

GHQ/SCAP Records (RG 331, National Archives and Records Service)

Description of contents

- (1) Box no. 2896
- (2) Folder title/number: (29)
010: Taxes
- (3) Date: June 1946, Aug. 1946

(4) Subject:	Classification	Type of record
	9140, 9530	e

- (5) Item description and comment:
Hyogo & Osaka

- (6) Reproduction: Yes No

- (7) Film no. _____ Sheet no. _____

(Compiled by National Diet Library)

012.2
Japan

HYOGO MILITARY GOVERNMENT TEAM
APO 317 (Kobe, Honshu)

E-2

19 August 1946

SUBJECT: Taxes Levied by the Japanese Government on Salary
of Foreign National Employees.

TO: Supreme Commander for the Allied Powers
APO 500. (THRU CHANNELS)

1. Attention is invited to the attached copies of letters from employees of this organization protesting the payment of salary tax and general income tax.
2. In view of the high cost of living and the comparatively low salaries paid foreign national employees in Japan it is felt that the payment of from 25% to 33% of the salary in taxes is unreasonable.
3. It is strongly recommended that, if possible, some adjustment be made whereby the amount of tax to be paid by non-enemy nationals be reduced at least 50% of the present rate.

2 Incls;

1. Ltr. Jean Weill,
Hyogo Mil Govt
Team, subj: "Taxes
Levied by Japanese
Government" dtd 14 Aug 46.
2. Ltr. Maurice Thieck, Hyogo
Mil Govt Team, subject as
in No. 1, dtd 18 Aug 46.

/s/ Peter W. Scott
/t/ PETER W. SCOTT
Lt. Col., Inf.
Commanding

BASIC: Ltr, Hyogo Mil Govt Team, Subj: "Taxes Levied by the Japanese Government on Salary of Foreign National Employees," dtd 19 August 1946.

AG 012 - BA

1st Ind

CHT/hy

Hq I Corps, APO 301, 28 AUG 1946

TO: CG, Eighth Army, APO 343

This headquarters does not agree with recommendation expressed in paragraph 3 of basic communication, and does not believe that Foreign Nationals residing in Japan and not employed and paid directly by the United States Government should be exempted from the payment of salary, general income, or other taxes.

FOR THE COMMANDING GENERAL:

2 Incls;
n/s

MG

14 August 1946

SUBJECT: Taxes levied by Japanese Government.

FROM : Jean Weill, French Citizen, Foreign National Employee, Hyogo Military Government Team, Kobe.

TO : Lt. Col. P. W. Scott, Commanding, Hyogo Military Government Team, APO 317.

1. On calling at the Yokohama Specie Bank at Kobe today, I was notified of a Debit against my blocked salary account for Y 180.- in respect of SALARY TAX on my July salary which has been settled partly in cash and balance by credit of my blocked account on 12 August.

2. This amount represents exactly 9% of the total monthly salary earned.

3. I was informed that my future monthly earnings would be subject to similar tax adjustment; and furthermore that, besides this SALARY TAX another assessment would be made on my total yearly income in respect of "GENERAL INCOME TAX" to be paid quarterly during next year.

4. It seems illogical that a portion of the salaries of Allied Nationals which the defeated Japanese Empire is thus made to pay to them in remuneration of their work for the U.S. Forces, now occupying the country, should thus revert to this defeated nation in the form of taxes levied by its government from those Allied Nationals.

5. While it is only fair that foreigners residing in Japan contribute their share to the yearly budget of the country, I strongly object, as one of those Allied nationals, to be thus made to bear, however small it may be, a share of the defeat which this country has been submitted to by the Allied Powers.

6. As a suggestion to a fair adjustment of this question which involves both prestige and material satisfaction I propose:

- a. That the salary tax be abolished on all wages earned by Allied Nationals on the grounds that "This salary tax was not enforced until April 1940, i.e., nearly three

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- 2 -

years after Japan had become involved in large military and armament problems subsequent to the outbreak of the China incident in 1937, and would thus come under the definition of a special "War or Armament Tax."

- b. That the General income tax to be assessed to all Allied nationals should be figured on the basis of those rates which prevailed in 1937.

7. The above matter is respectfully put before you with an aim at obtaining an appropriate decision on from those authorities concerned after careful consideration by them.

/s/ Jean Weill (French Citizen)
/t/ JEAN WEILL (FRENCH CITIZEN)

Foreign National Employee,
Hyogo Military Government Team,
Prefectural Building, Kobe, Honshu.

Info Copy to:
French Mission - G. H. Q., SCAP
APO 500.

18 August 1946

SUBJECT: TAXES LEVIED BY JAPANESE GOVERNMENT**From : Maurice Thieck - French Citizen. Foreign National Employee. Hyogo Military Government Team.****TO : Lt. Col. P.W. SCOTT Commanding
Hyogo Military Government Team
APO 317**

1. The YOKOHAMA SPECIE BANK has notified me that, in accordance with the Japanese Law of April 1940, a TAX of 9% had been deducted from my salary for April, May and June 1946 and that such tax would apply to future earnings.

2. Besides this and in conformity with the same law, a "GENERAL INCOME TAX" was to be paid quarterly, according to a set scale which on a monthly salary of ¥1.600.- i.e. ¥ 19.200.- a year would amount to ¥ 6.426.- or 33.46%.

3. Willing and prepared as I am to pay reasonable taxes I have, however, to object and to protest against this states of affairs.

4. It is illogical and unfair for Allied Nationals employed by Occupation Forces, to be called upon to bear any part of such costs and reparations as are due to Japan's defeat.

5. It is, furthermore, somewhat ironical, since many of these Allied Nationals are still awaiting either the return of properties confiscated or sold by the Japanese Government, or the payment of some sort of an indemnity for such other properties which were looted by its Agents.

6. This being a question of moral prestige as well as of material possibility of meeting the systematical increase of the cost of living, I would suggest as a fair and adequate alternative;

- A. That the "SALARY TAX" now levied on wages paid by Occupation Forces to Allied Nationals, be totally abolished on the contention that such was enforced only in April 1940; nearly three years after Japan had become involved in large military and armament problems subsequent to

incl 24

the China Incident and that, consequently, such a Tax is definitely a "SPECIAL WAR AND ARMAMENT TAX" from which Allied Nationals ought to be completely exempted.

B. That the "GENERAL INCOME TAX" to be paid by Allied Nationals be assessed on the basis of those rates as were prevailing prior to the outbreak of hostilities with China in 1937.

7. The above is respectfully submitted for your consideration and for the purpose of obtaining an appropriate decision from the authorities concerned.

/s/ Maurice Thieck
French Citizen
/t/ MAURICE THIECK
FRENCH CITIZEN

Foreign National Employee
Hyogo Military Government Team
Kobe (Honshu)

C O P Y

OSAKA MAIN EXCHANGE
APO 25
OSAKA, HONSHU

26 June 1946

SUBJECT: Income Tax.

TO : 109th Military Government Co.
: Attn.: Labor Section.

1. In compliance with instructions received from the 25th Division Finance Disbursing Section, APO 25, the Yokohama Specie Bank, Ltd., this city, embarked on deducting 18% income Tax from the monthly salary of the Foreign Nationals working with the U.S. army in Osaka.

2. The 186th Finance Disbursing Section of Kobe Base, APO 317, did not issue similar instructions to Kobe Banks where the Civilian Employees have not been taxed.

3. Request clarification and correction of above discrimination.

R. M. LERNER
1st Lt QMC
Exchange Officer

BASIC: Ltr, Osaka Main Exchange, APO 25, dated 26 June 1946,
Subject: "Income Tax".

1st Ind

Hq, 109th Mil Govt Hq & Hq Co, APO 660 (Osaka, Japan) 2 Jul 46

TO: CG, I Corps, APO 301 (Kyoto)
(ATTN: Mil Govt Sec)

Forwarded for proper disposition.

For the Commanding Officer:

HARRY M. WEINREBE
1st Lt, CWS
Adjutant

AG 012.2 - BA

2nd Ind

RWC/sy

Hq I Corps, APO 301, 12 JUL 1946

TO: CG, 25th Inf Div. APO 25.

1. Attention is invited to par 1, basic communication.
2. This headquarters has no knowledge of any authorization for the instructions alleged to have been given to the Yokohama Specie Bank, Ltd.
3. Unofficially, it has been learned that at some time in the near future an income tax will be levied, but indications are that it will not exceed 9 per cent.
4. It is desired that necessary corrective action be taken.

BY COMMAND OF MAJOR GENERAL WOODRUFF:

775013

HEADQUARTERS I CORPS

FILE: _____ SOURCE: Military Government, Procurement Section

DATE: _____ SUBJECT: Income Tax

TO:

CG _____	Arty _____	I & E _____	Pro _____
C/S _____	Chap _____	IG _____	Prov Ct _____
G-1 _____	Cml _____	JA _____	QM _____
G-2 _____	Dep Housing _____	JSPS _____	Rectg _____
G-3 _____	Engr _____	163 Lang Det _____	Red Cross _____
G-4 _____	Fin <u>xxx(1) W.T.D.</u>	Mil Gov't <u>xxx(2)</u>	Sig _____
AG _____	Hq Co _____	Ord _____	Sp Sv _____
AECPO _____	Hq Cndt _____	PM _____	Surg _____

Date & Initials

Request comment on attached correspondence.

5 July RWC

This office has no official knowledge of any income tax to be deducted from the pay of Foreign Nationals. The local bank has informed this office that an income tax would—in all probability—be levied in the near future, but that the amount and effective date has not yet been settled.

W. T. D.
W. T. D.
Finance Officer
10 July 1946

(If additional space is required, use reverse side, BOTTOM end up).