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Allied Operational and Occupation
Headquarters, World War II

SUPREME COMMANDER FOR THE ALLIED POWERS

Civil Affairs Section
Kinki Civil Affairs Region
Subject File
1947-49

Taxation & Tariff to Inventory Sheets
of Machinery

Box No. 2885

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775013

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

Description of contents

- (1) Box no. 2885
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HEADQUARTERS
KINKI MIL GOVT REGION
APO 25 (Osaka, Honshu)

HIM/ms

29 June 1949

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SUBJECT: Dedication of Osaka National Tax Bureau

TO: Commanding General
I Corps
APO 301

1. There are attached copies of the addresses given by Colonel O'Mehandro, SSGO, Kinki Military Government Region, and various Japanese governmental officials at the dedication ceremony of the Osaka National Tax Bureau, 22 June 1949.

2. The ceremony marked the dedication of the Osaka National Tax Bureau and the Osaka Finance Division, representing the divorcement of matters foreign to taxation from the Tax Bureau, pursuant to SCAPIN 2001, dated 4 May 1949.

FOR THE COMMANDING OFFICER:

3 Incls;
Addresses:
1. by Col. O'Mehandro
2. by Finance Minister, Mr. Ikeda
3. by National Tax Agency
Rep. Mr. M. Takahashi

GEORGE MINARIK
Captain GE
Adjutant

FOR FILE

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(17)

Colonel O'Mohundro's Sp h

MR. KUBOTANI; other officials of the Osaka National Tax Bureau and guests:-

It is a distinct pleasure to be able to address you on this important occasion. The establishment of the Osaka National Tax Bureau as an external agency of the newly formed National Tax Agency marks the recognition of the extreme importance of the tax program in Japan today.

The establishment of the new Agency was accomplished pursuant to the issuance of SCAPIN 2001, on May 4, 1949. The intent of the SCAPIN was to effect a reorganization of the revenue structure of Japan into a well integrated unit that will ultimately insure uniform application of the tax laws throughout the nation.

The welfare and very existence of any nation of the world today is dependent upon the successful pursuit of a rigorous but equitable revenue program.

To be effective and acceptable, the payment of taxes by the members of a nation and the acceptance of those revenues by that nation's representatives must be a mutually beneficial, bilateral proposition. It contemplates the recognition and fulfillment of an obligation of one to another, and concurrently a flow of benefits each to each that further the estate of both parties. To attain this ideal however necessitates a fair attitude and open minded recognition of the problems encompassed in the execution of the program.

With the complete and voluntary cooperation of the taxpayers the program would resolve itself into essentially one of administration. However, the innate nature of individuals requires that strong measures be incorporated in the laws to encourage observance of them. This is necessary to make certain that all bear their fair share of the costs of government or be punished for their failure to do so. We all recognize that mere expressions of equity and appeals for cooperation are of themselves insufficient. Certain groups and individuals will always attempt to circumvent the intent of the law at every stage to further their own selfish ends for power or personal gain. Recognizing these human failings, this new agency should attempt to anticipate and minimize these problems in every way possible.

In the past and currently there have come to my attention many complaints of the excessive tax burden and appeals for relief from oppressive taxation. People seem to fail to appreciate the simple correlation between the expenses of operating their government and their tax burden.

There is no simple panacea for these ills. The remedy lies in either reducing the total government expenditures to the detriment of some of the advantages now supplied by the government, or in capturing more of the income that is currently escaping taxation.

Daily new evidences of flagrant evasions of taxes become known and are only representative of the numerous taxpayers that escape or avoid the obligation to their country and their fellow man.

Herein lies a challenge to this new bureau - it will be its responsibility to see that such evasions are minimized, thus providing relief for the overburdened honest taxpayer and insuring a greater measure of equity in the future.

Much has been said of equity toward the taxpayer but before it can be achieved it is essential that the following three points be effected:

- 1) The tax laws and rates should in theory and actuality distribute the tax burden fairly and equitably among the people.
- 2) The people must recognize their responsibility and demonstrate it by voluntary cooperation and compliance with the tax laws.
- 3) The establishment of a strong, honest and efficient tax organization to administer and enforce the tax laws vigorously, firmly, fairly and considerately.

To accomplish the first of these measures necessitates a continuous study of the economic situation generally, the revenue obtained from the various taxes and the effect of their individual burden upon the people.

To aid the Japanese government in achieving this most effectively, taxation experts have been brought from the United States to help solve the problems currently existing.

Dr. Carl S. Shoup, one of the foremost tax economists in the world, and a group of other experts are now studying every phase of the system with a view toward establishing an efficient and sound tax structure.

The second essential relative to voluntary cooperation can only be gained in the course of time when the people begin to appreciate their duty and have confidence that their tax officials and their elected representatives, will carry out their individual responsibilities honestly and fearlessly.

The accomplishment of the third factor is the responsibility of the newly established National Tax Agency and its representative branches such as this new Tax Bureau we are dedicating here today. How well that is accomplished depends upon you individually and collectively. Toward this end it is necessary that the new Bureau effect the following measures as soon as practicable:

1. Rid the tax service of incompetent, corrupt and disloyal employees, if present.
2. Work hard to improve the prestige and morale of the personnel of the

tax service. Conduct the affairs of the tax enforcement program so all employees will be proud to be associated with the service.

3. Establish a program insuring employees promotion on the basis of demonstrated merit and ability. Employees must know that they can advance when they have demonstrated the ability and initiative to do their work better and faster than less capable fellow employees.

4. Encourage throughout the service a better understanding of the taxpayers problems so tax personnel will be courteous and considerate in their relations with taxpayers under all circumstances. Civil servants are the employees of the people. The people therefore are entitled to all the courtesy and deference due normally to employers in private enterprise.

5. Provide training programs and encourage employees to take full advantage of them so they may be well qualified for their positions and for the opportunities that lie ahead in this new program.

6. Carry out the intents and purposes of this reorganization program as soon as possible, particularly with regard to the establishment of National Tax Investigators and Inspectors. These experts will be responsible for the uncovering of tax evasions on the part of dishonest taxpayers. The efficient operation of this group will do much to deter evasive tactics of taxpayers and encourage honest taxpayers with the knowledge that pressure is being brought to bear on those who are avoiding their just burden of taxation at the expense of the others.

With the achievement of these aims should come much better tax administration, less oppressive tax burdens upon the average honest taxpayer, and a far better and happier relationship between the taxpayer and the tax official.

The success of the new bureau is dependent upon sincere application of effort on behalf of all of you associated with it.

For the attainment of these ends we will lend our fullest encouragement and support. With the sincere dedication of all of you toward those ends I feel certain they can and will be accomplished within a reasonable length of time.

In closing I extend my congratulations for your accomplishments in the past and join with you in dedicating this new Bureau as an agency of and for the benefit of the people of Japan. I sincerely hope that each anniversary finds it with an untarnished year of progressive, honest and loyal service to your people and your country.

TRANSLATIONFinance Minister's Address

22 June 1949

It is my great pleasure to be able to address you on this inauguration ceremony of the Osaka National Tax Bureau.

It was on May 4, 1949 that a memorandum for the Japanese Government was issued by the Supreme Commander for the Allied Powers in relation to the revision of the taxation structure. In connection with this memorandum legislative and other necessary proceedings have been completed and the new structures of the National Tax Board and the regional National Tax Bureaus were decided, an epoch making revision in the history of Japan, and the inauguration date was fixed to June 1, 1949. The intent of the directive was to effect the establishment of an ideal taxation structure staffed with highly disciplined and technically experienced officials, as one of the most effective ways for expedition of tax collection programs and management of fair yet strict taxation embodied in the 9-point Economic Principle along with which the Japanese nationals are doing their utmost for the rehabilitation of post-war Japan.

The tax administration has actually faced and struggled to overcome the formidable obstacles amidst the economic and social confusion after the war. On the other hand the role to be played by tax administration for the reconstruction of this country has become more important and the difficulties have also become unbelievably hard to surmount. That is why the demand for revising taxation system and the readjustment of tax administration has been strongly voiced. The establishment of the National Tax Board as an independent government agency under the direction of the Finance Minister and the regional National Tax Bureaus as its subordinate organs may be said to be the groundwork for the solution of various tax issues.

From now on it seems absolutely necessary that all of you will remind yourselves of the importance of establishing equal and fair taxation, paying your attention especially on the following points.

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The first point is how to make sure of efficient management of tax administration not only of the National Tax Board but also of the regional Tax Bureau and the local tax offices throughout the country. Under the social and economic confusion after the end of the war and the phenomenal revision of taxation proceedings, of which core is the self return system, rationalization of tax administration based on lively scientific spirit as well as with high intelligence is to be indispensable.

The second is the problem of tax officials' discipline. It needs not to say that one unfavorable element in tax administration may even do unbearable harm. The discipline of tax officials should be of highest level and I'm determined to strictly enforce official discipline in efforts to stem out illegal conducts on the part of tax officials.

The last point is that the equal and fair taxation can be achieved by the complete and voluntary cooperation of the taxpayers. As I said the establishment of the new taxation structures has paved the way for the renovation of tax administration. Moreover, a special mission headed by Dr. Shoup arrived to Japan and are investigating various problems in relation to the rationalization of taxation system. However, in order to expedite the national rehabilitation taxpayers will still have to bear a heavy burden of taxes. Peaceful and prosperous Japan can only be realized by continuous and permanent effort to tide over numerous obstacles.

Finally, I sincerely hope that tax officials will do their utmost and the parties concerned will cooperate with them for the steady and healthy development of the newly formed Osaka National Tax Bureau.

/s/ Hayato Ikeda
Finance Minister

OSAKA NATIONAL TAX BUREAU
(Osaka)

27 June 1949

TRANSLATION

(Mr. M. Takahashi)

National Tax Agency Representative's Address at Dedication Ceremony of Newly Formed Bureau on 22 June 1949.

On behalf of the National Tax Board it is my great pleasure to extend a few words before Col. W. O'Muhundro of the Kinki Military Government Region and other distinguished and honored guests at this dedication ceremony.

Upon this occasion I wish to extend my respect and heartfelt gratitude to officials and taxpayers whose combined efforts enabled us to successfully hurdle the previous fiscal year, which was the most difficult one encountered so far during our revenue history. However we cannot rest upon our laurels-for this current fiscal year it is anticipated that numerous obstacles and problems will arise. To overcome these difficulties I wish to stress the necessity of utmost cooperation on the part of taxpayers and the redoubled effort on the part of officials, taking advantage of all your past experience.

From our experience in the past we have keenly felt the necessity for an establishment of a reorganized and basically reformed tax administration structure. On May 4 our Government was instructed by the Supreme Commander of the Allied Powers to reorganize our national tax system. The basic reforms were incorporated into a Finance Ministry Establishment Bill which was submitted and passed by the Diet on May 30.

Therefore effective June 1 the National Tax Board set forth as a separate and independent external bureau of the Ministry. Handling of national property and general financial affairs heretofore conducted by the regional bureaus was taken over by another newly formed Finance Division. At this time I wish to extend my thanks for the splendid cooperation these departments showed us and have every confidence that they will set forth upon a successful mission. And I am also certain that we can rely upon their assistance and cooperation in the future.

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In retrospect our postwar taxation with its accompanying confusion and burdened with the all-important mission of preventing the destruction of national economy has come down the torturous path. Together with the initiation of new capital levy and increased income taxes we incorporated in 1947 the self assessed income tax return system. I regret to say that even to this day its operational results have not fulfilled our expectations. The present economic unstableness and increased number of new taxpayers have prevented adequate investigation to grasp the true income. In addition the fairly high tax rate has encouraged a tendency toward tax evasion. This is indicative that taxpayers have not entirely assimilated themselves to this new system and the in-ability of tax organizations to adopt themselves to cope this problem.

Although we have managed to collect our annual allotted quota there were shortcomings and weaknesses beneath the tax structure surface. Recently there has been raised a storm of criticisms centered upon these weak points making it imperative for fundamental reforms in our national tax structure.

From a legislative standpoint it can be said that taxation is of a political nature and is closely related with other financial and economic policies. On the other hand tax enforcement is of a purely technical nature which cannot be handled freely and at will. Therefore in order that this program could be conducted with utmost efficiency the enforcement of tax laws henceforth will be handled by a separate and independent National Tax Board while taxation legislation will be conducted as in the past by the Taxation Bureau.

Under this newreorganization the former finance and national property departments of the regional finance bureaus were separated and a Finance Division formed to take over their affairs while tax enforcement would be unified into a single body composed of tax offices, regional bureaus and national board. Concurrently the agency has formed within its structure a team of supervisors who will contribute advice and supervision for an efficient and rationalized administrative management. There has also been established a system of investigators responsible to this Board who will investigate all large scale taxpayers directly from the Board and regional bureaus.

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Although the above taxation reforms has been instituted to make this system a success it is entirely dependent upon efficient personnel. In view of criticisms recently regarding the quality of our personnel, the Board has decided to strengthen and conduct an intensive instruction program of revenue officials at training institutes together with imposition of a new system of inspection to rigorously combat and eliminate dishonest and illegal cases concerning financial officials.

In setting forth under our new organization it is my hope that hand in hand with the nation's taxpayers we undertake the rehabilitation of our nation with courage and determination.

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HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

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27 JUN 1949

AG 012 - BA

SUBJECT: Military Government Public Opinion Research on Tax Education

TO : See Distribution

1. In March, 1949, this headquarters initiated a public opinion research survey on tax education. The purpose of this survey of public opinion is to provide information necessary for the evaluation of the effectiveness and the stage of development of the average prefectural tax education program and to determine means for increasing the effectiveness of tax education programs throughout the I Corps Z/R. Planning of the survey, preparation of samples, allocation of areas within the designated region, collection of completed questionnaires, tabulation and analysis of results, preparation of reports of analysis, and interpretation of results were executed by the Public Opinion Research Branch, Military Government, this headquarters. The Kinki Military Government Region was responsible for the supervision of the survey in the field.

To determine the extent of knowledge of the tax program by the average Japanese tax payer questions such as the following were asked:

- a. Do the people know how their tax money is spent?
- b. Are rumors and complaints regarding corrupt tax officials widespread?
- c. Do the people know who is paying the cost of Occupation?
- d. Do the people know their individual annual income?
- e. What do the people consider to be the best source of national revenue?

2. The survey began on 18 April and was completed on 27 April 1949. A total of 1,598 registered voters in the six prefectures of the Kinki Military Government Region were interviewed. In keeping with the objectives of the economic recovery program, the cost of interviewing was kept at the minimum level by using personnel already employed by the prefectural governments. The Public Opinion Research Branch trained and supervised eighty field workers who operated under the guidance and supervision of the CI officer, Kinki Military Government Region.

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd 27 JUN 1949, subj: "Military Government Public Opinion Research on Tax"

3. BRIEF SUMMARY OF THE FINDINGS:

Almost one-half of the respondents did not realize how their tax money is spent. Almost two-thirds of them had no comment to make about their tax officials. About one-fourth of the people questioned did mention dishonesty and graft, but it was found that these statements were based upon rumor and not definite facts. Over sixty per cent expressed the belief that Japan is bearing the total cost of the Occupation. Over eighty per cent stated that they knew their income, but over one-half of these admitted that they did not keep any records of income. Further questioning revealed that sixty-five per cent* of the people do not have an exact idea as to what their income is. About two-thirds had nothing to suggest as to the best source of national revenue. Most of the others suggested heavier taxes on blackmarket profiteers.

*Note: $\frac{1}{82/100} \times \frac{2}{57/100}$ plus 17% plus 1% equals 65%
or 47%

- 1 - Those who know their own income
- 2 - Those who do not keep records
- 3 - Those admitting ignorance in regard to income
- 4 - Others
- 5 - Those who do not have an exact idea as to their income

4. FINDINGS:

(A) HOW TAX MONEY IS SPENT

(1) KNOWLEDGE AS TO HOW TAX MONEY IS SPENT

As many as 47% of the respondents did not realize how their tax money is spent. The general public is aware of expenditures for the termination of hostilities, salaries of government employees, and money spent for public utilities, but there the knowledge ends. The people are unaware of the great variety of other state expenditures.

As many as 25% of the respondents thought that expenditures connected with the termination of hostilities were the largest of all. Only 1% considered stabilization of commodity prices to be the largest. Sixteen per cent of the respondents believed that salaries for government employees took most of the public money.

Men knew more than women about tax matters, taxpayers more than non-taxpayers, commercial and salaried people more than farmers.

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd 17 JUN 1949, subj: "Military Government Public Opinion Research on Tax"

Question: Tax money is spent in various ways. What do you think accounts for most of the money spent?

Question: Do you know of any other fields in which tax money is spent?

<u>Degree of Knowledge</u>		<u>How People Think Tax Money</u>	
		<u>Is Spent</u>	
Excellent	3%	Termination of hostilities	31
Good	20%	Salaries of government officials	26
Poor	30%	Public utilities	19
Very poor	47%	Education	7
	<u>100%</u>	Repatriates' relief fund	7
<u>Greatest Expenditure of Tax Money</u>		Stabilization of commodity prices	6
Termination of hostilities	25	Housing reconstruction	5
Stabilization of commodity prices	1	Government investments	3
Salaries of government officials	16	Allocation of local taxes	1
Others	9	Others	5
Don't know	49	No comments expressed	47
	<u>100%</u>	* Some respondents gave more than one answer.	<u>157%</u>

(2) PEOPLE'S INTEREST AS TO HOW THEIR TAX MONEY IS SPENT

Generally, interest was found to be very low. There were very few recommendations and suggestions expressed. Men were

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd 27 JUN 1949, subj: "Military Government Public Opinion Research on Tax"

more interested than women, and taxpayers more interested than non-taxpayers. Commercial and industrial business owners and wage earners expressed a little more interest than farmers.

Question: Are you interested in how your tax money is spent by the government?

Question: In your opinion, how should this tax money be spent?

<u>Interest</u>		<u>Recommendations as to How Tax Money Should Be Spent</u>	
Strong	10	Repatriates' relief fund	26
Moderate	30	Public utilities	25
Weak	18	Education fund	15
Non-existent	42	Housing reconstruction	15
	100%	Stabilization of commodity prices	15
<u>Regarding Expenditure of Tax Money</u>		Government investments	4
Did not answer	62	Others	17
Did answer	38		117%*
	100%	* Some respondents gave more than one answer.	

(B) HOW DO MEMBERS OF THE GENERAL PUBLIC FEEL ABOUT TAX OFFICIALS?

The average person was found to be indifferent. However, those dealing closely with tax officials (especially self-assessment taxpayers) were harsh in their criticism. This fact might be considered an indication of the unreasonableness and perhaps arbitrariness of the tax officials.

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd 27 JUN 1949, subj: "Military Government Public Opinion Research on Tax"

Sixty-three per cent had nothing to say about their tax officials. This might be interpreted as an indication of hesitancy on the part of large groups of people to criticize their officials.

Twenty-four per cent of the respondents mentioned dishonesty and graft. However, their information was not of a first-hand nature but was based upon rumors.

Question: How do you feel about tax officials?

	<u>Families of</u>				
	<u>Self-assessment</u>	<u>Self-assessment</u>	<u>Self-assessment</u>	<u>Withheld</u>	
	<u>Total</u>	<u>Taxpayers</u>	<u>Taxpayers</u>	<u>Taxpayers</u>	<u>Others</u>
Good Feeling	6	9	6	5	4
Bad feeling	24	41	26	23	10
Others	7	11	8	7	3
No comment	63	39	60	65	83
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Question: Have you heard of or seen instances of "foul play" among tax officials?

(To those who answered "Yes")

Tell the details. How did you know that?

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd 7 JUN 1949, subj: "Military Government Public Opinion Research on Tax"

	<u>Total</u>	<u>Self-assessment Taxpayers</u>
Yes	24	32
No	76	68
	<u>100%</u>	<u>100%</u>
<u>Details of "Foul Play"</u>		<u>How Did You Know That?</u>
Graft	12%	Newspaper or radio 9%*
General dishonesty	7%	Rumor 14%
Private considerations	2%	Personal experience 2%
Others	3%	

* These percentages are against the total number of respondents. As some of the respondents answered more than one, the total of these percentages and the percentage 76 (who voiced nothing) is over 100%.

(C) WHAT DO THE PEOPLE KNOW ABOUT THE COST OF THE OCCUPATION FORCES.

Sixty-one per cent of the general public who were queried stated that Japan was paying the cost of the Occupation. A group of college and university graduates were asked the same question; 49% of these people answered "both Japan and the United States."

Question: The Occupation Forces are now in Japan, and Japan needs money for various expenses incurred. Who do you think pays these expenses?

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd 27 JUN 1948, subj: "Military Government Public Opinion Research on Tax"

	<u>Total</u>	<u>College or University</u> <u>Graduates</u>
Japan only	61	43
United States only	5	7
Both Japan and the United States	18	49
Others	0	-
Don't know	16	1
	100%	100%

Question: (To those who answered "only Japan" or "United States" in previous question) Costs of Occupation Forces in Japan include food and clothing, salaries of Occupation Forces personnel and their employees, rental of buildings and equipment, railways, electricity, gas and water, and so forth. Do you think all of these expenses are being paid by Japan only or by the United States only?

Japan	60
United States only	5
Both Japan and the United States	27
Others	0
Don't know	8
	100%

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd 27 JUN 1949, subj: "Military Government Public Opinion Research on Tax"

(D) SELF-ASSESSMENTS AND REASSESSMENTS

(1) SELF-ASSESSMENT TAX PAYMENT SYSTEM AND ESTIMATION OF INCOME

Of the 82% who answered that they know their income, 57% admitted that they do not keep any type of records. Further investigation revealed that 65% of the people do not have an exact idea as to their income. (See Page 3). Main reasons given were "unsteady incomes" and "accounting is left to others". Information supplied by self-assessment taxpayers and by withholding taxpayers was quite similar.

Question: (To those who have their own income) Do you know your actual yearly income?

	<u>Know Very Well</u>	<u>Know Approximately</u>	<u>Don't Know</u>	<u>Others</u>	<u>Total</u>
Self-assessment taxpayers	24	58	17	1	100
Withheld taxpayers	28	58	14	0	100

Question: (To those who know their yearly income very well or approximately) Are you keeping an account book or a household book?

	<u>Yes</u>	<u>No</u>	<u>Others</u>	<u>Total</u>
Self-assessment taxpayers	40	57	3	100%
Withheld taxpayers	31	66	3	100%

Question: (To those who do not know their annual income) Why don't you know it?

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 Government Public Opinion Research on Tax"

Unfixed income (because of odd jobs)	44
Accounting is left to others	7
Gave no reason	49
	100%

(2) WITH WHOM DID THE SELF-ASSESSMENT TAXPAYERS
 CONFER IN ASSESSING THEIR INCOME?

Since this system is still quite new, and since many taxpayers do not know their yearly income, 43% of those queried stated that they had conferred with some other person in assessing their income.

Question: (To those who pay their tax by self-assessment) With whom did you consult in self-assessing your income, or did you do this without aid?

Without aid	52
Consulted with someone	43
Consulted with trade associations	19
" " other family members	14
" " neighbors	5
" " others	5
	43
Others (unfamiliar with matters of this nature)	5
	100%

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd 27 JUN 1940, subj: "Military Government Public Opinion Research on Tax"

(3) SELF-ASSESSMENT TAXPAYERS AND REASSESSMENT

Reassessment cases were greater in number in urban centers than in rural districts. Reassessments as compared to self-assessments were classified as follows: "under 1½ times", "1½ to 3 times", and "over 3 times".

Taxpayers engaged in farming, fishing, and forestry work were reassessed the least. Those engaged in commerce and industry were reassessed the most.

a. How many self-assessment taxpayers were reassessed?

Following questions were asked only to those who paid their taxes by self-assessment:

Question: Have you been reassessed by the tax office?

	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>	<u>Others</u>	<u>Total</u>
	64	31	3	2	100%
<u>By Occupational Group</u>					
Agriculture, forestry & marine products	58	37	4	1	100%
Commerce and industry	74	20	4	2	100%

b. Extent of reassessment

Question: How much larger was the reassessment than your self-assessment?

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd ^{27 JUN 1949} . subj: "Military Government Public Opinion Research on Tax"

	<u>Below 1½</u>	<u>1½ to 3</u>	<u>Over 3</u>	<u>Don't</u>	
	<u>Times</u>	<u>Times</u>	<u>Times</u>	<u>Know</u>	<u>Total</u>
	40	30	23	7	100%
<u>By Occupational Group</u>					
Agricultural, forestry & marine products	60	22	8	10	100%
Commerce & industry	19	37	39	5	100%
<u>By District</u>					
Urban	19	34	41	6	100%
Rural	51	29	12	8	100%

(4) REACTION OF THE GENERAL PUBLIC TOWARD RE-ASSESSMENT

Answers in regard to the inevitability of reassessments being greater than self-assessments were almost equally divided into pros and cons. Most of those queried expressed dissatisfaction with their reassessments.

However, it may be pointed out that 43% of those who received reassessments contended that a somewhat larger reassessment was inevitable or obligatory for underestimated self-assessments. Rather paradoxically, as many as 63% voiced dissatisfaction with the size of their own reassessments. Their complaints were described as "unreasonable" or "too much". As many as 65% complained about inadequate investigations and inefficiency of tax officials.

Those dissatisfied with reassessments, those grumbling about their own individual cases, were more numerous in the urban centers than in the rural districts.

Question: (Asked only to those who answered that they were reassessed by authority) Do you think it inevitable

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27 JUN 1949

BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd , subj: "Military
 Government Public Opinion Research on Tax"

that the reassessment was somewhat greater than your self-assessment?

	<u>Affirmative</u>	<u>Negative</u>	<u>Others*</u>	<u>Don't Know</u>	<u>Total</u>
	43	47	3	7	100%
<u>By District</u>					
Urban	39	56	2	3	100%
Rural	47	46	3	4	100%

*Others.....Answers which were affirmative or negative with some conditions.

Question: Are you satisfied with your reassessment?

	<u>Yes</u>	<u>No</u>	<u>Others</u>	<u>Don't Know</u>	<u>Total</u>
	26	63	3	8	100%
<u>By District</u>					
Urban	13	82	3	2	100%
Rural	36	58	3	3	100%

Question: (To those who were dissatisfied with their reassessments) Why aren't you satisfied with your reassessment?

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BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd ^{27 JUN 1971}, subj: "Military Government Public Opinion Research on Tax"

"Unreasonable", "too hard", "too heavy", and so forth	29
Inadequate investigations of authorities	65
Don't know or others	6
	100%

(E) WHAT DO THE PEOPLE SUGGEST AS THE BEST SOURCE OF STATE REVENUE?

Sixty-five per cent of the people queried had nothing to say. Two-thirds of those with something to say suggested heavier taxes on blackmarket profiteers - "those leading unreasonable, luxurious lives." It must be assumed, therefore, that the people are aware of large fortunes that are not being taxed.

Sixty-three per cent of those suggesting "various tax items" recommended income taxes as the best source of revenue.

Question: What kind of tax do you think is the best source of revenue for the government?

Don't know	65	<u>Break-down of "Various</u>	
		<u>Tax Items"</u>	
More taxes imposed on blackmarket profiteers, and so forth	25	Income tax (direct tax)	63
Various tax items	10	Commodity consuming tax (indirect tax)	15
	100%	Corporation tax	8
		Others	14
			100%

BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd JUN 1948, subj: "Military Government Public Opinion Research on Tax"

5. RECOMMENDATIONS

Facts obtained from tax program studies and public opinion research polls on tax education which have been conducted by Military Government, this Headquarters, prove that tax information programs should be further strengthened and accelerated at all levels. It is suggested that prefectural officials confer with tax officials and suggest new ideas and techniques in order to implement a stronger tax education program. Constant liaison of all information media be maintained. Tax officials; and prefectural officials, be frequently reminded of their civic responsibilities to give the people sound, accurate, and reliable tax information. It is suggested that tax education programs could include:

a. Informing the people as to how their tax money is spent. This would show the tax payer the services, benefits, and civil rights which he, and his family, receive in return for the money paid as taxes.

b. A training course for tax officials and tax office employees which emphasizes the obligations of duty of a public employee such as being a servant and not the master of the people. Fostering a rational business-like, cooperative attitude obviously is more constructive than subversive activities which can only foster blind resistance.

c. The businessman or shopkeeper should be the target group for an information campaign stressing the need for accurate records of income, disbursements, and all other transactions connected with the business. The single-entry bookkeeping system lends itself to small business. It is known in Japan and is being used by some - though perhaps too few - shopkeepers. The promotion of such general themes as follows would emphasize accurate bookkeeping and at the same time maintain a tax-conscience populace: (1) Accurate bookkeeping shows good business sense. It saves time and money. (2) Don't guess. Know your income. Keep accurate books (3) Be certain your income tax assessment is correct. Show records to prove it. (4) Your small shop is important to the economy of Japan. Keep accurate, honest records of your business transactions and your income. (5) Help yourself - help the tax office - help Japan.

775013

BASIC: Ltr, Hq I Corps, AG 012 - BA, dtd 27 JUN 1948, subj: "Military Government Public Opinion Research on Tax"

d. Organization of tax familiarization courses in schools at which simple tax problems are presented, with emphasis on filing procedures.

BY COMMAND OF MAJOR GENERAL COULTER:

DISTRIBUTION:

- 2 ea MG Region & Team
- 1 Corps Z/R
- 3 AG Rec, I Corps

A. Seipel
At Col AGD
 for: C. C. CARTER
 Colonel AGD
 Adjutant General

775013

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

RLM/ms

612

27 June 1949

SUBJECT: Result of Inspection by the Administrative Management Board

THRU: Commanding General
I Corps
APO 301

TO: Commanding General
Hq. 8th Army
APO 343

1. The attached copies of inspection results conducted by the Supervision Department of the Administrative Management Board are forwarded for the information of GHQ ESS, Administrative Section.

2. The report contains general observations and recommendations for correction of findings resulting from inspections of the Osaka Finance Bureau and four tax offices in this region. The Administrative Management Board apparently is a Japanese agency responsible for administrative inspection of this type. It appears that inspections conducted by this management board have been essentially along the same lines as those contemplated for the supervisors of the National Tax Agency currently on duty with the Osaka National Tax Bureau. The thought is suggested that the examination files of this Administrative Agency may contain information of considerable value to the new Supervisory Section. It is possible that by referring to these files, much duplication of effort on behalf of the new supervisors may be eliminated.

FOR THE COMMANDING OFFICER:

1 incl:
translations

GEORGE MINARIK
Captain GE
Adjutant

FOR FILE

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Bme
ulm

(15)

OSAKA NATIONAL TAX BUREAU
(Osaka)TRANSLATION

SAR 331n HI No. 219

16 May 1949

TO : Mr. Tosuke Yoshida,
Director General,
Osaka Finance Bureau

SUBJECT: Result of inspection of tax administration
carried out by supervision department of
Administrative Management Board.

1. Attached is the information pertinent to tax administration received from the Administrative Management Board was conducted administrative inspection on each administrative organization.
2. The items implied in the above information are questions at issue for which necessary action are being taken by this Bureau.
3. It is my belief that your bureau is also in consideration of adequate measures toward them.

/s/ Keiichiro Hirota
Director General,
Taxation Bureau
Finance Ministry

Attached sheet 1.

I. Kan. No. 172

2 May 1949

SUBJECT: Management of Tax Administration

1. Staffs of Supervision Department of the Board conducted an inspection of Tokyo Finance Bureau and four local tax offices under the jurisdiction of the same.
2. The attached sheet is our viewpoint upon the subject matter gained as the result of the above inspection.
3. This Board hopes that you will do your best in the management of tax administration in future along with our advice.

Vice-Director,
Administration Management Board

Attached Sheet 2.

1. Stress should be placed on the attitude of taxation agencies pertinent to tax collection.

As the attainment of tax revenue can be achieved by self-consciousness and effort of the taxpayer, the tax office should respect the taxpayer, avoiding any attitude likely to give any bad effect upon the taxpayer's mind. It is often cited that the taxpayer is suffering from the red-tape attitude of the tax office. Such attitude should be completely wiped out.

- cont'd -

- 2 -

Respecting of the taxpayer can certainly be achieved by improvement of handling tax affairs at table counter, abolition of unnecessary summon pertinent to warning tax payment and other betterment of handling taxation affairs, but the most fundamental point is that the taxation agency should not take the same attitude toward the honest taxpayer as toward the illegal taxevader. In regard to enforcement of the national tax inspection system this fundamental rule should be strictly observed lest to go so far as to give bad impression to the taxpayer.

2. Should make efforts to obtain the confidence of the taxpayer.

It needs not to say that the degree of general confidence toward the taxation agency much affects the result of tax collection. However, the present conditions of the taxation agency can not be said meeting the taxpayer's expectation.

It is clearly revealed by this inspection that many of the tax officials have quite a little experience in taxation affairs as they have been assigned to their present duties quite recently. Such condition as above can be seen throughout the government agencies and it is almost impossible to request changing the present condition all at once. Therefore it is necessary to take measures effective in the present state of affairs.

It is suggested that

- a. Frequent inspections on office administration be made by senior.
- b. simplification of business procedure and rearrangement at section or sub-section be made.
- c. Accurate business handling be observed.
- d. stress be placed on staff training and education.
- e. strict office discipline be observed.

3. Further the establishment and allocation of tax goal should be based upon accurate and careful study. It is desired that the tax officials will study the income situation of taxpayers always.

775013

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

HLN/ms

24 June 1949

file

012

SUBJECT: Publicity Activities of the Osaka National Tax Bureau

TO: Commanding General
I Corps
APO 301

1. The attached reports relative to publicity activities of the Osaka National Tax Bureau are forwarded for the information of GHO, E33, Training and Publicity Section.

2. The reports are based upon current and contemplated publicity activities in connection with the tax program as conducted in Kinki Region.

FOR THE COMMANDING OFFICER:

3 Incls:

- 1. Translation of SOKI No. 5
- 2. " of Tax Payment Publicity Program
- 3. NTB No. 1

GEORGE MINARIK
Captain CE
Adjutant

ms
key

OSAKA NATIONAL TAX BUREAU
(Osaka)

14 June 1949

TRANSLATION

SOKI No. 5

6 June 1949

TO : Chiefs of Tax Offices

SUBJECT: Frize Contest by the Provisional
Return of Income Tax in June

By the following measures, the National Tax Board invites the prize contest to encourage the 1st Term Provisional Declaration of Income Tax for this fiscal year.

You are directed to publicize this contest intensively throughout your area. The name of the correct winners will be submitted to the National Tax Board by the attached form.

1. Frize Contest Subject.

a. As to the book seller, age 47, whose sale amount is yen 1,500,000 estimated by the amount from January to December, of purchase and other requirements, is yen 1,200,000 living expenses is yen 150,000, and whose family are his wife, age 44, his daughter, single and yen 5,000 of her monthly salary (no allowances), and a son, age 15, how much is his income tax, (withholding tax excluded).

b. As to the farmer, age 43, whose harvest before October is yen 60,000 by the estimation from January to December, requirements is yen 20,000 and harvest after October is yen 110,000, requirements is yen 40,000, additional construction expenditure is yen 20,000, and whose family are his wife, age 45, eldest son, age 22, eldest daughter, age 16, 2nd son, age 14 and 2nd daughter, age 12, how much is his 1st Term Income Tax?

The above prize contest is printed on the explanation sheet attached to the provisional return of income tax for this fiscal year.

2. Regulation for the above invitation.

- cont'd -

a. Qualification for application:

The person who will submit the provisional return of income tax.

b. Number of answer:

A sheet per family.

c. Form for answer:

The column for answer on the reverse side of the provisional return.

d. Measures for judgement:

Each tax office shall list the name of correct answerers by the attached form and shall directly submit to the Chief of Information Section, General Affairs Dept., National Tax Board.

When the number of correct answerers sent from various tax offices is too much, 276 persons shall be selected and awarded 1st prize to 5th prize by drawing.

e. Announcement

First decade of September.
On the notice board of each tax office.

f. Prize

1st Prize	1 person	yen 30,000	
2nd Prize	5 "	yen 10,000	each
3rd Prize	20 "	yen 5,000	each
4th Prize	50 "	yen 2,000	each
5th Prize	200 "	yen 1,000	each

3. Publicity measures.

a. Print 100,000 illustrated wall posters on the contest and distribute to all tax offices.

b. By radio broadcast.
(Ask central and local broadcasting stations.)

Director,
Osaka National Tax Bureau.

775013

OSAKA NATIONAL TAX BUREAU
(Osaka)

18 June 1949

TRANSLATION

TO : Chief of Tax Office

SUBJECT: Tax Payment Publicity Program to be
Carried Out by the Ministry of Finance

In reference to the above subject the attached directive was received from the Ministry of Finance. All tax office chiefs are advised to carefully study its contents and plan out their fiscal year first term tax payment publicity program along the same line

Director General,
Osaka National Tax Bureau

TRANSLATION

Zozei No. 1504

24 May 1949

TO : Director General of Osaka Finance Bureau

SUBJECT: Tax Payment Program to be Carried Out
by the Ministry of Finance.

Although the general outline of tax payment publicity scheduled for the fiscal year was explained at a meeting of director-generals a while back, we are sending you a detailed publicity program to be carried out by the Ministry during the first term of this fiscal year. Your Bureau is directed to conduct an effective and appropriate program along the same line.

Publicity program for the first term period:

I. Publicize the first term provisional income tax returns.

1. Leaflet

a. "How to File and Pay your Self Assessed Returns"

This leaflet will explain the tax payment period, procedures of tax payment and persons obligated to pay income, estate and donation taxes. It is planned to print 3 million copies and these will be distributed to all local tax offices during the first part of May. The tax offices will in turn send them out together with this fiscal year provisional self assessed income tax forms to all taxpayers.

b. "Story of Tax Payment Reserve Deposit System"

These leaflets numbering 500,000 will be distributed to all local tax offices by end of May. They will be used at explanatory meetings of self assessed income tax before associations, organizations, etc.

2. Posters

a. Quarter size posters numbering 180,000 and half size ones numbering 20,000 will be printed. The former will be sent out to provincial tax offices while the latter will be distributed to tax offices in metropolitan districts during May. Upon receipt they will be utilized as effectively as possible.

- cont'd -

- 2 -

b. Explanatory self assessed income tax posters on business and agriculture income tax numbering 5,000 each will be distributed during May to all tax offices. These posters will be used at explanatory meetings, etc.

3. Wall posters.

An illustrated quarter size poster publicizing the prize contest attached to this fiscal year self assessed income tax forms numbering 100,000 copies will be distributed during the latter part of May to all local tax offices.

4. Recordings

Records to heighten and raise tax consciousness and tax payment morale numbering 350 will be distributed and played during intermission at designated motion picture theaters. The record playing fee will be directly paid by the record manufacturer.

Furthermore the recording will be for a two week period and afterwards will be taken over and used by the tax office exercising jurisdiction over the area.

5. Newspaper advertisement.

Advertisements relating to tax matters will be carried by large newspapers on a national scale at least five times during the month of June.

6. Street broadcasts.

During the last ten days of June street broadcasts on a national scale will be carried out utilizing all broadcasting facilities for spot announcements. The broadcasting fees will be directly handled by the Ministry.

7. Electric signs.

Advertisements through this media will be carried out in Tokyo at Yuraku-cho. Districts where this type of advertisements can be used effectively are advised to do so.

8. Exhibition.

The exhibition "Understanding the 9 point Economic Stabilization Program" (tentative name) co-sponsored by Yomiuri Newspaper and Japan Public Opinion Research Office will be shown from June 2 thru 11 at the Takashimaya Dept Store in Tokyo, from June 23 thru July 3 at Osaka Takashimaya Dept Store and from July 10 thru 20 at Nagoya. An information office will be established at these exhibits

- cont'd -

- 3 -

so the Bureau or tax office will provide necessary officials for the staff.

9. Pamphlets

a. "Story of Deposits and Taxes" pamphlets numbering 20,000 will be distributed to all local tax offices and utilized at income tax explanatory meetings, etc.

b. "Story of 1949-1950 Fiscal Year Taxes" pamphlet numbering 20,000 will be distributed to all local tax offices and utilized as effectively as possible.

10. Cultural films.

During the middle of June a film containing speeches on financial matters by the Finance Minister and director general of the National Tax Board will be shown at all Daiei film outlets. Furthermore a 16m/m print will be sent to each bureau the first part of June.

11. Others

a. The Ministry will promote utmost use of radio broadcasts on a national scale but each Bureau is directed to exert their effort in utilizing this outlet.

b. Sound trucks will be used in Tokyo and the surrounding area.

c. There will be broadcasts and information offices established at the coming Yokohama Trade Exhibit, Kyoto Exhibition and Nagano Exhibition.

d. During June there will be a series of lectures by various Ministry bureau chiefs to be held in Tokyo and other areas.

e. Publicity of the revised Transaction Sales Tax will be carried out leaflets entitled "The Revised Transaction Sales Tax," posters on self assessed procedures and revisions and newspaper advertisements in all newspapers on a nation-wide scale during May. Other methods such as radio broadcasts, electric signs, street broadcasts will be used continuously on this intensification program.

f. Publicity on illicit Liquor manufacturing.

(1) A nation-wide newspaper campaign will be conducted.

(2) Posters will be distributed to all local tax offices who will in turn have these posters prominently displayed at all liquor retail stores in their area.

(3) A film entitled "Bootleg Liquor" will be shown at designated motion picture theaters and a 16m/m print will also be sent to each Bureau.

(4) Exhibit entitled "Drink with Safety Exhibit" will be shown from June 14 thru 21 at Ueno Matsusakaya Dept Store in Tokyo and later will be exhibited in Osaka, Nagoya and Fukuoka.

775013

OSAKA NATIONAL TAX BUREAU
(Osaka)

9 June 1949

NTB No. 1

TO : Mr. Mangerich,
Legal and Government Section,
Kinki Military Government Region.

SUBJECT: Report on Tax Collection Publicity Activities
(for April 21 through May 20)

The Bureau hereby humbly submit you the attached report on the publicity activities for the encouragement of tax collection during the period of April 21 through May 20, 1949.

Inclosure: Report

NAOMITSU KUBOTANI
Director General

REPORT ON TAX COLLECTION PUBLICITY ACTIVITIES
(for April 21 through May 20)

1. Radio Broadcast:

The broadcasts on tax payment over the Osaka Central Radio Station are as follows:

News (Nation-Wide)	19
Local News	16
Radio Bulletin	2
Radio Osaka	1
Spot Announcement	4
School News	1

Total 45

2. Newspaper Articles and Advertisement:
(for the period 21 thru April 20 May)

<u>Newspaper</u>	<u>Editorial</u>	<u>Article</u>	<u>Advertisement</u>	<u>Others</u>	<u>Total</u>
Asahi (Osaka)	1	6	1		8
Mainichi (Osaka)	2	19		2	23
Nippon Keizai	1	18		2	21
Sangyo Keizai	1	19		2	22
Kobe Shimbun	2	14		2	18
Kyoto Nichinichi	1	6			7
Yomiuri Shimbun		3		2	5
Jiji Shimpo	1	12	1	1	15
Total	9	97	2	11	119

- 2 -

3. Propagandas Conducted by the Bureau:

- a. Tax Calenders. 120,000 calenders were distributed by 20 May 1949 to tax payers through tax offices in Osaka Pref.
- b. Advertisement printed on City Tram Car Tickets. Approximately 200,000 tram car tickets per day were sold out "Immediate Tax Payment" are printed on these.
- c. Five Minutes Speeches in the Theatres. The instructors were sent out to the theatres and five minutes speeches on tax payment were made to the audiences.

April 18-23 Shochiku Theatre
Osaka Theatre
Umeda Cinema Theatre

April 27, 28 and Kadoza Theatre
30 May 2, 4 and Subaruza Theatre
O.S. Theatre

4. Lectures on Tax Problems at Schools:

Lectures and explanations on tax payment were made by the tax officials at junior and senior high schools as follows.

<u>Date</u>	<u>Place</u>	<u>Attendant</u>
21 April	Naniwa Commercial School	600 pupils(Boys & Girls)
22 April	Shinai Senior High School	300 " (Girls)
25 April	Ogimachi Commercial School	100 " (Boys & Girls)
27 April	Weisei Commercial School	200 " (")
"	Toei Senior High School	180 " (Girls)
28 April	Uenomiya Senior High School	600 " (Boys & Girls)
4 May	KOZU Senior High School (night school)	300 " (")
9 May	Shitennoji Senior High School	500 " (Girls)
10 May	Kansai Okura Senior High School	30 " (Boys)
18 May	Shimizudani Senior High School	700 " (Boys & Girls)
"	Kiurankai Senior High School	500 " (Girls)
19 May	Kamifukushima Senior High School	70 " (")
Total	12 Schools	5,350 pupils

5. Concert of New Tax Publicity Songs:

Date : From 12 A.M. to 1 P.M. 25 April

Place: Meeting Hall of Osaka Finance Bureau.

Contents: Prizes were awarded to the winners and six new songs were played. These songs will be used at various occasions in the future.

6. Explanation Meeting in Relation to Enforcement of Tax Payment Reserve Deposit System:

Date : 14 May from 10 A.M. to Noon.

Place: Meeting Hall of this Bureau.

Explanation as to tax payment reserve deposit system was given to the attendants whose cooperation for the popularization of the system was asked.

Attendants: About 64 responsible persons of banking organs, (Banks, Trust Banks, Mutual Financing Companies, Credit Unions and others) officials concerned of this Bureau, 2 officials of the Communications Bureau.

7. Distribution of Handbills on Transaction Sales Tax:

Revised Transaction Sales Tax Law was explained clearly, 600,000 of the handbills were distributed through tax offices.

8. Others:

- (1) The publicity activities initialled by the Ministry of Finance.

A. Tax Payment Publicity Leaflet:

Three million leaflets titled "Guide for Filing Return and Tax Payment", explaining the minute procedures of filing provisional return for the income tax for the first term, were distributed to tax offices throughout the country.

B. Posters:

About 500,000 posters explaining the procedures of the first provisional return for the income tax and tax payment were printed by the Ministry of Finance and directly sent to each tax office throughout the country in the middle of May.

- 4 -

(2) Tax Publicity in Nara Pref.

In compliance with the advice of the Nara Military Government tax office chiefs in Nara Prefecture held on May 14 and 20, 1949 in relation to the publicity programs for the encouragement of the income tax return and tax payment during June. Officials of the Bureau also attended the meeting. Following publicity programs were laid down.

- A. Explanation meetings with the aim to encourage filing tax return will be held at towns and villages under the auspices of each tax office.
- B. An information desk will also be opened at the time of the meeting.
- C. The same lecture course as that now being opened at schools in Osaka City, will also be opened at schools in the pref. Lectures are tax office chiefs or section chiefs.
- D. As in the case of movie theatres in Osaka City, five minutes speech in connection with tax problems will be made at movie theatres in the prefecture.

(3) Future Publicity Program:

- A. Permanent sign-boards will be installed by tax offices for displaying posters and handbills.
- B. In order to make clear the importance of the Nine Economic Principles, exhibitions will be opened under the auspices of Yomiuri Newspaper Co. backed up by Finance Ministry at Tokyo, Osaka and Nagoya. At Osaka, Nankai, Takashimaya Department Store was selected for the site of the exhibition during the period to June 23 through July 3, 1949.
- C. On May 26 Mr. MATSUDA, Chief of General Affairs Department of this Bureau will broadcast for five minutes under the title of "Tax and Household Economy" in an attempt to explain the importance of tax payment toward house wives.
- D. In addition, the ministry of Finance is going to prepare posters, wall newspapers, newspaper advertisements and pamphlets by the end of this month, to distribute them to tax offices as the final date for filing income tax return falls on the end of June, 1949.

9. Publicity Programs Conducted by Local Tax Offices:

(1) Otsu Tax Office (Shiga Prefecture)

In compliance with the advice of Shiga Military Government Team, meetings for the encouragement of tax payment were held under the joint auspices of tax offices, prefectural offices, municipal offices and chamber of commerce and Industry on May 9, 13, 16 and 20, 1949 at seventeen primary schools without any admission charge.

There were about fifty attendants at each meeting including housewives and college students, who showed much interest in the lecturers' addresses.

(2) Yuasa Tax Office (Wakayama Prefecture)

Round table conference was held on April 26 in relation to the tax collection for the fiscal year 1949-50. Approximately 30 officials of government agencies concerned attended the conference.

775013

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

HIN/ms

012

20 June 1949

SUBJECT: Training Course for Instructors Engaged in Training
of Tax Office Personnel

TO: Commanding General
I Corps
APO 301

1. The attached copy of instructions to tax offices relative to a proposed training for instructors is forward for the information of GHA ESS, Training and Publication Section.

2. The training course will be conducted pursuant to previous plans of instruction for tax office personnel as issued by higher headquarters. The instructors will be given a six week intensive training course in various tax matters after which it will be their responsibility to conduct on the job training courses in the various tax offices.

FOR THE COMMANDING OFFICER:

1 Incl:
Translation

GEORGE MINARIK
Captain CE
Adjutant

FOR FILE

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(13)

OSAKA NATIONAL TAX BUREAU
(Osaka)

14 June 1949

TRANSLATION

Soyo No. 80

TO : Chief of Tax Office

28 May 1949

SUBJECT: Training Course for Instructors Engaged
in Training of Tax Office Personnel

In regard to the above subject training classes will be carried out according to the following plan. You are directed to submit your report to the Training Section of this Bureau of the persons who wish to enroll in this training course by not later than June 5.

Pertaining to Training Course for
Tax Office Training Instructors

Necessary training of tax office instructors who are engaged in instruction of tax office personnel will be given at the Finance Bureau and Revenue Official Training Institute.

1. Qualification Standard:

- a. Persons with at least 5 years experience in taxation administration with a rank over 4th class.
- b. Persons possessing an equivalent to college education.
- c. Persons with special interest in instruction.

However persons who have graduated from the Higher Public Finance School, university or college and who are well-qualified for teaching may be selected irrespective of their tax business career.

2. Training Period: July 20 thru August 31.

3. Subjects to be studied: (Income tax, corporation tax, liquor tax, commodity tax, transaction sales tax, National Tax Collection Law, bookkeeping and accounting.)

- cont'd -

4. Place: Higher Public Finance School.

REPORT FORM OF PERSONS DESIRING TO TAKE THE TRAINING COURSE

Name	Age	Class	Department, Section, Attached to	Name of School which the Staff Finished Last	Service Years	Present Business in Charge	Experience of Business		For Reference
							Business Years & Allotted	Months	

Clerk
Official

Remarks:

1. In the column "name of school which the staff finished last" date of his having finished school should be recorded and also the subject of his studies, in case he graduated from a college or an university.

2. In the column "for reference", it is necessary to enter whether the staff is suitable for being an official in charge of training or not as to his attitude toward his attending business, knowledge, experience, novel ideas, planning etc.

Director General,
Osaka Finance Bureau

775013

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

HLM/tes

012

20 June 1949

File

SUBJECT: Outline of the Tax Payment Reserve Deposit System

TO: Commanding General
I Corps
APO 301

MW
FOR FILE

1. The attached translation of the Outline of the Tax Payment Reserve Deposit System recently inaugurated is forwarded for the information of GMR ESS, Tax Administration Section.

2. The plan for the Tax Payment Reserve Deposit System was enthusiastically received by the bankers in this region when originally proposed. However, now appears due to lack of familiarity with the program on the part of taxpayers, only nominal results are being obtained.

3. The Osaka National Tax Bureau was advised to contact all bankers in the region and discuss the plan at greater length with them. It is hoped that by publicizing the plan through the banks, greater participation in it may be obtained.

FOR THE COMMANDING OFFICER:

1 Incl:
Translation

GEORGE MINARIK
Captain CE
Adjutant

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12

OSAKA NATIONAL TAX BUREAU
(Osaka)

14 June 1949

TRANSLATION

SUBJECT: Outline of the Tax Payment Reserve Deposit System.

1. Managing organization of the Tax Payment Reserve Deposit.

The financial institutions which are able to accepted the deposit or savings such as bank (including trust bank), city credit association, credit association, agricultural Co-operative association, mutual loan company, fisheries association which accepts the savings, and commercial and industrial Co-operative association etc. shall be able to accept the deposit.

2. Taxes, possible to pay from the Tax Payment Reserve Deposit.

Any kind of the national taxes and local taxes shall be able to pay from the deposit except the tax collected by the tax collector.

3. Condition of the Tax Payment Reserve Deposit.

(1) The deposit shall be made by the free-will of the tax payers.

(2) The disbursement shall be limited only the occasion of the payment of tax mentioned above Article 2 which should be paid by the depositor or his Co-living relatives. However, the following occasions shall be exempted.

a. Severely damages of the assets by the calamity or in case the financial institutions acknowledged the fact that the depositor required the fund by the unavoidable reasons.

b. The corresponding amount with the interest which transferred to the principal.

(3) The rate of the interest shall be limited within 0.7 sen daily.

But, in case of disbursement of the deposit by the above (2)a the rate of the interest during the interest calculation period belonged to this disbursement shall be made the daily interest of ordinary deposit regarding the amount of the deposit.

Actually, city credit association, credit association, agricultural Co-operative association or fisheries association etc. which is being applied the higher rate of interest than the same of the bank within the limit of interest 0.1 sen daily, shall be limited to the daily interest that 0.1 sen adds to the above daily interest.

- 2 -

4. **Income Tax on the interest of Tax Payment Reserve Deposit.**

The income tax shall not be imposed on the interest of the deposit.

But, in case the disbursement was made by the above (2) the income tax shall be imposed on the interest of the part of disbursement.

5. **Procedure of the disbursement from the Tax Payment Reserve Deposit.**

(1) In case the depositor who deposits the above in the financial institution concurrently served the agency of Bank of Japan, National Tax Agency or local public organization bank pays the tax from the deposit to these agencies or bank, payment shall be made by the "Tax Payment Sheet" or "Notification of Tax Payment."

(2) In case the depositor who deposits the above in the financial institution, not concurrently served the agency of Bank of Japan, National Tax Agency or local public organization bank, pays the tax from the deposit, in principle, the cheque^x addressed to the nearest place such as main office, branch office or agency of Bank of Japan, or local public organization bank etc. shall be appropriated for the tax payment.

^x(in the district be able to utilized the cheque addressed to the trust agricultural Co-operative association which was issued by the agricultural Co-operative association for the payment of national tax or local tax, this cheque shall be able to use)

6. **The calculation of the interest of the Tax Payment Reserve Deposit to be imposed the tax.**

The calculation of the interest of the Tax Payment Reserve Deposit shall be made by the follows:

(1) The disbursement of the Tax Payment Reserve Deposit shall be made to follow the order of the deposit of the Tax Payment Reserve Deposit. (Viz. disbursed from lower layer)

(2) In case the interest transferred to the principal, it shall be made that the date of transfer is the date of deposit.

7. **Others:**

(1) The interest calculation period, unit of interest etc. of the Tax Payment Reserve Deposit shall be based on the custom of each managing financial institution according to the ordinary deposit.

(2) as to the disbursement of the Tax payment Reserve Deposit, it shall enter the "---- tax, ---- term, Fiscal Year ----" in the corresponding column of the ledger and the pass book respectively.

- cont'd -

- 3 -

Remarks:

- (1) The system shall come into force from May 1, 1949.
- (2) As to the management of the non-imposition on the interest of the Tax payment Reserve Deposit in the above outline, it shall be carried into effect by the enforcement of the provision of the its concerning law. (Special Taxation Measures Law)
- (3) The interest of the Tax Payment Reserve Deposit is due to the notification based on "Temporary Interest Adjustment Law"
- (4) The above outline shall not be included the taxpayment reserve deposit by the postal savings system.

775013

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

HLM/ms

20 June 1949

012

SUBJECT: Application for National Tax Investigation Official
Examination

TO: Commanding General
I Corps
APO 301

1. The attached announcement relative to a proposed examina-
tion for national tax investigators is forwarded for the information
of GIC, BSS, Enforcement Section.

2. The announcement has been issued to all departments and
sections of the Osaka National Tax Bureau and to the various tax
offices of this region, soliciting applications of personnel poten-
tially qualified as national tax investigators.

FOR THE COMMANDING OFFICER:

1 Incl:
Translation

GEORGE MINARIK
Captain CE
Adjutant

FOR FILE

11

OSAKA NATIONAL TAX BUREAU
(Osaka)

17 June 1949

TRANSLATION

Daikoku Sojin No. 64

17 June 1949

TO : Chief of --- (Dept.
(Sect.
(Tax OfficeSUBJECT : Application for National Tax Investigation
Official Examination

In accordance with the Finance Ministry's reorganization plan this Bureau's National Tax Investigation Dept. was coordinated into Inspection and Investigation Dept. This has resulted in an urgent necessity for national tax investigation officials. Therefore all chiefs are notified to carefully select and recommend able section personnel who are eligible under the following requirements. The chiefs are requested to submit the applications for examination together with the applicants personal history and your letter of recommendation to this Bureau's Personnel Section not later than Saturday, June 25.

I. Requirements for applicants:

1. Any person who has graduated from the Higher Revenue Official Training Institute may be considered as eligible.
2. Any person who has been employed as a national tax collection official may be considered as eligible.
3. Any other persons who fall under the following categories:
 - a. Graduates of Higher Public Finance School.
 - b. University graduates with at least one year revenue work experience.
 - c. Graduates of Higher Technical Schools with at least two years revenue work experience.

- cont'd -

- 2 -

d. Former Middle School graduates with at least five years of revenue work experience.

e. Others with more than seven years of revenue work experience.

However persons with accounting experience while working at private companies may convert and add this period employed as accountants to revenue work experience at the rate of 60 to 100.

II. Oral and written examination subject:

1. The examination shall consist of an oral and written test.

a. The oral examination will be of a common sense type and will test the applicant's personality, character, ability, etc.

b. The written examination will consist of two subjects selected by the applicant: one selected from either the current economic situation or bookkeeping and accounting course and one selected from Income Tax Law, Corporation Tax Law or Transaction Sales Tax Law. Change of subjects will not be accepted once the application is received.

III. Place, date and time of examination:

Place: Osaka National Tax Bureau

Date and Time: Thursday, June 30 at 9 a.m.

Applicants will be at the Bureau at 8:30 a.m. and this date of examination will be carried out on a nation wide scale.

Director-General
Osaka National Tax Bureau

775013

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

HU/ms

20 June 1949

012

SUBJECT: Training Course for Transaction Sales Tax Enforcement
Personnel

TO: Commanding General
I Corps
APO 301

1. The attached proposed training course for transaction sales tax enforcement personnel is forwarded for the information of GHI, ESS Plans and Training Section.

2. The training program contemplates a rather comprehensive course of training in sales transaction tax enforcement and investigation for well qualified individuals with from two to six years experience in tax offices.

FOR THE COMMANDING OFFICER:

1 Incl:
as indicated

GEORGE MINARIK
Captain CE
Adjutant

FOR FILE

M5
Wby

10

775013

(DAI KYUKU SOSO 1/6)

7 June 1949

TO: Tax Office Chief

SUBJECT: Regarding the training course for transaction sales tax business

In regard to the above, a training course will be conducted under the following program; this Bureau wishes you to submit a report to the general affairs section, of the well-qualified persons among your tax office staffs, who are engaged in transaction sales tax business by the 15th of this month, on the following form.

Statement:

Staff recommended for the training course of transaction sales tax business

ORDER OF RECOMMENDATION	NAME	AGE	CLASS OF SALARY	NAME OF SCHOOL FROM WHICH STAFF GRADUATED & DATE OF GRADUATION	PRESENT BUSINESS IN CHARGE OF	SERVICE YEARS	ADDRESS	WHETHER DORMITORY OF NATIONAL TAX BUREAU UTILIZED FOR THE STAFF CONCERNED	REMARK
						CLERK OFFICIAL			

Regarding the training course of transaction sales tax business

The training course will be conducted by experienced qualified personnel who are engaged in transaction sales tax business. Purpose is to make selected persons well acquainted with the investigation business inside and outside as well as to review their fundamental knowledge of transaction sales tax:

Statement:

1. Staffs to be trained:

Those who are now engaged in transaction sales tax business or who will be expected to engage in that kind of business in future whose class of salary is between 3 and 5 (include sub-section chief) or who have experience of two to six years in taxation business, having recommendation of the tax office concerned.

2. Students to be trained: 83 persons at one time.
3. Period of training to be held:
 - First time: From 4 July 1949 To 15 July 1949
 - Second time: From 18 July 1949 To 29 July 1949
4. Terms for the training: For 11 days
5. Place for the training: Osaka National Tax Bureau Auditorium
6. Subjects to be trained and training hours:

A. Practical business for transaction sales tax:	21 hours
B. Point of investigation for corporation tax:	14 hours
C. Book-keeping, Accountancy:	35 hours
D. Others	7 hours
TOTAL	77 hours
7. Lectures:
 - Osaka National Tax Bureau Staffs or outside lecturer
8. Others:
 - An examination will be held for them after the training course is over.

Director-General
Osaka National Tax Bureau

775013

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

CET/af

AG 012 - BA

15 JUN 1949

SUBJECT: Status of Japanese Tax Collections for Fiscal Year 1949-1950

CO 103
EX 28
ADJ 15
G/C 26
M/C
PER
REPORTS
SUPPLY
ECON
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CHAP
SCAP/PH
PPOC
FILE 3

TO : See Distribution

1. Inclosure 1, a table of a status of tax collections as of 31 May, was compiled from reports submitted by military government teams having direct supervision over Japanese Ministry of Finance.
2. The current changes and readjustments now being effected in the Japanese Tax Administration should influence in a relatively short time the mode of collecting taxes. Each Military Government Tax Surveillance team should become familiar with tax procedures and administration within its area of responsibility.
3. Realizing the ineffectiveness of the office procedure by Japanese tax officials, SCAP has issued suggestions to the Diet that would aid in the reformation of the Japanese Tax Administration Agency.
4. Recognizing the fact that their chief weakness is in inadequately trained personnel, the Japanese have started a series of schools that will train personnel in all phases of the tax administration. Through these SCAP monitored schools, it is believed that new simplified methods and procedures will be established for augmenting the reforms that are now being carried out.
5. No tax collecting goals have been set for the coming fiscal year. However, it is felt by the Internal Revenue Bureau that the goal should not be in terms of Yen but in the 100% collections of all taxes.
6. Policy of the Military Government Tax Surveillance Section prohibits the use of United States Army prestige as a direct or indirect coercive agent in the collection of taxes. The primary function of this section is to aid and develop the confidence of the Japanese people in their Tax Collecting Agencies. This approach will pave the way for ultimate withdrawal of the Military Government personnel from the Tax Surveillance duties. The foundation of the Japanese Tax Administration rests upon the integrity of its officials.
7. The menace of communist infiltration of Public offices is being held under close surveillance. The proper indoctrination of the populace

775013

Ltr. Hq I Corps, AG 012 - BA, dtd 15 JUN 1949 subj: "Status of Japanese Tax Collections for Fiscal Year 1949-1950," (Cont'd)

and public officials lends credence that an educated populace will be less susceptible to temptation.

BY COMMAND OF MAJOR GENERAL COUITER:

DISTRIBUTION:

- 2 to ea MG Region & Team
- 1 Corps Z/R
- 3 AG Rec

Charlie Ramsey
 C. C. CARTER *cwd-usa*
 for Col, AGD
 Adjutant General

- 1 Incl:
- As noted above

HEADQUARTERS I CORPS
 Military Government Section
 Economics Division
 (Finance & Civil Property)

STATUS OF TAX COLLECTION
FOR PERIOD 1 APRIL 1949 - 31 MAY 1949

(1) PREFECTURE	(2) Total Self- Assessed Collected <u>This Fiscal Year *</u>	(3) Total Col- lected This <u>Fiscal Year*</u>
CHUGOKU REGION		
Shimane	26,296	187,811
Yamaguchi	68,373	612,301
Hiroshima	72,035	728,450
Okayama	40,580	412,059
Tottori	<u>8,214</u>	<u>108,785</u>
TOTAL	<u>215,498</u>	<u>2,049,406</u>
TOKAI REGION		
Toyama	65,184	304,945
Ishikawa	17,775	308,972
Fukui	22,015	230,091
Mie	28,613	377,645
Gifu	32,532	390,581
Aichi	<u>129,107</u>	<u>1,812,113</u>
TOTAL	<u>295,226</u>	<u>3,424,347</u>
SHIKOKU REGION		
Kagawa	61,181	275,994
Ehime	55,933	355,187
Tokushima	22,833	163,473
Kochi	<u>33,753</u>	<u>174,587</u>
TOTAL	<u>173,700</u>	<u>969,241</u>

* Three zeros omitted

(1) PREFECTURE	(2) Total Self- Assessed Collected This Fiscal Year *	(3) Total Col- lected This Fiscal Year*
KYUSHU REGION		
Nagasaki	40,723	505,011
Miyazaki	19,666	177,590
Saga	38,653	373,145
Fukuoka	91,319	1,973,373
Oita	23,950	210,686
Kumamoto	42,440	368,843
Kagoshima	<u>34,051</u>	<u>208,737</u>
TOTAL	<u>290,802</u>	<u>3,817,385</u>
KINKI REGION		
Shiga	21,093	285,220
Hyogo	107,218	1,574,609
Kyoto	60,468	745,483
Osaka	161,931	2,615,167
Wakayama	20,382	211,987
Nara	<u>15,306</u>	<u>142,907</u>
TOTAL	<u>386,398</u>	<u>5,575,373</u>
RECAPITULATION		
CHUGOKU	215,498	2,049,406
TOKAI	295,226	3,424,347
SHIKOKU	173,700	969,241
KYUSHU	290,802	3,817,385
KINKI	<u>386,398</u>	<u>5,575,373</u>
I CORPS Z/R	<u>1,361,624</u>	<u>15,835,752</u>

* Three zeros omitted

775013

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

WT/ys

AG 012 - BA

14 June 1949

SUBJECT: Transmittal of Report

TO : All Team Commanders
ATTN: CI Officer

M/c
File

1. Transmitted herewith is one copy of report on "Public Opinion Survey on Tax Education Program". Attention is especially invited to Brief Summary of Findings and also to Recommendations.

2. No publicity will be given to the survey to which this report refers.

FOR THE COMMANDING OFFICER:

GEORGE MINARIK
Captain CE
Adjutant

1 Incl: s/s

8

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

31 May 1949

PUBLIC OPINION SURVEY ON TAX EDUCATION PROGRAM

BACKGROUND OF THE SURVEY:

In March of 1949, the Tax Officer, Finance and Civil Property Division, Military Government Section, Headquarters, I Corps, expressed a strong interest in determining what the average Japanese person knows about the tax program. Questions such as the following were voiced:

1. Do the people know how their tax money is spent?
2. Are rumors and complaints regarding corrupt tax officials widespread?
3. Do the people know who is paying the cost of the Occupation?
4. Do the people know their individual annual income?
5. What do the people consider to be the best source of national revenue?

From 18 through 27 April 1949, a total of 1,598 registered voters in the six prefectures of the Kinki Military Government Region were interviewed. Five members of the Public Opinion Research Branch, Civil Information Division, Military Government Section, Headquarters, I Corps, who were temporarily assigned to the Kinki Military Govern-

- 2 -

ment Region, trained and supervised 80 field workers in the six prefectures. Actual interviewing was done by the field workers. In keeping with the objectives of the economic recovery program, the cost of interviewing was kept at a minimum level. This was done by using personnel already employed by the prefectural governments. No publicity was given the survey.

Members of the aforementioned Public Opinion Research Branch were under the direct supervision of the Civil Information Officer, Kinki Military Government Region.

BRIEF SUMMARY OF THE FINDINGS:

Almost one-half of the respondents did not realize at all how their tax money is spent. Almost two-thirds of them had no comment to make about their tax officials. About one-quarter of the people queried did mention dishonesty and graft, but it was found that these statements were based upon rumor and not definite facts. Over sixty per cent expressed the belief that Japan is bearing the total cost of the Occupation. Over eighty per cent stated that they know their income, but over one-half of these admitted that they do not keep any records of income. Further questioning revealed that sixty-five per cent* of the people do not have an exact idea as to what their income is. About two-thirds had nothing to suggest as to the best source of national revenue. Most of the others suggested heavier taxes on blackmarket profiteers.

- 3 -

*Note: $\frac{1}{82/100} \times \frac{2}{57/100}$ plus $\frac{3}{17\%}$ plus $\frac{4}{1\%}$ equals $\frac{5}{65\%}$
or 47%

- 1 - Those who know their own income
- 2 - Those who do not keep records
- 3 - Those admitting ignorance in regard to income
- 4 - Others
- 5 - Those who do not have an exact idea as to their income

* * * *

FINDINGS:

(A) HOW TAX MONEY IS SPENT

(1) KNOWLEDGE AS TO HOW TAX MONEY IS SPENT

As many as 47% of the respondents did not realize at all how their tax money is spent. The general public is aware of expenditures for the termination of hostilities, salaries of government employees, and money spent for public utilities, but there the knowledge ends. The people are unaware of the great variety of other state expenditures.

As many as 25% of the respondents thought that expenditures connected with the termination of hostilities were the largest of all. Only 1% considered stabilization of commodity prices to be the largest. 16% of the respondents believed that salaries for government employees took most of the public money.

Men knew more than women about tax matters, taxpayers more than non-taxpayers, commercial and salaried people more than farmers.

Question: Tax money is spent in various ways. What do you think accounts for most of the money spent?

Question: Do you know of any other fields in which tax money is spent?

<u>Degree of Knowledge</u>		<u>How People Think Tax Money Is Spent</u>	
Excellent	3	Termination of hostilities	31
Good	20	Salaries of government officials	26
Poor	30	Public utilities	19
Very Poor	47	Education	7
	100%	Repatriates' relief fund	7
<u>Greatest Expenditure of Tax Money</u>		Stabilization of commodity prices	6
Termination of hostilities	25	Housing reconstruction	5
Stabilization of commodity prices	1	Government investments	3
Salaries of government officials	16	Allocation of local taxes	1
Others	9	Others	5
Don't know	49	No comments expressed	47
	100%		157%*

* Some respondents gave more than one answer.

(2) PEOPLE'S INTEREST AS TO HOW THEIR TAX MONEY IS SPENT

Generally, interest was found to be very low. There were very few recommendations and suggestions expressed. Men were more interested than women, and taxpayers more interested than non-taxpayers. Commercial and industrial business owners and wage earners expressed a little more interest than farmers.

Question: Are you interested in how your tax money is spent by the government?

Question: In your opinion, how should this tax money be spent?

<u>Interest</u>		<u>Recommendations as to How Tax Money Should Be Spent</u>	
Strong	10	Repatriates' relief fund	26
Moderate	30	Public utilities	25
Weak	18	Education fund	15
Non-existent	42	Housing reconstruction	15
	<u>100%</u>	Stabilization of commodity prices	15
<u>Regarding Expenditure of Tax Money</u>		Government investments	4
Did not answer	62	Others	17
Did answer	38		<u>117%*</u>
	<u>100%</u>	*Some respondents gave more than one answer.	

(B) HOW DO MEMBERS OF THE GENERAL PUBLIC FEEL ABOUT TAX OFFICIALS?

The average person was found to be indifferent. However, those dealing closely with tax officials (especially self-assessment taxpayers) were harsh in their criticism. This fact might be considered an indication of the unreasonableness and perhaps arbitrariness of the tax officials.

63% had nothing to say about their tax officials. This might be interpreted as an indication of hesitancy on the part of large groups of people to criticize their officials.

24% of the respondents mentioned dishonesty and graft. However, their information was not of a first-hand nature but was based upon rumors.

Question: How do you feel about tax officials?

	<u>Families of</u>				
	<u>Total</u>	<u>Self-assessment Taxpayers</u>	<u>Self-assessment Taxpayers</u>	<u>Self-assessment Taxpayers</u>	<u>Withheld Others</u>
Good feeling	6	9	6	5	4
Bad feeling	24	41	26	23	10
Others	7	11	8	7	3
No comment	63	39	60	65	83
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Question: Have you heard of or seen instances of "foul play" among tax officials?

((To those who answered "Yes"))

Tell the details. How did you know that?

	<u>Total</u>	<u>Self-assessment Taxpayers</u>
Yes	24	32
No	76	68
	<u>100%</u>	<u>100%</u>

<u>Details of "Foul Play"</u>		<u>How Did You Know That?</u>	
Graft	12%	Newspaper or radio	9%*
General dishonesty	7%	Rumor	14%
Private considerations	2%	Personal experience	2%
Others	3%		

* These percentages are against the total number of respondents. As some of the respondents answered more than one, the total of these percentages and the percentage 76 (who voiced nothing) is over 100%.

(C) WHAT DO THE PEOPLE KNOW ABOUT THE COST OF THE OCCUPATION FORCES.

61% of the general public who were queried stated that Japan was paying the cost of the Occupation. A group of college and university graduates were asked the same question; 49% of these people answered "both Japan and the United States."

Question: The Occupation Forces are now in Japan, and Japan needs money for various expenses incurred. Who do you think pays these expenses?

	<u>Total</u>	<u>College or University</u> <u>Graduates</u>
Japan only	61	43
United States only	5	7
Both Japan and the United States	18	49
Others	0	-
Don't know	16	1
	<u>100%</u>	<u>100%</u>

Question: ((To those who answered "only Japan" or "United States" in previous question)) Costs of Occupation Forces in Japan include food and clothing, salaries of Occupation Forces personnel and their employees, rental of buildings and equipment, railways, electricity, gas and water, and so forth. Do you think all of these expenses are being paid by Japan only or by the United States only?

Japan only	60
United States only	5
Both Japan and the United States	27
Others	0
Don't know	8
	<hr/> 100%

(D) SELF-ASSESSMENTS AND REASSESSMENTS

(1) SELF-ASSESSMENT TAX PAYMENT SYSTEM AND ESTIMATION OF INCOME

Of the 82% who answered that they know their income, 57% admitted that they do not keep any type of records. Further investigation revealed that 65% of the people do not have an exact idea as to their income. (See Page 3). Main reasons given were "unsteady incomes" and "accounting is left to others". Information supplied by self-assessment taxpayers and by withholding taxpayers was quite similar.

Question: ((To those who have their own income)) Do you know your actual yearly income?

	<u>Know Very</u>	<u>Know Approx-</u>	<u>Don't</u>		
	<u>Well</u>	<u>imately</u>	<u>Know</u>	<u>Others</u>	<u>Total</u>
Self-assessment taxpayers	24	58	17	1	100
Withheld taxpayers	28	58	14	0	100

Question: ((To those who know their yearly income very well or approximately) Are you keeping an account book or a household book?

	<u>Yes</u>	<u>No</u>	<u>Others</u>	<u>Total</u>
Self-assessment taxpayers	40	57	3	100%
Withheld taxpayers	31	66	3	100%

Question: ((To those who do not know their annual income)) Why don't you know it?

Unfixed income (because of odd jobs)	44
Accounting is left to others	7
Gave no reason	49
	<u>100%</u>

(2) WITH WHOM DID THE SELF-ASSESSMENT TAXPAYERS CONFER IN ASSESSING THEIR INCOME?

Since this system is still quite new, and since many taxpayers do not know their yearly income, 43% of those queried stated that they had conferred with some others person in assessing their income.

Question: ((To those who pay their tax by self-assessment))
 With whom did you consult in self-assessing your
 income, or did you do this without aid?

Without aid	52
Consulted with someone	43
Consulted with trade associations	19
" " other family members	14
" " neighbors	5
" " others	5
	43
Others (unfamiliar with matters of this nature)	5
	100

(3) SELF-ASSESSMENT TAXPAYERS AND REASSESSMENT

Reassessment cases were greater in number in urban centers than in rural districts. Reassessments as compared to self-assessments were classified as follows: "under 1½ times", "1½ to 3 times", and "over 3 times".

Taxpayers engaged in farming, fishing, and forestry work were reassessed the least. Those engaged in commerce and industry were reassessed the most.

a. How many self-assessment taxpayers were reassessed?

Following questions were asked only to those who paid their taxes by self-assessment:

Question: Have you been reassessed by the tax office?

	<u>Yes</u>	<u>No</u>	<u>Don't Know</u>	<u>Others</u>	<u>Total</u>
	64	31	3	2	100%
<u>By Occupational Group</u>					
Agriculture, forestry & marine products	58	37	4	1	100%
Commerce and industry	74	20	4	2	100%

b. Extent of reassessment

Question: How much larger was the reassessment than your self-assessment?

	<u>Below</u>	<u>1½ to 3</u>	<u>Over 3</u>	<u>Don't</u>	
	<u>1½ Times</u>	<u>Times</u>	<u>Times</u>	<u>Know</u>	<u>Total</u>
	40	30	23	7	100%
<u>By Occupational Group</u>					
Agricultural, forestry & marine products	60	22	8	10	100%
Commerce & industry	19	37	39	5	100%
<u>By District</u>					
Urban	19	34	41	6	100%
Rural	51	29	12	8	100%

(4) REACTION OF THE GENERAL PUBLIC TOWARD REASSESSMENT

Answers in regard to the inevitability of reassessments being greater than self-assessments were almost equally divided into pros and cons. Most of those queried expressed dissatisfaction with their reassessments.

However, it may be pointed out that 43% of those who received reassessments contended that a somewhat larger reassessment was inevitable or obligatory for underestimated self-assessments. Rather paradoxically, as many as 63% voiced dissatisfaction with the size of their own reassessments. Their complaints were described as "unreasonable" or "too much". As many as 65% complained about inadequate investigations and inefficiency of tax officials.

Those dissatisfied with reassessments, those grumbling about their own individual cases, were more numerous in the urban centers than in the rural districts.

Question: ((Asked only to those who answered that they were reassessed by authority)) Do you think it inevitable that the reassessment was somewhat greater than your self-assessment?

	<u>Affirmative</u>	<u>Negative</u>	<u>Others*</u>	<u>Don't Know</u>	<u>Total</u>
	43	47	3	7	100%
<u>By District</u>					
Urban	39	56	2	3	100%
Rural	47	46	3	4	100%

*Others.....Answers which were affirmative or negative with some conditions.

Question: Are you satisfied with your reassessment?

	<u>Yes</u>	<u>No</u>	<u>Others</u>	<u>Don't Know</u>	<u>Total</u>
	25	63	3	8	100%
<u>By District</u>					
Urban	13	82	3	2	100%
Rural	36	58	3	3	100%

Question: ((To those who were dissatisfied with their reassessments))

Why aren't you satisfied with your reassessment?

"Unreasonable", "too hard", "too heavy", and so forth	29
Inadequate investigations of authorities	65
Don't know or others	6
	<u>100%</u>

(E) WHAT DO THE PEOPLE SUGGEST AS THE BEST SOURCE OF STATE REVENUE?

65% of the people queried had nothing to say. Two-thirds of those with something to say suggested heavier taxes on blackmarket profiteers - "those leading unreasonable, luxurious lives." It must be assumed, therefore, that the people are aware of large fortunes that are not being taxed.

63% of those suggesting "various tax items" recom-

mended income taxes as the best source of revenue.

Question: What kind of tax do you think is the best source of revenue for the government?

Don't know	65	<u>Break-down of "Various</u>	
		<u>Tax Items"</u>	
More taxes imposed on blackmarket profiteers, and so forth	25	Income tax (direct tax)	63
Various tax items	10	Commodity consuming tax (indirect tax)	15
	<u>100%</u>	Corporation tax	8
		Others	14
			<u>100%</u>

RECOMMENDATIONS

Information programs dealing with tax education must be further strengthened and vitalized on all levels. Civil Information Officers should, if at all possible, confer weekly with tax officials in their prefectures, suggesting new ideas, new techniques, new devices. Frequent liaison with all of the media of information should be maintained. They should be reminded again and again of their civic responsibility to give the people sound, accurate, and reliable information.

The various themes and techniques suggested by Military Government Section, Headquarters, Eighth Army, and by other headquarters should receive constant attention. Espe-

- 16 -

cially effective at this time might be the use of "town hall meetings" conducted not by Military Government but by the Japanese tax officials in all of the cities and towns of the prefectures. Officials in charge must be impressed with the necessity for using language which the average person will understand. Also effective might be the organization of tax familiarization courses in schools at which simple tax problems are presented, with emphasis on filing procedures.

Tax office personnel should be reminded that they are the servants, not the masters, of the people. As such, they should act accordingly.

The necessity for publicity dealing with accurate records of income cannot possibly receive too much emphasis.

Briefly, tax collection must remain first on the Civil Information priority list for many months to come.

775013

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

REC/af

AG 012 - BA

June 9, 1949

SUBJECT: Transmittal of Japanese Letter

TO : Commanding Officer
Kinki Military Government Region
APO 25

1. Attached herewith a letter from a Japanese taxpayer reporting violations of tax laws.
2. Disposition as to investigation and action taken is requested by this headquarters at the earliest possible date.

BY COMMAND OF MAJOR GENERAL COULTER:

1 Incl:
as indicated/s/t/ Charlie Ramsey
CWO USA
Asst Adj Gen

012

1st Ind

HIM/ms

Hq. Kinki Mil Govt Region, APO 25, 18 June 1949

TO: CO, Kyoto Mil Govt Team, APO 301
Attn: Fin & Civil Prop Section
Economic Section

1. A copy of the attached informer's letter has been submitted to the Osaka National Tax Bureau requesting investigation of the information contained therein, relative to the purported tax evasions and violation of probation on previous conviction. The Bureau, however, has not been advised of the name of the informer, as contained in the attached letter. It is desired that the informer be contacted and advised of his rights to claim an informer's reward if specific information can be supplied that will materially aid the tax officials

FOR FILE

775013

BASIC: Ltr, HQ I Corps, AG-012-BA, subj: "Transmittal of Japanese Letter", dtd 9 June 1949

in effecting collections of evaded taxes. To so qualify, he must of his own initiative, disclose his identification to the tax officials and cooperate with them to the fullest extent of his ability.

2. No action has been taken by this headquarters relative to the alleged violation on fuel ration. It is desired that the Economic Section of your team initiate an investigation of these violations if the attached letter proves to be bona fide and valid.

3. It is essential that these investigations be completed at the earliest practicable time.

BY ORDER OF COLONEL O'MCHUNDRO:

1 Incl:
Informer's Letter

GEORGE MINAREK
Captain CE
Adjutant

775013

HEADQUARTERS I CORPS
163rd Language Detachment
APO 301

KAY NOZAKI
Translator

Translation No. 5857

Translated from a Japanese letter received 19 May 1949

SUBJECT: Re evasion of taxes & other violations of the law.

TO : Headquarters, I Corps, KYOTO.

Dear Sirs:

YUJI TAKAYAMA, President of the TAKAYAMA Chemical Pottery Joint-Stock Company, YAMASHINA OTOWA, HIGASHIYAMA Ward, KYOTO City, was given a 3-year jail sentence in 1942 for violating the Textile Ordinance. His sentence was suspended for 3 years, however, he has continued to violate laws and regulations without mending his ways. He is believed to have committed the following offenses:

1) Despite the fact that persons having shares in one company are prohibited from having shares in other companies, TAKAYAMA is operating other companies, similar in nature, in the names of his son and others.

2) Several employees of his company say that TAKAYAMA is evading his own taxes as well as company taxes and that he is also delinquent in paying his income source tax.

3) It is greatly suspected that TAKAYAMA has been using 4,000 or 5,000 bundles of pine wood and a great quantity of coal per month for the boilers of the company, since February 1948. Although he does not receive any fuel rations.

4) Rumor has it also that TAKAYAMA is evading property tax.

775013

HEADQUARTERS I CORPS
163d Language Detachment
APO 301

KAY NOZAKI
Translator

Translation No. 5857

Translated from a Japanese letter received 19 May 1949

SUBJECT: Re evasion of taxes & other violations of the law.

TO : Headquarters, I Corps, KYOTO.

FROM : KYOJIRO TAKASE, GORYO-CHO, YAMASHINA, HIGASHIYAMA
Ward, KYOTO City.

Dear Sirs:

YUJI TAKAYAMA, President of the TAKAYAMA Chemical Pottery Joint-Stock Company, YAMASHINA OTOWA, HIGASHIYAMA Ward, KYOTO City, was given a 3-year jail sentence in 1942 for violating the Textile Ordinance. His sentence was suspended for 3 years, however, he has continued to violate laws and regulations without mending his ways. He is believed to have committed the following offenses:

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- 2) Several employees of his company say that TAKAYAMA is evading his own taxes as well as company taxes and that he is also delinquent in paying his income source tax.
- 3) It is greatly suspected that TAKAYAMA has been using 4,000 or 5,000 bundles of pine wood and a great quantity of coal per month for the boilers of the company, since February 1948. Although he does not receive any fuel rations.
- 4) Rumor has it also that TAKAYAMA is evading property tax.

Incl 1

願出

脱税並ニ制令違反及其他御調査ノ件

一左記ノ件々ヲ御調査ノ上御返置願上マス

一市内東山区山科町高野

高山化学工業株式会社

代表者社長 高山 雄次

一右ノ者ハ昭和十七年纖維経済違反ニテ徴役三年ノ執

行猶多三年ノ及刑者タルモ拘テハ未カキニシセズ

制令違反ヲ續ケツ、アリタル事

一令業務内容客トスル關係會社ノ株ヲ持ツ事ヲ株主シテ

テケルモカハス表面ニシテ其息子又ハ其他ノ名義トシテ

事実ト本人ガ統轄シ其手續ヲシラマシテ其マ、ニテ経営

シ、アリ

一 脱税

自己並ニ會社ニ相当ノ脱税アルコトヲ現在從業中ノ
從業員間ニ噂ガ高ク源泉加税等ニ脱税アル

ト云フ

一 昨年一月以來一月四五千束ノ松割木並ニ石炭等

ノ關買ニテ蒸ラ材ト炭業シテ居ル事ハ其配給

ナキ之場ナルコトハラズ相当ノ蒸ラ材ト炭業シテ居ル事

一 財産税モ相当ノインストラクト噂高シ

右事實至急御調査願上マヌ

東山区山科御前

高岡親奈次郎

第一軍司令部 御中

775013



東京

京都市烏丸四條上ル大建ビル
幕軍司令部 街中

775013

MILITARY GOVERNMENT ROUTING SLIP

FOR FILE

SMGO			PUBLIC WELFARE			ECONOMICS		
EXECUTIVE	2	1	PUBLIC HEALTH			INDUSTRY		
ADJUTANT			PH NURSE			NAT RES		
ADM ASST						IMP&EXP		
CHIEF CLERK	3		CIVIL INFO			LABOR		
CORRES CLERK			CIVIL EDUC					
SUPPLY						LEGAL&GOVT		
FERS SEC						PUB SAFETY		
			CLASSIFIED SEC					
						PROCUREMENT		
						FIN&CIV PROP		

FILE

INFO

ACTION

REMARKS:

NOTE #3 of translated references letter - Lt Todd

775013

NARA MILITARY GOVERNMENT TEAM
APO 25, Unit 4

EGH/md

012

8 June 1949

SUBJECT: Prefectural Tax Officials School

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

Forwarded herewith for your information is the schedule for the first month's course in the schooling of tax officials at prefectural level.

1 Incl:
Schedule/s/t/ E. G. Hickman
Lt Col, FA
Commanding

012

1st Ind

HLM/ms

Hq. Kinki Mil Govt Region, APO 25, 18 June 1949

TO: Commanding General, I Corps, APO 301

1. Forwarded for information of GHA, ESS Internal Revenue, Plans and Training Section.
2. The training program provided for the tax personnel of Nara Prefecture, as scheduled in the attached information copy, is basically in conformance with the training program directed by the Osaka National Tax Bureau. The program was drawn up through the coordination of four of the tax offices in Nara Prefecture.
3. The courses are generally as prescribed by the Bureau. However, to date no specific plan has been issued by the bureau relative to these training programs. The plans are normally left for determination by the individual tax offices, and apparently have not been too closely coordinated. Pursuant to the suggestion of this office, tax personnel training programs have been requested by the Regional Bureau for study and

775013

FOR FILE

BASIC: Ltr. Nara MGT, subj: "Prefectural Tax Officials School", dtd
8 June 1949

file

revision as warranted.

4. A check on the qualification of the instructors, the effectiveness of the courses, the attendance and related matters is made by the Training Section of the Osaka Bureau periodically. Additional information relative to tax training programs in this region will be submitted as soon as received from the Osaka Bureau.

FOR FILE

FOR THE COMMANDING OFFICER:

1 Incl:
n/c

GEORGE MINARIK
Captain CE
Adjutant

MS
Wiley

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

PROGRAM FOR TRAINING OF TAX OFFICIALS

The following is the plan for Prefectural training of tax officials for the month of June.

I. GENERAL: The basic aim of the course will be to convey basic knowledge concerning the tax law and tax collections.

II. PERSONNEL TO ATTEND: All personnel of the four tax offices who have less than one year experience in the position they presently occupy, (in the case of officials, after appointment as officials). Both officials and tax office employees will attend.

(1) Personnel to attend will be those officials and employees from the Income tax section, Sales transaction tax section and the tax collection section.

(2) Personnel of each of the above named sections, (II, 1 above), will be divided into four groups, one group per week. Each group will receive two days of schooling--7-8 hours each day--14-16 hours total.

III. SCHEDULE OF COURSE: The school will begin 1 June 1949 and end 30 June 1949.

(1) School hours will be 0900 to 1700 hours.

(2) The location of the school will be rotated, one week under each tax office jurisdiction.

(3) The schedule will be as follows:

<u>Location</u>	<u>Week</u>	<u>Date</u>	<u>Group</u>
Nara	1st week	(Wed) 1 June	1st Group - Sales Tax Section
		(Thu) 2 "	
	"	(Fri) 3 June	1st Group - Tax Collection Sect.
"	(Sat) 4 "		
"	"	(Mon) 6 June	1st Group - Income Tax Section
		(Tue) 7 "	
Katsuragi	2nd week	(Wed) 8 June	2nd Group - Sales Tax Section
		(Thu) 9 "	

<u>Location</u>	<u>Week</u>	<u>Date</u>	<u>Group</u>
Katsuragi	2nd week	(Fri) 10 June (Sat) 11 "	2nd Group - Tax Collection Section
"	"	(Mon) 13 June (Tue) 14 "	2nd Group - Income Tax Section
Sakurai	3rd week	(Wed) 15 June (Thu) 16 "	3rd Group - Sales Tax Section
"	"	(Fri) 17 June (Sat) 18 "	3rd Group - Tax Collection Sect.
"	"	(Mon) 20 June (Tue) 21 "	3rd Group - Income Tax Section
Yoshino	4th week	(Wed) 22 June (Thu) 23 "	4th Group - Sales Tax Section
"	"	(Fri) 24 June (Sat) 25 "	4th Group - Tax Collection Sect.
"	"	(Mon) 27 June (Tue) 28 "	4th Group - Income Tax Section

IV. SUBJECTS AND INSTRUCTION:

- (1) Interpretation of the Income Tax Law.
- (2) " " " Sales Transaction tax law
- (3) " " " Tax Collection Law
- (4) " " " National Public Service Law
- (5) " " " Financial and Economic Laws

V. INSTRUCTORS: Designated from among tax section chiefs from the tax office where the school is being held.

775013

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

HLW/rs

012

7 June 1949

SUBJECT: Tax Surveillance Information

TO : All Teams
Attn: Fin & Civil Prop Section

1. Inclosure 1 contains the first tentative report of transfers of tax chiefs in this region as recently effected by the Osaka Finance Bureau.

2. The transfers were made pursuant to recommendations of this headquarters for the purpose of serving the overly familiar relations existing between the tax officials and various taxpayers within their jurisdiction to the detriment of the tax collection program.

3. It is desired that the Senior Military Government Officer address these new chiefs and impress upon them the importance of maintaining the integrity and dignity of their office in their new assignments and that they be warned to cease prostituting their positions for favors and considerations from the taxpayers under threat of administrative or punitive action as may be warranted.

4. Inclosure 2 contains instructions to the tax office chiefs relative to action to be taken in clearing arrearages and delinquent tax amounts. The directive contains instructions for improving the administrative procedures in effecting collections.

5. Because of the serious nature of the delinquency problem, it is desired that tax surveillance personnel familiarize themselves with this specific directive and make it a matter of special inquiry in visiting tax offices during the month of June to insure compliance.

2 Incls:
As indicated

Wiley H. O'McHendro
WILEY H. O'MCHENDRO
COLONEL INF
COMMANDING

5

NEW CHIEFS OF TAX OFFICES

<u>New Office</u>	<u>Name</u>	<u>Old Office</u>
Osaka		
Higashi	MATSUI, ETSURO	Nishinomiya
Osaka Fukushima	FUJIWARA, Kiichi	Ukyo
Ikuno	YAMANO, Masakatsu	Higashi-Sumiyoshi
Asahi	YAMANOI, Kanichiro	Kishiwada
Higashi-Sumiyoshi	SUGIHARA, Yoshinosuke	Tanabe
Sumiyoshi	YAMADA, Hiroshi	Abeno
Yodogawa	KITAGAWA, Hisanori	Asahi
Izumi-Otsu	TANI, Hideo	Bureau
Abeno	TSUKAHARA, Chikyo	Hikone
Kishiwada	YURA, Teiichi	Nara Branch Bureau
Kyoto		
Kamkyo	YONEDA, Tokujiro	Nakakyo
Nakakyo	KANEKO, Ikuji	Maizuru
Ukyo	TOMODA, Shinji	Bureau
Fushimi	NII, Toru	Fukuchiyama
Miyazu	YASUDA, Hideo	Maizuru Custodian
Maizuru	IZUMI, Satokichi	Kyoto Branch Bureau
Mineyama	HIKAWA, Kenzo	General Affairs Section, Higashi

- cont'd -

INCL 1

- 2 -

<u>New Office</u>	<u>Name</u>	<u>Old Office</u>
<u>Hyogo</u>		
Yashiro	TAKEOKA, Sadao	Direct Tax Section, Kobe
Tatsuno	YASUMA, Isamu	Indirect Tax Section, Fushimi
Hyogo	TANAKA, Jitsutaro	Ube
Kanbara	MATSUSHIMA, Htaro	Fuse
Nagata	KAGISAKI, Shuichiro	Akashi
Kobe	MATSUNAGA, Zenjiro	Yodogawa
Akashi	MATSUTANI, Kiyoshi	Tatsuno
Nishinomiya	YAMAGUCHI, Shinichi	Okayama
Ashiya	NAKASHI, Keihiro	Kobe Custom
<u>Wakayama</u>		
Wakayama	YONONE, Seiji	Ikuno
Kokawa	MURAKAMI, Shigeji	Kanbara
Tanabe	ASAKA, Yuichi	Itami
<u>Nara</u>		
Sakurai	YURA, Teichi	Nara Branch
Katsuragi	SHIMAZAKI, Seichi	Direct Tax Section, Higashi

TRANSLATION

(KEI CHO 2 No. 123)

27 May 1949

TO: Tax Office Chief

SUBJECT: Regarding the first special clearance of taxes in arrears

In regard to the above subject, the Bureau arranged with the General Affairs Section chiefs of all tax offices in the jurisdiction of this Bureau at the conference held on May 21 as follows: "This Bureau wishes your entire handling as to the above enforcement."

Matters arranged as to the first special clearance of tax amount in arrears at the conference by all tax offices, General Affairs Section chiefs, in this jurisdiction on May 21.

1. Regarding the first special clearance of taxes in arrears.
 1. Enforcement period: from 1 June to 30 June for 30 days
 2. Clearance goal: (1) To be enforced as to the carried over taxes in arrears as of May 1, 1949
(2) The goal is put to about 50% of the total amount carried over and estimated amounts to be received shall be perhaps put to over 20% of the clearance goal.

3. Points to be enforced:

Matters to be prepared:

1. The amount carried over to the next term on March 31 and the carried over amount as of April 30 should be ascertained and also the total amount of the above, must be balanced with the amount in delinquent tax journal.
2. Coercive Collection Slip should be compared with Delinquent Tax Clearance List during this May without fail.
3. The Coercive Collection Slip should be signed by the Section Chief or official in charge after having been checked.
4. Revised Coercive Collection Slip should be clearly marked "Revised" in the marginal space.

- 2 -

5. Unsettled cases now under reinvestigation in the Re-investigation Cases Journal, possessed by the Direct Tax Section and Indirect Tax Section should be marked "Re-investigation" in the marginal space of the Coercive Collection Slip.

6. The Coercive Collection Slip should be divided into each area and moreover, the Coercive Collection Slips of every taxpayer should be filed together.

7. The responsible official adjusting the Coercive Collection Slip should be selected and the official shall take charge of the following matters:

(A) Strict recording of the Coercive Collection Slip

1. Succession and charge of coercive collection
2. Recording of data
3. Inquiring of a person's properties, whose address is unknown
4. The matters regarding the following B

(B) In case of the above officials receiving notice of receipt, notice of correction and reduction from the section concerned, he should record it in the Coercive Collection Slip after correcting

2. Clearance during the period

1. The limits of the official's charge and recording of Coercive Collection Slip delivered every day should be made clear and numbers of the above slip delivered to the officials concerned before going out for business should be withdrawn and checked after coming back. The delivery-recording book should be compared with these slips.

2. To check on every official's actions, the diary should be compared with other records in order to ascertain cash received, cases of attachment and their amounts.

3. Summary table should be made to make sure of daily progress of receipt, attachment, correction and reduction.

4. Execution of coercive collection should be conducted according to the following:

(1) The official's deed for every day should be recorded in delinquent tax collection clearance list and List of Received amounts by attachment as directed by No. 61, KEI CHO 2 on March 26.

(2) The total number of delinquent cases in the report on delinquent taxes as of 30 June should correspond to those of the above lists, and a report should be submitted of the results.

- 3 -

3. After examining the above enforcement points, making the proper plan in every tax office, the plan should be submitted by the 27th of May.

4. The results of the first special clearance for delinquent taxes should be submitted by 7 July 1949 to the Second Section chief of Tax Collection Section of this Bureau together with the report on delinquent taxes.

775013

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

HLM/ms

012

7 June 1949

SUBJECT: Reorganization of Osaka Finance Bureau

TO : All Team Commanders
Attn: Fin & Civil Prop Section

1. Attached for information purposes are organization charts of the Osaka Finance Bureau after conforming with directives of the Finance Ministry to reorganize into two separate functions.

2. The Osaka National Tax Bureau headed by Mr. Naomitsu Kubotani, successor of Mr. T. Yoshida, will deal exclusively with tax matters.

3. The Osaka Finance Division will be responsible for all other functions previously handled by the Osaka Finance Bureau.

BY ORDER OF COLONEL O'MOHUNDRO:

1 Incl:
as indicated

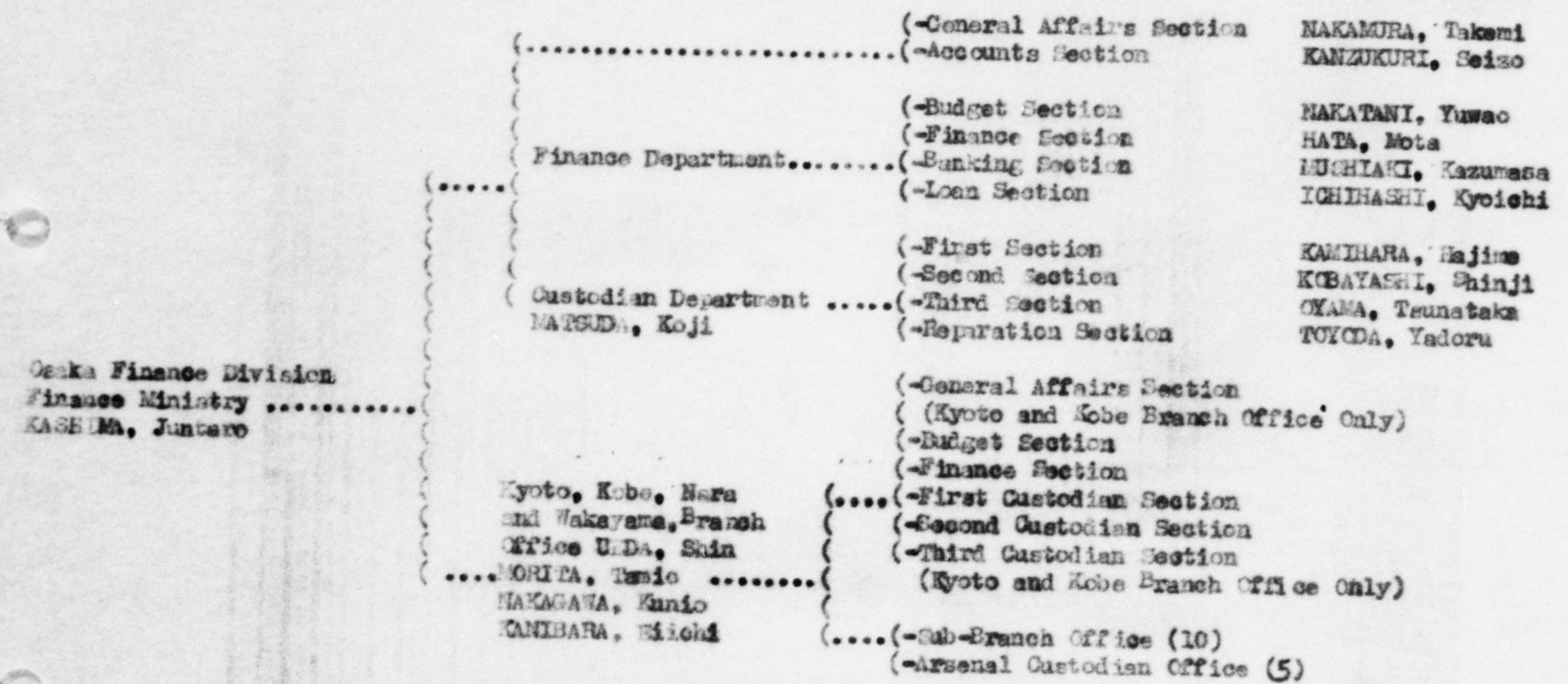
GEORGE MINARIK
Captain CE
Adjutant

Info Copy:
CG, I Corps, APO 301

4

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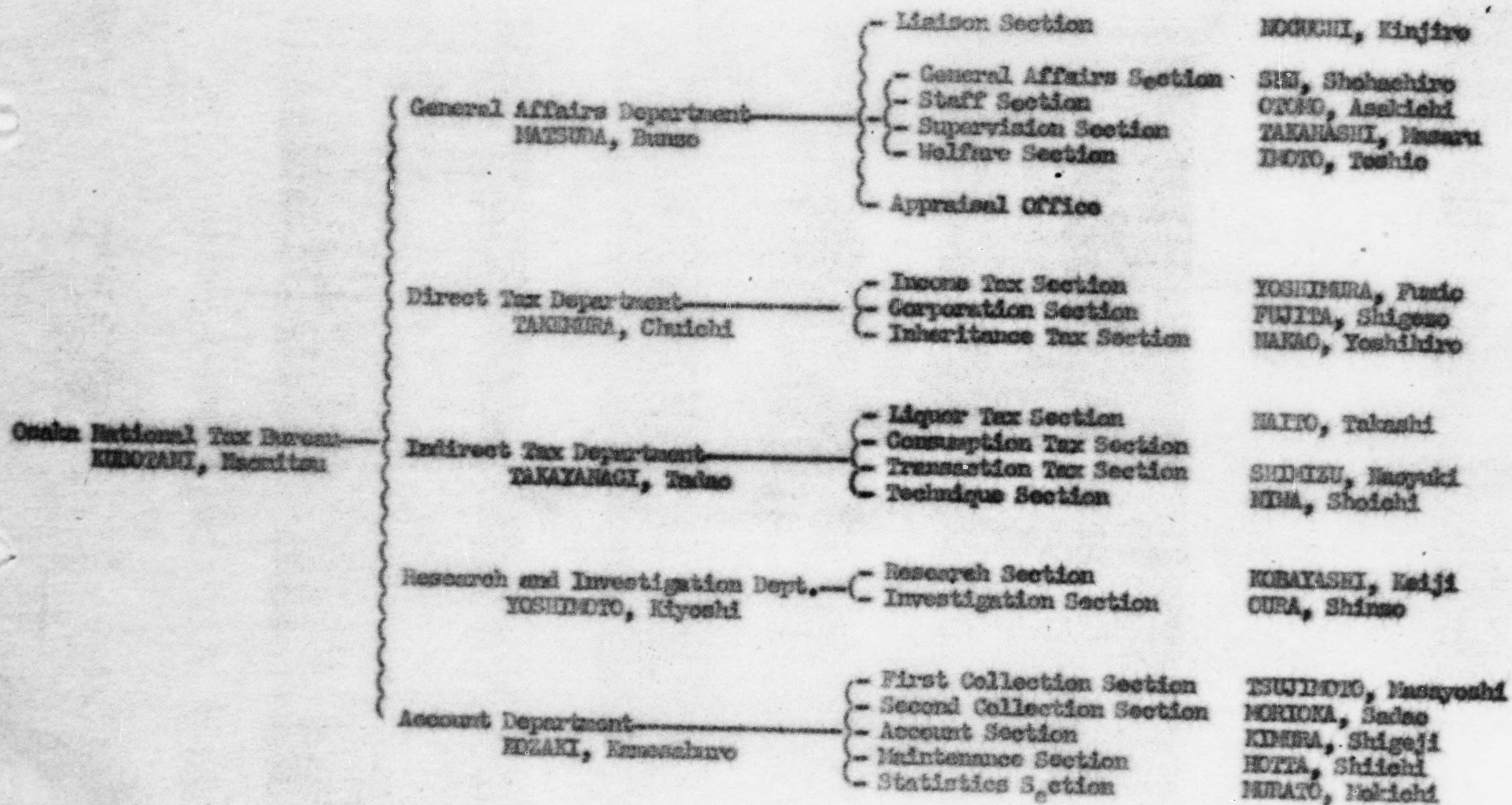
STRUCTURE OF OSAKA FINANCE DIVISION



Osaka Finance Division
Finance Ministry
KASHIMA, Junzaro

Note: The sub-branch offices and arsenal custodian offices in Osaka Prefecture will be placed under direct management of Osaka Finance Division.

STRUCTURE OF OSAKA NATIONAL TAX BUREAU



775013