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AG 010.5 (

)CAS-L

Validity of Collection By-law
for Special Wards

Howard D. Porter
74-1155 Ext 16

Civil Affairs

ESS

1. The inclosed petition from Kiyoshi Murase, Standing Director of Special Wards Mayors' Association, Mayor of Chiyoda-ku, Tokyo, is forwarded for your information and comments upon which to base a reply.

1. Incl
ltr, Kiyoshi Murase, dtd
26 March 1951 w/3 incls

-----W.P.S.-----

6 April 51

ESS will answer direct with copy of
answer to us - HCS

LEG. & GOV'T FILE

C-1-45
37 APR 18 1951

March 26, 1951

TO : General of the Army Douglas MacArthur,
Supreme Commander for the Allied Power.

SUBJECT: On the Validity
of
the Special Payable Collection Bylaw
for Special Wards and the Bylaw concern-
ing the Special Ward Financial Coordi-
nation for the 1950 Fiscal Year established
by Tokyo Metropolis

FROM: Kiyoshi Murase, Standing Director of Special
Wards Mayors' Association, Mayor of Chiyoda-ku,
Tokyo.

On September 5, 1950 the Tokyo Metropolis has established these two bylaws as above and made the measure to let special wards pay the total amount of 1,835,760,000 yen back to Tokyo Metropolis from the amount of revenue, and to collect certain amount from several wards again in the aim to apply it for the fiscal demands of other special wards as the financial source of coordination for the purpose of the financial coordination for each special ward.

However, such a measure may be thought the most important problem which threatens the fundamental principle of the administration and the finance of special wards, local public entities.

Therefore, we heartily desire to have your special attention to give us some respectable answer for those affairs given below as soon as possible.

1. Is not it opposite against the fundamental principle of taxation that other local public entity, Tokyo Metropolis collect about 37.1% of taxes of special wards, which are local public entities according to the Local Autonomy Law, and spends it with the will of Tokyo-to only or to apply it for the fiscal source of other special wards?
2. Tokyo Metropolis established these two bylaws with the provisions of Article 282 of Local Autonomy Law. But is it a valid measure to establish such bylaws with that provisions?
3. What management shall be done by you as the supervisory agency if the thought of two paragraph above shall be not agreed?

Explanation:

(1) On Paragraph 1.

It is the common sense that the revenue of taxes must be served for the welfare and benefit of the inhabitant being spent as the public works expenses by the competent local public entity. Depending on the computation of Tokyo Metropolis the revenue of special wards in 1950 fiscal year is shown as below.

Total Amount of the Revenue of Special Ward Taxes

5,079 million yen 85%

Total Amount of the Other Revenue

598 million yen 15%

Total 5,677 million yen 100%

As the result to be forced to pay 1,835,760,000.00 yen (32% of total revenue) among the above total to Metropolis with this bylaw, the most revenue of taxes can not be reduced to the ward inhabitants being applied for other expenses, not for the autonomous administration of special ward which is original purpose. To this fact the Tokyo Metropolis claims back that there is no question because this amount shall be spent on the public works for the benefit of the Metropolitan inhabitant, the special wards inhabitant. But this claim is in lack of the knowledge of the real autonomous meaning that each local public entity collects taxes as an unit and must carry on the public works in its responsibility, and is opposite against the original spirit of taxation.

Second, it is also opposite against the original idea of taxation with same reason as above to apply the revenue of taxes of special wards which are local public entities for the fiscal demands of other local public entities, special wards. If the financial coordination between each wards is necessary, on the basis of same spirit of Equalization Grant of Government Tokyo Metropolis must apply a part of the revenue of taxes of itself (especially those taxes corresponding the city taxes such as Fixed Property Tax, Electric & Gas Tax, and Advertisement Tax etc.) for it. We can hardly find out such a power like that the Metropolitan governor can freely give or take the revenue of taxes of each special ward.

(2) On Paragraph 2.

On Article 282 we interpret that this provisions is the paragraph established due to the necessity of smooth development and operation of the autonomous administration for metropolis and special wards, and never be such a plenary one that To shall be able to establish such provisions as denys the law or neglects the spirit of laws.

The provisions of same Article is on this spirit and must not be contrary to this limit. Furthermore, it must be out of argument to forcibly collect up any tax collected by autonomous entity. If such bylaws were Lawful, Tokyo Metropolis would be able to provide in one hand any burden or restriction for special wards; and there would be much dangerousness to be taken out the autonomous power that was given to special wards as local public entities with the provisions of Article 1 para.3 and Article 283 of Local Autonomy Law. We really wish to get your clear decision as the administrative example of afterward.

(3) History of Establishing these Bylaws.

23 Special Wards have made a great movement conjointly to establish the financial autonomous power from last September. On last March depending on the recommendation of Local Autonomous Agency the Metropolis and Special Wards Regulative Council has been established, and after the negotiation of coordination and division of works and fiscal sources the neutral members judged that special wards may deliver 1,835,760,000.00 yen among the revenue of special ward taxes in this fiscal year back to Tokyo Metropolis. Then, as for special wards we agreed to it in the thought that there's no other way at present. Although such an amount can be paid back after the establishment of ward bylaw conferring the ward assembly which is the function of representatives of the ward people, taxpayer, Tokyo Metropolis has prescribed the duty of payment in one side by the metropolitan bylaw. Such a means may lead the evil example in future and never be consented.

Kiyoshi Murase.
Kiyoshi Murase
Mayor of Chiyoda-ku, Tokyo

Inclosed: C/N ESS

1. Special 62nd Bill - On the Establishment of the Special Payable Collection: Bylaw for a special Ward in 1950
2. Special 60th Bill - Bylaw re Financial Coordination of Special Wards
3. Special Ward Tax By-law Tokyo

File 24

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Kiyoshi Murase
Kiyoshi Murase
Mayor of Chiyoda-ku, Tokyo

File 47

#1069

19 March 1951 rk

Translation of an article of the Mainichi Shinbun dated 18 March 1951

SUBJECT: The Kanagawa prefectural budget for 1951 passed
with only one interpellator

A plenary session of the Kanagawa prefectural assembly was held from 3.50 p.m. of 17 March to vote on the budget for 1951, revised supplementary budget for 1950, the by-law for rewarding persons who have rendered great services to the prefectural administration and others.

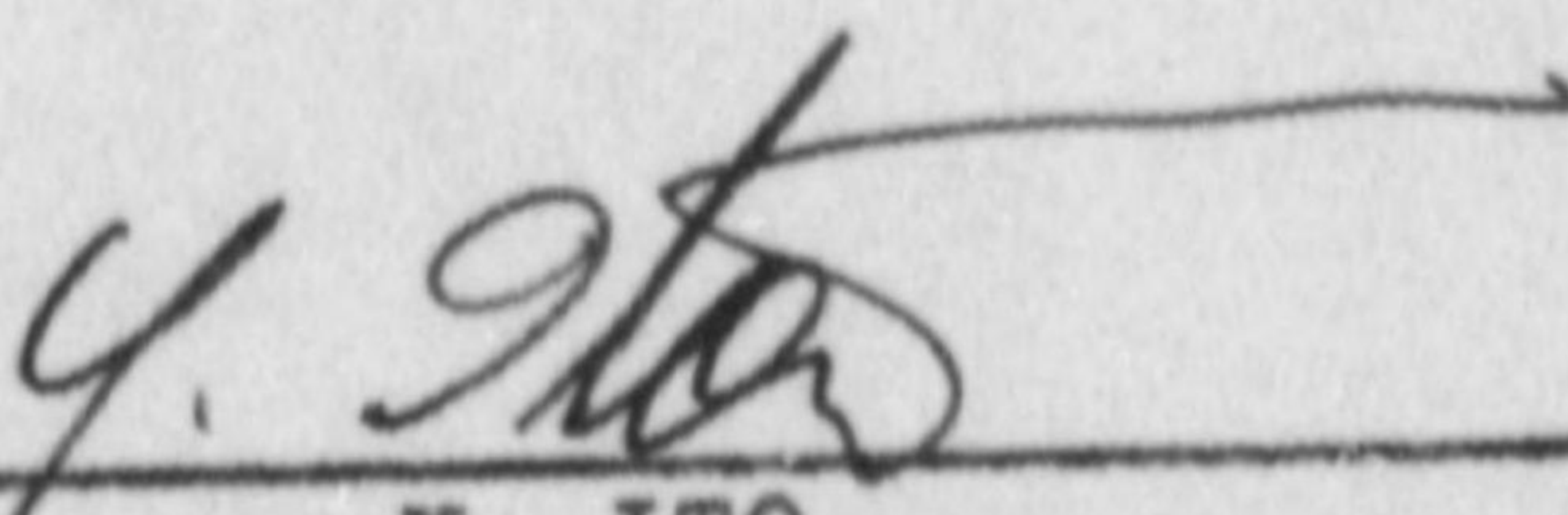
As soon as the assembly got into session, Governor Uchiyama explained the supplementary budget for 1950 amounting to ¥150,000,000.

Then the settled accounts for 1949 were presented for discussion. Chairman Kono of the committee in concern reported the results of their deliberation.

Following the reports of chairmen of various budget subcommittees, SATO Kazuma, representing the Socialist Party, attacked the Uchiyama administration saying that the budget lacks freshness and consistent policy. With this only one interpellation, the budget bill for 1951 fiscal year amounting to ¥6,400,000,000 and other ones presented to increase the pay for assemblymen and retirement allowance were passed unanimously.

The next assembly meeting is scheduled to be held on 5 April. Governor UCHIYAMA and some assemblymen who are going to stand for the municipal assembly are expected to tender their resignation on 2 April. Therefore this meeting for deliberating the budget bill was literally the "good-by meeting".

Translated by


Y. ITO

on 19 March 1951

K. Koiwai

ced 24.

File 47

#1079

26 March 1951 rk

HOW IS FUJIWARA-MACHI EFFECTED BY THE REVISION OF THE TAX SYSTEM?

1. Town-resident tax:	1949 (old system)	¥ 1,244,131
	1950 (new system)	<u>5,218,030</u>
	Increase.....	¥ 3,973,899

This increased revenue is attributed to the fact that there are living in this town so many workers of the Nippon Mining Co., Kidogasaki Mine, Kinugawa Plant of the Nippon Power Generation and Transmission Co., Tobu Railway Co., and others, and tax-burden on working masses was remarkably increased.

A private concern is subject to taxation more heavily than a jurical person. There is such an instance that a certain private-concerned hotel was imposed ¥410,720 while an incorporated hotel of quite the same scale was imposed only 12,840. Therefore all of the private concerned hotels were incorporated last year.

Incomes of free laborers such as employees of hotels and others can not be caught accurately. It seems that there are many defects in enforcing the new tax system.

2. Fixed asset tax:	1949 (old system)	¥ 531,649
	1950 (new system)	<u>10,662,470</u>
	Increase.....	¥ 10,130,821

The fixed asset tax is one of the biggest tax revenues. But difficulty is felt in imposing proper taxes, due to the facts that revenue officers are not yet familiar with the new system, it is very difficult to catch objects of taxation correctly, and legal writing-off rate is not proper.

The Fujiwara-machi plant of the Nippon Power Generation and Transmission Co. which generates 50,000 kilowatts pays the fixed asset tax of ¥6,300,000. But the Kuriyama-mura plant of the company which generates 14,000 kilowatts must pay ¥12,000,000.

3.	1949	Distribution tax (by the old system)	¥3,998,000
	1950	Equalization tax (by the new system)	<u>1,273,000</u>
		fund	Decrease.....
			¥2,725,000

4. Admission taxes:	1949 (by the old system)	¥ 796,874
	1950 (by the new system)	<u>1,095,300</u>
	Increase.....	¥ 298,426

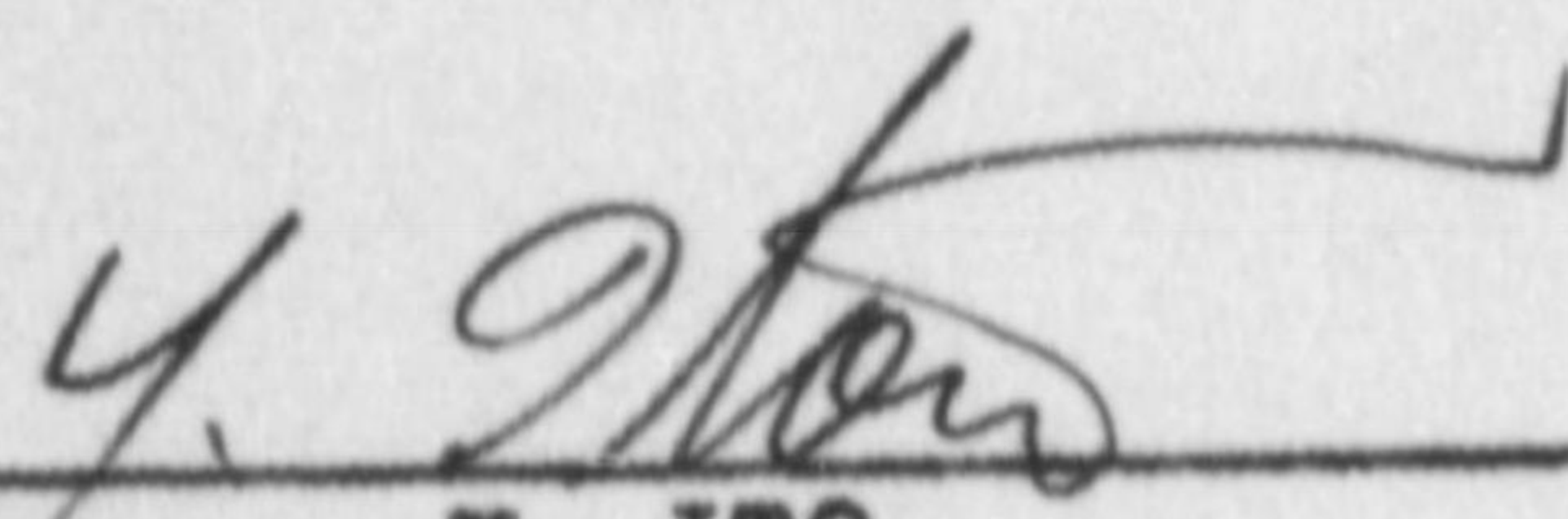
Ex 21

5. Amusement taxes:

The abolition of amusement surtaxes brought the decrease of the town's revenue amounting to ¥10,000,000. In place of this, we are to impose fixed asset taxes.

But as a sight-seeing town, we must pay some more expenditure, as compared with other towns. Therefore we hope that some step will be taken in place of amusement taxes.

Translated by


Y. ITO

on 26 March 1951

File 47

Watch Out for Self-Given Retirement Allowances

Yomiuri Shimbun, March 23

As the bill for giving retirement allowances to Dietmen goes to the national legislature, the Tokyo Metropolitan Assembly deliberates a bill to grant a ¥100,000 gratuity fee to each ward assemblyman and ¥170,000 to each Metropolitan Assemblyman. With examples shown by the National Diet and the Tokyo Metropolitan Assembly, their suit in view of the fact that the terms of their members will be up in April. And the consequence is a serious one.

The Tokyo bill proposes to eliminate the standing provision in the city regulation that an assemblyman who is re-elected does not receive retirement allowance. This means even those who are re-elected after their term is up receive retirement allowances, which would mean a tremendous financial burden on the citizens.

Local assemblies are supposed to serve the welfare of the local residents they represent. Unlike the employees of the local autonomous bodies, these assemblymen are persons who have their own occupation and source of income. And on top of that they receive a sum of remuneration for their services to the community.

Inasmuch as the problem of how to pay the heavy taxes is the main headache of the citizens today, we cannot approve of the idea that those who pledge in their election campaign to serve public interest appropriate for themselves huge retirement allowances just because their four-year term is over. The assemblymen who receive the allowances would use them for their campaigning in which they again shout that they would "serve the public interest." It is time for voters to prevent such assemblymen from ever getting re-elected.

File 47

How is Our Tax Money Spent?

Asahi Shimbun March 24

Despite the fact that the citizenry is suffering from heavy taxation, it is strange that little public interest in the local legislature which determine tax assessments has been noted. One instance of a local legislature taking advantage of that situation is found in the proposed Tokyo Metropolitan Assemblymen's retirement allowance.

Citizens should try to find out how the money they paid to their local governments is being spent. They should watch out for irregularities and wastes in dealing public funds. One of the most effective ways of checking public funds operations is that such organizations as women's club, youth corps, etc., send their representatives to local assemblies and conduct surveillance of the manner in which public affairs are deliberated.

One of the significant changes to be made in the revision bill of the Local Tax Law is that starting this year local assemblies are given authority to change the rates of fixed property tax. This means that it is up to local citizens to decide how much tax they will have to pay.

One proposal we should like to make to make payment of taxes easier is that installment payment of residence tax, fixed property tax and enterprise tax be permitted. There is no reason why tax collectors should object to this method since money comes in evenly throughout the 12 months of a year.

The above is not all of the problems concerning local finance. But every problem concerning local finance can be solved only through rigorous criticism of it by local residents. And one good chance for showing their criticisms is the coming election of local assemblymen and administrators.