest possible quality of survey product. Any compromises on quality can only serve to mislead by presenting a false picture of actual conditions. Close supervision of this survey should be exercised. The two principal reasons for close supervision are (a) necessity of preventing the misuse of public opinion research for thought control purposes and (b) the necessity of maintaining the highest possible level of quality. In order to obtain a final analysis with the minimum amount of error it is important that military government remains in the background and have no connection with the survey, with the exception of surveillance. No publicity should be given to the survey.

6. This survey is non-political and is not prohibited by Eighth Army Operational Directive No.5, dated 10 January 1947.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/ A. Seipel
/t/ A. SEIPEL
Lt Col AGD
Asst Adj General

4 Incls:
1. Sample design
2. Questionnaire
3. Instructions
4. Schedule of survey

012 1st Ind

Hq Kinki Mil Govt Region, APO 25, 14 April 49

TO: All Team Commanders

For your information and necessary action.

BY ORDER OF COLONEL O'MOHUNDRO:

GEORGE MINARIK
Captain CE
Adjutant

4 Incls:
n

FILE

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

FILE:	SUBJECT:	
TO: (Number each note)	Public Opinion Research Survey on Tax Education.	Office, initials and date. WALTER THORESEN C I SECTION 12 April 1949 0800
EXECUTIVE OFFICER	1. Attached papers deal with research survey on tax education initiated by I Corps.	
COMMANDING OFFICER	2. Matter was discussed with all Team CI Officers and prefectural information office or liaison office personnel at a conference held here 25 March 1949.	W. Thoresen
	3. Request that copies of this letter be made and sent to all CO's, Attn: CI Officers, in order that they might have official information on the matter.	
	4. Also suggest that a copy be furnished Mr. Shima of the KLCO so that he can inform prefectural governors officially.	
	5. The five Japanese research specialists reported to me yesterday. I have obtained for them temporary desk space in the Fucho. I do not think it advisable to send them into the prefectures to train field workers until these letters go out.	The research specialists have all the inclosures with them. - W.T.
	6. Note to M/C: Kindly copy and send only letter (not the inclosures). Make an extra copy for Mr. Thoresen.	

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka,Honshu)

MLM/km

012

8 April 1949

SUBJECT: Tax Collection

TO: All Team Commanders

Forwarded for your information are approximations of tax collection figures for the last 10 day period in March. The first listing is for taxes in general; the second, for self-assessed taxes.

BY ORDER OF COLONEL O'MONUNDRO:

1 Incl:
As indicated

GEORGE MINARIK
Captain, CE
Adjutant

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

Prefecture	Amt Collected 21-31 Mar	Total as of 31 Mar	Percentage
Osaka	2,062,031	26,210,007	89.1
Kyoto	743,582	10,328,888	92.8
Hyogo	1,310,876	15,473,394	96.9
Nara	297,707	1,947,790	85.5
Wakayama	357,699	2,707,320	90.7
Shiga	152,589	3,002,253	107.7
Totals	4,935,484	59,668,651	92.6

Prefecture	Total as of 20 Mar	Amt Collected 21-31 Mar	Total as of 31 Mar	Percentage
Osaka	5,002,959	692,349	5,695,308	54.2
Kyoto	3,271,309	317,784	3,589,093	71.3
Hyogo	3,190,211	274,485	3,554,696	66.4
Nara	711,132	183,733	894,865	68.8
Wakayama	1,821,121	147,919	1,169,040	72.1
Shiga	1,456,696	53,800	1,520,496	102.5
	14,653,428	1,780,070	16,433,498	65.0

N. B. 000 Omitted

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

Files

HEADQUARTERS
KINKI MIL GOVT REGION
Finance & Civil Property Section

.012

HLM/km

7 April 1949

MEMORANDUM TO: Colonel O'Mohundro

SUBJECT: Tax Collection Status

The following tax collection figures for the last 10-day period in March were submitted by the Osaka Finance Bureau. The first chart lists approximate totals for taxes in general; the second, for self-assessed taxes.

Prefecture	Amt Collected 21-31 Mar	Total as of 31 Mar	Percentage
Osaka	2,062,031	26,210,007	89.1
Kyoto	743,582	10,328,888	92.8
Hyogo	1,310,876	15,473,394	96.9
Nara	297,707	1,947,790	85.5
Wakayama	357,699	2,707,320	90.7
Shiga	152,589	3,002,253	107.7
Totals	4,935,484	59,668,651	92.6

N.B. 000 omitted

1

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

Memo dtd 7 Apr 49, subj: "Tax Collection Status," cont'd.

Prefecture	Total as of 20 Mar	Amt Collected 21-31 Mar	Total as of 31 Mar	Percentage
Osaka	5,002,959	692,349	5,695,308	54.2
Kyoto	3,271,309	317,784	3,589,093	71.3
Hyogo	3,190,211	274,485	3,554,696	66.4
Nara	711,132	183,733	894,865	68.8
Wakayama	1,821,121	147,919	1,169,040	72.1
Shiga	1,456,696	53,800	1,520,496	102.5
Totals	14,653,428	1,780,070	16,433,498	65.0

H. L. MANGERICH
Chief, Fin & Civil Property

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

March

	SUBJECT	FROM	TO	DATE
25.	Citizens Assembly Meeting, Takada	NMGT	NMGT	26 Mar 49
26.	Tax Surveillance During April	KMGR	All Team C	31 Mar 49
27.	Anti-Tax Programs	KMGR	I Corps	31 Mar 49
28.	Special Distributionof Gasoline for Taxation Work	KMGR	OFB	31 Mar 49

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

March

	SUBJECT	FROM	TO	DATE
1.	Transmittal of Japanese Letter	I Corps	KMGR	1 Mar 49
2.	Transmittal of a Letter on Tas Collection	I Corps	KMGR	1 Mar 49
3.	Prosecution of Tax Evasion Cases (Re: Point System)	KL & CO	KMGR	1 Mar 49
4.	Transmittal of Procurator's Office Report	I Corps	OMGT	3 Mar 49
5.	Request for Information Pamphlet, Japanese Taxes	I Corps	NMGT	3 Mar 49
6.	Surveillance of Japanese Customs Servise	SCAP	8th Army	5 Mar 49
7.	Selection of "Model Tax Offices"	KMGR	All Team C	7 Mar 49
8.	Efficiency Report, Matano. Yoshino Tax Office	NMGT	NMGT	7 Mar 49
9.	Japanese Tax Personnel Training Program	KMGR	I Corps	9 Mar 49
10.	Reports of Tax Collections	KMGR	OFB	9 Mar 49
11.	Status of Japanese Tax Collections for the Fiscal Year 1948-49	I Corps	I Corps Z/R	11 Mar 49
12.	Japanese Tax Personnel Training Program	KMGR	All Team	9 Mar 49
13.	Surveillance of Japanese Tax Administration	HMGT	8th Army	10 Mar 49
14.	Surveillance of Japanese Tax Administration	KMGR	8th Army	14 Mar 49
15.	Tax Surveillance Report	KMGR	I Corps	15 Mar 49
16.	Letter of Transmittal	KMGT	I Corps	15 Mar 49
17.	Tax Collections as of 10 March 1949	KMGR	All Team C	17 Mar 49
18.	Tax Surveillance Program	KMGR	All Team C	19 Mar 49
19.	Transmittal of Japanese Surveillance Material	I Corps	I Corps Z/R	19 Mar 49
20.	Tax Collection Program	SMGT	KMGR	21 Mar 49
21.	Report on Ineffeciency of Japanese Tax Personnel	KMGR	OFB	22 Mar 49
22.	Study of Tax Structure	KMGR	All Team C	24 Mar 49
23.	Travel Expenses for Supervising a Public Opinion Tax Survey in Kinki Region	I Corps	I Corps	29 Mar 49
24.	Study of Tax Program	KMGR	I Corps	29 Mar 49

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

012

31 March 1949

F.L

SUBJECT: Special Distribution of Gasoline for Taxation Work

TO: Osaka Finance Bureau
Osaka, Honshu

1. Pursuant to your letter of 30 December 1948 relative to additional gasoline rations to be used in taxation work, inquiry was sent to General Headquarters as to what measures of relief might be provided.

2. They advised recently that additional allottments of gasoline have been granted by the Economic Stabilization Board to the Ministry of Finance and that the allocation will be apportioned to the seven regional bureaus concerned. It is assumed that the Osaka regional bureau will receive an equitable apportionment of this allottment. The amounts granted were 10,000 liters in January, 15,000 in February and 40,000 in March.

3. A proposal that vehicles of other ministries also be made available to the tax offices at this time was not favorably considered. The Finance Ministry, however, is taking necessary steps to reallocate available vehicles now in use on a more effective basis.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Captain, CE
Adjutant

(28)
2931

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

WHO/sy

012

31 March 1949

SUBJECT: Anti-Tax Programs

Make copy for Fiscal Off

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

1. Reference is made to the discussions of Anti-Tax Payment Democratization Federation or Tax Democratization League activities in Numbers 6 and 8, Military Government Bulletin, Headquarters Eighth Army. The purpose of this special report is to discuss the latest developments and tactics used by persons opposing the tax program in Kinki Military Government Region area.

2. Recent weeks have shown an increased tempo of anti-tax activities, and indications point to a continuation of said activities as the end of the fiscal year approaches.

3. Following several prosecutions of the Tax Democratization League and closing of their consultation offices under National Tax Practitioners and Public Accountant Laws of Japan, a change in organization and strategy is taking place. There is no longer a central office or headquarters in Osaka of the Tax Democratization League. It is believed to have disbanded or gone underground. However, the same leaders and activities are appearing as Living Protection Leagues. These Living Protection Leagues are smaller groups of 100 or so dues paying members. Their leaders claim no central organization or headquarters but their common programs and concerted actions are too uniform and well organized to "just happen".

4. TANIGUCHI, MASAKAZU, 2-128, Daino-cho, Fukushima-ku, Osaka-shi, leader of the Fukushima Tax Democratization League, and UEBA, TOSHIHIKO, leader of the Higashi Living Protection League, were interviewed by the SMGO and Tax Surveillance Officer of the Osaka Military Government Team. Their announced program is;

a. Jail or imprison the big tax evaders;

b. Collect the taxes from delinquents owing large amounts of back taxes; and

(27)

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

c. Throw corrupt tax officials out of office.

The leaders further admitted receiving ¥4000 per month from the Communist party and an additional ¥2000 per month from the Life Protection League. These leaders are estimated to be between 25-30 years of age, well-dressed, intelligent, courageous, and have an aggressive demeanor. Already their leadership is being recognized.

5. Early in March a suicide was reported in Osaka. The anti-tax element played up considerable publicity that the suicide had been committed because the man couldn't pay his taxes. On or about 18 March the Nishinari Citizens Living Protection Association held a Buddhist funeral ceremony for the suicide in a vacant lot across the street from the Nishinari tax office. About the noon hour, and following the memorial service, Mr. Hiroshi Imai(26) led a parade of about 80 men and women through the main entrance into the waiting room and out of the Nishinari Taxation Office. No other disorders or trouble occurred in or outside the tax office. Mr. Imai has been indicted by the Japanese procurator on the charge of trespassing.

6. On 22 March, a surveillance officer of the Osaka Military Government Team, on visiting the Hirakata Tax Officer, found three representatives of the Life Protection League in conference with the tax chief. There were about 50 persons in the tax office complaining about their taxes, and outside the tax office were 35 or more people listening to speakers. The representatives asked the office superintendent not to make attachments or other actions until a re-investigation had been made, and further, not to impose a penalty or additional tax. The meeting was orderly; there were no disturbances and no threats were made to the tax office personnel. The three representing the group had no license to act as tax accountants.

7. The tax surveillance officer promptly informed the Hirakata police station and was told that the procurator had advised the first and second violations of the Tax Agents Law be overlooked and prosecution be initiated with the third violation. This same attitude on the part of Japanese officials was encountered recently in Wakayama, where the procurator was opposed to prosecution until the fifth offense. The next step was to find the statutory basis for the ruling, and the procurator pointed out the phrase, "gyo to suru", in the Tax Agents Law, which is translated as "a business, repeatedly or habitual". It was pointed out that such an attitude defeated the law, as it is possible to rotate or change "representatives" after the third or fourth visit to the tax office, and therefore no one would ever be prosecuted; yet a continual program of harassing tax officials and illegal negotiations would be accomplished.

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

It was further pointed out that the two or four violations overlooked was in the same category as the 30 point system for other tax violations. However, the same phraseology appeared in paragraphs 1. 2, b and c of Keibo-hatsu #21, issued by Chief, Criminal Affairs Division, Hq NRP, to directors of regional and prefectural NRP and directors of municipal police of the six major cities, dated 10 Feb 49.

8. Following receipt of Keibo-hatsu #21 and Keibo-hatsu #39 as inclosures to Ltr, Hq I Corps, file AG 012 - BA, subj: "Transmittal of Japanese Tax Surveillance Material", dated 19 Mar 49, a series of conferences was held with tax and police officials. The most noticeable feature of the conferences was the changed attitude on the part of Japanese police and tax personnel now that they had instructions through their channels telling them to do that which Military Government personnel had for some time been urging upon them. The instructions came late, but firmer action on the part of Japanese officials is anticipated. (Attention invited to par 4d of enclosure).

9. In conclusion, there is evidence to indicate that:

a. The leaders of the anti-tax organizations are guided by paid Communist Party members;

b. Although the groups are careful not to violate the letter of the law or to leave readily available evidence, they are disturbing and harassing officials and detracting from effective performance of duties, thereby accomplishing the results which the law intended to prevent;

c. Japanese statutes, as interpreted and applied by the Japanese law enforcing agencies, are inadequate to cope with the harassing tactics;

d. The leaders of the anti-tax activities are young men who are gaining prestige among anti-government elements;

e. The leaders, by their anti-tax tactics, are acquiring sympathy of persons who are not Communists; many sympathizers may find this one of the first steps in joining the party.

f. The net results of these anti-tax demonstrations are not only delaying efficient tax administration but also delaying the education of the public on proper tax procedures; therefore, little or no benefit accrues to the individuals comprising the group as the tax officials cannot legally negotiate with the group as such but with individuals only.

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

Ltr, Hq Kinki Mil Govt Region, APO 25, subj: "Anti-Tax Programs"
dtd 31 Mar 49

10. This report is submitted for your information with the recommendation that national tax offices be included in the list of public buildings before which public demonstrations are not allowed to assemble or terminate.

WILEY H. O'MOHUNDRO
Colonel Infantry
Commanding

1 Incl:
Ltr Hq KMGR 31 Mar 49
Subject; "Tax Surveillance during April.

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

WRC/th

012

31 MAR 1949

SUBJECT: Tax Surveillance During April

TO : All Team Commanders

References:

a. Keibo-hatsu No.21, Chief, Criminal Affairs Division, Headquarters, National Rural Police 10 Feb 1949, subject: Control over Anti-Tax Payment Maneuvers.

b. Keibo-hatsu No.30, same office, dated 28 Feb 1949, subject: Tax Offense Control. (Both references forwarded by letter Hq I Corps 19 March 1949, subject: Transmittal of Japanese Tax Surveillance Material, file AG 012-BA)

1. The fiscal year of the Japanese government expires 31 March; however, consistent with the practice in prior years, collections effected through the month of April will be credited to current year's collections rather than scheduled as delinquent collections in the new fiscal year.

2. The extension necessitated by the nature of the Japanese tax structure establishes a "grace period" of an additional month to attain the assigned goals. It is the view of this office that April will be the most critical month of the entire collection period. Collection efforts of the tax offices will be concentrated to effect collections on reassessments and delinquents, and will be met with increasing anti-tax payment propaganda and demonstrations.

3. Although certain tax offices of some prefectures have already attained their goals, all should be cautioned not to relax collection efforts and surveillance on that basis solely. In equity, if taxes are justly due from tax payers, they should be required to pay irrespective of the goal status. Difficulties of collection and offices burdened with excessive goals will have to be countered by over-quota collections of those offices capable of accomplishing same.

4. With a view towards accomplishing full attainment of the regional goal and creating better taxpayer morale and cooperation, the following suggestions are offered for your guidance:

FILE

(26)

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

a. That publicity, particularly in the daily press, be concentrated on favorable aspects of tax payment, such as pictures and interviews of prominent and esteemed local persons paying their taxes and expressing their views in support of the tax system. This type of publicity should supplement the current concentration upon potential punitive effects of non-payment, which currently seems to be the sole theme for propaganda.

b. Concentrate efforts of tax officials upon more lucrative sources of taxation, i.e., the more prosperous individual and corporate taxpayers. These too frequently escape their just tax burden by compromising tax officials with bribes and favors. Team surveillance personnel may well lend their personal cooperation to interviews of large tax evaders to impress them with their responsibility.

c. Delinquent tax accounts should be cleared from the records either by seizure and sale, equitable compromise, or waiver as warranted. Publication of these huge amounts of delinquencies has a demoralizing effect upon taxpayers who have not met their obligations. In the process of seizures however, it is advocated that tax officials be urged to use discretion in seizing the meager assets of minor taxpayers. Too frequently these seizures result in no material revenue return and do irreparable damage to the prestige of tax officials and the program as a whole. A compromise of tax liability in these cases, puls a promise to pay small occasional amounts toward elimination of the balance, would be a far more intelligent and desirable method of eliminating them.

d. The attention of law enforcing officials should be directed to paragraph 1, Section II (page 3) of reference a. It is the opinion of this Headquarters that any assembly of a threatening nature outside a tax office, for the purpose of influencing tax officials, should be construed as an act of intimidation interfering with the execution of government official business, and dealt with accordingly. Where spokesmen for such groups enter tax offices and in a threatening manner demand action contrary to law, with the remainder of the group waiting outside lending moral support, they should be arrested and the group caused to disperse. Upon arrest of such persons their houses should be searched for further evidence as outlined in paragraph 5, Sec III of above mentioned reference.

5. The above measures are proposed to be applied at your discretion as applicable to your particular problems. While the attainment of current goals is of paramount importance, tax officials should be impressed with the need for applying their methods with justice, equity, and plain common sense if they are to fulfill their responsibilities to the government and the people they serve.

WILEY H. O'MOHUNDRO
Colonel Infantry
Commanding

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

NARA MILITARY GOVERNMENT TEAM
APO 25, Unit 4
FINANCE AND CIVIL PROPERTY SECTION

kn/dcf

012

26 March 1949

SUBJECT: Citizens Assembly Meeting, Takada

TO: : Commanding Officer
Nara Military Government Team
APO 25, Unit 4

1. Submitted herewith is the report of the citizens assembly meeting held at the Social Hall, Takada City, 23 March 1949 (Incl 2), its origin and organization (Incl 1) and the immediate results, (Incl 3).

2. Analysis of information reveals no concrete grounds for prosecution under existing tax laws, withe the exeeption that by unraveling the committments and purposes embodied, we can prosecute under Art 22 advocating non-payment of taxes. This section is pursuing the latter and will attempt prosecution.

a. "Haned" statements are being obtained.

b. Certain books and records in the process of confiscation may reveal baluable information.

3. There will be a similar meeting in Nara City 27 March and Gojo Village 28 March 1949.

4. Haneda is under Military Government arrest and will be prosecuted by Provost Court for withholding information.

3 Incls:
as above

/s/ Robert B Schoos
/t/ ROBERT B SCHOOS
Capt, FA
Finance & Civil Property Officer

25

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

BASIC: Ltr, Nara MG Team, Finance and Civil Property Section, APO 25 Unit 4, 012, dtd 26 Mar 49, subj: "Citizens Assembly Meeting, Takada".

012 1st Ind km/dcf

Nara Mil Govt Team, APO 25, Unit 4, 29 March 1949

TO: CO, Kinki Mil Govt Region, APO 25

1. Basic communication is forwarded for your inforkation as an example of agitation by minority groups which is hindering the tax collection program in this prefecture.

2. Every effort will be made to establish cases which can be successfully prosecuted under existing law.

Incls:
n/c

/s/ E G Hickman
/t/ E G HICKMAN
Lt Col, FA
Commanding

012 2nd Ind HDW/dcf

Kinki Mil Govt Region, APO 25, 14 April 1949

TO: CG, I Corps, APO 301

Incls:
n/c

GM

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

FILE UNDER NO.
319.1 Study of MG Program

INDEX SHEET
SYNOPSIS

Sec 1

SUBJECT: Study of Tax Program

FROM: KINKI MGR

TO : I Corps

DATE: 29 March 49

DOCUMENT FILED UNDER NO. 012

24

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)
Military Government Section
Civil Information Division

29 March 1949

MEMORANDUM:

SUBJECT : Travel Expenses for Supervising a Public Opinion Tax Survey in Kinki Region

TO : Personnel Officer
Military Government Section
Headquarters I Corps
APO 301

1. The following information covers estimation of travel expenses required to be paid in advance of each trip, if possible, made by Japanese personnel assigned to the Military Government Civil Information Division. Public Opinion Research Branch, Headquarters, I Corps. This transportation and quarters expense is necessary to supervise a public opinion tax survey in Kinki Region.

2. It is recommended that paragraph one, this communication, be approved as within Occupation and Japanese Government Directives.

a. Number of persons on official trips - Five (5): Toichi Takatsuki (Chief), Ryohei Kubota, Eiji Tada, Bumpei Sasaki and Yasuo Garatani.

b. Destinations - Kobe, Osaka, Nara Otsu and Wakayama cities.

c. The number visits each city: three times to each city.
First time - To survey the condition of information sections in each prefectural government.
Second time - To instruct the selected field workers and explain the questionnaire sheets.
Third time - To check survey and collect the questionnaire sheets which have been completed by field workers.

d. According to the organization of the prefectural information section, the personnel listed in paragraph 2a, may have to spend additional time in that locality. The length of time necessary in one place cannot be forcasted before an investigation has been made of each prefectural information organization.

23

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

e. Listed herein are minimum and maximum travel expenses. Maximum means where the stay at a place to be surveyed is until the interviews are assigned. Minumum means those places which can operate without continuous guidance. The actual travel expenses will be between the following:

Maximum - ¥ 23,440
Minimum - ¥ 5,700

f. In accordance with authorized travel allowances the expenses mentioned are as follows:

	DESTINATION	RAILWAY CHARGE	ALLOWANCES FOR OUT-SIDE WORK	HOTEL CHARGE	TOTAL	
One day trip	Osaka city	200	120	-	320	
	Kobe city	350	"	-	470	
	Wakayama city	500	"	-	620	1900
	Otsu city	50	"	-	170	
	Nara city	200	"	-	320	
6 nights & 7 days	Osaka city	200	840	3600	4640	
	Kobe city	350	"	"	4790	
	Wakayama city	500	"	2880	4220	21340
	Otsu city	50	"	"	3770	
	Nara city	200	"	"	3920	

/s/ Myrvin C. Clark
/t/ MYRVIN C. CLARK
Captain, Signal Corps
Civil Information Officer

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

BASIC: Memo, Hq I Corps, Civil Information, subj: "Travel Expenses for Supervising a Public Opinion Tax Survey in Kinki Region", dtd 29 Mar 49.

AG 248.7 - BA 1st Ind JBM/pm

Hq I Corps, APO 301, 4 April 1949

TO: CO, Kinki Military Government Region, APO 25, 4 April 1949.

1. For action by your headquarters.

2. Payment for travel expenses to be arranged through Liaison Section, Kyoto Prefectural Government.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/ A Seipel
/t/ A.SEIPEL
Lt Col AGD
Asst Adj General.

File C/ 8/18 WT

248.7 2nd Ind

Hq Kinki Mil Govt Region, APO 25, 7 April 1949

TO: CO, Kyoto Mil Govt Team, APO 301

For your information and compliance with 1st indorsement.

BY ORDER OF COLONEL O'MOHUNDRO:

GEORGE MINARIK
Captain CE
Adjutant

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

FILE UNDER NO.

319.1 Study of MG Program

See

INDEX SHEET
SYNOPSIS

SUBJECT: Study of Tax Structure

FROM: Kinki MGR

TO : All Team Commander

DATE: 24 March 49

DOCUMENT FILED UNDER NO. 012

22

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

012

22 March 1949

SUBJECT: Report on Inefficiency of Japanese Tax Personnel

TO: Osaka Finance Bureau
Osaka, Honshu

1. This office has been advised by the commanding officer of the Nara Military Government Team that Mr. Mitano, tax chief of the Yoshino tax office, is derelict in the execution of his duties. Observations evidence that he is vacillating in his opinions and apparently is not too well versed in tax administration, law, or enforcement. He has demonstrated time and again traits of insincerity and uncooperativeness. On some occasions he has been inequitable in making assessments, and has, on other occasions, apparently wilfully interfered with the contemplated prosecution of taxpayers for violations.

2. This official has demonstrated a virtually total absence of any of the qualifications, intensity of purpose, or general moral character desirable in the office of a tax chief. It is requested that your office investigate the activities of this official and advise us of your impressions and contemplated action relative to him.

WILEY H. O'MOHUNDRO
Colonel, INF
Commanding

21

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

HEADQUARTERS
SHIGA MILITARY GOVERNMENT TEAM
APO 25, Unit 3, (Otsu, Honshu)

21 March 1949

SUBJECT: Tax Collection Program

TO: Commanding Officer
Kinki Mil Govt Region
APO 25
(Attn: Finance and Civil Property Section)

1. Request that inclosed plan be checked for violation of Military Government Policy.

2. This plan was drawn up by the Otsu Chamber of Commerce and the Chief of the Otsu Tax Office to facilitate payment of taxes. Even though it may seem that this method is "leading the tax payer by the hand" it is believed that it will accomplish results.

/s/ E. D. Lucas
E. D. LUCAS
Lt Col, CAV
Commanding

1 Incl
As indicated

20

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

RASIC: Ltr, Hq Shiga Mil Govt Team, subj: "Tax Collection Program", dtd 21 Mar 49

012 1st Ind HLM/sy

Hq Kinki Mil Govt Region, APO 25, 1 Apr 49

TO: CO, Shiga Mil Govt Team, APO 25, Unit 3

1. The plan submitted appears very desirable in nature and intent in that it is vital that agencies independent of the government but sympathetic and in accord with the tax program, advise taxpayers on their rights and responsibilities.

2. The Chamber of Commerce normally would represent the interests of the more stable groups and individuals of the community.

3. The activities of such a committee without self-seeking motives, could do much to foster an effective tax collection program. Caution should be exercised however, to insure a minimum activity of lobbying for special favors by it, or the danger of loss of control of the activities to radical pressure groups. Public confidence in its impartial representation of them should be the criterion of its effectiveness.

4. This headquarters finds no material objection to the program contemplated, with the possible exception of the "taxpaying fund deposit" phase which should be carefully checked against fraud and corruption.

BY ORDER OF COLONEL O'MOHUNDRO:

1 Incl:
n/c

GEORGE MINARIK
Captain CE
Adjutant

File

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

FFA/mo

AG 012 - BA

19 March 1949

SUBJECT: Transmittal of Japanese Tax Surveillance Material

TO : See Distribution

1. Attached are two directives from the Chief of the Criminal Affairs Division, Headquarters National Rural Police on "Control Over Anti-Tax Payment Maneuvers."

2. This information, in rather poorly translated form, is forwarded to military government regions and teams in order to show the contribution that the National Rural Police may make toward tax collections. It will be included in better form in a military government tax officer's manual now in preparation by this headquarters.

BY COMMAND OF MAJOR GENERAL COULTER:

A. Dempsey
Lt. Col. A.G.D.
for C. C. CARTER
Colonel, AGD
Adjutant General

2 Incls:
1. KICO Information #137
2. Keibo-hatsu #39

DISTRIBUTION:
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3 AG Rec, I Corps
3 Eighth Army, MG Sect.
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(19)

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

Subject: Control Over Anti-Tax Payment Maneuvers

To : Directors, Regional Headquarters, National Rural Police

Directors, Prefectural Headquarters, National Rural Police

(Directors, Municipal Police Forces of Six Major Cities)

From : Chief, Criminal Affairs Division, Headquarters, National Rural Police

Keibo-hatsu No. 21 10 February 1949

It is clearly pointed out in the nine-point Economic Stabilization Program directed to the Japanese Government in December, 1948 as a fundamental principle for economic stabilization of this country that a true balance in the consolidated budget should be achieved, the program of tax collection accelerated and strengthened and a prompt, widespread and vigorous criminal prosecution of tax evaders insured.

With a view to achieving a well balanced budget by reducing the expenditure and increasing the revenue to the possible extent, the Government took steps to create new taxes and raised tax rates and at the same time intensified tax collection. However, anti-tax payment maneuvers centering on income tax are now being conducted in various localities by the Tax Payment Democratization Leagues or the Livelihood Protection Leagues under the leadership of a small group. Since such anti-tax payment maneuvers are contrary to the objectives of the nine-point Economic Stabilization Program, it seems that appropriate measures have already been taken to place them under control in each prefecture. Nevertheless, in view of the fact that to secure the revenue through the collection of taxes is prerequisite to a sound finance, you are requested to exercise your control over anti-tax payment maneuvers, especially paying attention to the following:

I. Control over instigators of tax payers:

1. Control exercised in accordance with National Tax offence control Law, Article 22:

a. Article 22, Paragraph 1 contains the provisions under which the persons shall be subjected to punishment who have instigated tax payers not to make the self-assessment of tax for taxation standards (including estimated and final assessment of tax) or to make a false self-assessment of taxes or who have instigated tax officials or tax payers not to collect or pay national taxes.

b. Article 22, Paragraph 2 contains the provisions under which those persons who have done violence or intimidation to tax payers shall be subjected to punishment.

Incl 1

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

In cases where tax payers are obstructed by violence or intimidation while on their way to tax offices for the payment of their taxes, such an act of violence or intimidation is construed to constitute the offence prescribed in Article 22, Paragraph 1, even if it is not serious enough to fulfil the incriminatory conditions incidental to the offence of violence provided for in Criminal Code, Article 208 or to the offence in Criminal Code, Article 222.

In cases where such an act of violence or intimidation fulfils the incriminatory conditions incidental to the offence of violence or intimidation provided for in Criminal Code, it is construed, from ideological point of view, to constitute an offence punishable by both Criminal Code and National Tax Offence Control Law.

c. It is not easy to gather evidence sufficient to warrant the arrest of those violators of Article 22 who are not caught in the act of committing an offence. It is, therefore, necessary to gather material evidence beforehand through carefully conducted secret investigation.

It is difficult to expect the verdict of guilty to be given on the strength of circumstantial evidence merely consisting of a superficial knowledge of the fact and rumour. However, it is a different question to deal with those violators who have distributed propaganda handbills.

d. The violations of Article 22 are not construed to constitute the offence provided for in National Tax Offence Control Law, Article 1. Accordingly, tax officials have no legal power to institute an investigation over the offence provided for in National Tax Offence Control Law, Article 1. There is no alternative for it but to be dealt with by police officials as an offence committed in violation of other pertinent laws.

2. Control exercised in accordance with Tax Agent Law:

a. Those persons fall under the category of tax agent as provided for in Tax Agent Law, Article 1, who, at the request of others, make it their business to prepare documents to be submitted to governmental taxation offices or to act in behalf of or give advice to others on the matters relative to the application for the review, the presentation of the petition or other things excluding lawsuits in connection with the following national taxes:

Income Tax. Corporation Tax. Special Corporation Tax. Temporary Profit Tax. Inheritance Tax. Property Tax. Wartime Compensation Tax. Increased Income Tax. Sales Tax.

Those persons who wish to engage in such a business must have the permission of Minister of Finance pursuant to the provisions of Tax Agent Law, Article 4.

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

b. The leaders of anti-tax payment maneuvers usually set up tax information centers and give citizens in general advise on taxes. Those persons who give advice repeatedly without obtaining the permission are subjected to the punishment provided for in Tax Agent Law, Article 21 as violators of Article 4 of the same law.

c. Those persons who give advice repeatedly on taxes even if it is done free of charge are regarded as making it their business and constitute the violation of Tax Agent Law, Article 4.

d. Tax Agent Law governs only such national taxes as enumerated in paragraph 2d above. Accordingly, those persons who give advice on local taxes such as land tax, house tax and admission tax are not charged with the violation of Tax Agent Law.

II. Control over anti-tax payment maneuvers directed toward tax officials:

1. The Livelihood Protection Leagues or Tax Payment Democratization Leagues have recently been organized in various localities. Such leagues are conducting anti-tax payment maneuvers by sponsoring citizens' rallies and other meetings. It is possible that a small group of leaders belonging to such leagues might do violence or intimidation to tax officials at tax offices in an attempt to have the cancellation of the final assessment of income tax or of the attachment of properties belonging to delinquent tax payers or in an attempt to force tax officials to take action for which they are not held responsible. The act of violence or intimidation in such cases may be placed under control as the commitment of the offence of interference with the execution of government official business (Criminal Code, Article 95, Paragraph 1), the offence of forcing government officials to take action for a certain purpose (Criminal Code, Article 95, Paragraph 2), the offence of extortion (Criminal Code, Article 223) or the violation of National Tax Offence Control Law, Article 22, Paragraph 2.

2. In the case mentioned in paragraph II. 1 above, the act of violence or intimidation directed toward tax officials, if it is done by force of numbers or conjointly and results in the damage of objects, may be construed to constitute the offence provided for in Articles 1 to 3 of the "Law concerning the Punishment of the Act of Violence and Others".

III. Matters to be attended to in connection with the control over anti-tax payment maneuvers:

1. It is requested that appropriate measures be taken to fully acquaint police officials with the importance to be attached to material evidence in accordance with the recently enforced Law of Criminal Procedure and to make them do their best to gather evidence beforehand through secret investigation.

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

2. It is not in violation of National Tax Offence Control Law, Article 22, or Tax Agent Law, Article 4 to instigate tax payers to make a false self-assessment of taxes for taxation standards or to give advice to tax payers in connection with local taxes such as land tax, house tax, amusement, eating and drinking tax and admission tax. This is a matter to be pointed for the sake of precaution. Such being the case, it is deemed necessary to initiate legislative measures in order to effect the control over anti-tax payment maneuvers involving local taxes.

3. In cases where anti-tax payment maneuvers are conducted with the act of interference with tax officials in exercising their official duties, it is requested that every effort be made for the verification of the place where such an act was committed and for the perpetuation of evidence.

4. In cases of the violations of National Tax Offence Control Law, Article 22 and Tax Agent Law, Article 4, it is found relatively difficult on not a few occasions to gather material evidence to support such violations. It is, therefore, requested that when persons having reliable information are available, steps be taken to summon them as a witness to corroborate the evidence during the course of investigation by making the best use of such provisions regarding the interrogation of witnesses as prescribed in Law of Criminal Procedure, Articles 226 and 227.

5. It is found easy on some occasions to gather material evidence by searching the houses of suspects under the authority of a search warrant, when a certain amount of evidence has been obtained.

6. Since anti-tax payment maneuvers are conducted systematically on many occasions under leadership of a small group, it is requested that steps be taken to gather pertinent information of various nature by maintaining a close liaison with other sections of police force in charge of the preservation of public peace and order.

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

Subject: Tax Offence Control

To : Directors, Regional Headquarters, National Rural Police

Directors, Prefectural Headquarters, National Rural Police

(Directors, Municipal Police Forces of Six Major Cities)

From : Chief, Criminal Affairs Division, Headquarters, National Rural Police

Keibo-hatsu No. 39

28 February 1949

In the instruction of this headquarters dated 10 February 1948, Keibo-hatsu No. 21, on the subject of the control over anti-tax payment maneuvers, you are requested to exercise your control over anti-tax payment maneuvers. It seems that steps have already been taken to enforce such a control. However, there are indications that anti-tax payment maneuvers are being intensified as the time is coming in when the final re-assessment of income tax for 1948-1949 fiscal year is made. At the same time it is observed that various offences in violation of tax laws have proved to be tactful and vicious in their nature.

Under these circumstances you are requested to take due note of the above mentioned instruction on the subject of the control over Anti-tax payment maneuvers and further to enforce the control, especially paying attention to the following:

It is to be added that autonomous police is also requested to render its cooperation in the tax offence control program.

I. Policy to be followed in the control of tax offences:

1. Control over anti-tax payment maneuvers:

Anti-tax payment organizations are now conducting anti-tax payment maneuvers by sponsoring anti-tax payment rallies, encouraging tax payers to make application of review or presentation of appeal or giving advice of anti-tax nature to tax payers. It is, therefore, emphasized to see to it that anti-tax payment maneuvers are suppressed and thus tax collection is insured.

Incl 2

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

2. Communication and liaison with tax offices on the evaded tax offences as exposed in connection with the investigation of economic offences:

When conducting the investigation of economic offences, police officials should always keep it in their mind to scrutinize if such economic offences are connected with any evaded tax offence. Black market profiteering, double booking system, tax evasion, delinquency in tax payment and other unlawful facts as disclosed in the investigation of economic offences should be communicated to tax offices for suitable action.

3. Control over illegal acts incidental to anti-tax payment maneuvers:

By maintaining close liaison with the government agencies concerned, steps should be taken to enforce the control over the act of violence, intimidation, enforcement, interference with the execution of government official business, unlawful detention, damage of objects or other illegal acts as committed in connection with anti-tax mass movement or collective negotiation with taxation authorities, and thus to suppress the anti-tax movement.

4. Cooperation with tax offices on the control of tax offences:

When tax officials request their assistance for the inspection, search or attachment of properties under National Tax Offence Control Law, Article 5 or their presence in the search under Article 6 of the same law, police officials should render their adequate cooperation so as to enable tax officials to realize the anticipated result. In addition, police officials should cooperate with tax officials in the investigation of tax offence and further assist them in flank by enforcing the control over illegal acts incidental to tax offences.

5. Control over corrupt practices and other illegal acts committed by tax officials:

Corrupt practices and other illegal acts committed by tax officials not only bring extremely unfavourable effect upon tax payers but also give a good excuse to anti-tax instigators for the obstruction of tax collection. Therefore, steps should be taken to sweep away the case of bribery, blackmailing, embezzlement or corruption committed by tax officials and at the same time to enforce the control over the breach of trust or anti-tax movement committed by tax officials who conspire with anti-tax organizations by maintaining close liaison with other section of police force having charge of crime investigation.

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

II. Legal authority for the enforcement of control over anti-tax payment maneuvers:

1. Direct control over anti-tax payment maneuvers:

A. Control under National Tax Offence Control Law, Article 22:

See the instruction dated 10 February 1949, Keibo-hatsu No. 21, on the subject of control over anti-tax payment maneuvers.

B. Control under Tax Agent Law:

Reference is made to the instruction dated 10 February 1949, Keibo-hatsu No. 21, on the subject of control over anti-tax payment maneuvers. Tax Agent Law has been enacted for the purpose of enforcing control over an individual. However, anti-tax payment maneuvers are being conducted by organized bodies such as Tax Payment Democratization Leagues or Livelihood protection leagues. Taxation authorities are also utilizing merchants' associations or guilds for convenience sake. There were, therefore, some doubts as to whether Tax Agent Law may be made applicable to these organizations or not. After consulting with Actorney General's Office, Supreme Public Procurator's Office and Ministry of Finance, we have reached the following conclusion:

a. Those persons who make it their business to do the work as prescribed in Tax Agent Law, Article 1 without obtaining the permission referred to in Article 4 of the same law, shall be charged with the violation of the same law. However, it is considered to be lawful that organizations receive inquiries from tax officials who are authorized to make such inquiries under Income Tax Law, Article 64 and make answer to them.

b. It constitutes the violation of Tax Agent Law that organizations receiving no inquiry from tax officials give advice, even if they use the same names as those of organizations receiving inquries from tax officials.

c. It constitutes the violation of Tax Agent Law that even though receiving inquiries from tax officials, organizations make the application of review, the presentation of appeal or give advice of anti-tax nature, beyond the scope of making answer to inquiries from tax officials. In such a case, the individual who committed the said act shall be subjected to the punishment.

d. It constitutes the violation of Tax Agent Law that tax officials give advice on taxes repeatedly and continuously during their off-duty hours.

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

2. Evaded tax offence to be disclosed in connection with the investigation of economic offences.

During the course of the investigation on economic offence, evaded tax offences inviolation of the following laws are anticipated to be disclosed:

Income Tax Law, Articles 69, 70 and 74

Commodity Tax Law, Articles 17-3, 18, 19, 21 and 22

Sales Tax Law, Articles 41, 42, 43, 44, 47 and 48

Corporation Tax Law, Articles 48, 49, 51 and 53

Textiles Consumption Tax Law, Articles 16-3, 17, 18, 19 and 21

Soft Drinks Tax Law, Articles 15, 16, 17, 18, 20 and 21

Sugar Consumption Tax Law, Articles 12-4, 13, 14, 14-2, 15, 16 and 17

National Tax Collection Law, Article 32

Criminal Code, Article 96-2

3. Law applicable to the offence committed in connection with anti-tax payment maneuvers:

Relative articles of Criminal Code.

4. Law under which police officials are authorized to render their cooperation to tax officials in connection with tax offence:

National Tax Offence Control Law, Articles 5 and 6

5. Law applicable to corrupt practices committed by tax officials:

Relative articles of Criminal Code.

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

HEAD QUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/kk

19 March 1949

SUBJECT: Tax Surveillance Program

TO : All Team Commanders

1. Inclosed herewith guides for your information in combating potential anti-tax payment activities.

2. It is desired that the instructions for tax officials be brought to their attention personally by tax surveillance officers.

3. Observance of the principles outlined therein will insure successful prosecution of persons or groups intimidating or threatening them in any way.

BY ORDER OF COLONEL O'MCHUNDRO:

GEORGE MINARIK
Captain CE
Adjutant

2 Incls:
1. Memo on anti-tax activities
2. Instruction for tax officials

FILE

(18)

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

Legality of Activities by Anti-Tax Payment Democratization Federation. Activities of the various Anti-Tax Federations are well known to teams. This article points out the methods and tactics which the federation uses in violation of Japanese laws, as well as what legal action can be taken to counteract their program.

The legal and government officer at Gifu MG took action and thereby set a pattern that could well be followed in other prefectures when the problem arises. After the first mass demonstrations against tax officers were held, the legal and government officer called a conference to discuss the situation and determine a course of action. The procurator, the National Rural Police chief, the chiefs of the tax offices, the commanding officer and the tax surveillance officer of the team met in the first conference. The procurator was reluctant to take any action as he felt no convictions could be obtained. A second conference was called the following week and the procurator then felt he could bring a case under the Public Accountants Law as well as under the Criminal Code. Two days later the procurator ordered the closing of 13 league offices and arrested 5 of the leaders. At the time of the arrests, search warrants were issued. The homes and offices were searched and evidence found of expense accounts, league membership applications, etc. Seven hearings were held, and during them red flags were displayed and songs were sung - except at the last one. All the leaders were convicted. One received the maximum of 1 year; one received 8 months and the others were given suspended sentences. Recent information received from the legal and government officer indicates that this action has proven so successful that there has been no recurrence of organized anti-tax activities.

The plan of action outlined above is an excellent one to follow, being based on actual cases that have been successfully concluded. Investigation into the applicable Japanese laws discloses that heavier sentences could be levied by bringing charges under the Income Tax Law (see below). While the action under the Public Accountants Law carries a sentence up to one year, the feature which gives the procurator the right to order the offices closed as a violation of the Income Tax Law, is very effective and should not be minimized.

In the average case, the charges can include a violation of all three of the following provisions of Japanese laws:

1. The Certified Public Accountants Law, No. 103, found on page 6 of the 6 July 1948 Gazette, Chapter 8. This provides for penalties of over one year and up to 10,000 yen fine.

2. The original Income Tax Law No. 67 of 17 March 1900, as amended by Laws No. 117 of 1904, No. 8 of 1908, No. 9 of 1944, Nos. 29 and 142 of 1947, and No. 107 of 1948. Article 22 covers interference with tax collections, and is the basis for charges in the average case.

Incl 1

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

"Whoever, if he is liable to pay national tax, does not report a standard of taxation of national tax, or makes a false report, or instigates not to collect or pay national tax shall be liable to imprisonment with hard work for not more than three years or to fine of not more than ¥200,000.

"Whoever makes a taxpayer of national tax not report a declaration which is a duty of taxpayers, or makes him report a false declaration, or assaults or threatens for the purpose of making one not collect or not pay national tax shall be liable to the same."

This article is specific on the question of taxes and provides for penalties up to 3 years and not more than ¥200,000. It should be sufficient in itself, in the average case. Advising taxpayers orally or in writing, or by handbills or posters, not to pay their taxes, or to assault and threaten the tax officials, is clearly a violation of this section.

3. The Criminal Code, Law No. 45 of 1907, as amended by Laws No. 77 of 1921, No. 61 of 1941, and No. 124 of 1947. It is particularly applicable to the assault or threatening feature of the type of activities disclosed in the reports. The pertinent provision is Article 95 of the law:

"Whoever assaults or threatens public officials in the execution of their duties shall be liable to imprisonment or to imprisonment with hard labor for not more than 3 years.

"Whoever assaults or threatens public officials for the purpose of making them take or not take a disposition or making them retire from public office, shall be liable to the same."

It is believed that in those prefectures and cities in which the anti-tax organizations are active to the extent of actual interference with the execution of the tax laws, satisfactory results will be obtained if a conference of the interested officials is called and the procurators are given the above citations for their consideration.

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

Instructions for Tax Officials

Measures Against Mass Petition and Demonstration

1. The rules governing the meeting:

(1) Specify the number of delegation and the time of meeting, and request them to state their opinions in an orderly manner. The number should be limited to less than 10 persons generally, considering the width of the room and the location of the meeting.

(2) Receive the business cards from the visiting delegation, and record their names, addresses, qualifications, etc. clearly.

(3) In order to take measures above mentioned under items (1) and (2), the meeting with chief of taxation office should be held only on matters stated in advance.

2. Matters to be considered, in negotiation.

(1) After action under item (2) or 1., above, the meeting should be held.

(2) At the meeting do not allow yourself to be surrounded by the delegation. Chief of general affairs section, chief of the competent section and chief of the competent charge, etc., (at least 3 persons) should be present as witnesses.

(3) In conference, the minutes should be kept by persons who are selected beforhand, and the speech and behaviour of delegation and any slander, threats or abusive language, etc. should be recorded carefully.

3. Application of penalties:

(1) If the delegation exceeding the specified number, comes into the conference room:

(a) The crime should be construed as "illegal entry". (Art. 130, the former passage, the Penal Code) In this case,
(a) it is necessary to refuse permission to enter.
(b) The meeting should be refused.

(b) The crime construed as "persistent demand" (Art.223, the Penal Code). In this case, the necessary condition is the fact of threat to injure life, body, free action, honor and property.

(2) In the case of item (1) above mentioned, if they refuse to leave the room, the crime is construed as "non-leaving". (Art. 130 the latter passage, the Penal Code) In this case, it is necessary to request the delegation to leave the room.

Encl 2.

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

(3) In case the specified time passes by and delegation refused to close the meeting and to leave the room:

(a) the crime is construed as "non-leaving". In this case, it is necessary to request clearly several times to close the meeting for the reason-specified time has passed.

(b) the crime is construed as "persistent demand".

(4) In negotiation, if there are threads, the crime is construed as "intimidation". (Art. 222, the Penal Code) In this case:

(a) Request clearly to close the meeting. (If this request is refused, the illegality becomes clear and this results in advantageous condition on the confirmation by the authorities.

(b) If there are facts that they show the attitude to hit you with raised hands, or they say, "We will kill you," "We will dismiss you," or "We will expose your scandal," etc., the "intimidation" is a matter of record.

(c) As to the abusive language above mentioned under item (b), this fact should be made clear, asking in return "Did you say you will kill me?2 etc. This, in some cases, is an affective measure against their demonstration.

(d) It is necessary, for future reference, to secure firmly the fact of illegality, especeally the speech and behaviour (the fact and the person) to injure or about to injure.

(5) In case the crime of "intimidation" is committed at the same time the crime of "illegal obstacle of execution of official business" generally. (Art. 95, Par. 1, the Penal Code)

(6) If it is requested in the sense of confirmation that you sign and seal the document on which the process of negotiation or matters requested are written, this request should be refused. In this case, if there are facts of threat or illegal request, the crime is assumed as "intimidation" or "persistent demand of official business" (Art. 95, Par. 2, the Penal Code). And in this case, the necessary condition is the same as (b) of item (1) above mentioned.

(7) As to the abusive language in negotiation, the crime is considered as "slander to honor" (Art. 230, the Penal Code) or "ensult to government official" (Art. 231, the Penal Code). As to the former, the nesessary condition is to point out the fact in public, and the words "in public" means "in the presence of persons" generally, therefore this can be applied even "in the presence of five or six officials". As to the latter, it is quite enough, as the necessary condition, to insult persons simply in public. For example, the words "Your fool!" forms the crime in theory. in this case it is necessary to secure the proof firmly.

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

Instruction for Tax Officials cont'd.

(8) At the meeting, if there are facts that chief of taxation office ar other officials are surrounded, deprived free actions and prevented from going out on official business, or from going home until late, etc., the crime is considered as "illegal confinement" (Art. 220, the Penal Code). In this case:

(a) Show clearly your intent to leave your seat.
(b) Arise from your seat and proceed to leave.
(c) Besides it is necessary to make the fact clear, asking, and repeating, "Are you going to shut me in here?", etc.

(9) In all these cases mentioned above, if there are facts that they take such actions as violence, threat or destruction of furniture by demonstrating the power of union or mass, they shall be held to be punished by "the law relating to the punishment of Violence etc., Art 1 - Art 3". In this case: Refer to the same points in relation to the crime of "intimidation" or "persistent demand".

(10) The attitude to be taken by chief of taxation office:

(a) In relation to the necessary condition of the crime above mentioned under items (1) - (9), it is most important that chief of taxation office should preserve a firm attitude and secure the concrete proof firmly. Therefore, make these points clear and leave on records without fail.
(b) If the situation of mass petition and demonstration are presupposed, inform the competent police station and the competent Military Government Team of the fact in detail, as soon as possible, and ask advise of them about the application of penalties above mentioned. If possible, inform them beforehand and ask the confirmation of the plea of negotiation.

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

012

17 March 1949

MEMO TO: All Team Commanders

SUBJECT: Tax Collections as of 10 March 1949

The figures on the chart inclosed herewith were released by the Osaka Finance Bureau and represent approximate collections for the first 10 day period in March.

FOR THE COMMANDING OFFICER:

1 Incl:
As Indicated

GEORGE MINARIK
Captain, CE
Adjutant

17

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

COLLECTIONS FOR FIRST 10 DAYS OF MARCH

All Taxes

	Total 2/28	First 10 Days	Total 3/10	Percentage
Osaka	21,876,065	1,074,737	22,950,802	78.4
Kyoto	8,707,486	307,222	9,014,708	81.0
Hyogo	12,809,355	756,985	13,566,340	85.0
Nara	1,488,850	69,970	1,558,820	68.4
Wakayama	2,037,885	100,239	2,138,124	72.3
Shiga	2,486,094	182,837	2,668,931	95.8
TOTAL:	49,405,735	2,491,990	51,897,725	80.6

Self Assessed Taxes

	Total 2/28	First 10 Days	Total 3/10	Percentage
Osaka	4,311,912	220,191	4,532,103	43.1
Kyoto	2,789,515	124,917	2,914,432	57.7
Hyogo	2,784,375	205,240	2,989,615	55.5
Nara	620,446	20,455	640,901	49.3
Wakayama	803,470	54,512	857,982	53.7
Shiga	1,255,802	78,022	1,333,824	89.9
TOTAL:	12,565,520	703,337	13,268,857	52.4

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

Report Control Symbol Mg-13

KYOTO MILITARY GOVERNMENT TEAM
APO 301 (Kyoto, Honshu)

JCS/hk

012

15 March 1949

SUBJECT: Letter of Transmittal

THRU: Commanding Officer Kinki Mil Govt Region, APO 25

TO: Commanding General I Corps, APO 301

In compliance with Operational Directive Number 48, Headquarters Eighth Army, dated 17 August 1948, transmitted herewith is Report on Surveillance of Japanese Tax Administration.

FOR THE COMMANDING OFFICER:

1 Incl:
As indicated.

THOMAS R. HARBIN
1st Lt. Infantry
Adjutant

012 1st Ind HLM/def

Hq Kinki Mil Govt Region, APO 25, 21 March 1949

TO: CG, I Corps, APO 301

G M

1 Incl:
n/c

(16)

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

012

15 March 1949

SUBJECT: Tax Surveillance Reports

TO: Commanding General
I Corps
APO 301

MG

2402

There are inclosed herewith two reports covering phases of the tax surveillance program. It is requested that these reports be forwarded to Mr. Harold Moss, head of the Internal Revenue Section, ESS, SCAP.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Captain, CE
Adjutant

2 Incls:
As indicated

5577

AG 012 - BA 1st Ind FFA/af

Hq I Corps, APO 301, MAR 22 1949

TO: CG, Eighth Army, APO 343

The two inclosed reports are forwarded for your information. Future reports originating in Kinki Mil Govt Region will not be directed to individuals in any higher headquarters.

FOR THE COMMANDING GENERAL:

A. SEIPEL
Lt Col, AGD
Asst Adj General

RECORDED
HQ I CORPS

2 Incls:
n/c

09697
(15)
2285 131

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

AGMGF 012 2nd Ind
SUBJECT: Tax Surveillance Reports. (15 March 1949)

Headquarters Eighth Army, APO 343 31 MAR 1949

TO: Supreme Commander for the Allied Powers, APO 500
Attention: Economic and Scientific Section, Internal Revenue Division

Recommend consideration of the suggestion of a "Postal Franking System" as mentioned in inclosure 2.

FOR THE COMMANDING GENERAL:

2 Incls
n/c

MONROE N. HINEY
Major, AGD
Asst Adj Gen

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

Ltr, Kinki Mil Govt Region, 012(15 Mar 49), subj: Tax Surveillance Reports, 15 Mar 49

AG 012.2(15 Mar 49)ESS/IR 3d Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500
21 April 1949

To: Commanding General, Eighth Army, APO 343

7607

The suggestions contained in the 2d Ind to the basic letter will be considered in connection with other proposed changes in procedures in use in Japanese tax offices.

BY COMMAND OF GENERAL MacARTHUR:

2 Incls
n/c

DONALD McLEOD
Captain, CAC
Actg Asst Adj Gen

4053

AGMGF 333.5 4th Ind 28 APR 1949

Headquarters Eighth Army, APO 343

TO: Commanding General, I Corps, APO 301

MG

2 Incls
n/c

J. A. O'B.

AG 012 - BA 5th Ind MAY 3 1949 EHN/tk/af

Hq I Corps, APO 301,

TO: CO, Kinki Mil Govt Region, APO 25

Attention is invited to the 3rd Indorsement.

BY COMMAND OF MAJOR GENERAL COULTER:

RECORDED
HQ I CORPS

Charlie Ramsey
C. W. O.
Asst. Adj Gen

2 Incls:
n/c

BA/2141

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

HEADQUARTERS
KINKI MIL GOVT REGION
Finance & Civil Property Section

HLM/km

15 March 1949

012

SUBJECT: Tax Surveillance Report

EMBEZZLEMENT OF TAX COLLECTIONS

1. The following information was ascertained by the undersigned subsequent to the disclosure in the Osaka Jiji, of tax embezzlement by tax office personnel in this region.

a. Four tax officers of the Hirakata Tax Office in Osaka Prefecture, became involved in a brawl in Kyoto City. In the course thereof, they set upon and beat a Mr. Hiroshi Tanaka of that city. Subsequently, following arrest and investigation by the Kyoto Police, it was learned that these tax officers had obtained the money for their soiree by embezzlement of tax funds over a period of several months. They implicated 4 additional members of that office and indications are that the amount of funds so embezzled may exceed several million yen. Prosecution for their offense is being prepared by the Procurator at Kyoto.

b. The method by which this embezzlement was effected is as follows: The tax collector would approach the taxpayer in an attempt to effect collection of delinquent taxes. Upon receipt of any tax funds he would prepare a receipt in duplicate, one of which would be given to the taxpayer, the other, numbered and retained in a bound volume, was submitted to the tax office with the collections. The collector, in these cases however, would insert a cardboard under the carbon paper so that only the original receipt was prepared. The carbon copy was prepared later, reflecting an amount substantially less than that in the receipt given to the taxpayer. The difference was retained by the tax officer.

c. Due to the antiquated accounting system and the long delay in checking on delinquent taxpayers, this defalcation could not be readily ascertained, and might conceivably never be challenged. It has been the experience of the undersigned frequently, that alleged delinquent accounts, upon investigation proved to have been paid in full. Conceivably what happens is that taxpayers present the receipts for full payment to the tax officials who subsequently investigate and the receipts are

Incl #1

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

accepted as valid evidence of complete payment, with no reference made to the duplicate receipts contained in the receipt book submitted by the tax collector. Potentially there are many millions of yen being diverted from revenue receipts by this device.

2. Upon learning of the facts of this case, the Osaka Finance Bureau was requested to prepare a report, a copy of which is enclosed herewith. The case was discussed at length with Mr. Yoshida, the director of the Bureau, to correct and eliminate this serious loss of revenue. It was suggested that taxpayers be provided with post cards upon which they could insert the amount reflected on the receipt which they receive from the tax collector, and that the postcard be stamped with their chop mark and mailed by them personally to the tax office. Upon receipt in the tax office, it would be compared with the receipt submitted by the tax collector, thereby creating an effective cross check. Mr. Yoshida was in accord with the procedure suggested and stated he would recommend the process for adoption to the Finance Ministry. One of the major concerns about this measure, however, is the cost of postage involved, inasmuch as their budget is rather limited for this item. A separate report is contemplated recommending consideration of a change in Japanese postal regulations which would permit franking privileges for government agencies, similar to that currently in existence in the U. S.

3. This report is submitted for your information and such coordination as may be warranted.

Harry L. Mangerich
H. L. MANGERICH
Chief, Finance & Civil Property

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

HEADQUARTERS
KINKI MIL GOVT REGION
Finance & Civil Property Section

HLM/km

012

15 March 1949

SUBJECT: Tax Surveillance Report

POSTAL FRANKING SYSTEM

1. Pursuant to investigations of a tax embezzlement case, it was learned that the Japanese postal system does not have franking privileges for official correspondence. Adoption of such a system could effect substantial savings in personnel and actual cash outlay in all government agencies, particularly in the postal system.

2. The following benefits that would accrue are suggested in favor of this system:

a. Reduction in use of stamps now required on all official correspondence;

b. Saving of time on behalf of personnel required to procure and affix stamps;

c. Elimination of stamp inventories maintained at all government agencies;

d. Elimination of loss and pilferage potentialities where stores of stamps must be maintained.

3. The desirability of such a system has been considered primarily in the light of its effect upon the tax collection program wherein it would prove a boon, but it is felt that the entire governmental structure would be generally benefited by adoption of the franking system.

4. The suggestion is submitted for such consideration and action as may be warranted.

Harry L. Mangerich
HARRY L. MANGERICH
Chief, Finance & Civil Property

Inc #2

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

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HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

14 March 1949

SUBJECT: Surveillance of Japanese Tax Administration

TO: Commanding General
Eighth Army
APO 343
ATTENTION: MG Section
INFO COPY TO: CG, I Corps, APO 301

1. In compliance with Operational Directive #48, Headquarters Eighth Army, 17 August 1948, the following information is submitted:

a. Total tax collections in the Kinki Military Government Region	¥ 40,420,683,000
b. Total February collections	¥ 8,985,052,000
c. Total, End of period	¥ 49,405,735,000

2. Major problems:

a. Anti-tax payment programs of the Communist-dominated organizations continue to be a critical hurdle in the tax collection program. Activities are more subtle and veiled but are still widely and actively carried on. Their publicity program, portraying all aspects of the tax program in a derogatory light, resorts to half-truths and distorted facts. Their program, because of the inherently onerous nature of oppressive taxation, appeals to all classes of society; consequently, people are flocking in droves to their standards since they represent themselves as champions of this cause. The disastrous effects of their efforts increase in a geometric ratio and bid fair to completely undermine the tax structure unless more positive and unified action can be resorted to in combating these insidious programs. Adequate taxpayer advice and cousel should be made available through approved organizations apart from tax offices which have a truly sympathetic approach to the taxpayers' problems. If need be, these organizations should be subsidized by the government, but should definitely be established to protect and guide the taxpayers' interests.

KM

(14)

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

b. Prosecutions also prove a stumbling block, due to lack of precedents, general apathy on the part of procurators, and inability of tax personnel to adequately prepare cases for successful prosecution. Internal Revenue specialists in this theater, freed of extraneous duties, might do much to guide the Japanese revenue personnel in this last respect. It is highly desirable to insure establishment of successful tax prosecution precedents, but current indications of such attainments are most unsatisfactory.

c. Training programs for personnel of tax offices have been outlined, and drafts prepared for consideration and criticism of tax offices. Operation of the program is held in abeyance pending approval of necessary funds. Need of adequately trained personnel continues to be a sore problem in the tax administrative and enforcement program. It appears highly desirable that these training programs be coordinated and effected as soon as practicable.

3. Operational assistance:

a. Visits to the Osaka Finance Bureau, prefectural teams, and tax offices are made as often as practicable. Problems arising relative to tax collections from the Settaifu (legalized prostitution), tax collection safeguards, and postal allowance are being made subjects of separate reports.

b. The Settaifu, it was ascertained after investigation, paid little or no taxes. It appeared that if the girls were independent contractors, the house owners would be subject to the transaction taxes payable by boarding houses; if they were employees, they would be subject to withholding taxes. The latter view prevailed; for the current year they will be required to file self-assessed tax returns and will be subject to withholding taxes in the future. The regional bureau has instructed tax officials to use as a guide, an income of ¥10,000 per month for these girls, in ascertaining current tax liability. Based on information available, this appears to represent a fair estimate of earnings.

c. It was learned upon inquiry that the Japanese tax collection system wherein taxes are collected personally by tax office representatives, is a fertile source of embezzlement and apparently widely resorted to. Collection receipts given the taxpayer and those submitted to the office with the collections are so prepared as to reflect a substantially lower amount in the latter. Such defalcations are difficult to trace

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

because of the antiquated accounting system and personnel shortage. A recent case in this area has brought to light embezzlement of very substantial sums by this device. It was recommended that taxpayers be provided with a postcard, in addition to the receipt, to be mailed personally to the tax office for comparison with the receipt submitted by the tax collector. The suggestion was favorably received and will be submitted to the Financ. Ministry for consideration and approval.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Captain, CE
Adjutant

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

HYOGO MILITARY GOVERNMENT TEAM
APO 317

DBC/mi

F

10 March 1949

SUBJECT: Surveillance of Japanese Tax Administration

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

1. In compliance with O.D. No.48, Headquarters Eighth Army, dated 17 August 1948, subject as above, the following report is submitted:

a. Total national tax collected at beginning of period: ¥10,610,720,000.

b. Total national tax collected during February ¥2,397,957.

c. The major problems confronting tax administration in this prefecture is as follows:

(1) Shortage of personnel in the tax offices.

(2) General reluctance of tax chiefs to be agressive in the collection of taxes.

d. Meetings were held with councilmen of several villages to obtain their support in the education and collection of taxes.

FOR THE COMMANDING OFFICER:

LOUIS C. HUTTON
Major, Cavalry
Executive Officer

13

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

BASIC: Ltr, Hq Hyogo Mil Govt Team, subj: Surveillance of Japanese Tax Administration, dtd 10 March 1949

1st Ind HHJ/def

Hq Kinki Mil Govt Region, APO 25, 14 March 1949

TO: CG, I Corps, A PO 301

H H J

FILE

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

COPY

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HIM/km

012

9 March 1949

SUBJECT: Japanese Tax Personnel Training Program

TO: All Team Commanders

1. Inclosed is a draft of the Osaka Finance Bureau's tax personnel training program contemplated for the Japanese for the fiscal year 1949.

2. The reaction of the tax officials, to whom this draft has been distributed, is desired, with their criticisms or suggestions for improvement.

BY ORDER OF COLONEL O'MOHUNDRO:

/s/ George Minarik
/t/ GEORGE MINARIK
Capt., CE
Adjutant

1 Incl:
As indicated

12

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

BASIC: Ltr, 012, Hq Kinki Mil Govt Region, APO 25, Subj: "Japanese Tax Personnel Training Program", dtd 9 Mar 49.

012 1st Ind HCG/th

Hq Osaka Mil Govt Team, APO 25, 23 March 1949

TO: CO, Kinki Military Government Region, APO 25

1. In compliance with paragraph 2, basic letter, the following report is submitted.

2. The tax offices listed below have not received a copy of the subject training program from the Osaka Finance Bureau, Fuse, Yao and Ikuno.

3. The remaining tax offices believe the outline of the program to be good and could offer no suggestions for improvement. However, several tax offices have misinterpreted the provisions of the training activities in the local tax office by indicating that they do not intend to conduct a one-half hour lecture or practical work period each day for three months due to their constant on-the-job training of inexperienced personnel, and the increasing pressure of taxation problems.

FOR THE COMMANDING OFFICER:

Harold G. Doty

HAROLD G DOTY
Lt Col, Infantry
Adjutant

Inc
w/d

2608

3/82 4 OMG

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

TRANSLATION COPY

TRANSLATION COPY

SUBJECT: Training Plan for Revenue Officers for Fiscal Year 1949

TO: Section Chiefs, Osaka Finance Bureau
Chiefs, Local Tax Offices

It is at present, increasingly desirous to accelerate and stimulate the taxation program in order to attain a sound national finance. It is obvious that the ability of the revenue officer very much affects the amount of revenue. For the most part, the present officers in charge are not experienced, and this is proving to be a weak point in the structure of today's revenue system. It is therefore necessary that a number of competent officials be first trained to enhance the revenue campaign.

I am endeavoring to carry out as effectively as possible our budgetary plans. As you will see by the papers annexed, to accomplish this, the abilities of the officers must first be developed effectively by practical training.

The attached plan is nothing more than a provisional draft, but may be used tentatively as a reference in the management of your training program. I am expecting to advise you at a later date of the actual plan of practice, based on the budget for the fiscal year 1949.

Director,
Osaka Finance Bureau

Incl.

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

TRANSLATION COPY

TRANSLATION COPY

TRAINING ACTIVITIES IN THE LOCAL TAX OFFICES

I. General Training

1. The object of this lecture is to educate personnel employed in the local offices and inexperienced officials, and give them a fundamental knowledge of various tax laws and regulations.

2. Courses will be on income tax, corporation tax, succession tax, ledger of land and house, liquor tax, commodity tax, transaction tax, collection law of national tax, calculation by domestic calculating machine, and interpretation of other important rules and regulations.

3. Term: 1-2 hours per day for 3 months, but if necessary, the course will be repeated, depending on status of training.

4. Lecturers: Some officer from among the local offices.

5. Text: To be distributed by OFB.

6. An examination shall be held upon completion of the course.

II. Practice

1. Object of this training: For 3rd grade officials experienced no longer than 3 years.

2. Text: Interpretation of laws and regulations and handling of internal business, and furthermore, direction of practical inspections relative to income tax, corporation tax, general indirect tax, collection business, and fiscal laws.

3. Term: 1-2 hours per day for a term of 2-3 months, which may be repeated.

4. Lecturers: Officers in the local offices.

5. Upon completion of the course, an examination shall be held.

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

TRANSLATION COPY

TRANSLATION COPY

TRAINING PLAN FOR REVENUE OFFICERS FOR FISCAL YEAR 1949 (Draft)

I. Osaka Finance Bureau's plans for 1949 are:

1. A basic knowledge of taxation in general shall be given to all novice employees among the general taxation personnel and revenue officers.

2. For the officers in the three grades who have not yet completed their tax business training and have been employed less than 3 years, interpretation of law, treatment of office administration, and direction of practical investigations are set out for training.

3. For those officers in the same rank who already have some experience, (no longer than 5 years) the so-called middle class officers, technical education will be given.

II. Practice

1. Basic course in general

a. For new employees in the tax office, or not yet fully qualified officers.

b. Term: 30 days, 100 persons per course, 6 terms a year.

c. Courses: Income tax, corporation tax, succession tax, law of ledger of land and house, liquor tax, commodity tax, stamp duty, textile excise, transaction tax, tax collection law, fiscal law, civil code and civil procedure code, criminal code and criminal procedure code, and other principal items pertaining to the tax business.

d. Training place: Osaka Branch of Tax Training School. The students shall be generally arranged for in the government dormitory.

e. Teachers: Professional personnel and some officers from OFB shall be appointed.

f. Text and code shall be supplied by the OFB.

g. Upon completion of the course, an examination shall be held.

III. Professional practice

1. This course is for middle class officers experienced in practice less than 3 years.

2. The terms of this course are listed below, and especially to be

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

fostered is a professional knowledge regarding actual practice.

a. Practice in income tax business (particularly investigations) 3 sessions

b. Practice in corporation tax business (particularly investigation practice) 5 sessions.

c. Practice in general indirect tax (particularly disposition of offenses) 3 sessions.

3. Term: 10-25 days

4. Training place: OFB and near local tax offices.

5. Lecturers: Some representatives from OFB or local tax offices.

6. Text and bulletin for practice shall be supplied by OFB.

7. Upon finishing the course, an examination will be held.

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

FFA/mo

AG 012 - BA

SUBJECT: Status of Japanese Tax Collections for the Fiscal Year 1948-49

11 MAR 1949

TO : See Distribution

1. Inclosure No. 1, a table of the Status of Tax Collections for the period 1 April through 28 February, was compiled from reports submitted by military government teams having direct supervision over regional offices of the Japanese Ministry of Finance.

2. The approach of the end of the Japanese fiscal year, and the attainment in many instances by local tax offices of 100% of their assigned goal will create a tendency for the Japanese officials to relax their efforts. Tax goals are only intermediate objectives. Military government regions and team commanders will continue surveillance of this program to the end that all taxes due are collected.

BY COMMAND OF MAJOR GENERAL COULTER:

1 Incl:
Status of Jap. Tax Collections,
1 Apr - 28 February

C. C. CARTER
Colonel, AGD
Adjutant General

DISTRIBUTION:
2 ea MG Region & Team
I Corps Z/R
3 AG Rec, I Corps
3 Eighth Army, MG Sect.
3 F & CP Section

11

HEADQUARTERS I CORPS
Military Government Section
Economics Division

8 March 1949

STATUS OF TAX COLLECTIONS
FOR PERIOD 1 APRIL - 28 FEBRUARY

(1) PREFECTURE	(2) PERIOD QUOTA 1 Apr - 28 Feb	(3) TOTAL COLLECTED 1 Apr - 28 Feb	(4) % OF PERIOD COLLECTED	(5) 1948-1949 GOAL	(6) % OF TOTAL GOAL COLLECTED
CHUGOKU REGION					
Shimane	* 1.300	* 1.488	114.4	* 1.536	96.9
Yamaguchi	4.639	4.544	98.0	5.482	82.9
Hiroshima	5.928	5.774	97.4	7.006	82.4
Okayama	3.743	3.628	96.9	4.423	82.0
Tottori	.909	.869	95.6	1.074	80.9
TOTAL	16.480	16.303	98.9	19.521	83.5
TOKAI REGION					
Toyama	2.533	2.965	117.0	2.994	99.0
Ishikawa	2.583	2.798	108.3	3.057	91.5
Fukui	1.510	1.584	104.9	1.785	88.7
Mie	3.264	3.098	94.9	3.858	80.3
Gifu	3.398	3.176	92.8	4.016	79.8
Aichi	14.726	13.382	90.9	17.404	76.9
TOTAL	28.014	27.003	96.4	33.114	81.5

* Billions of Yen

Incl. 1

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

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

STATUS OF TAX COLLECTIONS
FOR PERIOD 1 APRIL - 28 FEBRUARY

(1) PREFECTURE	(2) PERIOD QUOTA 1 Apr - 28 Feb	(3) TOTAL COLLECTED 1 Apr - 28 Feb	(4) % OF PERIOD COLLECTED	(5) 1948-1949 GOAL	(6) % OF TOTAL GOAL COLLECTED
KYUSHU REGION					
Nagasaki	3.260	3.410	104.6	3.853	88.5
Miyazaki	1.546	1.557	100.7	1.827	85.2
Saga	2.109	2.054	97.4	2.492	82.4
Fukuoka	12.815	12.295	95.9	15.146	81.2
Oita	2.423	2.133	88.0	2.864	74.5
Kumamoto	4.228	3.531	83.5	4.997	70.7
Kagoshima	2.863	2.385	83.3	3.384	70.4
TOTAL	28.270	27.365	96.8	34.563	79.2
SHIKOKU REGION					
Kagawa	1.930	1.995	103.4	2.281	87.5
Ehime	2.997	2.651	88.5	3.424	77.4
Tokushima	1.471	1.278	86.9	1.739	73.5
Kochi	1.675	1.397	83.4	1.980	70.6
TOTAL	8.073	7.321	90.7	9.424	77.7

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

STATUS OF TAX COLLECTIONS
FOR PERIOD 1 APRIL - 28 FEBRUARY

(1) PREFECTURE	(2) PERIOD QUOTA 1 Apr - 28 Feb	(3) TOTAL COLLECTED 1 Apr - 28 Feb	(4) % OF PERIOD COLLECTED	(5) 1948-1949 GOAL	(6) % OF TOTAL GOAL COLLECTED
KINKI REGION					
Shiga	2.357	2.481	105.3	2.786	89.1
Hyogo	13.503	12.776	94.6	15.958	80.0
Kyoto	9.414	8.510	90.4	11.126	76.5
Osaka	24.746	21.747	87.9	29.245	74.4
Wakayama	2.523	2.061	81.7	2.982	69.1
Nara	1.926	1.468	76.2	2.276	64.5
TOTAL	54.469	49.043	90.0	64.373	76.2
		RECAPITULATION			
CHUGOKU REGION	16.480	16.303	98.9	19.521	83.4
TOKAI REGION	28.014	27.003	96.4	33.114	81.5
KYUSHU REGION	28.270	27.365	96.8	34.563	79.2
SHIKOKU REGION	8.073	7.321	90.7	9.424	77.7
KINKI REGION	54.469	49.043	90.0	64.373	76.4
I CORPS Z/R	135.306	127.149	94.0	160.995	79.0

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

9 March 1949

012

SUBJECT: Reports of Tax Collections

TO: Director
Osaka Finance Bureau

1. It is requested that you compile and submit to the Finance and Civil Property Section, Kinki Military Government Region, the following reports:

a. Total taxes collected exclusive of transaction taxes (stamp);

b. Self-assessed income taxes collected.

2. The reports should reflect total amounts collected and percentage of goals attained.

3. The reports should conform to the Finance Ministry tri-monthly reporting periods, i.e. first to tenth of month, eleventh to twentieth of the month, and twenty-first to month end, and submitted so as to reach this office not later than 1500 hours of the fifth day following the close of the period reported upon.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Capt., CE
Adjutant

10

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

9 March 1949

012

SUBJECT: Japanese Tax Personnel Training Program

TO: Commanding General
I Corps
APO 301
ATTENTION: MG Section

1. Inclosed is a draft of the Osaka Finance Bureau's tax personnel training program contemplated for the Japanese fiscal year 1949.

2. The plan is submitted for information purposes and such coordination measures as may be warranted. It is requested that this be forwarded to GHQ, Attention Mr. James Monroe, ESS Internal Revenue.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Capt., CE
Adjutant

1 Incl:
As indicated

9

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

CORRECTION

THIS DOCUMENT

HAS BEEN REPHOTOGRAPHED

TO ASSURE LEGIBILITY

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HLM/km

9 March 1949

File

012

SUBJECT: Japanese Tax Personnel Training Program

TO: Commanding General
I Corps
APO 301
ATTENTION: MG Section

1. Inclosed is a draft of the Osaka Finance Bureau's tax personnel training program contemplated for the Japanese fiscal year 1949.

2. The plan is submitted for information purposes and such coordination measures as may be warranted. It is requested that this be forwarded to GHQ, Attention Mr. James Monroe, ESS Internal Revenue.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Capt., CE
Adjutant

1 Incl:
As indicated

KM

9

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

NARA MILITARY GOVERNMENT TEAM
APO 25, Unit 4

RBS/kn

7 March 1949

SUBJECT: Efficiency Report, Matano, Yoshino Tax Office

TO : Lt Col E. G. HICKMAN, SMGO, Nara Mil Govt Team, APO 25, Unit 4

This tax chief Matano has displayed qualities indicative of inefficiency and lack of initiative and cooperativeness in the overall tax program.

His exercise in leadership over officials is not authoritative, which in my estimation is highly undesirable and tends to destroy the efficiency of the tax office and offers his employees opportunities to practice undemocratic methods in execution of their duties.

Routine reports requested by Military government are inaccurate and usually it requires several attempts to get an accurate report.

This tax official is reluctant to prosecute evaders.

The general appearance and manners of this chief are uncommonly unofficial and unbecoming and sadly lacking in prestige. He possesses none of the qualities of self esteem which are necessary for an official in his position. The integrity of tax officials is very important to the tax collection program. I have conducted meetings of taxpayers and village chiefs in the presence of this person and have been dissatisfied with his manner of performance before the public. His manner of presenting tax collection to the people is apologetic, somewhat unqualified and insincere.

I do not think he is confident in his own qualifications and knowledge and afraid to face issues.

The faults of this chief have been pointed out to him, not directly, but in process of routine admonitions. It is recommended that he be officially reprimanded by Japanese officials and that this report be made a matter of record should this tax chief fail to show improvement and it is desired that he be removed through Military Government processes.

Attached as inclosure 1 is report of Sgt. F. G. Cihlar, Non-Commissioned Officer in charge of tax surveillance, Yoshino District.

1 Incl:

/s/ Robert B. Schoos
ROBERT B. SCHOOS
Capt, FA
Finance and Civil Property Officer

(8)

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

BASIC: Ltr, Nara Mil Govt Team, (Capt Schoos), APO 25, Unit 4, dtd 7 Mar 49, subj: "Efficiency Report, Matano, Yoshino Tax Office"

012 1st Ind EGH/kn

Nara Mil Govt Team, APO 25, Unit 4, 16 Mar 49

TO: Commanding Officer, Kinki Mil Govt Region, APO 25

1. Basic communication is forwarded with the request that Japanese officials of the Osaka Financial Bureau be advised of the desirability of such a reprimand at this time.

2. Lack of aggressiveness on the part of officials is having a detrimental effect on the Tax Collection Program in this prefecture.

Incl:
n/c

/s/ E. G. Hickman
E. G. HICKMAN
Lt Col, FA
Commanding

012 2nd Ind HLM/km

Hq Kinki Mil Govt Region, APO 25, 8 APR 1949

TO: CO, Nara Mil Govt Team, APO 25, Unit 4

1. Pursuant to your request based on the Efficiency Report, Matano, Yoshino Tax Office, a request for information was made to the Osaka Finance Bureau relative to the tax chief in question. A copy of their investigation is inclosed herewith for your information.

2. In the event this tax official continues to demonstrate inability to properly conduct activities of the tax office, you are requested to submit additional facts and a request will be made for his transfer or removal.

BY ORDER OF COLONEL O'MOHUNDRO:

GEORGE MINARIK
Captain, CE
Adjutant

1 Incl:
w/d Eff Rpt, Tax Sur Team
added OFB Rpt

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

HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

WT/kk

012

7 March 1949

SUBJECT: Selection of "Model Tax Offices"

TO : All Team Commanders

1. It is the belief of this headquarters that, to a certain extent, tax publicity has been of a negative and derogatory nature; that is to say, in some instances tax collection offices have been criticized by the press as being inefficient, unbusinesslike, poorly managed, and discourteous to the taxpayers. Perhaps all of the bad points and too few of the good points have been stressed.

2. It might be possible to shift this emphasis to something more positive in approach. It is desired that Civil Information Officers urge groups of newspaper reporters to visit tax offices with the purpose not to seek out and criticize the worst but to select and give favorable publicity, in the form of feature articles, to the best. Leading newspapers should be encouraged to send groups of four or five reporters each out on this mission, each reporter carrying with him an improvised checklist. Following this, the reporters should meet together and decide which tax office in the area to publicize.

3. It is believed that the shift in emphasis mentioned above will be a source of surprise to the taxpaying public. The feature articles will not only "puff up" the noteworthy tax office, giving it "a new lease on life", but will also point the finger, indirectly, in veiled language, at the others, inspiring them to improve themselves so that they too can look forward to favorable publicity.

4. Recently the Regional Civil Information Officer outlined this plan to editors and reporters in two prefectures. Even those connected with small weekly newspapers expressed enthusiasm. The plan is worth trying.

FOR THE COMMANDING OFFICER:

HARRY H. JACKSON
1st Lt Inf
Asst Adjutant

WT

7

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

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 091.311(9 Feb 49)ESS/FIN 5 March 1949

SUBJECT: Surveillance of Japanese Customs Service

TO: Commanding General
Eighth Army
APO 343

1. References:

a. Memorandum for the Japanese Government, AG 091.311(2 Aug 47) ESS/FIN, (SCAPIN 1756) subject: Customs Inspection of International Parcel Post, Samples and Small Packets.

b. Letter of Instructions to Ministry of Finance, AG 091.311 (30 Oct 47)ESS/FIN, subject: Customs Inspection of International Parcel Post, Samples and Small Packets.

c. Letter of Instructions to Ministry of Finance, AG 091.311 (17 Feb 49)ESS/FIN, subject: Customs Inspection of International Parcel Post, Samples and Small Packets.

d. Letter to Commanding General, Eighth Army, AG 091.311(8 Nov 47)ESS/FI, subject: Surveillance of Japanese Customs Service.

2. Reference 1a directs the Japanese Government to operate customs inspection and examination of International Parcel Post, Samples and Small Packets. Reference 1b authorized the establishment of customs units in exchange post offices at Tokyo, Osaka, Moji, Shimonoseki and Nagasaki in addition to Yokohama on or after 15 November 1947. Reference 1c now authorizes the establishment of an additional customs inspection unit in the exchange post office at Kobe on 15 March 1949.

3. Surveillance instructions contained in reference 1d remain unchanged and will be applicable at Kobe.

BY COMMAND OF GENERAL MacARTHUR:

/s/ J W Williams
/t/ J W WILLIAMS
Major, AGD
Asst Adj Gen

(6)

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

BASIC: Ltr GHQ, SCAP, file AG 091.311, subj: Surveillance of Japanese Customs Service, dtd 5 March 1949

AGMGL 012 1st Ind

SUBJECT: Surveillance of Japanese Customs Service (5 Mar 1949)

Headquarters Eighth Army, APO 343, 11 March 1949

TO: Commanding General, I Corps, APO 301

Forwarded for your information and compliance with par 3 of basic letter.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

/s/t/ MONROE N HINEY
Major, AGD
Asst Adj Gen

AG 091.31 - BA 2nd Ind ea/dcf

Hq I Corps, APO 301, 15 March 1949

TO: CO, Kinki Mil Govt Region, APO 25

Forwarded for information and compliance with 1st indorsement.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/t/ WILLIAM A FRANKS
Major, AGD
Asst Adj Gen

091.31 3rd Ind HLM/def

Hq Kinki Mil Govt Region, APO 25, 21 March 1949

TO: CO, Osaka Mil Govt Team, APO 25

GM

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

AGMGL 012 1st Ind
SUBJECT: Surveillance of Japanese Customs Service (5 Mar 1949)

Headquarters Eighth Army, APO 343 11 Mar 1949

TO: Commanding General, I Corps, APO 301

File

Forwarded for your information and compliance with par 3 of basic letter.

BY COMMAND OF LIEUTENANT GENERAL WALKER:

/s/ Monroe N. Hiney
MONROE N. HINEY
Major, AGD
Asst Adj Gen

AG 091.31 - BA 2nd Ind FLR/ea

Hq I Corps, APO 301, Mar 15 1949

TO: CO, Kinki Mil Govt Region, APO 25

Forwarded for information and compliance with 1st indorsement.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/ William A. Franks
WILLIAM A. FRANKS
Major, AGD
Asst Adj General

091.31 3rd Ind RFS/km

Hq Kinki Mil Govt Region, APO 25, 22 Mar 1949

TO: CO, Hyogo Mil Govt Team, APO 317

Attention is invited to 1st indorsement and to Operational Directive #60, 1947, pertaining to surveillance activities.

BY ORDER OF COLONEL O'MOHUNDRO:

GEORGE MINARIK
Captain, CE
Adjutant

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

af/dcf

3 March 1949

AG 012 - BA

SUBJECT: Request for Information Pamphlet, Japanese Taxes

THRU: Commanding Officer, Kinki Military Government Region
APO 25

TO: Commanding Officer, Nara Military Government Team
APO 25-4

1. Reference, paragraph 3k of report (Reports Control Symbol MG-13) for January.

2. Request the English and Japanese copies of the information pamphlet of official instructions mentioned in the above reference be forwarded to this headquarters for information and file.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/ Charlie Ramsey
/t/ CHARLIE RAMSEY
CWO USA
Asst Adj Gen

012 1st Ind HLM/def

Hq Kinki Mil Govt Region, APO 25, 5 March 1949

TO: CO, Nara Mil Govt Team, APO 25-4

HLM

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

BASIC: Ltr, Hq I Corps, APO 301, file No. AG 012 - BA, dtd 3 Mar 49,
Subj: "Request for Information Pamphlet, Japanese Taxes".

012, 2nd Ind TM/kn

Nara Mil Govt Team, APO 25, Unit 4, 24 Mar 49

TO: Commanding Officer, Kinki Mil Govt Region, APO 25

Information pamphlet referred to in basic communication is still in the process of preparation. Copies in English and Japanese will be forwarded to HqI Corps thru your headquarters upon completion.

FOR THE COMMANDING OFFICER:

/s/ Joseph W Donovan
/t/ JOSEPH W DONOVAN
Capt, Inf
Adjutant

012 3rd Ind HLM/def

Hq Kinki Mil Govt Region, APO 25, 25 March 1949

TO: CO, I Corps, APO 301

G. M.

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

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

af/dcf

AG 012 - BA

3 March 1949

SUBJECT: Transmittal of a Procurator's Office Report

THRU: Commanding Officer, Kinki Military Government Region
APO 25

TO: Commanding Officer, Osaka Military Government Team
APO 25

1. Attached herewith is a report of tax evasion cases from the Procurator's Office.

2. The subject report is a matter pertaining to your command.

BY COMMAND OF MAJOR GENERAL COULTER:

/s/ William A Franks
/t/ WILLIAM A FRANKS
Major, AGD
Asst Adj General

1 Incl:
As indicated

012 1st Ind FAF/dcf

Hq Kinki Mil Govt Region, APO 25, 5 March 1949

TO: CO, Osaka Mil Govt Team, APO 25

1 Incl:
n/c

GM

FILE

(4)

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

COPY

012

KINKI LIAISON & COORDINATION OFFICE
Prefectural Building
OSAKA

SY/ai

KKLCO No. 186 GA

1 March, 1949

TO : Commanding Officer,
Kinki Military Government Region
(ATTN: Mr. H. L. Mangerich,
Finance & Civil Property Sec.)

SUBJECT: Prosecution of Tax Evasion Cases
(Re: Point System)

This office is in receipt of a copy of KLCO Information No. 130, subject as above, dated 25 February 1949, sent from the Kyoto Liaison & Coordination Office to I Corps.

A copy of the above is inclosed herewith and submitted for your information.

/s/ S. Shima
/t/ S. Shima
Director

Incl: As stated above.

3

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

BASIC: Ltr, Kinki Liaison & Coordination Office, subj: "Point System in Prosecution of Tax Evasion", dtd 1 Mar 49

012 1st Ind WHO/sy

Hq Kinki Mil Govt Region, APO 25, 3 Mar 49

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

Following a conversation with SMGO on above subject I requested the Kinki Liaison Office to obtain further information thereon. Herewith a copy of report from that office.

WILEY H. O'MOHUNDRO
Colonel Infantry
Commanding

1 Incl:
a/s

File

84