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炭礦全國フラクション會議議事錄

一九四七・一〇・一二

一、既にブル新聞で報ぜられた通り日鉱炭聯の大部分は十月十二日炭協大會の席をけつて退場した此の分裂に基いて今後の闘争方針を討議する爲直に十二日夜党本部から中央委員二名の出席を願つて炭礦全國フラクを召集した尚大會に於ける日鉱炭聯の裏切行爲は全炭機関紙に依つて詳細に報導するから積極的に利用していただきたい

議事

今後の対炭協対策として

(1) 統一対策

(2) 全炭の新運動方針

(3) 闘争方針

以上の三つを中心として討議し次の如き決定をした

1 大會の報告眞相を徹底的に宣傳し吾々の闘争を挫折せしめた事実の暴露を前提として二、四〇〇カロリーを基礎としてこの上に各職場から地域毎に最低賃金を組み立てて闘つて行く事を明示し強い所から

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闘争に入つて之を波及させて行く

2 大會殘留努力を急速に固める必要があり今こそ全炭は枠を外して合同しなければならない時である

3 要するに実質的な全炭が二十二万に増大したといふことになる從つて脱退した大衆に喰ひ込んで之をどしどし吸收して行く事を怠つてはならない

言いかへれば殘留組を單一化し脱退派を共同闘争にまき込んで行かなくてはならないのである

4 分裂し單一化といふ事は共同闘争を通じて現段階に至つたと云ふこと從つて從來の基本方針に基いて共同闘争から脱落したものを捨て一本になるといふ事これが現実化したのである

5 つまり吾々は炭協の線を強力に前に出して全炭の枠を外して行くのである。だから中央炭協は團体交渉は促進せしめ地方的闘争を計畫的にまとめて行き地方では強力に縣協組織を強化して共同闘争を実質的に推進する名称を炭協〇〇地方協議會とする即ち頭に炭協を附

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して單一への形を整へさせる

6 対産別問題

單一化された時即ち全炭が枠を外す時に問題になるのであつて全炭の組織がある以上産別云々の問題はあり得ない從つて單一結成の大會に於て大衆討議に依つて決せられるこの時こそ全炭は強力にその基本方針を精力的に宣傳し産別加盟を提唱しなければならない

7 日鉱炭聯が平均賃金で協定するかも知れない此の場合吾々は無條件にこの獲得したれべる迄賃金を引上げさせ実に吾々は最低賃金を要求する彼等が平均賃金交渉を進めても吾々は別個に強力に團体交渉を行はなければならない

以上

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CONFIDENTIAL

Enclosure to Despatch No. 13 dated January 6, 1947, from the Office of the United States Political Adviser for Japan, Tokyo, entitled "Text of a Memorandum Believed to Have Been Prepared by Elements of the Japan Communist Party".

TRANSLATION

I. On September 21, the Tokyo Headquarters of the Party called a conference of the"Central Fraction of Coal Miners". This conference was attended by the representatives of local fractions then visiting Tokyo, the Party Headquarters personnel and the fraction of the National Congress of Industrial Organizations (Sambetsu), and a combat policy was decided upon with the wage question as its center. On October 4 a conference of the "National Fraction of Coal Miners"was called, taking advantage of the opportunity of the presence in Tokyo of representatives who were attending the general meetings of the National Coal Miners Union (Zen Tan) and the National Council of Coal Miners Unions (Tan Kyo Zenkoku). The following combat policy was adopted on the basis of the decision made on September 21:

II. The local fractions are to take vigorous action to establish a concrete plan on the basis of this decision according to local conditions; obtain approval of the local fraction organs; and report their decision to Party Headquarters, the Leadership Department of Organized Activities, and the Coal Mine Fraction.

MINUTES (Conference of the National Fraction of Coal Miners, October 4,1947)

I. Report on international and domestic conditions:

(a) International Situation.

As manifested in an article contributed by a Soviet economist "Valga" (or Varga) to the Pravda Newspaper, the economic crisis in America is spreading, Britain has closed the sterling block, and the Marshall economic policy in Europe has met decisive difficulties. By a rapid growth of the people's democratic influence in mid-Western Europe, the Soviet voice in the United Nations is gaining power every day. This is proved by the fact that Soviet Russia is striking the United States on the head at the latest sessions of the United Nations. Following this growth of the people's influence and the overwhelming victory of the Chinese Communists, pressure upon Japan is gaining weight proportionally, especially against the development of coal mines as the Ruhr of the Far East--the foundation of the Far East.

(b) Domestic Situation.

By the intrigue of financial monopolistic capitalists, who are trying, by means of half-slavery wages, to orient

the Japanese

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the Japanese economy toward foreign colonies by exports, production in the wage-earning industries is being forcibly carried out. The rationalization of industry, maintenance of an 1,800 yen average monthly wage level, opposition to concentrations of capital and the agricultural production adjustment law--are all related to this one point. This last mentioned ordinance is especially calculated to establish legally the price differential (Shiere?) for the purpose of exploiting the agricultural and industrial laborers simultaneously. This, however, results in the destruction of labor's power. The abandonment of workshops by the laborers is the proof. According to the Labor-Farmer News, the masses who are submitting their demands at present are estimated to exceed 3,000,000, or on a larger scale than at the time of the general strike of February 1.

Furthermore, the supplementary budget which is presented to the present session of the Diet will reach 110 billion yen. This will raise prices beginning in the latter part of December. The Economic Stabilization Board expects the economic condition in Japan in April-May next year to be worse than the disaster in Germany after the World War I. The note issue in Japan at the end of next year will reach 400 to 500 billion yen. The economic crisis in Japan is really serious. This situation is advantageous to our combat. There is no longer any other solution than a revolutionary method. This time we must fight fundamentally by commodity-exhausting guerrilla tactics and by Baltizan strike tactics. A frontal attack upon the strong defense line of the enemy is wasteful and difficult. We must develop our workshop struggle to an area struggle and it is the cells /of the Party/ which do this.

II. Wage Combat.

As the fundamental issue, the decision of September 21 is re-affirmed in an over-all way. We, however, must not wage a separate battle for a winter-passing allowance, a reduction of income tax, or for assuring safety devices; each battle must be related to minimum wages. All efforts should be made in parallel with the demand for minimum wages. If a fight can be staged for minimum wages alone, it should be pursued vigorously. We hereby re-affirm that we must carry out a decisive and revolutionary battle by pushing forward in thorough-going combat for the acquisition of minimum wages.

In this sense, technically, the Central Coal Miners Council (Chuo Tan Kyo) should develop a many-angled fight according to the conditions in the coal mines, by means of the following demands:

(1) the

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(1) the establishment of minimum wages; (2) abolition of income tax; (3) introduction of the retirement allowance; (4) miners' allowance; (5) completion of safety devices.

In each mine and in each locality the following demands should be presented:

(1) payment of a winter-passing bonus; (2) payment of income tax by the company; (3) completion of safety equipment.

It is clear that the Federation of Coal Miners' Unions (Tan Ren) is trying to split the organization of the Coal Miners Council (Tan Kyo) on the question of the wage demand. What should we do then?

(1) There are two wage plans: one for 2,400 calories of food monthly; and another for 2,200 calories advanced by the Federation of Coal Miners' Unions. We must advance with one demand for wages, grasping firmly upon the wage plan, as our cells are not yet in a position to exercise influence upon the masses. For the latter reason, fractions must lead the cells in such a manner as to facilitate their activities in the easiest way. For this purpose, we must gain time to transmit two wage plans to the lower parts of the workers' organizations. Through this process, we can capture the support of neutral union members, and inflict a blow upon the leaders of the Federation of Coal Miners' Union.

(2) If the Federation of Coal Miners' Union outdoes us in spite of this, we will stick to a one-way demand, laying stress upon gaining time. In a word, in the present revolutionary stage we must fight out the minimum wage struggle.

In the case of 1 above, Hokkaido should fight for the skill-encouraging allowance and for an area wage demand. Efforts should be exerted to hold a general meeting in Hokkaido again, and even if such a meeting is not possible, Hokkaido should fight by itself.

III. Combat Through National Coal Control Law.

National coal control should be combined with our combat as a question that affects the masses. In other words, such matters as the completion of safety devices, welfare facilities, payment of retirement allowance, the acquisition of materials for increasing production, etc., are made possible only through national control of coal mines. Such is especially true with small mines. This fact should propagandized as a means of combat. Technically the absolute plan should be avoided, and the secondary plan adopted (people's control should be recognized in practice).

Further, the Liberal Party capitalists should be attacked, and the Social Democratic Party bureaucrats supported. In expediting national coal control, care must be taken not to

give

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give an impression to the masses that the Social Democratic Party is right.

In short, we must never tamper with the law; we must relate national coal control to our production combat, and lead up to a wage struggle.

IV. Combat of Opposition to Taxation of the Masses.

At present there is collected only 20% of all taxes imposed on the masses (mostly business income tax) except the income tax on labor. Only the income tax on labor is collected 100%, as salaries and wages are paid by the company less income tax, and the companies do not turn over all tax revenues collected. If the supplementary budget of 110 billion yen is passed, four times the increased income tax and nine times the old income tax will be collected. 90% of the business budget this year (amounting to 114.5 billion yen) represents taxes on the masses. As detailed data will be presented by our fraction in the Finance Ministry, concrete figures will be exposed for the purpose of our wage struggle. We must form a League for Opposition to Taxes and join hands with the farms and city-workers. Thus we must pursue the following steps:

(1) as a matter of principle, abolition [of income tax], rather than delay, must be stressed;

(2) concretely, technical operations are adopted, such as delaying payment until workers' living expenses are in the black, or making employers bear the income tax;

(3) it is advantageous to know that the party responsible for the payment of tax (income tax) is the employer, and an employee is not legally bound for delay or non-payment.

V. Fight for Increased Production and Policy Toward the Coal Rehabilitation Council.

In order to avoid the oppression of the authorities, the combat for completing safety devices, decided upon September 21, should not be displayed prominently. Safety devices themselves constitute a subject for combat. This means that a bona fide battle should be fought to reject oppression, and that a combat is to be staged not only by the chief officials of the Party but also by the masses.

We must destroy the false illusion that the economy can be rehabilitated through the Economic Rehabilitation Council or Coal Rehabilitation Council. At present, conditions are ripe to expose the paternalistic character of the Coal Rehabilitation Council and to crush all proposals made by the capitalist side. We must carefully examine our subjective conditions, re-examine the weaknesses of the two Councils, and work for the formation of a labor front through the Coal Miners Council.

Before

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Before we mention the shift system, we must expose how intensive labor is imposed on the workers by feudalistic low wages, and accuse the capitalists of production sabotage. Our combat for opening up the bottleneck in the production of 30,000,000 tons of coal is combined with the state coal control battle and our wage struggle. Naturally, we insist on four shifts of six hours each, and oppose the shifting of positions. Careful consideration should be given before coming to a conclusion in favor of the employment of new workers. An example is furnished by the Takahagi Branch of the National Coal Miners Union (Zen Tan) which demands a two shift system of six hours each.

VI. Policy of Organized Activities.

We should cast off the false mechanical idea of the past that the Coal Miners Council (Tan Kyo) is the foundation upon which unity of the coal miners is established. We have to bring forward our fundamental policy of building unity through common struggle, and a single national union should be established even if we abandon those who drop out. A common combat committee should be formed in each locality, and a national common combat committee should also be formed. In this sense, it is a wrong policy to keep forever the faction of the National Coal Miners Union (Zen Tan) in the Saga Prefectural Coal Miners Association (Tan Kyo). Rejecting oppression, and developing obstinately local struggles by repeating powerful and flexible workshop battles, we should tie up these battles with the next election campaign.

The fractions, with cells as the center, should create advantageous conditions, however slight, for the purpose of winning a decisive revolutionary battle to be fought in cooperation with the farms and city workers, for increased wages and complete installation of safety devices, and against taxation of the masses.

Minutes of a Conference of the National
Fraction of Coal Miners (October 12, 1947)

I. As reported by bourgeois papers, a great majority of the Japan Miners Union (Nikko) and the Federation of Coal Miners' Union (Tan Ren) walked out of the general meeting of the Coal Miners Council (Tan Kyo) which was convened on October 12. In order to discuss future combat policy in the face of this new split, a meeting of the National Fraction of Coal Miners was called on the night of October 12, with the presence, by invitation, of two central committee members of Party Headquarters. The betrayal of the Japan Miners Union (Nikko) and the Federation of Coal Miners' Unions (Tan Ren) will be reported in detail in the press organ of the National Coal Miners Union (Zen Tan); it is recommended that positive action should be taken on the basis thereof.

Minutes

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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Minutes

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Minutes

The following three items were chiefly discussed as future policy; (1) counter measures toward labor unity; (2) policy toward the new movement of the National Coal Miners Union (Zen Tan); (3) policy of combat.

As a result the following decisions were adopted:

(1) By means of thorough propaganda, a true report concerning the general meeting should be made known and the responsibility for setting our combat back exposed; with this as a pre-supposition, a fight for the acquisition of minimum wages in each workshop and in each locality, with 2,400 calories as the base is clearly indicated; fighting should begin in the area where the Union is strong and be expanded to other areas;

(2) The unity of the remaining unions must be consolidated as speedily as possible; for this purpose, those remaining in the National Coal Miners Union (Zen Tan) should be unified and union regulations discarded;

(3) In short, the National Coal Miners Union has increased to 220,000 members in practice. The opportunity must not be neglected of cutting into the masses who seceded from the general meeting and of absorbing these elements successfully. In other words, the remaining unions should be unified, and the seceding unions dragged into a common combat;

(4) The present stage has been reached through common battle, by split, and by unification into a single body. Therefore, the policy pursued up to this time of abandoning those who fell out of the common struggle, has now been realized.

(5) Question with regard to National Congress of Industrial Organizations (Sambetsu).

This question comes up only when unification is completed, or when the National Coal Miners Union (Zen Tan) discards its regulations. As long as the organization of the National Coal Miners Union exists, the question concerning the National Congress of Industrial Organizations cannot arise. Naturally, at the time when decisions are taken by mass debates at the inaugural meeting of such an organization, the National Coal Miners Union should propagandize its fundamental policy most energetically, and propose affiliation with the National Congress of Industrial Organizations.

(6) The Federation of Coal Miners' Unions (Tan Ren) and Japan Miners Union (Nikko) may come to an agreement on the average wage question. In this case, we must unconditionally demand wages equivalent to those they have acquired. In addition we must demand minimum wages. Even

when

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when they begin negotiations for an average wage, we must undertake collective bargaining separately and most powerfully.

o o o o

Translator:

KAMII, Yoshio

FORM DS-516
5-13-47

DEPARTMENT OF STATE

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UNITED STATES POLITICAL ADVISER
FOR JAPAN

1948 FEB 9 AM 11 MESSAGE CENTER

Tokyo, Japan, January 27, 1948

No. 59

UNCLASSIFIED

Subject: Directive Instructing the Japanese Government to Take Additional Measures to Overcome the Causes of Labor Shortages.

DIVISION OF OCCUPIED AREAS ECONOMIC AFFAIRS MAR 9 1948 DEPARTMENT OF STATE

894.504/1-2748

The Acting Political Adviser has the honor to refer to this Mission's despatch No. 1483 of December 29, 1947 concerning instructions issued to the Japanese Government to overcome the causes of labor shortages. There is now enclosed copy of a directive issued by this Headquarters (SCAPIN 1832/1 of January 16, 1948) informing the Japanese Government that a shortage of laborers needed to complete Occupation projects still exists and that further corrective action is necessary, especially in improving distribution of food and clothing.

Attention is invited to a directive issued by this Headquarters (SCAPIN 1775/1 of January 13, 1948) transmitted to the Department with this Mission's despatch No. 54 of January 24, 1948 concerning plans of the Japanese Government for reducing governmental expenditures. This SCAPIN prohibits the Japanese Government from general use of supplemental rations (over and above rations allowed to all workers) to obtain labor for construction on projects of the Occupation Forces. In addition, in order to prevent payment of amounts in excess of legally established prices, procedures must be established for avoiding undue delay in processing legitimate claims for payment.

ACTION ILH OE COPIES TO: FE

Enclosure:

SCAPIN 1832/1, "Shortage of Japanese Laborers", dated January 16, 1948.

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UNCLASSIFIED

Enclosure to Despatch No. 59, dated January 27, 1948, from the Office of the United States Political Adviser for Japan, Tokyo, entitled "Directive Instructing the Japanese Government to Take Additional Measures to Overcome the Causes of Labor Shortages."

(COPY)

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
16 January 1948

AG 004.06 (16 Jan 48)GD
(SCAPIN 1832/1)

MEMORANDUM FOR: JAPANESE GOVERNMENT

THROUGH: Central Liaison Office, Tokyo

SUBJECT: Shortage of Japanese Laborers

1. Reference your letter, C. L. O. No. 9917 (AG), subject as above, dated 30 December 1947, which forwarded initial report of progress required by paragraph 3, SCAPIN 1832.

2. The labor situation has not yet improved sufficiently, and further vigorous action is necessary, particularly in regard to the distribution of food and clothing rations to laborers. It is desired that such action be taken without delay.

3. An additional report of progress (in duplicate) is desired not later than 10 February 1948 and thereafter at ten day intervals until further advice from General Headquarters.

FOR THE SUPREME COMMANDER:

A. J. Rehe

for R. M. LEVY,
Colonel, AGD,
Adjutant General.

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : NA - Mr. Bond

DATE: January 30, 1948

FROM : ILH - Mr. Holland

SUBJECT: Japan: Suggested Decentralization of Administrative Control over Labor Systems and Programs

Information received in this Division from Japan indicates that the Labor Division, ESS, SCAP, is under some pressure to agree to a move involving the transfer of the administrative control over the Labor Standards Inspection System and the Employment Security (Employment Service) Program from the National Government of Japan to the governments of the various Prefectures. This pressure has grown out of administrative changes contemplated as a result of the recent passage of the Local Autonomy Law by the Diet. Our information does not state whether the source of this pressure is from other Sections or Division within SCAP or from the Japanese Government. Whichever the case may be, the Labor Division is concerned and has informally requested that we forward to them material they can use in maintaining their position that decentralization of these particular administrative functions would be undesirable. In view of the importance of this issue, however, we would like to inform you at this time of the views of this Division on the matter in question.

We believe that decentralization of administrative control in the fields of labor standards inspection and employment service programs would be unwise in that it would move in a direction contrary to that dictated by past experience to be necessary for the efficient operation of such systems. International practice, as seen in various Conventions and Recommendations of the International Labour Organization, also supports this position. The following examples typify the ILO position in regard to this problem.

A proposed convention of the International Labor Organization, to be submitted to the Thirty-First

Session

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Session in San Francisco in June of this year, states:

> "The employment service shall consist of a national system of employment offices under the control of a central authority." (article 2)

The drafting committee for this proposed convention, consisting of 60 members (30 government, 15 employers', 15 workers') representing many different countries, adopted this article without discussion, a step which bears witness to the universality of the acceptance of the soundness of this administrative practice.

Another convention of the ILO, concerning Labour Inspections in Industry and Commerce adopted in 1947 states:

> 1. "So far as is compatible with Administrative practice of a Member, labour inspection shall be placed under the supervision and control of a central authority." (Article 4)

The qualified language here, it should be pointed out, is the result not of any question as to the desirability of centralized control of the labor inspection function but of the recognition of the practical impossibility of securing a shift in the existing control system in countries such as the United States where such functions are historically decentralized.

We are bringing this matter to your attention in case this issue either comes to you for consideration or the Department at any time in the near future reviews policy in connection with the general problem of decentralization of Government powers in Japan. In either case we would appreciate consideration being given to the viewpoint of this Division in regard to the administrative arrangements for these two labor laws, and we would be glad to discuss the matter in greater detail with you at any time.

cc: A-S
OE
ITP

ILH:PBSullivan:md
1/30/48

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UNITED STATES POLITICAL ADVISER
FOR JAPAN

Tokyo, Japan, February 7, 1948.

No. 78

CONFIDENTIAL (For Department Use Only)

Subject: Conversation with Officials of the Japanese Ministry of Labor and of the Central Labor Committee.

894.504/2-748

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RECEIVED 1948 FEB 17 AM 10 58 DEPARTMENT OF STATE

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose copies of a memorandum dated January 21, 1948 concerning a conversation (which is summarized below) with YONEKUBO Mitsusuke, Minister of Labor; YOSHITAKE Eiichi, Vice Minister of Labor; KATSURA Takashi, Acting Chairman, Central Labor Committee; AYUSAWA Iwao, Secretary-General of the Central Labor Committee; and two officers of this Mission. Subjects discussed were efficiency of Japanese labor; nationalization of governmental administrative personnel; responsibilities of governmental agencies and the Central Labor Committee under Japanese labor laws; the Emperor and his trips through Japan; and encouragement of economic disruption by Communists and ultra-conservatives.

Summary. Minister Yonekubo stated that present Japanese labor legislation is equal to the best in the world, but has a long distance to go before being fully implemented. He stressed that lack of efficiency of Japanese labor is a major hurdle and that there is urgent need to awaken labor to its duties and responsibilities as otherwise, he feels, raw materials and financial aid will not be attracted to Japan.

Mr. Yoshitake said that a cut of 25% will be made among governmental administrative employees. However, since most governmental agencies have less than their authorized personnel, this reduction will require dismissal of only 5% of those presently employed.

Minister Yonekubo indicated that a bill similar to the Taft-Hartley Labor Act had been proposed in Cabinet discussions but that he strongly opposed it. He believes Japan's labor laws should be amended to define more specifically the terms "dispute" and "act of dispute". Mr. Katsura and Dr. Ayusawa intimated that Cabinet Ministers have not taken full advantage of their statutory authority to discipline employees. Mr. Yoshitake pointed out that labor union officials usually refuse to accept responsibility for labor disorders.

Mr. Katsura observed that both communists and ultra-conservatives welcome economic disruption as a means of undermining democratic reform. Minister Yonekubo singled out the National Congress of Industrial Organizations (Sambetsu) as strongly influenced by communists. He said communists are now shifting concentration of their disruptive efforts from coal to transportation.

Minister

CS/A Central File

FILED JUN 15 1948

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CONFIDENTIAL

Tokyo's No. 78,
February 7, 1948

Minister Yonekubo expressed approval of the Emperor's inspection trips as stimulating production but was emphatic in desiring a reduction of expenditures by both the Emperor's retinue and local government agencies for such matters as repair of roads and railway stations used by the Emperor. He also asserted that the Imperial Household Ministry attempts to keep the Emperor apart from the people. End of Summary.

Respectfully yours,

W. J. Sebald
Acting Political Adviser

Enclosure:

Memorandum of Conversation
dated January 21, 1948.

Original and duplicate to Department.

850.4
WHLawrence,Jr./RHBushner/blc

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

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Enclosure to Despatch No. 78, dated February 7, 1948, from the Office of the United States Political Adviser for Japan, Tokyo, on the subject "Conversation with Officials of the Japanese Ministry of Labor and of the Central Labor Committee".

(COPY)

UNITED STATES POLITICAL ADVISER
FOR JAPAN

MEMORANDUM OF CONVERSATION

January 21, 1948

SUBJECTS: Efficiency of Japanese Labor;
Rationalization of Governmental Administrative Personnel;
Responsibilities of Governmental Agencies and the Central Labor Committee, Respectively, Under Japanese Labor Laws;
The Emperor and His Trips Through Japan;
Encouragement of Economic Disruption by Communists and Ultra-Conservatives.

PLACE: Dinner given by Foreign Service Officers W. Henry Lawrence, Jr., and Rolland H. Bushner of this Mission at their home in Tokyo, January 21, 1948.

PARTICIPANTS: The Honorable YONEKUBO Hikosuke, Minister of Labor;
Mr. YOSHIMATE Eiichi, Vice Minister of Labor;
Mr. KATSUKA Takashi, Acting Chairman, Central Labor Committee;
Dr. AYUSAWA Iwao, Secretary-General of the Central Labor Committee.

Foreign Service Officers of this Mission:
W. Henry LAWRENCE, Jr., Second Secretary;
Rolland H. BUSHNER, Third Secretary.

Interpreter:
Mr. AAMIL Yoshio, employee of the Department of State.

Minister Yonekubo said that present Japanese labor legislation is equal to the best in the world. He feels that he has a good background upon which to base this statement, having been several times Japanese representative at the International Labor Organization Conference at Geneva. However, he indicated that there is a long distance to go before labor legislation now enacted can be fully implemented. He said that an eight-hour day might prove satisfactory to Japan, if only Japanese labor were as efficient as American labor. On the basis of observations made during several visits to America, he drew a contrast between the relative efficiency of American and Japanese labor, unfavorable to the latter.

Minister Yonekubo declared that there is a real need for an additional campaign to make Japanese labor conscious of its duties and responsibilities. He made a major point of stressing that Japan must improve the efficiency of its labor. He declared that Japan has the manpower and skills which are essential for increased production, but does not have sufficient raw materials or means of

financing

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financing industry without aid from abroad. He feels that only by increasing the efficiency of labor and Japan expect aid in the form of materials and money to be supplied in quantities sufficient to enable a decent standard of living for Japanese labor.

With regard to "nationalization" of governmental administrative personnel, a policy which is now under discussion in the Cabinet, Mr. Yoshitake stated that a cut of twenty-five percent will be made in the authorized strength of governmental administrative employees. Such a figure was recently recommended by a special committee headed by State Minister Hatta Yakao. However, since no Government agency has as many employees as are authorized by statute, this will require dismissal of but five percent of all government employees. According to Minister Yoshikuro, the interest of the Labor Ministry in this subject is confined to developing an unemployment relief program.

Minister Yoshikuro indicated that, due to increased labor difficulties, a number of Cabinet Members have proposed presentation to the Diet of a bill similar to the Taft-Hartley Labor Act. He stated that he is unalterably opposed to such a bill. However, he believes Japan's labor laws should be amended to define more specifically the terms "dispute" and "act of dispute". He pointed out that the former term describes cases of labor disorder for which the union assumes no responsibility, whereas the latter term describes action directed by the union. In the case of the former, it is provided by law that the competent Ministers may discipline employees; in the latter, the matter must be brought before the Central Labor Committee.

Mr. Matsuura and Mr. Kimura observed that Mr. Sugiyama Jantaro, Chairman of the Central Labor Committee, feels that the Ministers have not taken full advantage of their statutory authority to discipline government employees. Mr. Sugihiro believes, they said, that it is not necessary to bring every dispute before the Central Labor Committee since the competent Minister is empowered to act independently. In answer to Minister Yoshikuro's objection that the law does not properly define the difference between "dispute" and "act of dispute", Mr. Kyusaku contended that doubtful cases are subject to court decision. In that connection, Mr. Yoshitake pointed out that Labor Union officials usually refuse to accept responsibility for labor disorders.

Mr. Matsuura observed that certain radical elements desire labor disorder because it tends to increase the difficulty of general economic problems. He elaborated by pointing out that communists desire disorder and are bending every effort to cause political instability and economic disruption. He stated that Mr. TAKEDA Tsuichi (a prominent communist leader) once told him personally that labor disturbances are being created on a local rather than a national level to avoid an order prohibiting a general strike such as that issued by General MacArthur on January 31, 1947. Mr. Yoshitake agreed that this was communist policy. Both men feel that existing anti-conservative forces also welcome economic disruption as a means of discrediting democratic reform.

Minister Yoshikuro singled out the National Congress of Industrial Organizations (Sanbetsu), with the exception of some of its sections, as being strongly influenced by communists. He designated Aomori and Hokkaido as "strongholds" of communistic activities. He thinks that the communists have turned their major efforts from slowing coal production to increasing transportation difficulties. He cited rising coal production as evidence of the losing battle of communists in mines.

However,

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However, coal is useless if it cannot be taken to centers of industry. He told of ships coming from Hokkaido loaded with coal, but having to return, because there were no facilities for unloading. In some cases, the communists had taken railroad engines from the round-house into the cold where they froze.

During a discussion relating to the opening ceremonies of the Second Session of the Diet, Minister Yonekubo stated that he feels that the Emperor's inspection trips have been a very good thing for the country. He believes that the trips have helped to stimulate the Japanese to work harder toward the rehabilitation of Japan. However, Minister Yonekubo was emphatic in his expression of a desire to refuse appropriations made by the Diet for such trips. He did not wish to refuse necessary appropriations for the Emperor's travel, but believes the amount allowed for the Imperial retinue is out of reason. Furthermore, he objected to the elaborate preparations made by prefectural governors and other local government officials, including the expenditure of large amounts for improving the condition of roads over which the Emperor might travel or of railroad stations at which he might be received. Minister Yonekubo stated that the Emperor should see his country and his people as they actually are.

Minister Yonekubo asserted that the Imperial Household Ministry is attempting to keep the Emperor apart from the people. For example, he indicated that up to five years ago the Emperor had never seen a newspaper in original form, but that the Imperial Household Ministry selected clippings, mounted them on a scroll, and then presented them to the Emperor. He believes that the Emperor is not cognizant of the daily lives of his people and thinks that similar censorship of the news may still be practised. As an example, he cites his first meeting with the Emperor immediately following his appointment as head of the newly formed Labor Ministry. At that time, he said, the Emperor asked why, in view of rising prices, the people were complaining about difficult living conditions. Minister Yonekubo pointed out that the Emperor was under the illusion that rising prices indicated that business was good and that there was plenty of money for everyone. Minister Yonekubo stated that he spent an hour explaining to the Emperor the theory of inflation and its effect on the living conditions of the people.

Mr. Ashura, although admitting that he is in the minority, took the occasion to state that he strongly blames the Emperor for losses which he suffered during the war, including the death of his son. He feels that the Emperor was at fault in not resisting the militarists and ultra-nationalists.

E. H. Lawrence, Jr.

R. H. Lushner

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OFFICE OF THE UNITED STATES POLITICAL ADVISER
FOR JAPAN

Tokyo, February 13, 1948.

No. 98

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MESSAGE CENTER
DEPARTMENT OF STATE
FEB 25 1948
DIVISION OF INTERNATIONAL LABOR, SOCIAL AND HEALTH AFFAIRS - ILH

UNCLASSIFIED

Subject: Submission of Monthly Labor Report by Japanese Government.

894.504/2-1348

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The Acting Political Adviser has the honor to enclose five copies of a directive issued by this Headquarters (SCAPIN 1852 of January 26, 1948) to the Japanese Government instructing the Government to prepare and submit data concerning the number of workers furnished to the Allied Forces and the amount of cash wages and wages in kind paid to these workers. The report of the Japanese Government, to be made monthly, must include a table showing the various Allied organizations receiving labor services from the Japanese Government and the extent of services rendered each organization.

Enclosure:

GHQ, SCAP, directive (SCAPIN 1852, January 26, 1948) concerning submission of a monthly labor report by the Japanese Government (five copies).

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Enclosure to Tokyo's No. 98, February 13, 1948.

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
26 January 1948

AG 004.06 (26 Jan 48) OGA
(SCAPIN 1852)

MEMORANDUM FOR: JAPANESE GOVERNMENT

THRU: Central Liaison Office, Tokyo

SUBJECT: Submission of Monthly Labor Report

1. References:

a. AG 091.3 (20 Oct 45) ESS, SCAPIN 260, dated 10 November 1945, subject: Monthly Labor Report.

b. AG 004.06 (19 Jul 47) OGA, SCAPIN 1749, dated 19 July 1947, subject: Change of Submission Date of Monthly Labor Report.

2. References 1a and b are rescinded.

3. The Japanese Government will prepare and submit the following certified data for each of the forty-six (46) Japanese prefectures, for each month beginning with January 1948, and each month thereafter:

a. Actual number of workers furnished to the Allied Forces on Labor Requisition from the first through the last day of the month.

b. Actual number of workers furnished to the Allied Forces on Procurement Demand from the first through the last day of the month.

c. Total amount of cash wages actually paid by the Japanese Government to the laborers supplied to the Allied Forces on Labor Requisition from the first through the last day of the month.

d. Total amount of cash wages actually paid by the Japanese Government to the laborers supplied to the Allied Forces on Procurement Demand from the first through the last day of the month.

e. Estimated value of wages in kind, such as food, furnished by the Japanese Government, without cost, to laborers working for the Allied Forces on Labor Requisition from the first through the last day of the month.

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AG 004.06(26 Jan 48) OGA
(SCAPIN 1852)

f. Estimated value of wages in kind, such as food, furnished by the Japanese Government, without cost, to laborers working for the Allied Forces on Procurement Demand from the first through the last day of the month.

4. On each report shall appear the actual breakdown of each item of data detailed in paragraph 3 above that should be charged to:

United States Army (excluding Air Force)
United States Air Force
United States Navy
United States Marine Corps
United States State Department
United States Maritime Commission
Japan Oil Storage Company
American Red Cross
Foreign Liquidation Commission
Atomic Bomb Casualty Commission
Far Eastern Commission
Far Eastern Advisory Commission
International Military Tribunal Far East
United Nations National Relief Administration (UNNRA)
Allied Council
International Relief Committee
Australia
Canada
China
Denmark
France
Great Britain (BCOF)
Netherlands
New Zealand
Philippines
Portugal
Spain
Sweden
Switzerland
Russia
All Others not listed hereon

5. The report will be submitted to the Supreme Commander for the Allied Powers, attention: General Accounting Section and is due on the 28th of the month following the period reported.

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AG 004.06(26 Jan 48) OGA
(SCAPIN 1852)

6. Direct communication between the General Accounting Section, General Headquarters, Supreme Commander for the Allied Powers, and the Labor Section, Accommodation Division, Special Procurement Board, concerning matters within the scope of this memorandum is authorized.

FOR THE SUPREME COMMANDER:

for A J Rehe

R. M. LEVY,
Colonel, AGD,
Adjutant General.

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UNITED STATES POLITICAL ADVISER
FOR JAPAN

OFFICE OF
INTERNATIONAL TRADE
POLICY

Tokyo, February 13, 1948.

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No. 95 (For Use of Department Only)

CONFIDENTIAL

MESSAGE CENTER
DIVISION OF
NORTHEAST ASIAN AFFAIRS
JUL 15 1948
DEPARTMENT OF STATE

SUBJECT: Comments Regarding the Labor Situation in Japan.

894.504/2-1348

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INTERNATIONAL LABOR, SOCIAL
AND HEALTH AFFAIRS - ILH

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The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to transmit for the information of the Department copy of a study entitled "Policies to Cope with the Impending Economic Collapse of Japan" prepared by a committee of members of the Industrial Club of Japan under the direction of TODA Toyotaro, Adviser to the Club, and voluntarily submitted to this Mission on February 6, 1948 for its consideration. There is also enclosed copy of a statement entitled "Need of Changing Labor Policy as the Fundamental Prerequisite for Economic Rehabilitation of Japan" prepared by KITAOKA Juitsu, former Chief of the Japanese Delegation to the International Labour Organization, and voluntarily submitted to this Mission on January 30, 1948 for its consideration. In this connection, copy of memorandum regarding the collective bargaining contract between the Mitsubishi Heavy Industry Company, Limited, and the Zen Nippon Kiki Trade Union is enclosed as of possible interest to the Department.

The position is taken in the enclosed Industry Club Committee study that labor unrest is the most serious impediment to Japan's economic recovery and the opinion expressed that so long as it persists, neither domestic nor foreign capital will be attracted to Japanese industry. In order to minimize labor unrest, the Committee urges that measures be taken to eliminate communist influence from labor unions and that labor legislation presently in force be revised. The view is expressed that the Trade Union Act (passed by the Diet in October 1945) has resulted in the confusion of democracy with communism in the minds of most of the Japanese people and should be amended so as to ensure the neutrality of labor relations boards, to prescribe an orderly collective bargaining procedure, to prohibit unfair acts by workers, to define more clearly those representatives of employers' interests, and no longer to permit government employees to become members of unions. As for the Labor Standards Law (passed by the Diet in February 1947), the Committee regards it as premature, too idealistic, and a luxury which Japan can ill-afford at present, and furthermore, "tends to make labor fully conscious of all its rights but only faintly conscious of all its obligations". In the opinion of the Committee, the provision that conditions must be such as would meet the need of the worker who lives a life "worthy of a

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human being" (Article I), is too often interpreted to mean a standard other than that which the Japanese economy can presently afford. The feeling is expressed that what Japan needs most at present is increased production of goods which can only be obtained through "sweat on the brow" and that the more idealistic provisions of the Labor Standards Law, such as limitation of working hours, should be suspended temporarily.

Another aspect of this same problem treated by the Committee is the difficulty encountered by industry in reducing the number of employees either for reasons of over-expansion or inefficient performance. War requirements necessitated the expansion of productive facilities and the development of sub-marginal industries. Japan's industrial machine, the drafters urge, must readjust itself to world economic conditions through the elimination of high-cost sub-marginal industries and the reorganization of over-expanded industries in order to lower costs of production and increase efficiency. Although the establishment of a single rate of exchange will assist in bringing about such a realistic adjustment of industry, the position is taken that Japan's industry cannot be reestablished on a sound and efficient basis so long as a government-supported labor policy of "full employment" is followed, thereby burdening industry with unnecessary and inefficient personnel. This does not mean, the Committee points out, that unemployment allowances and unemployment insurance, as well as other measures designed to assist the unemployed should not be provided, on the contrary, they should. Furthermore, the Japanese Government must also face the problem of reduction in personnel if it is to effect budgetary savings and increase efficiency. The figures used in the study, by way of illustration of this point, indicate that there are more than five times as many government workers today as in 1932.

Concern is expressed by Mr. Kitaoka over the sharp decline in the productivity of Japanese labor (he estimates labor is presently only one-third as efficient as it was pre-war) during the post-war period, since Japan, in order to compete effectively for foreign markets, must be able to rely upon a highly efficient, but at the same time, low-cost labor supply. The opinion is expressed that the Trade Union Law must be revised if the rehabilitation of Japan's economy is to be achieved. Mr. Kotaoka feels that the provision prohibiting an employer from dismissing an employee because of union membership or legitimate union activity has been construed to protect union members although they may be inefficient and undesirable workers. In his opinion, the provision making the penal code inapplicable to workers pursuing legitimate union activities has also been construed to protect union members who have resorted to violence and intimidation of management in the accomplishment of their ends. Furthermore, the employer cannot by law discharge employees when they resort to sympathy strikes, nor dismiss communists although communist influence looms large in the Japanese labor union movement. The position of management is further weakened by virtue of the unionization of staff members.

With regard to corrective measures, Mr. Kitaoka suggests that the Government take steps to eradicate communist influence from the labor unions and that employers be permitted to dismiss employees if they have proof of communist affiliation or activity. Furthermore, employers should be given the right to dismiss employees

for violations

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for violations of working regulations, inefficient performance, and for participation in sympathy strikes. Legal penalties should be imposed for acts of violence and intimidation. Then too, unions should be required to report revenues to the Japanese Government, and the Government should assert its authority to prevent general industry-wide strikes.

In connection with the two enclosures referred to above, it was thought that it might prove of interest to the Department to enclose a copy of a sample collective bargaining contract. The contract enclosed is the one presently in force between the Zen Nippon Iki Trade Union and the Toyo Engineering Works of Mitsubishi Heavy Industries, Limited. As is indicated in the contract, the above-named Union is recognized as the only union at the Toyo Engineering Works plant and the Company agrees to have nothing to do with any other labor organization. By this contract, the Company agrees to pay a wage that will stabilize the cost of living of the union-member workers. Provision is made for an eight-hour working day with a one-hour rest period. Article 4 is of particular interest since the Company cannot unilaterally employ, discharge, change or promote personnel, or, raise wages, make rewards or institute penalties. In this connection, the Company has indicated that an understanding has been reached with the Union whereby the Union agrees in general not to interfere in changes of chiefs and heads of sections; however, the Company will inform the Union in advance of proposed changes and will take into consideration Union wishes in this regard. According to the contract, the Company agrees to discharge workers expelled by the Union, and further, that it shall not contract with other suppliers of labor to carry on work during a labor dispute.

Provision is made for the conclusion of a separate contract between the Company and Union to establish a Management-Labor Conference to carry out the provisions of the labor contract, and matters agreed upon by both are to be contractually binding. Article 9 is also worthy of special note since it provides that the Company cannot close the plant for any appreciable length of time, nor can it change the name of the plant, or transfer any land, buildings, equipment, machines or other Company property without first giving notice to the Union. The Union is to participate in the promotion of welfare activities and must consent to steps taken in this regard. The Company is prohibited from revising or abolishing plant regulations or systems of allowances without Union consent. With respect to labor movements, Union members have complete freedom of action and the Company may not discriminate in any way against them. Officials of the Union are free to devote themselves to Union activities; however, it is stipulated that the Company should be informed of this in advance. Likewise, Union members are free to join any political party or to hold public office without interference from the Company.

Respectfully yours,

W. J. Sebald

William J. Sebald

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Enclosures:

1. Study Entitled "Policies to Cope with the Impending Economic Collapse of Japan".
2. Translation of Statement Entitled "Need of Changing Labor Policy as the Fundamental Prerequisite for Economic Rehabilitation of Japan".
3. Memorandum Regarding Collective Bargaining Contract Between the Mitsubishi Heavy Industry Company, Limited and the Zen Nippon Kiki Trade Union.

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CONFIDENTIAL (For Use of Department Only)

Enclosure No. 1 to Despatch No. 95 dated February 13, 1948, from Tokyo, Japan, entitled "Comments Regarding the Labor Situation in Japan".

(COPY)

Tokyo, January 30, 1948

POLICIES TO COPE WITH THE IMPENDING

ECONOMIC COLLAPSE OF JAPAN

Japan is today on the verge of economic collapse, and inflation is about to assume a calamitous proportion. Manufacturing and mining outputs are at the low point of about 30% the pre-war levels. The official commodity prices have climbed to 40 times the pre-war figures, according to the Bank of Japan index of Tokyo retail prices. Rice, the staple food and the biggest single item in the cost of living of the Japanese people, is now officially 67 times as expensive as before the hostilities, and in the black market has soared to the astounding height of 580 times the pre-war price.

The Bank of Japan note issue, never more than ¥1,600 million before 1941, has passed the epochal ¥200 billion mark at the end of last year. Specially note-worthy in this connection is the fact that, since April, 1947, commodity prices have registered a far sharper advance than the increase in the volume of currency. This resulted in an acute shortage of money for all institutions, public and private. Large-scale releases of financial and industrial funds are demanded in consequence, aggravating the already dangerous inflation.

The continued coal shortage and the recent insufficiency of electric power supply have combined to cut down severely the outputs of iron and steel and other essential productive materials. The very small production and the depleting stock-piles of these materials are adversely affecting all industries, and are bound to accelerate the inflationary tendency. These together with the unsound program of public finance and thoughtless ways of collecting taxes and making payments led Japan face to face with a runaway inflation. Short of very drastic measures taken immediately to combat this very real peril, not only is the economic reconstruction of the country absolutely hopeless, providing hot bed for the further infiltration of Communism, but the execution of the occupation policies will be in danger of being seriously hampered with.

As the drastic measures needed to cope with this situation, we venture to suggest the following:

1. Labor Unrest and Troubles

Of the numerous causes impeding the economic recovery of Japan today, such as the shortages of capital, materials, foodstuffs and other necessities of life, the most serious is undoubtedly labor unrest permeating all places of work and the communist-directed acts to obstruct productive efforts of all sorts. Merely to overcome the bottlenecks of capital and material shortages would not accomplish increased production so long as labor unrest and troubles remain, creating as they do fresh bottlenecks in the supply of raw materials and transportation of the same.

An instance to the point is the coal production in Hokkaido. However much capital, materials, labor, foodstuffs and other

necessities

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necessities of life were poured into the coal industries there by the Government, actual monthly output never exceeded 90% of the goal set for them. Saboteur tactics, such as "mine safety campaigns", inspired by the All-Japan Coal Miners' Union, an NCIO affiliate, was responsible for this state of affairs. In December, however, there was a sudden spurt, and the goal for the month is passed. For this remarkable result it is conceded that the presence at the mines of GHQ and local Government Team representatives was chiefly responsible, since it had the effect of bringing considerable pressure to bear upon the Union and of doing away with labor troubles. The Miners' Union, however, has by no means wavered from its fixed policy of carrying on labor disputes on local basis; nor has it ceased the tenacious attempts at obstructing productive efforts. The future outlook permits no optimism.

In the field of transportation, the "railway safety movement" and mass absenteeism carried out, under the direction of NCIO leaders, in Aomori Railway Bureau area, served to throttle at the crucial point the increased flow of Hokkaido coal into the consumption areas in Honshu. There are reasons to suspect that interruptions of electric supply, so detrimental to all productive efforts, are more a covert, willful act designed to interfere with production programs, than what the power shortage really calls for. The wildcat strikes of the Communication Workers' Union, the inflexible observance of office-closing hours, and the scrupulous insistence upon vacation by government employees are all due to, or at any rate influenced by communist agitations that are capitalizing the diminution of laborers' will to work.

Labor unions under communist domination are aware of the fact that their general strike tactics had to be abandoned under the GHQ pressure, and that they had incurred the resentment of the people at large. They are now resorting, with wave-like precision and repetition, to wildcat and local strikes. These attempts at hampering productive activities, and thereby bringing catastrophic inflation, economic chaos, and social disorder, are all after the same Communist Internationale pattern of actions pursued everywhere. As long as this situation continues, not only will the domestic investors hesitate to put their capital into enterprises, but foreign capital cannot be induced to this country, no matter how much we desire it to find its way here. It can be truthfully said, therefore, that the reconstruction of Japan will not be achieved without first doing away with labor unrest and troubles.

For this end, we must advocate the elimination of communistic elements and the amendment of labor laws.

(1) Elimination of Communistic Elements.

a). Some actions should be taken against those who imperil the state and the people, even though suppression of the freedom of thought would be ill-advised.

b). Measures should be adopted to drive communists and their fellow travellers out of all labor unions and other fields connected with productive activities.

(2). Amendment

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(2) Amendment of Labor Laws.

a). The existing labor laws of Japan in general should be reviewed, and necessary revisions made thereto, in line with the Taft-Hawley Act recently enacted in the United States.

b). A portion of the Japan's Trade Union Act in particular should be amended. The Trade Union Act, passed in October, 1945, when there were no unions worthy of the name, is an ephocal piece of legislation for the democratization of the country, and contains many advanced features. It must be admitted that, as explained in greater details in the "Conditions Desired by Most of the Japanese as Necessary for the Reconstruction of Japan" appended hereto, the policy written into the law to encourage trade unionism had the effect of misleading the socially immature and inexperienced masses in Japan into a lamentable confusion of democracy with communism, - a veritable sharp razor in the hands of a mere infant.

It is highly gratifying that GHQ has, ever since December, 1946, when the "Twelve Basic Principles" were given out manifested a serious concern with the guidance and education of labor unions here. It is hoped that notice will be taken of the need, in the light of the existing condition in this country, of not a few amendments to the present Trade Union Act.

For example, it is suggested -

To make clear the illegality of Production Management by Workers;

To amend the law so as to ensure neutrality and fair operation of the Labor Relations Boards;

To amend that portion of the law which now recognizes the right of unionization of government and public employees engaged in pure administrative functions;

To define the scope of those who are presumed to represent employers' interests;

To prescribe regulations for the orderly conduct in all collective bargainings and

To prescribe regulations clearly defining the prohibiting unfair acts by workers.

c). Parts of the Labor Standards Act should be suspended for the time being.

This Act, promulgated on April 5, 1947, setting down the minimum standards of labor conditions to be arrived at in the

bargaining

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bargaining conducted by capital and labor standing on an equal footing, is an idealistic law. In the present state of social consciousness of the average Japanese workers, the "livelihood worthy of a human being" which the law intends to guarantee to every worker, is only too often misunderstood to mean something altogether alien to that which the actualities of our national economy and enterprises would warrant. Not only that, but it tends to make labor fully conscious of all its rights but only faintly conscious of all its obligations, often degenerating genuine labor movements into communistic agitations.

What Japan needs most at the present juncture is increased production of goods, - i.e., to work with sweat on the brow. Viewed from this angle, the law appears to be too progressive. We incline to the view that steps should be taken to suspend temporarily such labor standards as are too idealistic; e.g., limitation of working hours, welfare and hygienic facilities, etc.

II. Thorough-going Reorganization of Enterprises.

Reconstruction of Japan's economy must be undertaken with the object of participating in the near future in the economy of the world. During the war years, increased production was attempted merely through forced expansion of capital investment, in utter disregard of the productivity of various industries and of the international standard of technology. Over-expanded enterprises should in these post-war days be thoroughly overhauled and completely rationalized as a matter of course, to the end of preparing them to have their parts eventually in the world economy.

It is true that, insofar as financial aspects are concerned, the swollen capitalization was considerably reduced by the cancellation of the government war indemnities. But no improvement has so far taken place on the technical side of productive efforts. Productivity declined to a marked degree, due to the diminished will to work caused by the existence of surplus labor which in turn was resulted by the return of demobilized and repatriated - a surplus which cannot be reduced because of so called full employment theory. The resultant high production costs threw Japanese goods out of alignment with competing goods in the marts of the world. Basically high commodity prices in Japan have their root in the lowered productivity of her industries. Unless and until this fundamental handicap is removed, the onslaught of inflation can never be checked.

In the face of impending runaway inflation, thorough-going reorganization of enterprises is urgently required.

III. Administrative Reforms.

We strongly insist upon the rationalization of all government organs, be they engaged in state enterprises or in purely administrative functions, and that as a prelude to the rationalization of private business. Two things compel us to this position of ours. One obviously is that squandering of public funds, inefficiency

and retention

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and retention of supernumerary workers are the unsurmountable impediment to budgetary economy and an important contributory cause of aggravating inflation. The other is the fact that by the capitulation to the Government Railways Workers' Union, which launched an offensive under the slogan of "full employment", in the summer of 1946, the Government set a precedent in labor relations, and paved the way for the incessant demands in all subsequent labor disputes for "full employment" as if it was an indisputable social justice.

History proves that full employment is hard of achievement even in countries of vast territories, unlimited resources, and tremendous industrial capacities, at the most prosperous of times. How much more difficult then it must be for the present-day Japan to realize this ideal. Considerable unemployment will have to be faced as inevitable because of the urgently needed reorganizations within, and adjustments among, different industries. It goes without saying that unemployment allowances, unemployment insurance, and other social measures must be provided for the amelioration of the lot of the jobless. Yet it is a stern fact that, without facing unemployment, Japan's industries can never hope to be rationalized and put on a sound basis.

Marshalling all the powers at its command, therefore, the Government should accomplish its administrative reforms, reduce the surplus personnel, and so set an example for private business to follow. As of October, 1947, government officials, exclusive of those in state enterprises, reached the unprecedented number of 510,000, which is more than five times the total of government workers in the days of budgetary economy of 1932. The Government intends to effect a mere 20% personnel reduction in preparing its 1948 budget. To such a half measure we are unalterably opposed.

IV. Determination of Yen-Dollar Standard Equivalence.

In the existing state of our foreign commerce, it would be premature to fix a single rate of exchange between the dollar and yen. We do hope, however, that at an early date a standard of equivalence be fixed even temporarily between the two currencies.

Care should be taken, when fixing such a standard, not to evaluate the yen at too low a level under the influence of individual cases and instances. What we desire above all is to have a rational equivalence determined that will be well-adapted and fit for the general trend of our future foreign trade. Once such an equivalence is fixed, it is very much hoped that it will be actively supported by the United States.

Fixation of equivalence will, as its corollary, bring about the virtual extinction of enterprises that are over-staffed and whose cost of production runs too high. That is precisely what it is expected to accomplish, viz., to accelerate and give direction for the rationalization of industries. Without radical reorganizations and readjustments begun in this fashion we shall never be qualified, we believe, to ask for American credit, as we constantly do, or to expect the inflow of foreign capital in the future.

V. Lessening

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V. Lessening the Burden of War Termination Expenses.

It has become a common knowledge among the Japanese people that a large proportion of these expenses is represented by the occupation cost. For the fiscal years 1946 and 1947, it accounted for about one-third the total national expenditure, which was met largely by higher taxes and advanced prices of the government monopoly goods, until they have about reached the limit of the people's capacity to bear them.

Furthermore, goods and materials required by Occupation Forces represent in a number of instances more than 50%, and in some cases well over 90%, the current production of commodities indispensable for the economic recovery of the nation. It must not be overlooked that carriage of the enormous quantities of these materials is heavily taxing the impaired transportation facilities of these post-war days. We venture to hope that the Allied Powers would import some of their needs from Abroad at Japan's expense, to be settled later on. Such an arrangement would go a very long way, we are convinced, to relieve the acute shortage of reconstruction materials and to help prevent the calamitous inflation.

CONCLUSION

We feel that we have been highly privileged to have had this opportunity of candidly stating a few fundamental measures deemed essential to cope with the present economic crisis, and of bringing them to your kind attention.

Most of these measures deal with problems of domestic economy, but in our opinion they are the conditions precedent to obtaining foreign credit. These measures we here advocate, because the nation, unable to recover through her own economic strength alone, must, and we hope will, have a sizable credit given her. It is our conviction that only by the grant of such a credit will our country be able to rebuild her economy, participate in the world economy when allowed to do so, and make her utmost contribution to the new economic order of the world.

The General Report of the Committee on European Economic Co-operation says, in its General Outline, that it is essential for the increased production of Europe and the accompanying larger exports that the American market should absorb them, and allow other countries to acquire American dollars with which to pay for their imports. The Report insists that there exists intimate relations between the problems of the world economy and the European recovery plan.

Thoroughly convinced that our economic reconstruction is no less intimately related to the problems of the world economy, we are immensely interested in the future of European recovery. It is for no other reason but this that we feel very grateful for, and entertain rather extravagant expectation from, the fact that a Marshall Plan for the Far East now commands the attention of

the government

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the government and the people of the United States. For the reconstruction of Japan, we firmly believe, will be on a sound and workable basis only when it is treated as an integral part of the Far Eastern version of the European Recovery Plan.

Our final plea is that the Allied nations will extend the utmost assistance to our own efforts to reconstruct our economy. We are fully aware of our obligations to do a great many things ourselves before asking for outside help. Numerous instances there have been where we sincerely exerted ourselves to do so, and some cases where we unfortunately failed in our endeavors.

Our failures are not easily traceable to a few simple causes. Some may be due to the Japanese mentality; other probably attributable to the loss of confidence in the government, born of the people's experience of having been sadly deceived by the militarists. Whatever the reasons may be, the fact is that we have witnessed not a few cases where no success came to really honest efforts that the people and the government made. On the other hand, we have seen examples of similar endeavors coming readily to fruition with some measures of Allied aid. A case to the point is the general strike threatened for February 1, 1947, to which one utterance by GHQ was sufficient to put a stop. Another is the monthly coal production of 3,000,000 tons accomplished when GHQ and local Government Team officials visited the mines; whereas no more than 2,500,000 tons could have been mined before, despite every effort made by the Japanese Government. Resolved as we are always to do our part with no less zeal than heretofore, we must bespeak the assistance by the Allied Forces, the efficacy of which has been amply proven in the examples just cited.

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Enclosure No. 2 to Despatch No. 95 dated February 13, 1948, from Tokyo, Japan, entitled "Comments Regarding the Labor Situation in Japan".

(TRANSLATION)

January 30, 1948

Need of Changing Labor Policy as the Fundamental Prerequisite for Economic Rehabilitation of Japan

By
KITAOKA Juitsu
Former Chief of the Japanese Delegation to the International Labour Organization; former professor of social policy at the Tokyo Imperial University; and former Chief of Labor Division of Economic Stabilization Board.

I
Importance of Labor in Japanese Economy

Japan is characterized by excessive population and poverty of resources. She depends entirely or largely upon foreign countries for the supply of such raw materials as cotton, wool, iron ore, oil, fat, rubber, et cetera. Japan must also import food and coal to some extent. Her dependence upon foreign countries markedly increased after the war, because of the loss of oversea resources and a rise of population. Japan's export trade, indispensable for the purchase of raw materials from abroad, depends upon imported raw materials. The only asset for Japan to compete in foreign markets is her high labor efficiency in proportion to wages. The best example is furnished by the cotton and other textile industries. The raw silk industry - the only industry operated with domestic material - is based upon industrious labor. Indeed, labor may be called the only asset of Japan.

Productivity of labor, however, has been reduced to one-third after the war. This is the principal cause of industrial decay in this country.

II
Labor Laws go too far, and are abused by Labor Unions

1. The Labor Union Law, in Article 11, prohibits the employer with penalty from dismissing or discriminating an employee because of his or her being a union member or legitimate union activity. This provision is interpreted by labor unions in an unduly broad sense. All employees, so long as they are union members (practically all employees are labor union members), do not obey work orders and violate work regulations. And yet the employer cannot discharge them, however low their efficiency ratings may be. Efficiency rule which is the absolute requirement in factory management cannot be carried out. The workers' right of strike is guaranteed to the maximum degree, while the employers' right of lockout or discharge is denied. This is the principal cause of industrial paralysis.

2. Article 2 of the Labor Union Law provides that the penal code

does not

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does not apply to the workers for their legitimate activities for attaining the purposes for which unions are established. This provision is also interpreted in an unduly broad sense. Not only are mass demonstrations staged and interviews with directors forcibly requested by unions, but also violence and intimidation toward managing directors and their families are publicly committed. And yet neither legal action nor the right of discharge can be exercised. Interference of a labor union with management is too great.

3. The staff members are also labor union members. This strengthens labor unions all the more, and weakens the power of management proportionally. The labor union concludes a collective agreement with management with a powerful organization behind. Deprived of the powers of employment, discharge and even of management by labor unions, many industries became practically paralyzed.

4. The labor union in Japan, which was given the right of unionization and strike unparalleledly high in the world without passing through democratic training, has fallen into despotism exercised by a minority group. As a large number of labor leaders are under Communist influence, a large proportion of labor unions (including unions of government workers and teachers) are under Communist influence, in spite of the fact that union members are citizens with common sense (as revealed by a small number of votes cast for the Communist Party).

5. The employer has no right of discharging the employees when they resort to sympathy strikes. Neither has the government power to stop such acts. This has placed the unions of public services, such as coal, electricity, railways, communications, et cetera, on the equal footing with the Diet and the government. Since these unions are being ruled by a small number of Communists, no political stability can be maintained even under a free and democratic government.

That the Labor Standards Law goes too far and labor administration does not fit the actual conditions cannot be overlooked. The crux of the question, however, lies in the Labor Union Law. Unless this law is revised, it is considered impossible to check inflation and rehabilitate the Japanese economy.

III
How to Revise Labor Union Law

1. The labor union should be democratized and Communist dictatorship rejected. The revenues of labor unions should be reported to the government for publication, with a view to preventing foreign funds from pouring into unions.

2. Discharge of the workers should be made possible whenever they violate the work regulations and when their efficiency ratings are too low.

3. The right of the employer should be recognized to discharge

the workers

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the workers who join sympathy strikes. Such acts of the workers as violence, intimidation, libel cases, personal attacks on directors, assaults upon the private residences of directing officials, et cetera, should be made illegal.

5. The government should be empowered to stop general strikes in public utilities, such as railways, coal, electricity, et cetera.

With respect to malicious labor movements led by Communists, the government should be empowered to suppress the Communists, and the employer to dismiss a worker who acts with Communist conviction. This will bring about the same objectives as revising the Labor Union Law.

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Enclosure No. 3 to Despatch No. 95 dated February 13, 1948, from Tokyo, Japan, entitled "Comments Regarding the Labor Situation in Japan".

(COPY)

MEMORANDUM RECEIVED ON THE CONTRACT OF THE MITSUBISHI TOKYO ENGINEERING WORKS

December 1947

This Labor Contract was concluded in October, 1946, after 40 days strike. It should be mentioned that during the course of negotiations in the strike period, the Manager of the Personnel Department of the Works was violently attacked and injured on his way home by radical elements of the Labor Union. It will be seen from this Labor Agreement, concluded under such pressure and violence, that in every respect the freedom of the Management side was greatly restricted.

Indeed the original proposal of the Union to the Management was even more severe in that it contained an article to the effect that the Union reserved every freedom in all its actions. This provision, however, was omitted after bargaining. We earnestly hope for the early arrival of an opportunity to amend an Agreement such as this one, which practically disregards the interests of the Management side.

Labor Contract

The Preparatory Committee of the Zen Nippon Kiki Trade Union, on behalf of the Tokyo Engineering Works Labor Union of the Mitsubishi Heavy-Industries, Limited, make this Contract with the Tokyo Engineering Works of Mitsubishi Heavy-Industries Limited in conformity with the spirit of the Trade Union Law, Articles 1 and 21. However, negotiations and decisions with the Works (Mitsubishi Heavy-Industries, Limited) will be chiefly in charge of the delegates of the Works' Labor Union.

Article 1. The Tokyo Engineering Works recognizes the Preparatory Committee of the Zen Nippon Kiki Trade Union and approved the Tokyo Engineering Works Labor Union of the Mitsubishi Heavy-Industries, Limited as the only Trade Union (except the Employee's Trade Union) of the Works at the Shimo-Maruko Plant, and the Works shall open negotiations with the Union and have nothing to do with any other organization. However, the Tokyo Engineering Works Trade Union" aims at combining with the Present Union in the near future. Meanwhile, the Tokyo Engineering Works Trade Union has collective bargaining rights so far as the Contract Article 1 is concerned during the intermediate period of the actual existence of the Tokyo Engineering Works Trade Union's Convention. (The above Tokyo Engineering Works Trade Union was dissolved on January 27, 1947 and is at present non-existent.)

Article 2. The system of a minimum wage is established, based on the cost of living, it being adjusted in accordance with the prices of commodities, and must be such as to stabilize the Unionists' living.

Article 3.

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Article 3. Working hours shall be eight, with a rest period of an hour in principle.

Article 4. Employment, discharge, change of personnel, rise in rank, advance in wages, rewards and penalties, shall not be carried out by the Company unilaterally.

Article 5. Unionists expelled from the Union must be discharged by the Company.

Article 6. During the labor dispute, the Company shall not make any contract with other suppliers of labor to carry out work, and shall prohibit any such similar actions.

Article 7. In order to carry out the Labor Contract, a contract of Management-Labor Conference shall be established, and such contract must be concluded separately.

Article 8. Matters decided at the Management-Labor Conference, when recognized by both the Company and the Union, shall be put into effect equally with this Contract.

Article 9. Lock-out, long closure of the Plant, change of name and transfer of land, buildings, equipments, machines, and properties, are prohibited to be carried unilaterally by the Company, without previous notice being given to the Union.

Article 10. The Union shall take part in the promotion of the Welfare and management of the establishments shall only be carried out with the Union's consent.

Article 11. Worker's regulations, system of allowances and other rules in the Plant can not be made nor revised or abolished unilaterally by the Works, without the consent of the Union.

Article 12. The members of the Union have complete freedom of action regarding labor movements, and the Works shall not discriminate against them. In particular, the officials of the Works Union are free to devote themselves to the Union's business. However, the names of such officials shall be communicated to the Works in advance.

Article 13. Members of the Works Union are free to join any political party. If they should take public office, the Works can not interfere with them in the execution of such work.

Article 14. This Contract becomes effective as from October 2, 1946, and shall remain in force for a period of six months. However, even during this period the Contract can be revised by mutual consent.

Article 15. This Contract can be extended automatically for a further period of six months if neither the Company nor the Union manifest a wish to amend it before one month of the expiration of the term. Upon expiration of the term, and if a desire is manifest to change it, this Contract shall remain in force for six months before the new agreement is effected.

Article 16.

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Article 16. However, should the Company or the Union change their name or merge with others during the validity of this Contract, this Contract must remain in force.

This Contract is made out in triplicate, the Company and the Union retaining each one copy; the other to be submitted to the Government.

MEMORANDUM

Having regard to the Labor Law, Article 2, the actual system contained therein may be restrained for some time until the establishment of the system of minimum wages based on the actual cost of living.

As to the Labor Law, Article 4. As a general principle, the Union will not meddle in changes among the chief and heads of the Sections. However, the Company shall communicate any such changes previously privately, and shall take into consideration the intentions of the Union. However, it is understood that Article 4 applies to the personnel belonging to the Works Union.

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ASSISTANT SECRETARY
MAR 23 1948
MR. SALTZMAN
DEPARTMENT OF STATE

UNITED STATES POLITICAL ADVISER

FOR JAPAN

No. 151 Tokyo, March 9, 1948.

UNCLASSIFIED

Subject: Transmitting Copy of Policy Statement Regarding Application of Press Code to Newspaper Labor Relations.

The Acting Political Adviser has the honor to enclose copy of a press release dated 10:00 a.m., March 3, 1948, from the Public Information Office, General Headquarters, Far East Command, concerning the issuance of a policy statement by the Labor Division of SCAP's Economic and Scientific Section regarding the application of the Press Code to newspaper labor relations. It will be noted that this statement clarifies the application to the Japanese publishing field of the Press Code issued by General MacArthur September 19, 1945. Headquarters officials, it is stated, hold editors or publishers responsible for the content of their publications and make it impossible to allow trade unions to bargain for the right to influence the content of publications or to accomplish this aim through dispute tactics.

Enclosure:

Copy of press release, GHQ, FEC, PIO, 10:00 a.m., March 3, 1948.

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Enclosure to Despatch No. 151 dated March 9, 1948 from Office of the United States Political Adviser at Tokyo, on the subject: "Transmitting Copy of Policy Statement Regarding Application of Press Code to Newspaper Labor Relations."

Source: GHQ, FEC, Public Information Office, 1000, 3 March 1948.

Press Release:

APPLICATION OF PRESS CODE TO NEWSPAPER LABOR RELATIONS CLARIFIED IN POLICY STATEMENT

Application of the Press Code to newspaper labor relations was clarified today in a policy statement by the Labor Division of SCAP's Economic and Scientific Section.

The statement makes these points:

1 - Stable and effective labor relations call for complete acceptance by both employers and unions of the sole and complete responsibility of management to determine editorial content in the press and publication industries. If necessary, this clear statement should be incorporated in all collective bargaining agreements as soon as possible.

2 - Management has the right to take appropriate disciplinary action against employees or union members in these industries who attempt by use of force to determine in any way, directly or indirectly, editorial policy or content, or who interfere with publication or distribution of printed matter.

3 - To prevent use of the Press Code by management as a pretext for discharge or other discrimination against employees, management should consult with the union before taking action. Cases involving question of fact should be referred to an impartial arbitrator or third party.

4 - There is no intention of preventing or weakening existing practices under which management-labor concurrence is needed in discharging, disciplining, or rewarding employees not involved in these specific issues, or of interfering with restrictions against discriminatory discharges as set forth in Article 11 of the Trade Union Law.

A Labor Division official said the statement, drawn up in consultation with Civil Information and Education Section officials, incorporates an interpretation of the Press Code as given by Lt. Col. Donald R. Nugent, CI&E chief, on June 13, 1946.

Colonel Nugent declared at that time that freedom of the press included the right to present news and editorial opinion free from influence, domination, or any other form of control by any government agency, political party, employers' association, employees' association, labor union or any other pressure group.

"SCAP officials hold editors or publishers responsible for the content of their publications, making it impossible to allow trade unions to bargain for the right to influence content of a publication, or to accomplish the same aim through dispute tactics," a Labor Division official said.

He

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He recommended that disputes arising over Article Two of the master contract for newspapers, which requires union consent to discharge, transfer or demotion of personnel, be referred to local labor relations committees.

"Committees should make their decisions within the meaning and intent of the Press Code," the official said, adding that questions on violation of the code itself must be determined by occupation authorities.

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UNITED STATES POLITICAL ADVISER
FOR JAPAN

Tokyo, March 25, 1948

PERSONAL and CONFIDENTIAL

Dear John:

As you are probably aware, the labor situation in Japan appears to be in a chaotic condition. Without attempting to go into the underlying reasons for the present situation, suffice it to say that one of the contributory causes is undoubtedly the policy which has been pursued by the SCAP Labor Section, particularly during the first year of the Occupation. As a result, we are now faced with a series of "quickie" strikes on the part of a large number of Government labor unions, a situation which might very well eventually get out of hand and once again call for strong action on the part of General MacArthur. It is barely possible, of course, that the present Cabinet will be able to control the recalcitrant unions, but as a long-range proposition I can only foresee continued trouble.

In my opinion, the labor situation in Japan is closely allied with the political situation; in fact, the latter can largely be a result of labor's attitude towards any government which might be in office. What might happen if the Occupation control should suddenly be relaxed is anybody's guess although I believe with proper handling and advice the situation is not beyond salvage.

As a result of the above, I consider it highly desirable that the Department consider the possibility of assigning a Labor Attachè to this Mission. The individual who is chosen should necessarily be one who has the confidence of the Department, the Department of Labor, as well as the CIO and AFL. I might say that the Labor Attachè need not necessarily have had previous Japanese experience; in fact, he might be more valuable if he has never been in Japan.

For your information, I have not yet cleared this idea with any one in Headquarters but Maynard will approach General Marquat with the idea of having a labor man come out under the auspices of the Department "with a view to making an objective study of the labor situation". It is my idea that the present people in the Labor Division are so strongly entrenched and so sensitive of their position that a frontal attack would hardly do. Once the Labor Attachè were here, however, I think it would not be difficult to have him continue his assignment indefinitely.

I suggest

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John M. Allison, Esquire,
Chief, Division of Northeast Asian Affairs,
Department of State,
Washington 25, D.C.

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I suggest that no definite assignment be made until I have had an opportunity to lay the groundwork here and until I send an official request to the Department (I will see that you get an advance copy of such request). In the meantime, you may wish to set the search for the right individual in motion, as presumably it will take some time to find just the proper man.

Sincerely yours,

Bill

W. J. Sebald

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: May 21, 1948

SUBJECT: Means of Obtaining Information on Japanese Labor Developments.

PARTICIPANTS: Mr. Paul Stanchfield, Labor Division, SCAP
Mr. Bradford Coolidge, DRF

DIVISION OF NORTHEAST ASIAN AFFAIRS MAY 24 1948 DEPARTMENT OF STATE

COPIES TO: NA, Mr. John Allison
NA, Mr. Marshall Green
ILH, Mr. Philip Sullivan
DRF, Mr. Charles C. Stelle

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Mr. Stanchfield, who has been conferring on Japanese labor developments with interested agencies during his temporary duty in Washington, advanced three suggestions as to means of obtaining needed information.

A. Pointing out that the Labor Division has a great deal of detailed material that is not usually reported through existing channels, he suggested that DRF write informally and as frequently as necessary to the Labor Division for help in specific matters. Mr. Stanchfield felt that, although the Labor Division is extremely busy, both Mr. James Killen, its chief, and its members would make every effort to answer such requests.

In addition, Mr. Stanchfield suggested that we endeavor to set up a formal channel, either through US POLAD, Tokyo, or through the Department of the Army, by means of which the Labor Division might report regularly on such standing questions as we might pose.

B. Mr. Stanchfield stated that he would be happy to promote an invitation from the Labor Division to a member of DRF to come to Japan (State paying salary, Army paying transportation and per diem) in order to secure information and to make studies, if and when such an invitation were informally requested.

C. Mr. Stanchfield indicated his own interest in assuming the position of Labor Attache to the State Department mission in Japan, if and when this post were created.

(In this connection

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(In this connection, Mr. Philip Sullivan of ILH advises that ILH once had funds available for a labor attache in Japan, but that plans to inaugurate this post were abandoned in view of SCAP opposition. Mr. Sullivan adds that Mr. Stanchfield mentioned to him the fact that the British mission in Tokyo at present has a labor attache who participates as an observer in the Labor Division's staff meetings, has access to most of its materials, and makes tours of observation. The British attache is not authorized to confer with Japanese labor leaders, nor is he invited to participate in Labor Division negotiations with Japanese union leaders and employers on touchy issues. Mr. Stanchfield has been asked by ILH to prepare a memorandum on the functions of the British labor attache.)

DRF:JWLydman(BCoolidge):BF

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No. 92

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

ACTION
is assigned to

Yokohama Branch,
Office of the U. S. Political Adviser,
Yokohama, Japan, [illegible]

DIVISION OF
NORTHEAST, ASIAN AFFAIRS
SEP 16 1948
DEPARTMENT OF STATE

Subject: Labor Agreements of Yokohama Shipyard and Engine Works, and Table of Wages

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my despatch no. 91 of May 20, 1948, entitled "Memoranda by President of Mitsubishi Heavy Industries, Ltd., on Financial, Labor, and Industrial Problems", and to enclose for the Department's information only, copies of the English translations of the agreements signed on November 1, 1947, by the Yokohama Shipyard and Engine Works of that comoany with the salaried employees' union of the firm, and the All-Japan Shipbuilding Workers' Union, respectively.

There are also enclosed tables showing the average wages actually paid by that firm during the month of February 1948 to managerial and office personnel, and to shipyard workmen.

Respectfully yours,

U. Alexis Johnson
American Consul General

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Enclosure No. 1 to Despatch No. 92, May 25, 1948, from Yokohama.

YOKOHAMA SHIP YARD & ENGINE WORKS
MITSUBISHI HEAVY INDUSTRIES, LTD.
3 Midoricho, Nishiku, Yokohama, Japan

LABOR AGREEMENT

November 1, 1947

The Yokohama Shipyard & Engine Works, Mitsubishi Heavy Industries Ltd. (hereafter referred to as "the Company") and the Salarymen's Union of the Mitsubishi Yokohama Shipyard (hereafter referred to as "the Union"), have concluded this Agreement with the aim of contributing to company's interest by improving labor status together with the maintenance and furtherance of efficiency with mutual understanding and close cooperation between both parties, thereby promoting national economy to wit:

Art. 1. The Company shall recognize the Union as a sole independent society of salaryment in the Company and shall carry on no negotiations outside of the Union.

Art. 2. Those being usually employed by the Company shall necessarily be the members of the Union, provided that those who fall under the provision of No. 1, Art. 2 of the Labor Union Law and those who are permitted by both the Company and the Union shall not be included.

Art. 3. The Company, conferring with the Branch, shall establish a minimum wage system based upon the living cost of the members of the Union conforming to the fluctuation of prices.

Art. 4. The following matters shall be negotiated and decided at the Management Council (hereafter referred to as "the Council") composed of members representing the Company and the Union.

1. Matters as to the system of the Company.
2. Basic matters of personal affairs such as employment, discharge, appointment, promotion, transfer of post, or reward and punishment.
3. Matters of working condition such as payment, allowances and wages, working time, and holiday.
4. Administrative matters of labor, materials, technique, etc. in the course of production.
5. Matters of culture and welfare such as education, public welfare, health, fire prevention, etc.
6. Amendments of this Agreement.
7. Other matters which the Company or the Union deems necessary to negotiate.

Rules

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Rules of the Council shall be fixed separately under the joint deliberation of the Company and the Union.

Art. 5. The Company shall after management data necessary to the Union, provided that the latter shall not divulge any secret matter.

Art. 6. The Company shall negotiate with the Union on important administrative matters such as dissolution, suspension of operation, amalgamation, separation, change of title, transference or diversion of the Company's assets, etc.

Art. 7. In case that there should be any dispute between the Company and the Union, it shall, by mutual understanding, be brought to the Labor Committee under the Labor Union Law for conciliation or arbitration.

In the above case, should the Labor Board conciliate or arbitrate, the Company or the Union shall not start such measures as closing of shops, general strikes, etc.

Art. 8. The Company and the Union shall strictly abide by the provisions of this Agreement and the matters decided by the Management Council under Art. 4 of this agreement.

Art. 9. This Agreement shall remain in force for one (1) year from the day of Agreement.

Art. 10. In case of the establishment of second company, this present Agreement shall remain in effect.

To verify the authenticity of the above Agreement three copies have been compiled as follows for the

1. Company
2. Union
3. Japanese Government

By_____
T. Rinoiye Gr. Mgr.

Yokohama Shipyard & Engine Works
Mitsubishi Heavy Industries, Ltd.

By_____
K. Yokoo President

The Salarymen's Union
Mitsubishi Yokohama Shipyard

TK/KS

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] # 760050

Enclosure No. 2 to Despatch No. 92, May 25, 1948, from Yokohama.

YOKOHAMA SHIPYARD & ENGINE WORKS
MITSUBISHI HEAVY INDUSTRIES, LTD.
3 Midoricho, Nishiku, Yokohama, Japan

REGULATIONS OF MANAGEMENT COUNCIL
YOKOHAMA SHIPYARD & ENGINE WORKS
MITSUBISHI HEAVY INDUSTRIES, LTD.

Art. 1. In accordance with the provision of Article 4 of the labor agreement which has been concluded between the Yokohama Shipyard & Engine Works, Mitsubishi Heavy Industries, Ltd. (hereafter referred to as "the Company") and the Salarymen's Union of Mitsubishi Yokohama Shipyard (hereafter referred to as "the Union") on November 1, 1947, a Management Council shall be established.

Art. 2. This Council shall confer to decide on the following matters:

1. Matters as to the system of the company.

2. Basic matters of personal affairs such as employment, discharge, appointment, promotion, transfer of post or reward and punishment.

3. Matters of working condition such as payment, allowances and wages, working time, and holiday.

4. Administrative matters of labor, materials, technique, etc. in the course of production.

5. Matters of culture and welfare such as education, public welfare, health, fire prevention, etc.

6. Matters concerning dissolution, suspension of operation, amalgamation, separation, change of ownership and transference or division of the company's assets, etc.

7. Amendment of this Agreement.

8. Other matters which the Company and the Union deem necessary to confer with.

Art. 3. The matters agreed on by the Council shall have the same effect as the labor Agreement.

Art. 4. The Council shall be composed of eighteen (18) members, with nine (9) members representing the Company and nine (9) members representing the Union.

Art. 5. The members who represent the Company shall be appointed by the General Manager of the Company.

The members who represent the Union shall be elected from among employees having membership in the Union.

Art. 6.

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Art. 6. The Council shall have some secretaries who are to conduct the business of the Council.

The secretaries shall be elected from both the Company and the Union.

Art. 7. The Council shall hold an Ordinary Meeting once a month.

An Extraordinary Meeting shall be held when necessary upon the proposal of either the Company or the Union.

Art. 8. The Council shall be convoked at the latest upon a three-day notice of its agenda to its members; however, provided that this rule shall not apply in case of emergency.

Art. 9. Without the consent of both the Company and the Union the Council cannot convene.

Art. 10. A chairman shall preside at the meeting of the Council to manage the procedure of the meeting.

Art. 11. The chairman shall be elected from among the members of the Council. As to his appointment, the agreement of both the Company and the Union shall be required on the Ordinary Meeting; however, in case of an Extraordinary Meeting, the chairman of the non-proposing party shall preside.

Art. 12. The decision of the meeting shall be made by a majority vote.

In case of a tie, a revote shall be cast.

Art. 13. When a special investigation is necessary of certain questions of the Council, a Special Committee may be appointed to make the investigation.

Art. 14. The details of the Special Meeting shall be fixed in accordance with the occasion.

Art. 15. When necessary, the Council shall be able to convene a joint meeting of workers and office clerks through the negotiation of the Company and the Union, provided that the vote shall be taken of each meeting separately.

Art. 16. The matters discussed at the Council Meeting shall be strictly confidential

Art. 17. The minutes of the meetings of the Council shall be recorded by the secretary.

Two copies shall be made of questions decided upon with the signatures and seals of the representatives of both parties and a copy is kept in file by each party.

SUPPLEMENTARY REGULATIONS

Art. 18. The revision of the above regulations shall be enacted by the negotiation of the Council.

Art. 19. The above regulations are effective as of November 1, 1947.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Enclosure No. 3 to Despatch No. 92, May 25, 1948, from Yokohama.

YOKOHAMA SHIPYARD & ENGINE WORKS
MITSUBISHI HEAVY INDUSTRIES, LTD.
3 Midoricho, Nishiku, Yokohama, Japan

LABOR AGREEMENT

November 1, 1947

The Yokohama Shipyard & Engine Works, Mitsubishi Heavy Industries Ltd. (hereafter referred to as "the Company") and All Japan Shipbuilding Workers' Union, the Mitsubishi Branch have come to conclude the following Labor Agreement:

FUNDAMENTAL AGREEMENT:

Art. 1. The Company shall recognize the All Japan Shipbuilding Workers' Union and the Branch as an autonomous society in the Company and shall carry on all negotiations only with the Branch or the said Union.

Art. 2. The Company shall be able to employ a non-union member only upon the recognition of the Branch.

WAGES:

Art. 3. The Company, conferring with the Branch, shall establish a minimum wage system based upon the living cost of the members of the Branch and their families conforming to the fluctuation of prices.

Art. 4. The Company shall enact amendment on wages and allowances upon negotiation with the Branch.

WORKING HOURS:

Art. 5. The standard of working hours shall be eight (8) hours, with seven (7) actual working hours per day.

Art. 6. Whenever a work requires overtime or off day work the Company shall negotiate with the Branch.

HOLIDAYS AND LEAVES OF ABSENCE:

Art. 7. Holidays and Leave of Absence shall be to wit:

1. Holidays

   a) Sundays

   b) National Holidays

2. Leave with Pay

   a) Annual Leave (with pay)

   For both men and women a leave of fourteen (14) days will be granted per year (a

calendar

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calendar year) and will be paid 100 percent of their average wages for each day.

To those in continuous service from nine (9) years and above, one (1) day shall be added per year, but shall not exceed twenty (20) days in total.

In the calculation of the year of continuous service, the year of employment shall be regarded as one (1) year.

Leave shall be as follows for those who were employed by the company this year.

1) Employed prior to May 31st
..... Seven (7) days

2) Employed prior to Nov. 30th
..... Five (5) days

Left over leaves with pay for this year will be carried over to the next year, and will be effective therein. However it will be void the third year. For those having left over leaves at the end of next year 100 percent of their average wages will be paid per day.

b) Year End and New Year Leaves.

It will be from December 31 to January 3 of the next year with pay.

c) May Day (May 1)

Employees shall be relieved from duty on May Day, and three days wages will be paid.

d) Monthly Leave of Absence.

Female workers may have monthly leave of absence whenever necessary upon the following standard:

1) Muscular workers: Entitled to three (3) days for each case--and shall be paid their daily wages for each day.

2) Other workers: Entitled to two (2) days for each case--and shall be paid their daily wages for each day. However, whenever nature requires, a three-day leave of absence will be granted if requested.

e) Transfer or Change of Post.

In case of transfer or change in post, a bachelor shall be given one day, a family head three days leave of absence with 60 percent of their average pay per day.

f) Food

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f) Food Procuration.

In case of ration distribution is delayed over ten days, two days leave of absence shall be given per month with pay 60 percent of average wage per day.

g) Marriage.

Workers shall be relieved of duty for four (4) days in the case of marriage, and they shall be paid at the rate of 60 percent of average wage per day.

h) Mourning.

The following leave of absence shall be granted with daily pay in each case:

1) For parents, consorts, and children--under seven (7) days.

2) For brothers, sisters, or grandfathers and grandmothers related by blood, or parents of the consorts--under three (3) days.

i) Before and After Childbirth.

Female workers shall have leave of absence for six (6) weeks each before and after childbirth. Upon request a pregnant female worker will be transferred to a lighter work.

Art. 8. Employees shall be paid allowance for suspension of work at the rate of 60 percent of average wage in the following cases:

1. When the company suspends work due to the lack of work, shortage of materials or electricity, etc.

2. When transportation or communication is unavailable due to accidents and forbids employees to report to work.

3. When the company forbids employees to work due to their condition of health.

4. When shops could not be operated by the curtailment of electricity.

5. In the course of weather or nature of work calls for an untimely attendance or dismissal the difference shall be covered by the above allowance.

INJURY AND SICKNESS WHILE ON DUTY

Art. 9. In case a member of the Branch has been injured or taken sick due on duty the Company shall pay the while expenses for medical treatment and 100 percent of his daily wage.

If the

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

If the allowance is paid through the Workers' Accident Insurance Law the Company shall pay the balance.

In case that his total revenue of that month should exceed that of the ordinary working month by the treatment allowance, the exceeding amount shall be deducted.

Art. 10. The Company shall hold periodically medical examinations for the members of the Branch and as a result, shall take necessary steps as to changing them to lighter work, shortening their working hours or granting them adequate recreation, etc.

EMPLOYMENT AND DISCHARGE:

Art. 11. The Company shall employ or discharge employees through negotiation with the Branch.

Art. 12. The Company shall, through negotiation with the Branch, discharge the person expelled from the Branch.

Art. 13. In case of promotion, appointment, transfer of post, or reward and punishment of the members of the Branch, the Company shall negotiate with the Branch.

Art. 14. In case of revision or amendment of any regulations and systems and Company shall enact it upon negotiation with the Branch.

Art. 15. Regarding extra hour work, the start and finish of work, recess, holidays, or leaves for greetings and condolences which are beyond the description of this Agreement, the Company shall negotiate with the Branch before enactment.

PRODUCTION:

Art. 16. In case of contracting work to sub-contractors or ordering articles to be manufactured outside, the Company shall negotiate with the Branch before doing so.

Art. 17. Regarding administrative matters of labor, materials, engineering, in the course of production, the company shall negotiate with the Branch before enactment.

Art. 18.

WELFARE:

Art. 18. The Company shall negotiate with the Branch before enactment of matters on culture and education promotion together with the management of welfare facilities.

MANAGEMENT COUNCIL:

Art. 19. The Company shall establish a Management Council composed of members representing the Company and the Branch, which will make every effort in the democratization of management.

At the

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

At the Council, the agenda of discussion shall be of Art. 3, 4, 11, 12, 13, 14, 15, 16, 17, 18, 20, and 26 of this Agreement.

The Rules of Management Council shall be fixed upon negotiations between the Company and the Branch.

Art. 20. The matters which are deemed to be necessary to confer upon by both the Company and the Branch and matters regarding amendment of this agreement shall be conferred between the Company and the Branch.

UNION ACTIVITIES:

Art. 21. The Company shall agree to have the Branch officers devote themselves exclusively to union business.

Art. 22. The Company shall agree to the Branch contacting with or acting in concert with any friendly party or other outer parties, or partaking in any other activity.

Art. 23. The Company shall agree to have the Branch, with the understanding of the Company, to hold union activities or education for the members of the Branch, at a specific time during working hours.

Art. 24. The Company shall offer management data necessary to the Branch.

Art. 25. The Company shall allow union members freedom of political advities--and of occupying any public post, and shall not discriminate these members. However as to their treatment the Company shall negotiate with the Branch.

DISSOLUTION OF THE COMPANY:

Art. 26. The Company shall negotiate with the Branch on measures that will greatly affect the members of the Branch such as dissolution, suspension of operation, amalgamation, separation, change of ownership and transference or diversion of the Company's assets.

Art. 27. During a strike the Company shall not contract labor service or any similar acts with others concerned.

Art. 28. The Company shall collect rent from employees who board in the Company's housing and workers dormitory; the rent fixed separately from their wages.

TERM OF VALIDITY:

Art. 29. This Agreement is to remain in force for one (1) year from Nov. 1, 1947.

However during the term of validity, the Agreement can be revised by the mutual understanding of both parties.

Art. 30

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Art. 30. Upon termination of this Agreement, should there be no manifestation of intention for the revision or the abolition from either party, the Agreement shall automatically be valid for another six (6) months.

This Agreement, in spite of termination or manifestation of revision shall stand valid till a new one comes into being.

By_____
T. Rinoiye

General Manager

Yokohama Shipyard & Engine Works
Mitsubishi Heavy Industries, Ltd.

By_____
T. Kida

President
Mitsubishi Yokohama Shipyard Branch
All Japan Shipbuilding Workers' Union

TK/KS

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Enclosure No. 4, Despatch No. 92, May 25, 1948, from Yokohama.

YOKOHAMA SHIPYARD & ENGINE WORKS
MITSUBISHI HEAVY INDUSTRIES, LTD.
3 Midoricho, Nishiku, Yokohama, Japan

REGULATIONS OF MANAGEMENT COUNCIL
YOKOHAMA SHIPYARD & ENGINE WORKS
MITSUBISHI HEAVY INDUSTRIES, LTD.

Art. 1. In accordance with the provision of Article 19 of the Labor Agreement which has been concluded between the Yokohama Shipyard & Engine Works, Mitsubishi Heavy Industries, Ltd. (hereafter referred to as "the Company") and the All Japan Shipbuilding Workers' Union, Mitsubishi Yokohama Shipyard Branch (hereafter referred to as "the Branch") on November 1, 1947, a Management Council shall be established.

Art. 2. This Council shall confer to decide on the following matters:

1. Conditions of treatment such as wages, premium rates, allowances, raises, the payment for overtime, night and holiday work; time and means of payment, working hours, time to start and finish work, recess and its arrangement, number of holidays and leaves, discharge allowance, etc.

2. Basic matters regarding discharge, employment, time and qualification of raise and promotion, transference of post and reward and punishment.

3. Arrangement of labor, utilization of materials, management of technique etc. in the process of production.

4. Basic matters regarding sub-contract and works to be manufactured outside.

5. The revision or abolition of any regulation and work system.

6. Matters of culture and welfare such as individual culture, education, public welfare, health, fire prevention, etc.

7. Matters concerning dissolution, suspension of operation, amalgamation, separation, change of ownership and transference or division of the Company's assets, etc.

8. Amendment of this Agreement.

9. Other matters which the Company and the Branch deem necessary to confer with.

Art. 3. The matters agreed on by the Council shall have the same effect as the Labor Agreement.

Art. 4. The Council shall be composed of eighteen (18) members, with nine (9) members representing the Company and nine (9) members representing the Branch.

Art. 5.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Art. 5. The members who represent the Company shall be appointed by the General Manager of the Company.

The members who represent the Branch shall be elected from among employees having membership in the Branch.

Art. 6. The Council shall have some secretaries who are to conduct the business of the Council.

The secretaries shall be elected from both the Company and the Branch.

Art. 7. The Council shall hold an Ordinary Meeting once a month.

An Extraordinary Meeting shall be held when necessary upon the proposal of either the Company or the Branch.

Art. 8. The Council shall be convoked at the latest upon a three-day notice of its agents to its members; however, provided that this rule shall not apply in case of emergency.

Art. 9. Without the consent of both the Company and the Branch the Council cannot convene.

Art. 10. A chairman shall preside at the meeting of the Council to manage the procedure of the meeting.

Art. 11. The Chairman shall be elected from among the members of the Council. As to his appointment, the agreement of both the company and the Branch shall be required on the Ordinary Meeting; however in case of an Extraordinary Meeting, the chairman of the non-proposing party shall preside.

Art. 12. The decisions of the meeting shall be made by a majority vote.

In case of a tie, a revote shall be case.

Art. 13. When a special investigation is necessary on certain questions of the Council, a Special Committee may be appointed to make the investigation.

Art. 14. The details of the Special Meeting shall be fixed in accordance with the occasion.

Art. 15. When necessary, the Council shall be able to convene a joint meeting of workers and office clerks through the negotiation of the Company and the Branch, provided that the vote shall be taken of each meeting separately.

Art. 16. The matters discussed at the Council Meeting shall be strictly confidential.

Art. 17. The minutes of the meetings of the Council shall be recorded by the Secretary.

Two copies shall be made of questions decided upon with the signatures and seals of the representatives of both parties and a copy is kept in file by each party.

SUPPLEMENTARY

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] 760050

SUPPLEMENTARY REGULATIONS

Art. 18. The revision of the above regulations shall be enacted by the negotiation of the Council.

Art. 19. The above regulations are effective as of November 1, 1947.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] # 760050

Enclosure No. 5, Despatch No. 92, May 25, 1948, from Yokohama.

MITSUBISHI HEAVY INDUSTRIES, LIMITED

Yokohama Shipyard & Engine Works

WAGE RETES FOR CLERKS

Position	Hourly Wage	Average Salary for February
Department Manager	¥ 39.88	¥ 7,671.60
Section Manager	38.52	6,627.46
Clerk (Male)	31.47	5,358.49
Clerk (Female)	22.12	3,413.89
Averages	¥ 29.72	¥ 5,007.88

Note: Officials above Division Manager excluded.

Enclosure No. 6,
Despatch No. 92,
Yokohama, May 25, 1948.

CONFIDENTIAL
FOR DEPARTMENT USE ONLY

MITSUBISHI HEAVY INDUSTRIES, LIMITED
Yokohama Shipyard & Engine Works

AVERAGE HOURLY WAGES AND MONTHLY WAGES FOR LABORERS--FEBRUARY 1948

Classification	1st Class		2nd Class		3rd Class		4th Class		Apprentice		Total Workers	
	Hourly Wages ¥	Monthly Wages ¥	Hourly Wages ¥	Monthly Wages ¥	Hourly Wages ¥	Monthly Wages ¥	Hourly Wages ¥	Monthly Wages ¥	Hourly Wages ¥	Monthly Wages ¥	Hourly Wages ¥	Monthly Wages ¥
Recorder	28.99	5,610.43	27.91	5,781.73	25.08	5,098.85	24.16	4,888.76			25.69	5,195.51
Substitute	23.80	7,069.98	27.27	6,079.98	30.00	5,627.64	23.22	4,966.61			25.94	5,595.29
Material Handler	29.03	5,540.47	27.40	5,139.29	25.00	4,597.39	22.01	3,814.59			24.95	4,537.13
Truck Transporter	25.63	4,689.69	28.78	5,402.72	26.51	4,860.00	22.48	3,950.90	17.07	2,508.97	24.33	4,375.64
Saw Mill Worker	32.04	6,874.36	32.49	6,361.60	28.69	5,783.00	23.91	4,572.89			26.90	5,204.95
Construction	29.64	5,387.77	27.75	5,083.51	30.63	4,855.83	22.64	3,906.25	15.66	2,448.10	23.16	3,964.25
Cook			25.40	6,869.97	24.23	5,950.54	20.18	5,258.32			21.78	5,508.14
Medics	27.70	5,352.80			27.20	5,579.66	22.82	5,159.73			24.66	5,272.08
Guard							16.61	5,124.83			16.61	5,124.83
Inspector	31.06	6,216.88	29.49	5,671.20	26.63	5,193.77	25.76	4,551.26			29.02	5,653.12
Power Man	31.72	8,104.76	30.21	7,132.04	28.09	6,342.35	21.44	5,161.69			25.72	6,053.94
Tracer	33.41	5,713.59	27.96	5,318.62	25.25	4,645.37	20.29	4,036.74	14.69	2,599.84	20.54	3,831.89
Fitter	32.25	6,301.28	29.96	5,671.74	26.59	4,906.03	24.70	4,178.00	14.38	2,446.24	26.61	4,818.68

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Enclosure No. 6,
Despatch No. 92,
Yokohama, May 25, 1948.

Classification	1st Class Hourly Wages ¥	1st Class Monthly Wages ¥	2nd Class Hourly Wages ¥	2nd Class Monthly Wages ¥	3rd Class Hourly Wages ¥	3rd Class Monthly Wages ¥	4th Class Hourly Wages ¥	4th Class Monthly Wages ¥	Apprentice Hourly Wages ¥	Apprentice Monthly Wages ¥	Total Workers Hourly Wages ¥	Total Workers Monthly Wages ¥
Transporter	31.63	6,722.08	29.02	5,938.83	26.29	5,418.58	22.43	4,842.57			24.82	5,275.68
Moulder	30.52	6,412.75	26.99	5,779.94	24.00	4,743.74	23.20	4,300.54	14.63	2,461.54	23.89	4,622.43
Welder	30.87	6,043.09	28.04	5,608.87	25.78	4,840.88	23.74	4,241.47	14.87	2,527.68	25.14	4,688.94
Riveter	32.00	6,158.42	30.02	5,421.43	29.05	5,222.24	26.30	4,835.55	14.04	2,611.97	27.71	5,094.35
Caulker	33.26	5,832.25	29.21	5,290.41	28.45	4,577.36	22.79	3,835.28	15.32	2,582.13	26.03	4,433.26
Iron Worker	30.72	5,944.54	28.74	5,382.73	26.78	4,604.69	23.44	4,035.40	16.39	2,467.19	25.46	4,515.08
Bending Slab Worker	31.46	6,491.95	29.02	5,310.01	23.73	4,601.53	24.64	3,736.27	15.54	2,516.84	25.67	4,608.39
Out Fitter	32.03	6,020.92	28.45	6,014.32	25.36	5,121.72	22.78	4,278.41	15.41	2,417.75	24.72	4,817.45
Carpenter	34.37	7,410.35	31.65	7,016.62	26.40	5,648.99	22.47	4,474.62	14.02	2,537.69	23.72	4,797.10
Foundry Worker	33.18	6,877.89	34.08	6,407.71	27.09	5,454.70	24.00	4,602.09	15.48	2,536.56	26.03	5,098.38
Blacksmith	31.77	5,637.15	30.27	5,310.92	26.98	4,707.21	22.74	3,792.96	15.47	2,464.03	25.72	4,406.09
Model Worker	37.06	6,852.60	29.31	5,915.06	25.70	5,174.48	21.48	3,872.39	14.06	2,484.31	23.63	4,448.32
Lathe Worker	32.73	7,590.72	29.96	6,542.20	25.20	5,099.93	21.53	3,990.94	18.41	2,056.65	23.55	4,426.67
Processer	34.45	5,856.58	29.37	5,640.44	25.52	4,808.02	21.88	4,075.84			24.93	4,619.77
Fitter	31.45	7,352.52	29.35	6.411.46	25.26	5,257.53	22.11	4,282.51	14.59	2,458.58	23.86	4,777.76
Boiler Man	34.00	7,305.01	29.77	6,061.11	26.54	5,382.01	22.85	4,575.23	14.12	2,440.63	25.46	5,053.05

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] # 760050

Enclosure No. 6,
Despatch No. 92,
Yokohama, May 25, 1948.

Classification	1st Class Hourly Wages ¥	1st Class Monthly Wages ¥	2nd Class Hourly Wages ¥	2nd Class Monthly Wages ¥	3rd Class Hourly Wages ¥	3rd Class Monthly Wages ¥	4th Class Hourly Wages ¥	4th Class Monthly Wages ¥	Apprentice Hourly Wages ¥	Apprentice Monthly Wages ¥	Total Workers Hourly Wages ¥	Total Workers Monthly Wages ¥
Tool Shop Worker	32.03	5,998.06	28.78	5,563.23	24.87	4,636.03	22.61	4,016.25	15.76	2,506.18	23.78	4,288.10
Power Electrician	33,88	7,559.82	29.49	6,116.79	29.49	5,820.44	24.07	4,812.98	14.30	2,467.45	25.42	5,062.54
Wiring Electrician	31.05	6,336.40	28.77	5,629.91	25.36	4,962.35	22.64	4,225.05	16.07	2,536.91	24.97	4,790.22
Testing Lab. Worker	30.51	5,552.31	26.94	5,391.40	24.32	4,599.89	22.20	3,923.35	14.55	2,485.09	22.73	4,131.93
Steel Worker	32.53	5,748.28	30.38	5,476.04	28.06	4,755.57	22.62	3,900.27	15.12	2,334.99	24.98	4,293.43
Shipbuilding Worker	34.52	7,172.32	32.69	6,324.66	28.18	5,892.74	23.21	4,448.03	14.96	2,462.30	25.12	4,847.29
Ship Tool Worker	31.73	6,097.82	30.58	5,772.13	27.98	5,274.45	21.92	3,987.36	15.98	2,668.65	24.86	4,519.36
Repair Div. Fitter	35.04	5,957.74	28.40	5,421.65	25.14	4,572.16	22.09	3,933.55	15.29	2,485.94	24.04	4,325.84
Outside Worker	33.00	6,198.15	30.53	5,495.22	27.73	5,037.48	24.98	4,266.53	14.94	2,519.20	27.00	4,761.64
Coppersmith	32.07	7,111.53	29.27	6,232.18	27.28	5,446.92	22.07	4,367.15	14.17	2,397.04	24.66	4,968.41
Dock Worker	30.34	6,937.48	29.11	6,054.69	26.32	5,801.36	22.81	4,321.45			25.35	5,153.68
Crew			27.57	7,002.19	23.71	6,006.86	20.35	4,845.41			21.57	5,237.57
Rigger	30.42	6,333.00	28.75	6,115.81	26.57	5,337.93	23.34	4,804.11			25.16	5,195.61
Female Worker (Misc.)											18.41	3,287.14
Averages	31.91	6,420.19	29.23	5,861.94	26.12	5,128.03	22.50	4,303.43	15.00	2,499.63	24.35	4,748.91

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] # 760050

STANDARD FORM NO. 64

0 - 1845

Office Memorandum • UNITED STATES GOVERNMENT

TO : 0 - Mr. Claxton DATE: July 13, 1948

FROM : 0 - Mr. Ray

SUBJECT: Comment on Proposed Policy Decision on Japanese Employment Abroad.

(1) The reference to the Japanese Government is unnecessary during the SCAP regime of control, - as SCAP can delegate any control function. It may further be objectionable to some FEC countries as involving the assumption of authority by Japanese Government as distinct from SCAP. This reference is possibly undesirable as putting the Japanese Government as such, prematurely in a position to criticize working or living standards in other countries. The reference in para 5 to Japanese responsibility for policing work contracts abroad is subject to the same comment. Protection of Japanese interests abroad during the SCAP regime of control might better be left nominally to SCAP.

(2) "Individually approved" is ambiguous - might connote certification of qualifications for proposed employment. Preferable phrase would be "cleared", which indicates only the absence of objections for reasons such as those of security.

(3) This is a "general principle" which would involve both difficulty and expense in implementation. It would require extensive records and time-consuming, complex and arbitrary evaluation of what are essentially variable factors making up "normal living expenses in the country of employment." In the case of Japanese seamen, the proposed language would require special interpretation of both "local currency" and "foreign exchange". On some voyages, wages offered might not include any "foreign exchange useful for the purchase of essential imports for Japan".

Existing foreign exchange controls over payments and remittances from overseas to Japanese nationals should be adequate to protect the financial interests of SCAP. The foreign employment of Japanese nationals in the present setting of overpopulation and a non-self-supporting economy is a clear benefit to Occupation finance. Such remittances as Japanese employed abroad may voluntarily make to the accounts of themselves, their dependents or other Japanese in Japan would increase this benefit without new machinery or expense. To establish new machinery and incur new expense in order to recapture the "surplus" income of Japanese employed abroad over their "normal living expenses" would tend to defeat the purpose of the policy both by discouraging applications and by generating expenses to offset the foreign exchange sought.

A parallel effort by OMGUS to control through JEIA the foreign exchange "Surplus" earnings of German technicians temporarily employed abroad has seriously hampered such employment.

Sullivan

no

yes

check OFD

Sullivan

Sullivan

894.504/7-1348

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(4) The language here appears unnecessarily detailed and may be too rigid to conform with established practices in different fields of work.

(5) See comment on Japanese government functions in para. 1 above.

(6) This paragraph contains two unrelated restrictions, one political, and one economic. The economic restriction might better be consolidated with a revised and generalized policy statement on economic controls to replace present para. 3.

Such of the above points as you may approve can be reflected in a redraft policy paper that might be more palatable for introduction by a member of FEC other than U. S.

O:JFRJr:oe

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

CONFIDENTIAL

DRAFT POLICY DECISION ACCEPTABLE TO THE UNITED STATES GOVERNMENT ON THE EMPLOYMENT OF JAPANESE ABROAD

The Far Eastern Commission decides as a matter of policy that Japanese nationals shall be permitted to accept employment abroad under regulations established by the Supreme Commander for the Allied Powers in Japan to accord with the following general principles:

(1) Employment shall be on a voluntary basis, with remuneration and conditions for working and living acceptable at once to the Supreme Commander, the Japanese Government, the Japanese employee and the foreign employer.

(2) Applicants for employment must be individually ~~approved~~ cleared by the Supreme Commander's Headquarters.

(3) That proportion of total wages or salary sufficient for normal living expenses in the country of employment shall be paid in local currency. All additional remuneration shall be paid to the account of the Supreme Commander for the Allied Powers in Japan in foreign exchange useful for the purchase of essential imports for Japan. The Supreme Commander will cause the Japanese Government to deposit an equivalent amount in yen at the military conversion rate or other official rate that may subsequently be fixed to the account of the employee or his dependents in Japan.

(4) The term of employment shall be set forth in the contracts ~~shall not exceed two years, but this period may be extended in case~~ with provision where appropriate for extension by agreement among all parties concerned. ~~to the agreement desire.~~ ~~However,~~ All contracts shall permit the employer or the employee ~~shall be permitted~~ to terminate ~~the individual contract~~ employment at any time ~~by giving one month's notice,~~ with specified and shall provide that In case the employee avails himself of this privilege before the expiration of ~~one year's~~ a stated period of service, he shall be required to pay a specified portion of the costs of his repatriation.

CONFIDENTIAL

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] # 760050

(5) The Japanese employee shall have unrestricted right of communication with Japan, and it shall be the responsibility of the Japanese Government to bring to the attention of the Supreme Commander for appropriate action through the diplomatic channel any complaints by Japanese employees regarding the fulfillment by foreign employers of work contracts. In order to ensure compliance with the terms of the contract, arrangements should be made for inspection of working and living conditions of the employees, should such be deemed necessary, by duly authorized SCAP representatives or designees.

(6) Japanese employed abroad are not to engage in political activities of any sort during the period of their employment, and are not to acquire property abroad except as may be required for normal living purposes during the period of their employment.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] # 760050

SUBJECT OR FILE NO.			DATE DUE
894.504/7-3048			4/7/52
DATE OF DOC.	DOC. NO.	SECURITY CLASS.	DATE CHARGED
7/30/48		Confidential	3/7/52
TO/FROM		ENCLOSURES	
Memo - LH - Sullivan			
CHARGE TO			OFFICE SYMBOL
O'Neill for J. Miller (Signature)			SY

Form DS-933a (9-1-51) 16—65587-1 GPO DEPARTMENT OF STATE

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 30, 1948

CONFIDENTIAL

SUBJECT: Expected Resignation of James S. Killen, Chief of Labor Division, SCAP.

PARTICIPANTS: Mr. Frank Fenton, International Representative of the American Federation of Labor.

Mr. Philip B. Sullivan, ILH.

COPIES TO:

OFFICE OF INTERNATIONAL TRADE POLICY
AUG 9 - 1948
DEPARTMENT OF STATE

894.504/7-3048

1—1493

Mr. Fenton telephoned me late yesterday afternoon for a discussion of the circumstances surrounding the report that Mr. James S. Killen, Chief of SCAP's Labor Division, intended to resign because he could not agree with the new labor policy laid down by General MacArthur. I related to him the general facts behind the dispute between the Labor Division and units of the Government Section, SCAP, in regard to provisions of the National Public Service Law and its effect upon the existing rights of labor organizations of government employees. I pointed out that the basic issue involved was not that of the right of Government Civil Service workers to strike, but rather the right to engage in collective bargaining activities. Government administrative employees are forbidden to strike under terms of Article 38 of the Labor Relations Adjustment Act.

Mr. Fenton had received a copy of General MacArthur's letter embodying his decision regarding the above mentioned dispute. Fenton was extremely indignant regarding certain passages in the letter which made reference to the possible failure of employees of

government

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government-owned industries or utilities to "faithfully discharge their responsibilities of employment." He read this passage to me and indignantly stated: "That sounds like a publication of the National Association of Manufacturers."

I pointed out that if Killen and his deputy, Paul Stanchfield, resigned, the Labor Division would be in an extremely weak position in the coming crucial period of readjustment of labor matters, and that ILH hoped the resignation, if inevitable, would be delayed until after the best possible arrangements to protect labor's interests in the light of the present circumstances had been secured.

Fenton, however, refused to consider an AFofL approach to Killen until the latter communicated with them. He stated that the AFofL had great confidence in Killen and if he--Killen--felt he had to resign they would back him in that decision. Moreover, if the resignation took place, Fenton said, the AFofL would cease supporting MacArthur in his labor program as would other labor movements throughout the world.

The CIO is likewise closely following the situation. James Carey, Secretary-Treasurer of the National CIO, closely queried the drafting officer on the details of the case while driving home from an evening meeting. Carey expressed his regard for Killen by saying that it would be a loss to the Japanese labor movement if he would resign, but did not indicate what, if anything, the CIO would do. His comments and questions, however, indicated that he regarded any restrictions on collective bargaining by employees of the Japanese Government other than those who may legitimately be classed as "Civil Service employees", to be entirely indefensible.

ILH:PBSullivan:apg

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] # 760050

ACTION
is assigned to

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

UNITED STATES POLITICAL ADVISER
FOR JAPAN

No. 490

DIVISION OF
NORTHEAST ASIAN AFFAIRS

CONFIDENTIAL (For use of Department only)

Tokyo, August 19, 1948

DEPARTMENT OF STATE

Subject: Communist Influence in Japanese Labor

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to enclose a copy of a memorandum of conversation dated July 27, 1948, summarizing a conversation held between an officer of this Mission and Mr. HITOTSUMATSU Masaji, Democratic-Liberal Party member of the House of Councillors.

The opinions expressed by Mr. Hitotsumatsu in this conversation are representative of the present attitude held by many of the more conservative Japanese political and business leaders. His views are also believed to reflect prevailing sentiment in the Democratic-Liberal Party.

Mr. Hitotsumatsu requested that his remarks be treated confidentially because he wished to speak freely and frankly concerning aspects of the Occupation which he felt were detrimental to Japan's recovery. It has been noted that Japanese businessmen and political leaders are becoming more inclined to discuss such matters frankly. This has become particularly true in regard to the labor problem, since the better informed Japanese appear to be convinced that the present unstable, and at times chaotic, labor situation has a disastrous effect on Japanese economic recovery and is a serious obstacle to attracting foreign capital and enterprises to Japan. The surprisingly rapid and favorable reaction of almost all Japanese to the Supreme Commander's letter to Premier ASHIDA of July 22, 1948 regarding revision of the National Public Service Law by which the right of government workers to strike will be prohibited is clear evidence of the extent to which the Japanese public has become aroused over labor excesses. (In this connection, reference is made to our despatch no. 491 of August 3, 1948, on the subject "Japanese reaction to Supreme Commander's letter concerning revision of the Public Service Law".)

Mr. Hitotsumatsu stated that many Japanese with whom he is associated are convinced that the present labor problem

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problem is in good part the result of the labor policies pursued heretofore by the Occupation. Japanese labor has acquired too many rights and priviliges without sufficient consideration given to the responsibilities of labor. He believes that in any capitalistic economy there must be a reasonable balance between labor and management, but that under the Occupation labor has been favored at the expense of management (and often at the expense of the general public) with the result that the necessary equilibrium between labor and management has been destroyed. The Japanese communists, working through their powerful fractions in the labor unions, have taken advantage of this imbalance to exploit the labor movement's immaturity and sudden acquisition of power for communist-inspired political aims.

XR 740.00119 Control (Japan)

In Mr. Hitotsumatsu's opinion, SCAP labor policies, especially in the earlier stages of the Occupation, have therefore been partly responsible for the delay in economic recovery. Not only must the Japanese businessman take into account abrupt price changes and irregular supplies of materials, but he is also confronted by the erratic and unpredictable behavior of labor as one of the vital factors of production.

Japanese with whom Mr. Hitotsumatsu associates in political and business circles are becoming apprehensive that Japan's present rate of recovery will not prove sufficient to ward off some form of depression which many now feel is certain to come when the present period of inflation ends. If such a depression occurs after the Occupation is withdrawn, there is a growing fear that public safety facilities will be inadequate to control the communist-inspired unrest and disorders which may break out. Mr. Hitotsumatsu believes that if such a situation occurs after the Occupation is withdrawn, the communists, with Soviet support, might readily seize power, and that conservative elements, such as the Democratic-Liberal Party, will surely be marked for liquidation under a communist regime. For this reason, Mr. Hitotsumatsu is convinced that many conservative Japanese are today exceedingly hesitant to commit themselves openly, especially in regard to any action involving opposition to the communists.

In this connection, Mr. Hitotsumatsu noted that most Japanese are perplexed by what appears to be an inconsistency in United States policy. While opposing the spread of communism in Europe and elsewhere and while taking more and more stringent measures against the communists in the United States, the Occupation seems to give the Japanese communists a free hand.

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Mr. Hitotsumatsu also expressed the belief that economic recovery is further handicapped by too much detailed regulation of the Japanese economy by SCAP, and by the lack of ability and understanding of many SCAP officials charged with handling economic problems.

The necessity

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Tokyo's No. 490
August 3, 1948

The necessity for achieving a satisfactory readjustment of labor-management relations from the standpoint of assisting Japan's over-all economic recovery has been stressed frequently in the Japanese press. In its issue of July 29, 1948, Tokyo Shimbun noted particularly that foreign capital will remain hesitant to seek investment in Japanese industry unless the Japanese labor movement is placed upon a more rational and moderate basis. This newspaper accordingly expressed the belief that greater control must be exercised over not only government workers, as directed by the Supreme Commander's letter to the Prime Minister, but over all labor union activity.

XR 800.503194

Respectfully yours,

W. J. Sebald
Acting Political Adviser

Enclosure: att att

Memorandum of Conversation,
July 27, 1948

Original and ozalid to Department
Copy to:
American Embassy, Moscow

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

CONFIDENTIAL

Enclosure to Despatch no.490 dated August 3, 1948 from the Office of the Political Adviser for Japan, Tokyo, on the subject, "Communist Influence in Japanese Labor".

(COPY)

UNITED STATES POLITICAL ADVISER FOR JAPAN

MEMORANDUM OF CONVERSATION

August 3, 1948

SUBJECT: Communist Influence in Japanese Labor

PARTICIPANTS: Mr. HITOTSUMATSU Masaji, Member of House of Councillors
Mr. HITOTSUMATSU Hisashi, Secretary

Mr. Charles Nelson SPINKS, USPOLAD

On July 27, 1948 Mr. HITOTSUMATSU Masaji, Democratic-Liberal Party member of the House of Councillors, with his son and secretary, Mr. HITOTSUMATSU Hisashi, called at this Mission to discuss the problem of communist influence in the Japanese labor movement with Foreign Service Officer Charles Nelson SPINKS. The entire discussion was with the elder Hitotsumatsu.

Mr. Hitotsumatsu is conservative in his views but should not be regarded as reactionary. He has wide contacts in political and business circles and reflects the more conservative sentiments of Japanese business leaders. The views he expressed in this meeting are also believed to reflect generally the attitude of the Democratic-Liberal Party.

Mr. Hitotsumatsu was particularly emphatic in stressing the dangers of communism in Japan as manifested in the labor movement. He expressed the belief that the Occupation has heretofore given too much emphasis to labor with the result that labor has been pushed too far ahead for its own good, that in any capitalistic society there must be a reasonable balance maintained between labor and management, but such equilibrium is impossible to maintain if labor is unduly favored by government at the expense of management. Mr. Hitotsumatsu is convinced that Japanese labor has had too many new advantages and privileges thrust upon it with insufficient consideration given to the responsibilities of labor. He feels that Japanese labor by both tradition and temperament is still unprepared for the new role it has assumed.

In Mr. Hitotsumatsu's opinion many of the new privileges and advantages Japanese labor has acquired through such laws as the Labor Standards Law and the Labor Relations Adjustment Law are ill-suited to present day conditions in Japan. In the present state of economic crisis, shortages and inflation, Japan cannot afford the luxury of such requirements and conditions for labor. Mr. Hitotsumatsu feels that Japan's economic recovery can only be brought

about in

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about in the final analysis by hard work on the part of the entire population and that accordingly it is not advisable to prescribe too rigidly the number of hours a man should be allowed to work, the minimum wage he should receive and the exact conditions under which he must work.

Mr. Hitotsumatsu deplored the postwar tendency of Japanese organized labor to seek political objectives through labor disputes and strikes. He pointed out that this aspect of recurrent labor offensives has been consistently fostered and promoted by the communist fractions within labor unions.

Mr. Hitotsumatsu expressed the hope that the Occupation authorities in Japan would take a firmer stand toward the communists. He said many Japanese have become exceedingly puzzled by what appears to be a serious inconsistency in United States policy. While the United States has since the end of the war adopted a strong policy in opposing the spread of communism in western Europe and other areas and has become more and more severe in dealing with communists and their sympathizers in the United States, the Japanese communists appear to have a virtually free hand.

He pointed out that the situation is becoming such that only the Japanese communists appear able to criticize the Occupation with impunity. Heretofore, the Occupation has taken only one major step which the Japanese believe was an effective move against the communists, namely, the Supreme Commander's banning of the proposed February 1 General Strike in 1947.

In view of widespread Japanese convictions that the Occupation has deliberately (and inconsistently) given the communists a free hand, the Supreme Commander's letter to Premier ASHIDA of July 22, 1948 came as a most welcome surprise to virtually all Japanese except the communists. In Mr. Hitotsumatsu's view, it is only the communists and communist elements operating in the labor movement who will be at a disadvantage when the National Public Service Law is amended to prevent government workers from striking. The communists have made a particularly intense drive to gain control of the government workers' unions, for, as Mr. Hitotsumatsu pointed out, labor offensives conducted by these unions are most likely to attain direct political results, such as the overthrow of a cabinet, which is one of the primary principles of communist strategy.

Mr. Hitotsumatsu was asked if he would care to name any specific examples of activity by which the Japanese have been led to believe that the Occupation has been partial to the communists. Mr. Hitotsumatsu hesitated to name specific points for in doing so he could not help but criticize the Occupation, but to speak in strict confidence and with complete frankness he said he felt the principal trouble was to be found in the initial conduct of SCAP labor policies by the Labor Division of the Economic and Scientific Section. Mr. Hitotsumatsu desired to emphasize, however, that a significant change for the better has taken place in the Labor Division since Mr. J. S. KIBLEN assumed charge, but that it was now difficult to correct many of

the abuses

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the abuses which had been inspired by his predecessor's policies. Mr. Hitotsumatsu said that in the opinion of many the policies pursued by the Labor Division in the early stages of the Occupation under Mr. Theodore COHEN (presently an economic adviser to the Chief of ESS) had not only done much harm to Japan's economic recovery but had in the long run proved a disservice to the Japanese labor movement. Many Japanese are convinced that Mr.Cohen deliberately favored labor at the expense of management and that he was largely responsible for creating a most undesirable imbalance between labor and management by attempting to thrust labor too far ahead for its own good and by his generally hostile attitude toward employers in labor disputes. As a result, labor not only received inflated ideas of its own rights and prerogatives, but employers were actually intimidated to the point where they lost initiative and enthusiasm. Thus, in Mr. Hitotsumatsu's opinion, management has become more and more uneasy about embarking on plans for expansion or rehabilitation for fear that labor will always be an unpredictable factor in production calculations, while at the same time frequent strikes, slow downs and other labor disputes, inspired to a good extent by SCAP labor policy, have further retarded production.

Notwithstanding recent gains in the Japanese economy, Mr. Hitotsumatsu is convinced that Japan's recovery to date will be wholly inadequate to ward off some form of depression when the present period of inflation comes to an end.

This depression will result in large-scale unemployment and will thereby provide the Japanese communists with a most favorable opportunity. Many Japanese are afraid that this period of depression may come about after the Occupation is withdrawn. Mr. Hitotsumatsu does not feel that the present public safety facilities will be adequate to cope with communist-inspired unrest and disorders which may take place in such a period of depression. Conservative Japanese are also afraid that Soviet Russia may use this opportunity to intervene in Japanese affairs and thereby succeed in putting the communists in power. Remote as these possibilities may seem at the present moment, Mr. Hitotsumatsu is convinced that the fear of such developments haunts many Japanese and thereby makes them reluctant to take a clear-cut stand on political issues which involve any opposition to the communists. Mr. Hitotsumatsu stressed that members of the Democratic-Liberal Party, which has been frequently branded within and without Japan as a "reactionary" element, feel they cannot be indifferent to the possibility that they will be earmarked for liquidation if the communists ever come to power. The possibility of a severe depression, which might bring the communists to power with outside support, is therefore all the more alarming.

Mr. Hitotsumatsu is also convinced that economic recovery in Japan is being seriously handicapped by too much detailed regulation of the economy by SCAP. Economic controls have become so ramified and rigid that there is little possibility of rapid and flexible adjustments to meet the ever-changing situation. Working through the cumbersome bureaucracy of the Japanese government and the complicated structure of the Occupation, it takes so long

to effect

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to effect changes in control regulations that by the time such changes are finally debated, drafted and put in force, an entirely new situation has developed for which the changes are no longer applicable. At the same time, Mr. Hitotsumatsu felt he should point out that Japanese business men have little faith in the ability or understanding of many SCAP officials in the Economic and Scientific Section with whom they are compelled to deal. Some of these individuals have had no previous experience in the particular line of business with which they are concerned, while others are totally unfamiliar with or indifferent to the problems which are peculiar to production in postwar Japan.

Charles N. Spinks

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND [redacted] # 760050

SECRET

DEPARTMENT OF STATE

ASSISTANT SECRETARY

August 10, 1948

U - Mr. Lovett:
THROUGH: S/S

Subject: Draft Telegram to SCAP regarding Japanese Cabinet Order of July 31, 1948 on Rights of Japanese Government Employees.

Discussion:

The Cabinet Order in question, issued after receipt of a letter from General MacArthur, is considered by the Departments of State and Labor to violate U. S. and FEC labor policy for Japan, and to have other undesirable political consequences in Japan, the U. S. and elsewhere.

This draft message constitutes an interpretation of previously established policy as applied to the objectionable provisions of the Cabinet Order, and a request for early information from SCAP as to his plans for rectifying the cited violations.

In view of the urgent interest of the Acting Secretary of Labor, and since this topic was discussed at the Staff Meeting of August 10, the text of the draft message is submitted for your personal clearance.

Recommendation:

That you approve the attached draft message for transmittal to the Department of the Army for clearance and dispatch through Army channels to SCAP as a joint message from Labor, State and Army.

OK

Concurrences:

ITP (Martin)
FE (Butterworth)
O (Saltzman)
Dept. of Labor (Acting Secretary)

Philander P. Claxton Jr.
for Charles E. Saltzman

Attachments:
Draft telegram to SCAP (Tab A)
Draft letter of transmittal to Dept. of Army. (Tab B)
Memorandum from NA to FE, Aug. 10, 1948. (Tab C)
Memorandum from ILH to ITP, Aug.4,1948 (Tab D)
SCAP letter to Prime Minister, July 22,1948 (Tab E)
Text of Japanese Cabinet Order, July 31, 1948. (Tab F)

SECRET

O:JFRay;hjh

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SECRET

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Charles E. Saltzman

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Text of Japanese Cabinet Order, July 31, 1948. (Tab F)

SECRET

2416

O:JFRay;hjh

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

SECRET

DRAFT TELEGRAM TO SCAP
(Through Army)

From Departments of Labor, State, and Army.

Text of ordinance issued by Japanese Cabinet July 31 on rights of government employees, which goes beyond suggestions your letter, appears to us to be in violation of US and FEC labor policy for Japan, and has caused increasing concern both within and without the ranks of organized labor in US and in other countries associated with US in occupation. Moreover, if carried out unmodified, it would hamper development of responsible democratic unionism which, as you fully appreciate, is in long run best guaranty against Communist appeal to rank and file of workers.

Main point at issue is ordinance's denial of collective bargaining to workers outside normal civil service categories — that is, in national and local government industrial activities, such as majority of employees of railways, communications (other than postal), and salt, tobacco and camphor monopolies, and strike in cases where little or no direct public interest involved such as tobacco and camphor monopolies. Furthermore we are greatly concerned over Cabinet's precipitant cancellation of mutually negotiated labor contracts.

We believe Japanese Government should allow collective bargaining rights to all these industrial or non-civil service employees, and not deny strike rights where there is no danger to public interest. In other cases — i.e. railroads — there should be arrangements for binding arbitration on unresolved issues to prevent stoppages against public interest. Your suggestion that government industrial enterprises might best be handled by public corporations to facilitate the normal labor relations appropriate to their economic character appears to us to have great merit. Suggest study of most successful US experience in TVA, whose labor relations policy, worked out in collaboration

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with unions, has been outstanding success.

What plans have you made to rectify the situation along these lines?

The earliest reply will be appreciated.

ITP:EMMArtin
ILH:PBSullivan:PM

(Cleared in draft)
ILH
(Cleared in draft)
Labor Department

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Dispatched by Special Messenger to Draper at 5:30 pm. 8/11/48 MM

AUG 11 1948

Dear Mr. Draper:

The attached draft message to SCAP concerning the Japanese Cabinet Order of July 31, 1948, Relative to the Rights of Government Employees, reflects the coordinated views of the Departments of Labor and of State.

It is requested that this message be given urgent consideration by the Department of the Army with a view to its early clearance and dispatch through Army facilities as a joint message from the three Departments.

Yours sincerely,

(sgd) Frank P. Graham
for

Charles E. Saltzman
Assistant Secretary

A true copy of the signed original. MM

Attachment:
Draft cable.

The Honorable
William H. Draper, Jr.,
Under Secretary of the Army.

O:JFRay;hjh 8/10/48

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

SECRET

DATE: August 10, 1948

TO : FE - Mr. Butterworth

FROM : NA - Mr. Allison

SUBJECT:

The attached draft telegram to SCAP has been prepared by ILH and ITP and has received not only the approval but the encouragement of the Department of Labor. I have been informed that Acting Secretary of Labor Gibson brought the matter up in the Cabinet meeting last Friday and expressed his concern at SCAP's precipitant action on such an important matter without prior consultation with the appropriate authorities in Washington. Mr. Gibson is reported to have stated that Secretaries Marshall and Forrestal appeared impressed by his statement.

It will be noted that the telegram does not place definite blame on SCAP but rather proceeds from the assumption that the Japanese Cabinet's action went beyond that recommended in SCAP's letter. It is therefore hoped that SCAP can induce the Japanese Government to revise its action without loss of face by SCAP.

Indications have been received that the British Member of the Allied Council in Japan may bring this question up in Tokyo. According to Mr. Sullivan of ILH, concern has been expressed here in Washington by representatives of ECA because of the repercussions SCAP's action has had among European Communist-dominated labor unions who are now raising a cry of American domination and are pointing to SCAP's action as an example of what European labor unions may expect when and if the United States through ECA gains substantial control of the economies of the various European governments.

Mr. Martin, Deputy Director of ITP, has stated he will be available at any time to discuss this matter with you should you so desire.

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NA:JMAllison/pm

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STANDARD FORM NO. 64

SECRET

Office Memorandum • UNITED STATES GOVERNMENT

TO : ITP - Mr. Edwin M. Martin DATE: August 4, 1948

FROM : ILH - Cleon O. Swayze

SUBJECT: Collective Bargaining and Strike Rights of Japanese Government Employees.

Summary

The Japanese Cabinet, following the receipt of a letter from SCAP, has issued an ordinance denying collective bargaining and strike rights to all employees of the Japanese Government. We believe this ordinance is too sweeping in its provisions in that it restrains large numbers of Japanese workers from exercising rights to which they should be entitled, and therefore that the Department should interest itself in the matter with the intent of correcting the situation.

State-War-Navy Coordinating Committee (SWNCC) Paper 92/1, dated 16 November 1945, Treatment of Japanese Workers' Organizations, and declared by the Secretaries of State, War and Navy to be United States policy on 28 December 1945, stated:

> "As soon as Workers' organizations are formed.....they should be encouraged to bargain collectively with employers regarding terms of employment, subject to such policies on wages, laws and working conditions as are established by the Japanese Government."

Far Eastern Commission policy decision, dated 6 December 1946, entitled: Principles for Japanese Trade Unions, stated:

> "Trade unions should be encouraged to negotiate with the employers on behalf of their members regarding terms and conditions of employment."

Strikes, according to both of the above policy statements, were to be prohibited only when the occupation authorities considered that work stoppages would directly prejudice the objectives and needs of the occupation.

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Japanese law and the Japanese Constitution also affirm the right of Japanese workers to bargain collectively, Article 28 of the Constitution, stating: "The right of workers to organize and to bargain and act collectively is guaranteed."

Discussions have been going on for some months between the Labor Division of the Economic and Scientific Section, SCAP, and the Government Section relative to possible amendment of the provisions of the new National Public Service Law and the bearing of such amendment upon the collective bargaining rights of Japanese Government employees. These employees, numbering approximately 2,700,000, include not only workers with administrative functions, such as are covered by the term "civil service employees" in the American sense, but also all employees of government-owned industries such as the railway, telephone, telegraph and postal systems, and of the salt, tobacco and camphor monopolies. A large majority of the total are in the latter category. Japanese law has not permitted the administrative employees to strike, though they have been granted the right to conduct bargaining negotiations with government agencies. The larger group, operating employees as they are called, have had both bargaining and strike rights.

On July 22 SCAP addressed a letter to Prime Minister Ashida recommending amendments to the National Public Service Law. This message, though somewhat ambiguous on a number of points, recommended in effect that collective bargaining rights be taken away from all except those who were employed by the government monopolies and the railways. The latter group, roughly 20% of the total, were to be allowed mediation and arbitration privileges. All of the 2,700,000, it was recommended, be denied the right to strike.

The Japanese Cabinet immediately announced it regarded the letter as a directive to be put into force at once by Cabinet ordinance. Such an ordinance, based on an Imperial Ordinance (September 20, 1945) authorizing the Cabinet to issue any orders necessary to implement SCAP directives under the Potsdam Declaration, would take legal precedence over existing Japanese laws. This ordinance, finally issued on July 31 and effective from that date, went even farther than was recommended in SCAP's letter by denying collective bargaining and striking rights to <u>all</u> employees "of the National Government or local public entities." Fines and a jail sentence of up to one year were decreed for violation of this ordinance. All existing labor contracts affecting

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public employees were declared null and void.

These events have created a severe labor and political crisis in Japan, the results of which cannot at present be foreseen. They likewise resulted in the resignation of James S. Killen, Chief of SCAP's Labor Division, as well as that (it is reported but not confirmed) of the Deputy Chief, Mr. Paul Stanchfield. Mr. Killen is a prominent personality in the American Federation of Labor, whose actions will almost certainly be completely supported by his organization with resultant damage to general support throughout the U.S. for our occupation policies.

It is our belief that the changes in the previously recognized rights of Japanese Government employees required by this Cabinet ordinance go further than is warranted or required by the situation in Japan. We agree that government workers who may legitimately be called Civil Service employees should be covered by Civil Service regulations and denied rights of full collective bargaining and, of course, of striking. The bulk of the workers affected by this new regulation, however, are not of this type. A defense can be made, in the case of civil service workers, against a charge that employees are being denied rights laid down by the policy decisions named above as well as by the Japanese Constitution. No such defense, particularly in regard to the denial of collective bargaining rights, can be made in the case of non-civil-service employees of government. The almost universal practice followed in democratic countries for employees of this latter category, as for example in the TVA, is to recognize fully their rights to organize and bargain collectively, as well as to strike, though the latter right may in practice not be tolerated in case a nationally vital service were to be completely tied-up. Under the Japanese ordinance, however, even employees of the government tobacco, salt and camphor monopolies are denied both strike and collective bargaining rights.

This is a matter of legitimate interest to the State Department because: (1) The changes described above are so great as to raise questions as to whether they do not in effect constitute a change of policy and are inconsistent with SWNCC and FEC directives. (2) FEC member countries, especially those with labor governments, such as the United Kingdom, Australia and New Zealand, are almost certain to raise objections regarding this denial of labor rights both within the FEC and to the Department directly. (3) Leaders

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of the AF of L and the CIO are closely following this matter and in conversations with Department officers have strongly condemned the actions of SCAP and of the Japanese Cabinet. Official protests are certain to be received. This is not a time to risk alienation of U.S. labor's support for our occupation or our general foreign policies.

It is therefore urgent that a Department position be formulated and made known to National Defense and to SCAP.

Attachments:

1. SCAP letter to Prime Minister Ashida. (1 copy attached to original).

2. Text (Unofficial) of Japanese Cabinet Order of July 31 Relative to Rights of Government Employees.

ILH:PBSullivan:apg P.B.S.

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Attachment No. 2

Text (Unofficial) of Japanese Cabinet Order of July 31 Relative to Rights of Government Employees.

"'The Cabinet hereby established the Cabinet order concerning the temporary measures to be taken in consequence of the letter of the Supreme Commander for the Allied Powers to the Premier dated July 22, 1948 under the Imperial Ordinance No. 542 of 1945 concerning the orders to be issued in pursuance of the acceptance of the Potsdam Declaration.

"'1. Those persons who hold positions as employees of the National Government or local public entities, regardless of whether they are appointed or employed (hereinafter referred to as public employees) shall not have the right, to be exercised against the National Government or local public entities, of collective bargaining as usually understood with its coercive character supported by the strike threat. Public employees or their organizations, however, may not be denied the freedom, within the restriction of the present Cabinet ordinance, to negotiate with the appropriate agency of the National Government or local public entity in the sense of being able freely to present individually or collectively, through their representatives, their complaints, opinions, desires, and grievances and to support the same by adequate opportunity for discussion and the submission of evidence.

"All acts heretofore taken by the Government in personnel matters affecting public servants will be valid, so long as they do not violate the spirit of the limitations imposed by this Cabinet order, or were not taken in contravention of such limitations.

"'All mediation proceedings now pending in which the National Government or local public entities are parties will be suspended. The National Personnel Authority will hereafter be the agency charged with the protection of the interests of public servants.

"'2. No public employees may resort to strike or engage in delaying or other dispute tactics which tend to impair the efficiency of operation of National Government or local public entities.

"'Those who act in violation of the provision of the preceding paragraph regardless of their status of being public employees, may not assert their rights derived from such appointment or employment against the National Government or local public entities.

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"'3. Those who act in violation of paragraph one of Article 2 shall be liable to penal servitude not exceeding one year or a fine not exceeding 5,000 yen."

"'Supplementary provisions

"'1. The present Cabinet order shall come into force as from the day of its promulgation.

"'2. The present Cabinet order shall be effective until the legislation by the Diet concerning the amendment of the National Public Service Law mentioned in the letter of the Supreme Commander for the Allied Powers to the Premier dated July 22, 1948, and other measures which may be deemed necessary are undertaken and come into force.'

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interim directive is inherently desirable in the light of the domestic situation in Japan. In short, we believe the course of action SCAP now proposes—to deny trade union rights to large groups of government industrial workers—will weaken democratic tendencies in the labor movement, will strengthen the basis of open Communist propaganda against the occupation, will contribute to the subordination of an important class of labor to the Japanese bureaucracy and might invite totalitarian leadership to make an appeal to these workers. We believe the most effective way to fight Communist influence in Japanese Government enterprises is to give their workers as free an expression of organizational rights as may be compatible with efficiency and public order. SCAP himself seems to have recognized this principle in formulating and, since July 22, making known, his plan that the government railroads be turned into public corporations whose workers are to be allowed full organizational and the collective bargaining rights as well as use of mediation and arbitration facilities. Under this proposal, they would be given exactly those organizational rights we desire to have extended to other non-administrative government employees. Promise of this development seems to have forestalled a drift to the left among railroad workers. In contrast, the communication workers, to whom SCAP does not contemplate providing these rights, have swung still further to the left since July 22. We believe the extension of normal rights, even if coupled with denial of the use of the strike or any other "dispute tactic" to all "industrial" employees of government, to be a most effective antidote to Communist infiltration and propaganda among this important group of workers.

c. Two considerations of great importance within the United States itself, need to be noted. First, the United States Department of Labor has taken a firm stand that the denial of trade union rights to government employees, as proposed by SCAP, is contrary to American practices for similar workers in the United States and that this denial of these rights to Japanese workers should be opposed by the United States Government. Second, United States labor organizations are informed regarding SCAP's position, are alive to its implications, and are united in vigorous opposition to it. In this latter connection, we should not ignore the importance to our Government of continued U.S. labor support for our foreign policy.

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DEPARTMENT OF STATE

INCOMING TELEGRAM

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Control 6318

Rec'd August 19, 1948
1:43 a.m.

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DEPARTMENT OF STATE
AUG 20 1948
DIVISION OF
INTERNATIONAL LABOR, SOCIAL
AND HEALTH AFFAIRS - ILH

FROM: Shanghai

TO: Secretary of State

NO: 1845, August 19

Following is Central News Agency item dated August 18 from Tokyo:

"Despite the recently enforced labor standard law majority Japanese workers are still forced to work overhours or underpaid. Many of them operate under miserable conditions with no security of employment whatsoever. Investigations conducted by the Tokyo Labor Standard Administrative Bureau exposed that out of 2200 workshops inspected in Tokyo more than 1900 were found violating labor standard law provisions.

"Violation of the labor law which guarantees minimum wages, maximum working hours and safety for workers was believed more frequent in prefectural areas to which the Administrative Bureau's power has not yet extended.

"Bureau officials said majority of the labor law violations numbering some thousand cases are infringements of working hours and the provisions about preventive and safety measures against possible injuries during operations. A great number of factories was found not keep accounts of wage payments. Other violations include low wages, non-payment of allowances for firing of workers without reason or advance notice."

Sent Tokyo 163, repeated Department.

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WMH:AIH

DEPARTMENT OF STATE
SEP 28 1948
LIAISON OFFICE DC/L

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INFORMATION
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INTERNATIONAL TRADE POLICY
SEP 21 1948
MESSAGE CENTER
1948 AUG 19 AM 11 00

894.504/8-1948

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CONFIDENTIAL

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: August 19, 1948

SUBJECT: Japanese Government Ordinance of July 31 Regarding Rights of Public Employees.

PARTICIPANTS: Mr. J. F. Ford, First Secretary, British Embassy
Mr. H. M. Benninghoff, Deputy Director, FE
Mr. J. M. Allison, Chief, NA

COPIES TO: O, FE, NA, BC, ILH, US POLAD, Tokyo

894.504/8-1948

Mr. Ford called this afternoon and under instructions from his Government read portions of a telegram from London giving the comments of the British Government on the Japanese Government Ordinance regarding Rights of Public Employees issued after the receipt by the Japanese Prime Minister of General MacArthur's letter of July 22. Mr. Ford prefaced these comments with a statement, which he has requested be kept strictly confidential, to the effect that Mr. Patrick Shaw, British Commonwealth representative on the Allied Council for Japan, had received instructions from the Australian Government to place this subject upon the agenda of the ACJ but that as a result of the personal intervention of Mr. Bevin in London with Mr. Evatt this instruction had been cancelled. Mr. Ford stated that although Mr. Bevin and the UK Government are entirely in sympathy with the Australian point of view concerning the rights of civil servants and Government industrial workers, nevertheless in view of the stand taken by the Soviet member of the ACJ on this question Mr. Bevin felt that it would be inexpedient for the British Commonwealth to raise the matter publicly at this time. However, Mr. Bevin did instruct the Embassy to express his concern over the situation and to express the hope that some remedial measures might be taken in the near future so that the UK Government would be in a position to give reassuring replies to the questions it was certain would be asked in Parliament when that body reconvenes after its present recess. A copy of a summary of the views of the British Government left by Mr. Ford is attached hereto.

Mr. Ford

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