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GENERAL HEADQUARTERS
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RESTRICTED

HISTORY OF THE
NON-MILITARY ASPECTS

of the

ALLIED OCCUPATION OF JAPAN

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SECTION III C
LABOR AND LABOR STANDARDS

2 September, 1945

to

1 September, 1946

P, 70 -
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P, 11 Korean + Chinese
in mines

24 - Ogubun

RESTRICTED

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- GHQ, SCAP*
- A. Administrative Memorandum No. 47, ~~GHQ/ESS~~ *AG 300.6*
(6 Sept. 1946) *ESS/ADM* Subject: Functions of Labor
Division, ESS.
- B. Memorandum to Major General W. F. Marquat,
Acting Chief, ESS, from Labor Advisory
Committee. Subject: First Interim Report,
6 April 1946.
- C. Final Report - Chapter I: Summary of Re-
commendations on Labor Legislation and Labor
Policy in Japan, Advisory Committee on Labor,
27 July 1946.

APPENDIX II: Documents Relating to Manpower

- A. Excerpt from Directive No. 2, Office of the
Supreme Commander, 3 Sept. 1945.
- B. *GHQ SCAP* Letter to Commanding Generals, Sixth and
Eighth Armies, AG 230 (17 Nov 45) ESS. Subject: Civilian Labor Employed by Occupation
Forces. Inclosures:
1. Welfare Ministry Ordinance No. 41, dtd
16 Oct 45.
 2. Labor Order No. 950, dtd 15 Sept 45.
 3. SCAPIN 260 (20 Oct 45) ESS. Subject:
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- C. SCAPIN 360 (28 NOV 45) ESS/LA. SUBJECT: EMPLOYMENT POLICIES
- D. SCAPIN 424 (11 Dec 45) GD. Subject: Addition-
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- E. *GHQ SCAP* Memorandum (to Japanese Imperial Government), AG
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- F. *GHQ SCAP* Letter to Commanding General Eighth Army, AG
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- G. SCAPIN 967 (18 May 46) GD. Subject: Japanese
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- H. G. SCAPIN 968 (18 May 46) GD. Subject: Manning of US Vessels by Japanese Seamen.
- I. H. ^{GHC SCAP} Letter to Com Nav Jap, Commanding Generals Eighth Army and PACUSA, AG 230.05 (21 May 46) ESS/LA. Subject: Instructions for the Efficient Utilization of Japanese Labor on Occupation Projects.
- J. I. Letter to Commanding General Eighth Army, AG 230 (23 July 46) ESS/LA. Subject: Civilian Labor Employed by the Occupation Forces.
- K. J. Memorandum for Military Government Labor Officers, (15 Aug 46) ESS/LA, inclosing:
1. Welfare Ministry: Draft of Policies of Supplying Japanese Laborers to Allied Forces.
- L. X. SCAPIN 1162 (28 Aug 46) GD. Subject: Repatriation Ships.
- M. X. Letter to M. G. Labor Officers, AG 675 (8 Nov 46) ESS/LA. Subject: Information on Japanese Public Works, inclosing:
1. Text of Regulations Concerning Public Works (Approved by Japanese Cabinet) 3 Sept. 1946.
 2. Principles Governing Japanese Public Works Program (Published by ESS/LA).
 3. Analysis Sheet, Public Works Project (Published by ESS/LA).
- N. M. Annual Labor Census of Japan, 1946: Number of Establishments in Japan by Industry and Size as of 30 June 1946 - ESS/RS, 2 Jan 47.

APPENDIX III: Documents Relating to Wages and Working Conditions

- A. Memo for Imperial Japanese Government, AG 240 (20 Dec 45) ESS/LA. Subject: Control of Salaries and Allowances of Employees.
- B. Memo for Imperial Japanese Government, AG 248 (12 Jan 46) ESS/PI. Subject: Retirement Allowances to Civilian Employees in Military Establishments.
- C. *Revised Salary Scale and Payment Procedures, Central Labor Office, 12 February 1946*
- D. C. SCAPIN 1320-A (24 May 46) ESS/LA. Subject: Temporary Increase of Pay of Japanese Government Employees.

- E. D. SCAPIN 1527-A (21 Jun 46) ESS/LA. Subject: Incorporation of Bonus Payments into Monthly Pay Structure of Government Employees.
- F. E. SCAPIN 1612-A (30 Jun 46) ESS/PI. Subject: Payment of Japanese and Foreign Nationals Employed by Occupation Forces.
- G. F. Memo for M. G. Labor Officers from ESS/LA, 8 July 1946. Subject: Classification and Payment Techniques inclosing Memo on Payment Procedures from Hq. 76th M. G. Hq. and Hq. Co., APO 317, Kure, Honshu, dtd 6 Jun 46.
- H. G. Memo for M. G. Labor Officers from ESS/LA, 1 Aug 46. Subject: Wages Paid to Japanese Nationals inclosing C.L.O. Setsukeigo No. 438 dated 11 July 1946.
- I. H. SCAPIN 1948-A (8 Aug 46) ESS/LA. Subject: Plan to Revise Discharge Allowance for Seamen...
- J. I. SCAPIN 2074-A (28 Aug 46) ESS/LA. Subject: Application for Permission for Increase in Expenditure in Budget Due to Revision of Pay System for Government Employees.
- K. J. Special Report No. 19, ESS/RS, dtd 30 Nov 46. Subject: Average Money Wages in Manufacturing, Mining, Transportation and Communications Industries, August 1946.

APPENDIX IV: Documents Relating to Labor Unions and Labor Relations

General.

- A. First Interim Report on Treatment of Workers' Organization in Japan Since the Surrender, ESS, 30 June 1946.

Removal of Restrictions on Legitimate Union Activity

- B. SCAPIN 93 (4 Oct 45). Subject: Removal of Restrictions on Political, Civil and Religious Liberties, ~~Office of the Supreme Commander.~~
- C. Labor Administration Bureau Instruction No. 1. to Prefectural Governors and Inspector-General of the Metropolitan Police, 2 Nov 1945.

D. Memo to M. G. Labor Officers, 15 July 1946,
Subject: Instructions of Home Ministry Con-
cerning Functions of Police in Labor Dis-
putes.

- 1.. Copy of Translation: No. "Ko" 140,
issued from the Police Affairs Sec-
tion of the Police Bureau, Home
Ministry, dtd 6 Nov 45, subject:
"Control of the Illegal Action
Accompanied with Mass Movements."
2. Copy of Translation, dtd 8 Feb 46, Sub-
ject: Illegal Actions Accompanying
Labor Disputes.

Labor Legislation

E. Basic Japanese Labor Union Legislation:
Texts of

1. Trade Union Law, passed by the Diet
21 Dec 45.
2. Ordinance Fixing date of Enforcement of
the Trade Union Law, 27 Feb 46.
3. Enforcement Ordinance (promulgated 27
Feb 46) of the Trade Union Law.

F. Labor Relations Legislation

1. AG 004.06 (26 Apr 46) ESS/LA. Sub-
ject: Draft of Labor Relations Ad-
justment Bill.
2. Remarks of Lt. General Derevyanko on
Protective Labor Legislation, Ninth
meeting of the Allied Council for
Japan, 10 Jul 46.
3. Translation of the Labor Relations Ad-
justment Law, passed by the Japanese
Diet 20 Sept. 1946.

G. Labor Standards Legislation

1. Draft of the Labor Standards Bill pre-
sented to Diet for Action.

2. ESS Statement 12/15 July 46 on answer to USSR delegate at
Allied Council

Miscellaneous

H. Remarks of Mr. Theodore Cohen, Chief, Labor
Division, ESS, at the Convention of the Na-
tional Congress of Industrial Labor Unions,
21 Aug 46. *and*

Remarks of Cohen at N.I.L. Convention 21 Aug 46

- I. Labor Disputes in Japan by Industry and by Tactics, January to July 1946.
- J. Labor Union Statistics: Number of Labor Unions and Union Membership in Japan, ESS/LA, 3 Aug 46.
- K. Memo to Chief ESS, 1 Nov 46. Subject: Quarterly Report of the Labor Education Branch.

M. Press Statement of SCAP spokesman 11 June 46 on Production Control

(Circled handwritten notes)
 Letter of Yehuda to C/S on Coal Production 5 June 46
 Letter of C/S to Yehuda on Coal Production 9 June 46
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NON-MILITARY ASPECTS OF THE ALLIED OCCUPATION OF JAPAN:

LABOR

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I. GENERAL

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Labor and Occupation Objectives

1. It was a function of the Supreme Commander for the Allied Powers to encourage the development within Japan of those economic processes and institutions which would contribute to the growth of a peaceful and democratic country. ^{1/} It was likewise his function to facilitate the production of goods and services essential for the operations and the security of the Occupation Forces. To achieve these ends, the need for a constructive policy in regard to Japanese labor and the agencies exercising control over it was imperative.

Japanese Government Agencies Involved

2. The general policy laid down for SCAP prescribed the use of the Japanese Government, where possible, as the instrument for carrying out Allied Occupation objectives. ^{2/} In the field of labor affairs, a number of governmental agencies were involved. On the national level, the Bureau of Labor within the Ministry of Welfare was primarily responsible for labor matters. As the volume and importance of labor affairs ^{3/} grew this Labor Bureau was superseded by the ^{Employment} Bureau for Occupations and ^(Kinro-kyoku) ~~Occupations~~ and

^{1/} JCS 1380/15, 3 Nov. 1945, paragraph 11.

^{2/} Cf. ^{number} Ibid, para. 2

the Bureau for Labor Policy.

3. ^{from} Three other ministries had jurisdiction over special groups of employees:

- (1) The Communication Ministry over government employees in the postal, telegraph and telephone system;
- (2) The Transportation Ministry over government railway workers and marine labor;
- (3) The Commerce and Industry Ministry over workers in govern-

ment monopolies and semi-official corporate enterprises.
 On the prefectural level, labor functions had been performed by the Police Bureau but subsequent to the order to dissociate police and labor functions at all governmental levels these functions were transferred

*insert
on SCAP*

study of the Japanese governmental/agencies ^{Labor} by the ~~SCAP~~ Labor Advisory Committee ^{proved the need for a} confirmed that a comprehensive reorganization of these agencies ^{was} imperative and that an independent Labor Ministry should be established. (footnote: First Interim Report, Advisory Committee on Labor, 6 April 1946, Section IX.) ^{and announced the establishment of an independent}

initiated preparatory to the establishment of a Ministry of Labor in the Cabinet. SCAP made no objection to the establishment of such a separate Labor Ministry. Formal proposals relative to the organization of this Ministry were submitted to SCAP during the first occupation year.

- although a number of alternative plans were explored informally, representatives advised regarding the structure of the proposed Ministry.
- 1/ GHQ/SCAP AG 230 dated 22 January 1946, Ltr. to Commanding General, Eighth Army, Subject: LABOR RELATIONS, para. 3.
 - 2/ CIO No. 2810 (PP) 11 June 1946, Subject: Establishment of a Labor Ministry.
 - 3/ SCAP's ~~labor~~ ^{of labor} Advisory Committee strongly recommended the creation of a Labor Ministry and the transfer to it of the administrative units and personnel dealing with labor problems in other ministries and agencies. Labor Advisory Committee, Final Report, 29 July 1946 pp 112-114.

*More positive SCAP action
The JCF sort delayed its establishment for political reason.*

SCAP Labor Division and Its ^{Functions} Objectives

Add policy of accomplishing chiefly by conference method

5. ^{on Oct 1945} Subsequent to the Japanese surrender, when SCAP's advisory staff was organized, a Labor Division was included within the ~~Economic and Scientific Section~~. ^{The Eco & Scientific Section} In the performance of its function to advise ^{its organization} SCAP on policies and programs relative to labor, the Labor Division was ^{made} responsible for ^{introducing} making recommendations regarding:

- "(1) The abolition of wartime controls over labor, (2) the reinstatement of protective labor standards, (3) the removal of legal hindrances to the formation of democratic employee organizations, (4) the prevention of work stoppages inimical to the objectives of the occupation, (5) the curbing of inflation through wage controls, (6) the encouragement of democratic labor organizations, (7) the fostering of unemployment relief measures, (8) the coordination and supervision of Japanese governmental labor agencies and (9) the procurement of civilian labor for the occupation forces."

Organization and Administration of the Labor Division

6. When the Labor Division was authorized on 2 October, 1945^{2/}, it was allocated only one officer. In November four additional officers were ^{assigned} ~~assigned~~ and put in charge, respectively, of a Labor Relations Branch, a Manpower Branch, and a Wages, Working Conditions and Protective Legislation Branch. The fourth officer was ordered to Korea as SCAP Labor Division representative in the U.S. zone there. A Research and Reports Branch was established in late February, in mid-March a Field Liaison and Special Problem Branch was created and on 1 August a Labor Education Branch was activated. At the close of the first occupation year the number of professional staff members in the Division had increased to eleven.

^{1/} Labor Division Activities and Labor Development in Japan, ESS/LA, 29 January 1946, p. 1. See Appendix I, A For revised formulation of these functions ^{Adm. Memo No. 17 ESS/ADM 6 Sept 1946. APPENDIX I, A.} GHQ/SCAP General Order No. 2, 2 OCTOBER 1945.

The Labor Advisory Committee

7. ^{SCAP requested} ~~On 5 October 1945~~ the War Department ^{on 5 October 1945} ~~was requested~~ to send ^a ~~a~~ ^{group of specialists} ~~an Advisory Committee~~ "to advise on the labor policies" in Japan and Korea. ^{1/} This request was approved, and ~~a committee of twelve~~ ^{an Advisory Committee on Labor} ~~specialists~~ ^{consisting of 12 members was named} was named. Four of these specialists arrived at SCAP Headquarters on 15 February, five additional at the end of the month, and the remainder in March.

8. These specialists worked individually or as teams in consultation with the Labor Division staff and related ESS and Public Health and Welfare officials on the major problems involved in the following fields:

- (a.) Relation of Labor Policies to General Economic Policies
- (b.) Labor Unions and Labor Relations
- (c.) Wage Policy and Wage Administration
- (d.) Labor Exchanges and Vocational Services
- (e.) Unemployment Measures
- (f.) Social Insurance
- (g.) Labor Protective Legislation and Related Programs
- (h.) Labor Statistics
- (i.) Problems Related to Japanese Government Organization and Administration of Labor Functions
- (j.) Personnel Requirements and Organization of Labor Functions in GHQ/SCAP.

9. In the account of SCAP labor activities which follows, no attempt has been made to separate the work done by the ~~Advisory Committee~~ ^{on Labor} after the arrival of its members, from that performed by the Labor Division Staff. ^{In preliminary} ~~On policy matters~~ ^{recommendations} the two groups worked cooperatively or in

1/ ~~Radio to War Department of 5 October, 1945, #6, CA52873, 5 October 1945.~~

close liaison. The function of the Advisory Committee was limited ~~to~~
~~its directive, however~~ ^{making recommendations} to recommending policy and action, ~~while~~ ^{under the direction of the Chief of the Economic} The
 Labor Division was responsible for administration ^{and} for official im-
 plementation of SCAP policy decisions ^{regarding labor matters.}

Security Section

App. 46 classes

Section does not include any reference to size of labor force - manpower

II. MANPOWER

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LABOR PROCUREMENT - GENERAL

Need for Civilian Labor

1. The initial labor problem of top priority for the Occupation Forces was that of labor procurement. Since the occupation of the home islands of Japan took place after the surrender of the Imperial Armed Forces had been effected, the immediate use of large numbers of Japanese civilian laborers to lighten the burden of that operation became possible. Technical and semi-skilled workmen as well as common laborers were required since the tasks to be performed included not only stevedoring and cargo handling but the repair of the transportation facilities - railroads, docks, roads - and the construction of housing and related installations for the use of the Allied Forces.

SCAP Directive

2. To make such assistance available, the Supreme Commander ordered the Japanese Government to provide "labor in quantities and with the training and skills and at the time and places designated" by ^{SCAP} ~~himself~~ and ^{by} ~~the~~ subordinate Occupation Force Commanders. ^{1/}

1/ SCAP Directive No. 2, ~~dated~~ 3 Sept 45, Part IV, para. 4.

Japanese Compliance

3. The Director of the Labor Bureau of the Japanese Welfare Ministry directed the prefectural governors to comply with this SCAP directive and gave them the power to require workers to "register with specific groups for group job assignments" and to "order individual workers to engage in jobs assigned them" and enforce obedience to these orders. The Prefectural Governors were likewise authorized to delegate the powers granted them by the Ordinance to "Employment Exchange Boards, mayors of towns and villages (in Tokyo, Osaka, Nagoya, Yokohama and Kure to ward heads) or any similar units" which might assist in the execution of the orders.

4. Instructions relative to the payment of laborers employed by the Occupation Forces specified that "if laborers are hired by a contractor, the contractor will pay the wages." All others were ordered paid by the Central Liaison Office or by the Prefectural Government. The continuance of the "usual pay period" was ordered and the amount of wages was to be determined "according to a locally established wage and according to one's former income."

Role of Japanese Liaison Committees

5. Japanese Liaison Committees were promptly established by the prefectural authorities in most areas occupied by Allied troops and became the agencies through which the labor requirements of local Occupation Force Commanders were supplied. Initially composed of representa-

- ^{1/} Welfare Ministry Labor Order No. 199, dated 7 September 1945 -
^{2/} Welfare Ministry Ordinance No. 41, dated 16 October 1945, Art. III & IV.
^{3/} Ibid, Art. VIII.
^{4/} Labor Order No. 950, issued 15 September 1945 by the Director of the Labor Bureau.

tives of the still functioning ~~Romu Kyo-kai~~ (Labor Associations) and of police officers who, prior to the Occupation, had a large role in the control of labor and labor organizations, these ^{Temporary} Liaison Committees successfully performed the double function of procuring and paying Japanese laborers.

Note this is only initial stage superseded by - - -

2/ By the end of 1945 the Central Bureau of Labor had been ~~formed from these Liaison Committees~~ made responsible for these functions.

6. Some non-Japanese foreign nationals (Chinese, Koreans and others) were also employed by the Occupation Forces. This labor was recruited and until April 1946 was paid directly by the Allied using-units, a procedure which avoided some of the difficulties inherent in relations between Japanese authorities and unfriendly foreign nationals. Funds for the payment of the latter were advanced by the Japanese Government. Subsequently these foreign nationals were paid through the Bank of Japan.

Statistics of Labor Procurement

7. The number of "requisitioned" laborers furnished to the occupation forces by the Japanese Government is shown in the following table. The wages listed as paid to these laborers are composite figures including both amounts paid in yen and the money equivalent of wages ^{payment} made in kind.

not include

large number of workers employed on procurement demand contracts, ~~as mentioned~~ ^{requisitioned} ~~in the table~~
figures do not include workers on procurement demand contract

what does clarify the figures do include workers on p.d. of fairly substantial no

1/ Romu Kyo-kai

- 2/ Labor Division Activities and Labor Development in Japan, SCAP ESS/LA, 29 January 1946.
- 2/ SCAPIN 1612 - A, 30 June 46, ESS/LI. APPENDIX III, E.

REQUISITIONED LABOR FURNISHED TO
 OCCUPATION FORCES BY ^{THE} JAPANESE GOVERNMENT^{1/}
 (September 1945 through August 1946)

<u>Period</u>	<u>Average No. of Workers Per Work Day</u>	<u>Total Wages</u>
<u>1945</u>		
September	27,450	616,848.39
October	102,316	29,672,846.12
November	145,496	45,651,666.70
December	170,127	57,320,502.26
<u>1946</u>		
January	167,699	77,740,594.53
February	173,481	99,493,423.40
March	180,901	118,819,370.38
April	173,427	106,319,846.36
May	191,950	128,915,272.48
June	202,130	132,143,968.13
July	207,902	155,378,652.94
August	184,792	174,186,491.10

SOURCE: Compiled from monthly reports of Military Government Units submitted through 8th Army and data submitted by the Japanese Central Liaison Office.

loggia 97
new para
on same
page

These statistics exclude
^{1/} Exclusive of labor involved in production or provision of supplies, real estate or the completion of specific projects requisitioned through procurement demand.

8. Beginning in March, 1946, the supply of workers for many Occupation projects exceeded the number required and the labor supply remained generally satisfactory throughout the remainder of the period although much absenteeism was reported in July due to food scarcity.^{1/}

RECRUITMENT OF COAL MINERS

SCAP Action

9. Coal was among the products recognized as essential both for the Occupation Forces and for Japanese domestic economy. Early in the occupation period the Imperial Government had been instructed to use "all means at its disposal" to encourage coal production. Nevertheless, during October and November production amounted to only about ~~twenty~~²⁰ percent of pre-war normal.

10. To a considerable degree this low production was due to the liberation and gradual repatriation of about 130,000 Koreans and Chinese formerly employed in mining operations in Japan. After liberation they refused to continue at work and actually lessened the efficiency of miners who remained in the pits. Since these foreign laborers comprised almost 40 percent of the total miners in Japan, the disrupting effect on mining was considerable. Moreover, the long hours, hard work and sub-standard working conditions in the coal mines made unemployed Japanese workmen reluctant to accept work there. During the first half of November only 7,661 new miners were procured.^{3/}

^{1/} Monthly Summary, Labor, April 1946, para. 32; Ibid, May 1946, para. 39; Labor Division Report for the month of June 1946, para. 44; Ibid for July, para. 29.

^{2/} SCAPIN 29, 15 September 1945. ~~XXXXXXXXXX~~

^{3/} ~~SUMMATION No. 2, November 1945, p. 101~~

Labor Division Report for November 1945, para. 8.

11. On 6 December, the ^{1/}~~Special~~ ^{Japanese} Government was directed "to take immediate steps to increase the production of coal" and report to SCAP Headquarters within 48 hours "the action taken in compliance with this directive" as well as "estimates of the increase ... which such action will accomplish." A program of labor recruitment was undertaken including the use of the press, radio and other propaganda media. The advice and facilities of SCAP Headquarters were made available to the Japanese authorities.^{2/}

Procurement Methods

12. After consultations with SCAP officials, the Japanese Government announced that coal miners would be granted increased food rations, including special bonuses of sweet potatoes, sake and oil, as well as wage and clothing increases. Improvement of working conditions and living quarters was likewise promised. A high priority was ~~also~~ placed on repatriation of military personnel with prior mining experience and an effort was made to facilitate the transfer of metallic ore miners to the coal fields. Even the utilization of convict labor was proposed.^{3/}

13. The results of this special program were good. A goal of 60,000 new miners by 1 January 1946 had been set by the Japanese authorities and 60,074 new workers were recruited between 5 November and 22 December, according to the report of the Ministry of Welfare. An increase in production during December of 45 per cent over that in November was also announced. Nevertheless, the December total (^{4/}~~838,900 metric tons~~) was

1/ SCAPIN 398, dated 6 December 1945.

2/ ~~SUMMATION No. 2, November 1945, p. 100~~

3/ ~~SUMMATION No. 2, November 1945, p.p. 100-101~~

Ibid.

4/ 838,900 metric tons.

Labor Division Report for November 1945, page 8

still considerably below the pre-surrender level and was far below Japanese minimum requirements.^{1/}

Continuance of SCAP Pressure

14. Continuing pressure was exerted by SCAP upon the Japanese Government to secure higher production. A directive dated 11 December 1945 announced that the measures taken by the Japanese Government were not yet adequate. With specific reference to a miners' strike in the Hokkaido coal fields, the Japanese Government was instructed to inform SCAP Headquarters "why steps were not taken to mediate this strike" and to report "what measures have now been taken for its solution."^{2/}

15. On 17 January, the Japanese Government was stimulated to further action by notification that an inspection of the coal mining districts of Kyushu and Hokkaido by representatives of SCAP Headquarters had revealed that measures to alleviate the conditions adversely affecting the production of coal were "not being universally and energetically applied."^{3/}

16. The inspection here referred to was made in mid-December. It was evident that the publicized 50 percent increase in food rations and wages for miners had not been made. In fact, the wages paid actually lagged behind unofficial city wage scales for ordinary labor. This failure of the Government to fulfill its promises militated against further labor recruitment and caused a considerable number of disappointed recruits to quit their jobs. To remedy this situation the Japanese Government was instructed to submit data showing the status in each mining district of the fulfillment of the increased food, pay and clothing pro-

Labor Division Report for December 1945, para. 35
1/ ~~SUMMATION No. 2, November 1945, p. 60,~~ June 1945 production was 3,400,000 metric tons.

2/ SCAPIN 424, 11 December 1945. (GD) APPENDIX II, D.

3/ SCAPIN 613, 17 January 1946. (GD)

gram and to specify the dates when it was proposed to make that program "fully effective."^{1/}

17. In mid-January, the rice ration was increased to the wartime level and wages were raised to an average of ¹⁰ten yen per day for outside workers and ¹⁸eighteen yen per day for miners in the pits. This proved a stimulus to labor recruitment as well as to increased production. The number of mining employees actually working averaged 228,748 per day for the ten-day period ending 20 February,^{2/} compared with 199,083 and 156,730 for the same periods in January and December respectively.^{3/}

18. Special clothing bonuses as an employment incentive did not work ~~altogether~~ satisfactorily in practice. The Welfare Ministry had offered certain articles of clothing to new employees who would work three months in the industry. The fact that similar bonuses were not available to the regular miners created considerable dissatisfaction among them. ~~Moreover,~~ Many new recruits worked just long enough to get the clothing and then quit their jobs.

Results of the Recruiting

19. In spite of the difficulties involved, the effort to secure mining labor was successful to the extent that the quotas for the recruitment set by the Japanese Welfare Ministry for the first two months of 1946 were reached. By the end of February, the Natural Resources Section of SCAP Headquarters was able to report that the bottleneck in coal production was "shifting from labor to supplies and equipment."^{4/}

^{1/} SCAPIN 613, 17 January 1946. (11)

^{2/} ~~Note~~ This result was obtained in spite of the fact that in some areas in Hokkaido the extra rice ration had not reached the mines.

^{3/} ~~SUBMATION No. 5, February 1946, p. 196. Labor Division Report for February 1946~~

~~SUBMATION No. 4, January 1946, p. 179. Labor Division Monthly Report for January 1946~~

^{4/} ~~SUBMATION No. 5, February 1946, p. 83~~

Labor Division Monthly Report for February 1946, para. 29. cf. v

Monthly

para 29
para 28

20. In early March the level of employment had reached its peak within the limits of housing facilities and mining equipment then available.^{1/} Nevertheless a new effort was made to cut down absenteeism from work by granting additional wage increases. The Ministry of Commerce and Industry, on 16 March, raised average daily maximum wage levels for miners to ~~17~~¹⁷ yen for surface workers and ~~32~~²⁴ yen for underground workers retro-^{2/}active to 1 March.

RECRUITMENT OF SEAMEN

The Recruitment Problem

21. In addition to the stimulation of labor recruitment for the coal mines, SCAP found it necessary to facilitate the procurement of seamen in order to implement the plans for the repatriation of Japanese nationals as required by the Potsdam Declaration.^{3/}

22. To provide shipping for this repatriation, the United States had turned over to the Japanese Civilian Merchant Marine Commission 209 LST's, Liberty Ships and Cl-MAV-1's. Recruitment of crews to man these ships began on 28 December 1945 but made little progress. On 22 January 1946, the Administrator of the Shipping Control Authority for Japanese Waters ~~requested~~ requested that steps be taken by the ~~Labor Division~~^{Appropriate} SCAP ~~Division~~^{officials} ~~SCAP/SSS~~ to improve the situation.

23. Conferences with representatives of the Japan Seamen's Union, the independent seamen's groups and the Civilian Merchant Marine Commission ~~Report for the Month of March 1946, para. 31~~^{Labor Division Report for the Month of March 1946, para. 31}

^{1/} SUBMATION No. 6, March, p. 176

^{2/} Ibid.

^{3/} Proclamation by Heads of Governments: United States, United Kingdom and China, 26 July 1945, para. 9: "The Japanese military forces, after being completely disarmed, shall be permitted to return to their homes...."

sion ~~was~~ revealed that dissatisfaction with wages, working conditions and living conditions was preventing adequate recruitment and causing many desertions among ships' crews.

SCAP Action:

24. The Transport Ministry together with ~~CIMC~~ *Civilian Merchant Marine Commission* were requested by SCAP's ~~Labor Division~~ to draw up a seamen's recruitment program somewhat similar to that employed by the Welfare Ministry to recruit coal miners, viz., higher wages, supplementary rations, and improvement in living conditions, and that this program be given press and radio publicity. The details of the program which was worked out represented a compromise of the policies advocated by the Japanese agencies involved. It provided "approximately 200 per cent increase in take-home pay, an increase in rice and supplementary food and a partial supply of clothing," but did not include the improvements in living conditions and medical care which the representatives of the seamen requested. This program was "tentatively" put into operation. As an additional measure, special telegrams were sent to 570 persons with diesel engine training who had been discharged from the Japanese Navy. *doc*

25. *SCAP representatives* ~~The Labor Division~~ maintained liaison with the Japan Seamen's Union, and with other seamen's groups in an effort to speed the execution of this program. Contact was also kept with the Civilian Merchant Marine Commission from whom periodic reports were received. In February, when some of the merchant marine officers refused to ship with seamen who had been employed by competing companies before the war, the problem was solved by a conference with the disaffected personnel, called at the

1/ SUMMATION No. 4, January 1946, p. 160.

Labor Division Report for Month of January 1946, para. 31.

suggestion of ^{SCAP}~~Labor Division~~, at which representatives ^{of} the CMMC, the Transport Ministry and each of the large shipping companies explained the necessity for mixed crews and assured the officers that their seniority and other rights would not be impaired by this procedure.

Completion of the Recruitment

26. ~~A~~ report, dated 14 March 1946, called attention to the success of the ^{recruitment} repatriation activity; ~~the Head of the Labor Division~~ stated *check date*

"The Civilian Merchant Marine Commission announced that the entire recruitment program was successfully completed on 12 March 1946. In all, 11,050 seamen have been trained and assigned. All ships transferred have been manned and are at sea operating in the repatriation service. Only 282 seamen have left the service since 25 January and no interruptions in the service have occurred."^{1/}

27. It is significant that the above recruiting program was satisfactorily completed without the issuance of formal directives by SCAP, and ~~revealed~~ ^{the} high degree of cooperation ^{was} obtained by the conference method ~~as used~~ ^{which} by SCAP representatives ^{used} in dealing with Japanese agencies and labor unions during this period.

28. The practice of the Japanese authorities of dealing solely with the CMMC in connection with the procurement of necessary seamen was affected by a SCAP order issued ^{in May '46} May. This pointed out that the paramount consideration ^{of} the ^{selection of seamen} recruitment was the operating efficiency of the repatriation ships. To the extent that full efficiency of these vessels could not be realized from the employment of seamen procured

^{1/} Memorandum to Maj. Gen. Marquat, from Labor Division, ~~11~~ 14 March 1946.

^{2/} SCAPIN 968, 18 May 1946. ²² The fact that more competent seamen had in some instances been available through the Yokohama Seamen's Union than through CMMC was a factor leading to the issuance of this directive. APPENDIX II, H.

from the CMMC, crews were ordered assembled in the manner that would insure such efficiency.

RECRUITMENT OF TEXTILE WORKERS

29. The revival of the Japanese textile industry was encouraged by SCAP ~~authorities~~ as ^{essential for} ~~a part of~~ the resumption of peaceful economic activity, the production of ~~available~~ exportable commodities ~~necessary~~ to pay ^{1/} for imports and the alleviation of unemployment.

30. A special effort was made by the Japanese Textile Association beginning in March to recruit laborers and revive the industry but this met with indifferent success. ^{2/}

31. ^{3/} In order to facilitate recruitment in the cotton textile field without the use of the traditional recruiting agents, ^{Subsequently} the Ministry of Public Health and Welfare organized a semi-official Textile Recruitment Committee composed of representatives of the textile companies, public officials, businessmen and educators. In May this Committee initiated a \$2,700,000 ^{yen} program including movies, posters, newspaper advertisements and pamphlets. It was announced that the normal daily rice and rice substitute ration of 2.1 go would be increased to 3.1 go for all male mill hands and to 2.8 go for women. A comparable program was undertaken by the Raw Silk Association to secure silk filature spinners. ^{3/}

^{1/} The textile industry turned out 30 per cent of Japanese industrial production in 1934-37 measured by value and employed over 1,000,000 persons excluding thousands in family spinning and weaving plants not covered by Government reports. ~~Twenty-four per cent~~ by value of Japanese exports in 1935 consisted of cotton products. In addition about \$30,000,000 of silk exports were sent annually to the United States in the immediate pre-war years. See Civil Affairs Handbook: JAPAN, Section 8A (M354-8A, 10 August 1944.)

^{2/} ~~Monthly Summary: Labor, ESS/LA, April 1946, para. 31.~~

^{3/} ~~Monthly Summary: Labor, ESS/LA, May 1946, para. 33-34.~~

Labor Division Report for the Month of

Labor Exchanges and Labor Placement

33. Prior to the war a nation-wide system of public labor exchanges had been established in accordance with authorizing legislation passed in 1921. At the beginning of the Occupation there were nearly 600 such exchanges operated by prefectural and local governors. Even after the dissolution of the wartime Labor Front organizations which were used to regiment labor for war production, some exchanges still maintained relations with labor bosses who had been prominent in the Labor Front (Advisory Committee on Labor, Final Report, "Labor Policies and Programs in Japan, 29 July 1946, Chapter VI, page 98, ff.). In handling the enormous task of worker placement, these labor exchanges were relatively inadequate during the first year of the Occupation. One of the first services performed by the Advisory Committee on Labor was a field survey of the structure and operation of these exchanges. The survey revealed that inadequate budgets, lack of specifically selected and trained personnel, lack of adequate information regarding labor supply and demand, as well as lack of security regarding basic policies necessary to meet post war conditions were vitiating the effectiveness of the labor exchanges. To meet this situation, SCAP gave detailed advice to the Japanese authorities, which included the recommendation to centralize the labor exchange system by giving the Bureau of Employment responsibility for the direct operation of the entire labor exchange system; It was also recommended that the functions of the labor exchanges be enlarged to include: (Ibid. p. 99)

- (1) Recruitment of Japanese labor of Occupation Forces.
- (2) Recruitment and placement of labor required for the revival and maintenance of Japanese industry, commerce and services.

See below Ch. IV p. -

Ibid. Ch. III

4/ This was a Bureau of Employment within the Welfare Ministry. Recommendation called for the establishment of a separate labor exchange which this Bureau would be drawn.

At 34

7-35

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

Labor Exchanges and Labor Placement

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9/34

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 within the Welfare Ministry
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- J
- (3) Selection and placement of unemployed in public work.
 - (4) Analysis of the labor market as a basis for planning the use of the labor supply.
 - (5) Development of a vocational training program.
 - (6) Development of counselling and placement for special classes, like the physically handicapped
 - (7) Provision of services which would eliminate the need for labor bosses.
 - (8) Taking a central role in the administration of unemployment compensation, if such a program were developed.

H36

The following operating policies were recommended by ~~SOAP~~:

- (1) A free public service to workers and employers, without coercion or favor. The service should be available to all workers and employers who need it.
- (2) No preference should be given to any employer or class of employers, or any worker or class of workers, except in conformity with priorities established Nationally to expedite economic recovery.
- (3) Operating programs should be planned on the basis of facts of labor demand and supply, as determined by labor market reports.
- (4) Labor exchanges should attract the largest possible fraction of job vacancies, in order to give workers and employers the widest opportunity for choice.
- (5) Workers should be referred only to jobs which they will accept willingly. As far as practicable, every worker should be referred to the best job he is competent to perform.

- (6) As far as practicable, employers' orders should be filled exactly to specifications; but when there are no applicants who exactly meet specifications, labor exchanges should try to persuade employers to accept applicants who most nearly meet the specifications.
- (7) Labor exchanges should not use labor bosses as a means of recruitment and should in no way cooperate with labor bosses, in whatever disguise, nor encourage their use by employers or workers.
- (8) As between employers and workers, the labor exchanges should maintain strict impartiality. Labor exchanges should not refer workers to jobs which are vacant as a result of work stoppage arising from a labor dispute.
- (9) No referral should be made to a job where the conditions of employment have been found to be in violation of law.

Findings and Recommendations

In May, these recommendations (Advisory Committee on Labor, *Japan's Public Employment Exchanges*, "Report on the Labor Exchanges," *24 June 1946*) were put in the hands of the responsible officials of the Welfare Ministry who had translations made and copies distributed to all prefectural labor officials and public labor exchange officers. *Relatively little action was taken by the Japanese Government in following these recommendations during the period under review.*

1/ *Memorandum to Major General Marguel from Mr. Chen, Chief Labor Division, 22 July 1946.*

Labor Boss System

45. The anachronistic labor-boss system of labor procurement was an employment procedure in Japan which had long been in need of reform. ^{Separate implications}

An effort was made to arouse public opinion against this system wherever it existed by having its evils publicized in the press and by labor organizations. As a method for supplying labor for the occupation forces, SCAP took aggressive action to have this system eliminated.

46. Following field reports that some Prefectural Governments were continuing to use labor-bosses ~~for this purpose~~ and that the bosses were extorting exorbitant shares of the wages paid to the workers whom they had supplied as well as perpetuating paternalistic domination over them, the Ministry of Public Health and Welfare was instructed to make a detailed survey of the situation. The Ministry subsequently reported that in May the percentages of laborers which six prefectures were supplying for the occupation forces by the use of labor bosses were as follows:

Hyogo	100%
Fukuoka	75%
Kanagawa	75%
Chiba	60%
Wakayama	30%
Tokyo	17%

No reports were received by the Ministry from ten prefectures. The re-

1/ SCAPIN 360, 28 November 1945, (ESS/LA) Para. 4. See Appendix II, C.

P 25

Casual labor exchanges
not a good term

mainder either had never depended upon "boss" suppliers or had discontinued the practice when ^{day-labor sections of} the employment exchanges were set up in January 1946.^{1/}

~~Casual~~
Labor sections
in employment
of casual were
established and
took over their
functions

47. At the end of July the Ministry notified SCAP that it would abolish the boss system of procuring labor for the occupation forces and in the future would use the ^{public} labor exchange ~~offices~~ for this purpose. It was also announced that these labor exchange offices would be strengthened by increasing their staff, by setting them up where the casual laborers were accustomed to congregate for work assignments, by making them responsible for payment of workers' wages and ^{for} the custody of the workers' tools, and by substantially enlarging their program of welfare activities.^{2/}

48. In regard to the recruitment of casual laborers for Japanese employers, some curtailment of the former role played by labor bosses was reported during the first year of occupation but the major work of reform remained for the future.

Official
Stamp

- ~~See Text below~~
- 1/ Labor Division Report for the Month of May, 1946. para. 40
 - 2/ Welfare Ministry Draft of Policies for Supplying Japanese Laborers to Allied Forces, Submitted to ESB, Labor Division, 25 July 1946.
 - 3/ See Text, infra p -

The ineffectiveness of the labor exchanges was revealed in a June report (Labor Division Report for June 1946, para.) showing that in the six major Japanese prefectures (Tokyo, Osaka, Kyoto, Kanagawa, Aichi, and Hyogo) only about 30 percent of the jobs offered through the labor exchanges were filled, ^{though} also the number of applicants totalled over 70 percent of the offerings. (Ibid. para. 39).

The work of the exchanges was done under extraordinary^{ly} difficult circumstances. In fact the refusal of jobs was due primarily to difficulty in finding accessible housing, in getting transportation or in the lack of assurance of obtaining rations. The majority of job openings were in the fields of civil engineering, construction and electrical work or skilled clerical work for which many of the applicants could not qualify. Employers were also found reluctant to take workers over 30 years of age ^{The payment of higher wages because of} since it entailed ~~payment~~ of age differentials and dependency allowances. All these factors kept the effectiveness of the placement efforts of the exchanges low throughout the summer.

32. The partial success reported during May, June and July as a result of the action mentioned above was considerably diminished by the large number of workers leaving the industry and the high rate of absenteeism. The reasons primarily hampering expansion were reported to be scarcity of food and low wages ^{and discontent with the restrictive features of the dormitory system of housing employees} 1/ Recruitment efforts were continued throughout the period.

the restrictive and dormitory system.

In many conferences held on this subject SCAP representative pointed out the seriousness of the labor turnover & urged the improvement of wages & working conditions as a preventive.

AMOUNT OF UNEMPLOYMENT

43% In spite of the difficulties experienced in obtaining specialized laborers for coal mining, for the merchant marine and the textile industry, general unemployment was large throughout the period. Shortages of fuel, raw materials and equipment, as well as food, transportation and housing added to the difficulties of reconversion and made large scale unemployment difficult to eradicate. ~~Accurate data were immediately available~~ ^{on unemployment} during the first months of the Occupation. ~~The~~ ^{was not} Japanese Welfare Ministry estimated in December that a peak of over 4,000,000 unemployed would be reached during the transition to a peace economy, an estimate which was not diminished by late February. ^{2/}

(On the basis of an occupational registration ^{made by the Japanese} taken in ~~December~~ ^{December} 1945 purporting to list all males from 12 to 59 years of age and all females from 12 to 39 years of age, the Welfare Ministry announced a total of only 3,190,993 persons unemployed, approximately 53 percent of whom were male.) Unemployment, in fact, grew during the first quarter of 1946 due in part to repatriation of Japanese nationals and retrenchment in the Government Railway and Communications systems, which discharged large number of employees.

1/ Monthly Summary: Labor, 288/LA July 1946, para. 25-26; Ibid, August 1946 para. 32-33.
 2/ Oriental Economist, 9 March 1946, p. 146.

SCAP Report: Labor Force in Japan on 26 April 1946 and Percentage Distribution Employment during Previous 30 Days. ESS/1A, 46.

The total Japanese labor force, in persons between 13 and 61 years of age who were all and willing to work, totaled 29,720,000.

34. The first true measure of unemployment was furnished by the returns from the 26 April 1946 population census. This indicated that 5.6 million persons between the ages of 13 and 61 were unemployed on any

given day during the preceding 30 days. The number employed less than 20 of the 30 days totaled 6,300,000. Agricultural workers had risen from 42% of the total labor force in 1940 to 54% in December 1945 - the increase representing in part those urban workers and returned soldiers absorbed on the farms who would otherwise have been unemployed.

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The movement of population from the cities to the country was a factor in alleviating somewhat the unemployment crisis.

35. In August the estimated unemployment was again higher due to the cancellation of war-indemnity claims, the selection of plants for reparations, the completion of the reparations program and the discharge of surplus government workers. Future reconversion was expected to hit the merchant marine and rail transport particularly hard since the repatriation program was drawing to a close and since the Government Railway officials had announced the contemplated discharge of about 130,000 government railway employees.

THE ALLEVIATION OF UNEMPLOYMENT

General Plans

36. The most important Japanese planning agencies for the alleviation of unemployment were the Central Unemployment Measures Committee and similar committees on the prefectural level. They were created by an Imperial Ordinance on 3 December 1945. A report of the Central Committee, approved by the Cabinet on 14 February 1946, included recommendations for extensive reforestation projects, land reclamation, encourage-

This situation seems too broad, I.e., Merit of employment etc. is not just an unemployment measure.

in the field of labor

- 1/ see above
- 2/ Monthly Summary - Labor, ESS/1A June 1946, para. 36 - 38.
- 3/ Monthly Summary - Labor, ESS/1A August 1946, para. 29.

LABOR DIVISION REPORT for the MONTH of JUNE 1946, (ESS/1A) para. 36-38
LABOR DIVISION REPORT for the MONTH of JULY 1946, (ESS/1A) para. 29.

*of the crimes
following to police*

ment of housing reconstruction, removing legal handicaps from the expansion of small business and a program of public works. It was also recommended that conscripted students be returned to their schools and that unemployed scientists and other intellectuals be helped by the establishment of research institutes and by the enlargement of graduate schools.^{1/}

37. SCAP's chief role in relation to the problem of Japanese unemployment and the measures which Japanese agencies used to solve it was one of surveillance and ~~the tendering~~ ^{providing} of advice and counsel. With sparing use of formal directives the weight of SCAP's influence was brought to bear upon Japanese officials to secure the reorganization and strengthening of the employment exchanges, the protection of foreign nationals ^{as mentioned above} against discrimination, ~~the elimination of the labor boss system,~~ ^{in employment} the establishment of a public works program supported by an adequate budget, and the development of a vocational education ^{training} and guidance program to supply the needs of repatriated service personnel, workers dismissed from war industries and plants closed for reparations removal and special classes of workers such as the physically handicapped. ^{Only a small measure of success attended these efforts during the first year of the Occupation.}

Seems not to be relevant here. More relevant under brief section on p. 9.

Part of end of Recruitment section

38. The Japanese Labor exchanges which resembled in organizational pattern the U.S. Employment Service branches were relatively ineffective in handling the task of worker placement. The record of their activity during the period from 15 August to 31 December 1945 showed that there were always more job openings listed than applicants. Although the percentage of placements gradually improved during this four and a half month period, nevertheless, during December, the best month, only 71 per-

whole level of activity was low

^{1/} Labor Division Activities and Labor Development in Japan, 29 January 1946, p. 2.

cent of the applicants were placed. During January, February and March, 1946, the work of the Labor Exchanges remained "spotty".^{1/}

39. One of the first services performed by members of the Advisory Committee on Labor who arrived at SCAP Headquarters in February was to make a field survey to investigate the structure and operations of the Japanese labor exchanges. This survey revealed that there were nearly 600 of these public labor exchanges operated by prefectural and local governments under the general direction of the Ministry of Welfare. Linked during the war to the "labor front" organizations which made wide use of the feudalistic labor boss system of recruitment and control, many of the labor exchanges still maintained relations with labor bosses.^{2/}

40. The survey further revealed that inadequate budgets, lack of specifically selected and trained personnel, lack of adequate information regarding labor supply and demand as well as lack of clarity regarding basic policies necessary to meet postwar conditions were vitiating the effectiveness of the labor exchanges. Recommendations for the correction of these inadequacies, were put in the hands of responsible officials of the Welfare Ministry who had translations made of the Advisory Committee Report and distributed to all prefectural labor officials and public employment exchange officers.^{3/}

41. The June report of SCAP's Labor Division nevertheless revealed that in the six major prefectures (Tokyo, Osaka, Kyoto, Kanagawa, Aichi

- 1/ Monthly Summary: Labor, ESS/LA, March 1946, para. 25, *and Programs in Japan,*
- 2/ Advisory Committee on Labor: Final Report, July 1946, Chap. VI, p. 98 et seq.
- 3/ Advisory Committee on Labor: Report on the Japanese Labor Exchange System, May 1946. *See also*

4/ *Tokyo Osaka etc.*

Is there a copy of this available.

What were the results.

*Put earlier
about here*

Advisory Committee recommendations on centralization?

*Detailed
in the
Advisory Committee Report on the Labor Exchange
document*

*Omit
here
Part 1*

and Hyogo) only about 30% ^{percent} of the jobs offered were filled, although the number of applicants totaled ^{over} ~~between~~ 70 ^{percent} ~~of~~ of the offerings. ^{1/4} ~~The~~ ^{The work of the exchanges we do under extraordinary difficult circumstances in fact,} refusal of jobs was due primarily to difficulty in finding accessible housing or transportation and lack of assurance of obtaining rations. The majority of job openings were in the fields of civil engineering, skilled construction and electrical work, or for experienced clerical workers which many of the applicants could not take for want of the required skill. Employers were also found reluctant to take workers over 30 years of age since it entailed payment of age differentials and dependency allowances. *All these factors kept the effectiveness of the placement efforts of the exchanges low throughout the summer.*

Protection of Non-Japanese Workers

42. SCAP ~~also~~ took positive action to give protection to the large numbers of non-Japanese still remaining in Japan who might otherwise have found difficulty in obtaining work. It was to be expected that the Japanese would be tempted to adopt inequitable hiring policies and to discriminate in favor of their own countrymen in this period of great unemployment.

43. The ^{Japanese} Imperial Government, accordingly, was directed ^{2/} to "insure that no discrimination will be exercised or permitted for or against any worker either in private or government work, in wages, hours or working conditions by reason of nationality, creed or social status." Referring specifically to "Koreans, Formosans and Chinese nationals waiting repatriation", this order directed that they "be furnished opportunity to work for the Occupation Forces without discrimination."

1/ Monthly Summary: Labor, BSS/LA, June 1946, para. 39.
 2/ SCAPIN 360, 28 November 1945, (BSS/LA) Para. 1. See Appendix II, C.
 → Labor Division Report for the Month of June 1946 (BSS/LA), para. 39.

P. 24

44. In order to forestall the showing of favoritism to demobilized military personnel and prevent any increase in their prestige on that account, the Imperial Government was also directed "to revoke, rescind and abrogate all laws, ordinances, rules, regulations and enactments of any kind or character which provide preferential employment opportunities.....solely on the basis of military service."^{1/}

¶ 45-48
not an "unemployment
measure" item
see note p. 21

Vocational Training

45) 49. Expansion of The vocational training and guidance program, administered by the Minister of Welfare since April 1945, promised to absorb a quarter million individuals annually for a three year period as well as an additional 375,000 in a combined handicrafts training and work relief program.

was expanded with increased

SCAP encouragement and

50. Actual achievements during the summer of 1946 were on a somewhat smaller scale. By 1 June the Welfare Ministry had established 97

1/ Monthly Summary: Labor, ESS/LA, May 1946, para. 41.

2/ Welfare Ministry, Imperial Japanese Government draft of Policies for Supplying Japanese Laborers to Allied Forces, submitted to Labor Division/ESS, 25 July 1946.

4 Labor Division Report for the month of May 1946, para. 41.

3/ Lab. Div. Report for Month of Oct. para. 38

"Jansen"

vocational training schools throughout the country and had made plans to increase the number to 313 with a combined budget of \$32,000,000^{1/} for the year. By July, 193 vocational training centers had been established with a reported enrollment of 14,000 students.^{2/} By 31 August 209 centers were operating and 200 courses were being given. A further extension of the vocational training program was among the measures submitted to the Diet by the Cabinet in August to alleviate the predicted increase^{3/} in unemployment.

to a total of 6000 students SCAP, mainly through conferences with appropriate Jap officials, urged that this program be expanded to include

Public Works Program

51. The mounting number of unemployed made it obvious that private enterprise could not absorb the available labor supply. In consequence SCAP urged the ~~development~~ by the Japanese Government of a program of public works.

under prevailing economic conditions

52. ~~The~~ SCAP Advisory Committee on Labor made recommendations to the Japanese authorities in which the following guiding principles for the program were ~~emphasized~~:^{4/}

a public work

(1) Primary emphasis should be placed on work which increases or facilitates the production or distribution of basic necessities, notably food, clothing, fuel, shelter, and minimum services.

(2) In the formulation of productive programs, as specified above, and in determining their locations, consideration should be given to providing employment to as many of the unemployed as can be usefully occupied on programs that will directly contribute to

1/ SCAP Press Translations from Yomiuri Shinbun, 12 June 1946.

2/ AFPAC Press Release, 12 July 1946.

3/ Monthly Summary: Labor, ESS/44, August 1946, para. 30.

4/ Advisory Committee on Labor: Final Report, 29 July 1946, pl49-51.

5/ Labor Division Report for the Month of August, 1946 (ESS/44) para. 50.

3/ see top of page

economic recovery and physical reconstruction.

(3) As far as practicable, preference should be given to programs that will produce commodities for consumption within the next year.

(4) Emphasis should be placed on programs using a minimum of materials and equipment that are in short supply. Wherever possible, programs should be undertaken to increase the supply of such materials and equipment or to facilitate their transportation and distribution.

(5) The work program must be considered part of the national production program as a whole, and the planning, supervision and allocation of production facilities and materials must be under the jurisdiction of the Economic Stabilization Board.

(6) The work program must be under the control of the Japanese Government, and the management of the component programs is the responsibility of the respective ministries. Where privately owned facilities needed for essential production are not being operated by private enterprise, the Government may operate them, with just compensation to the private owners.

(7) The various ministries and bureaus sponsoring programs shall consult the appropriate units of GHQ to assure conformity to SCAP policy.

(8) Compensation paid on work projects shall be equivalent to that prevailing for similar work in the community, as far as these can be determined.

(9) All workers on work projects shall be referred by public

employment exchanges.

(10) Any unemployed employable person shall be eligible for employment on a work project, without proof of financial need, provided he has not refused work in private employment for which he is qualified, under reasonable wages and working conditions. Insofar as practicable, employable persons receiving public assistance shall be given preference in referral to work programs.

53. With the aid and encouragement of SCAP official projects which had already been undertaken by the various government Ministries were reviewed and ~~along with additional projects were~~ combined into an integrated program which was designed to provide from 1,000,000 to 1,250,000 man-years of employment. Among the projects encouraged by SCAP officials were:

public works
The whole program was greatly expanded
Timing?
with the new projects

(1) Reclamation of land, especially in Hokkaido, terracing and clearing of enough land to grow an additional 4,000,000 koku of wheat in 1947.

(2) Construction of access roads to reach coal and timber resources now inaccessible. Since some estimates placed the coal resources currently inaccessible at two thirds of the national total, the value of such excess roads would be apparent.

(3) Feeder power lines to provide hydro-electric power to coal mines, some of which now consume approximately 12% of their output of coal to produce power at the mines.

(4) Low cost housing to allow construction up to the limit of available materials.

(5) Clearance of devastated areas in order to salvage materials

1/ GHQ AFPAC Press Release, 22 May 1946.

of the public works

and make additional land available for crops or construction.

54. In August the Japanese Cabinet presented measures to execute the public works program ^{1/} and at the close of the first occupation year had approved regulations governing the administration of the integrated program. Regulations concerning public works were approved by the Cabinet ^{2/} 3 September 1946.

55. These regulations made the Economic Stabilization Board responsible for planning and supervising of public works whether undertaken directly by the Government or carried out by private agencies using government subsidies. ^{3/} Ministries desirous of carrying out projects were required to secure the approval of the Economic Stabilization Board which controlled priorities and passed the amount of funds deemed necessary for the completion of projects. Funds were allocated on a three months' basis and additional appropriations made only if progress reports were satisfactory.

56. The regulations further specified that workers should be employed through public employment agencies and set forth the wage policies to be used in connection with public works, *as follows:*

add fair labor code yes

57. Seven classes of priority were established ranging from projects concerning with increasing or facilitating substantially production and distribution of essential goods immediately ~~through~~ through those requiring a year ~~to~~ to those which might not increase production but which were indispensable to public peace, public health,

^{1/} Monthly Summary: Labor, ESS/SA, August 1946, para. 30.

^{2/} See Appendix II, M-1 for a copy of these regulations.

^{3/} ~~Article 1.~~

^{4/} ~~Article 8. See below page.~~

→ Labor Division Report for the Month of August 1946, ~~(ESS/SA)~~, para 30.

education and social work. Priority was also created with each of the above classes depending upon the availability of labor and materials and the relative amounts of each which would have to be brought from outside areas.^{1/}

58. To finance this program it was estimated that an ~~additional~~ ^{appropriation} \$6,000,000^{000 YON} would be necessary. When Japanese Finance Ministry officials objected to this budgetary increase, the Japanese Government was informed by SCAP that the public works program in the so-called GHQ Plan was considered essential to increase the supply of food, clothing and fuel for the Japanese people and to establish counter inflationary measures. In consequence it was directed that the program be included in the 1946 budget without change.^{2/}

^{1/} Ibid. Section entitled "Priority Claim for Public Works."
See Appendix.....

^{2/} SCAPIN 968, 18 May 1946, ~~60~~.

Many believe wages in Japan are simplified & equitable! dev for wage system of Adm. Ryt

what about prison labor?

III. WAGES AND LABOR STANDARDS

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General

WAGE CONTROL

War-Time Control

11

2. In accordance with the provisions of the Wage Control Ordinance of 1940, a wage control system had been developed in Japan, one purpose of which was to stabilize the wage and cost structure and serve as a check against inflation. The Ordinance did not regulate wages of individual workers but provided for the fixing of maximum total wages which a mine or factory could pay based upon standard hourly wage rates which were fixed for various types of industries by regions. The total permissible monthly wage was calculated by multiplying ^{man-hours} manhours worked by the standard hourly wage. The Prefectural Governors were given authority to permit changes in these hourly rates. The control system was decentralized and so loosely administered that, except in the case of amounts paid to salaried personnel and government employees, the controls were relatively easily evaded.

Keep page on monthly (1946)

ISSY Labor Division Report:

1/ Labor Division Activities and Labor Development in Japan, ~~1946~~ 29 January 1946, p. 5.

General

1. It was the opinion of the Advisory Committee on Labor that ^a comprehensive and consistent labor program could succeed in Japan only if the level of production was sufficient to sustain the population and maintain a relatively stable level of wages and prices. [Memorandum to Maj. Gen. W.F. Marquet, Acting Chief ESS from Advisory Committee on Labor, 6th April 1946. Subject: First Interim Report, ~~pages~~ 3, 5. In its Final Report, 29th July 1946, ^{P. 11,} this Committee emphasized that "any program limited to the control of wages and salaries will fail in its objective and serve only to discriminate against labor unless it is closely integrated with a broader program in which price control is especially important."] Such conditions did not exist during the first occupation year. With comprehensive inflation and a famine of consumers' goods labor policies generally and wage policies in particular were necessarily characterized by considerable improvisation and emergency action. ^{In general} ~~the~~ ^{the objectives were} ~~to~~ to balance wages with prices and at the same time ^{to} simplify and make more equitable the entire wage system. Among emergency measures recommended was that of wage control in order to ~~alleviate~~ ^{alleviate} the continuing race between wages and prices.

Retention of Wage Control Machinery

2. After Japan's surrender and the coming of the Occupation Forces, the condition of the whole price-wage structure was so unstable that it seemed wise to allow the wage control machinery to function, even though inefficiently, in order to have it available for anti-inflationary uses, if needed. It was felt to be at least a psychological advantage to price control authorities to have operative a wage control system which might be used to check any immediate run-away movements and which could become, eventually, a part of a comprehensive anti-inflationary wage-price stabilization system.

3. Some progress was also made in the administrative reform of the wage control system. In the Government itself ^{as already pointed out} there were a number of ministries which exercised wage control over their respective employees. The proposal to consolidate all wage control functions within the Welfare Ministry was viewed favorably and was actually carried out by ~~the~~ ^{Valoyshere}

15 January 1946. ^{1/}

In view of the rapid rise in prices immediately after the war's end, the major change in the wage system continued to apply the complicated wage system consisting of

4. Japanese employers used a variety of food, clothing and family allowances ^{and bonuses. These were recognized to} supplement and often to evade the official maximum wage

rates which, at the time of the occupation, lagged far behind the rapidly rising cost of living. There was evidence that some employers were paying twice or three times the equivalent of the basic wage rate without either official authorization or objection. ^{2/} In fact when laborers

were supplied to the Allied Forces the Ministry of Welfare itself spe-

^{1/} LABOR DIVISION REPORT FOR THE MONTH OF JANUARY 1946, para 18
SUMMATION No. 4, January 1946, p. 177.

^{2/} Labor Division Activities and Labor Development in Japan, ~~1946~~
29 January 1946, p. 5.

ESS/LA Report

cifically ordered the prefectural authorities to take measures ^{to} supply the necessities for ~~these~~ ^{these} workers and to supply an increased amount of food. ^{1/}

5. ~~SCAF Labor Division officials~~ encouraged the Welfare Ministry, the Cabinet Bureau of Statistics and the Bank of Japan to undertake wage and cost of living surveys in order to secure current information upon the basis of which a central Wage Committee ^{2/} could recommend revised wage rates.

6. The report submitted in January 1946 by the Cabinet Bureau of Statistics showed that, while wages, including bonuses and allowances, had risen approximately 270 per cent above 1941 levels, the cost of living had increased considerably more. In the six largest cities the increase was reported to be from three to five times higher than wages, resulting in the rapid exhaustion of the workers' ^{resources of savings & possessions} ~~supplementary sources~~ ^{Note - largely the sale of possessions (not other wages)} of income. ^{3/} The situation clearly demanded an early revision of the wage levels. ^{1st savings, 2nd possessions}

7. It was hoped that the reduction of the amount of currency in circulation by the emergency economic measures officially promulgated by the Japanese Government in mid-February ^{4/} would cause some decline in prices and reduce living costs. This proved a false hope. ^{Actually, living costs did not rise much between April + October when certain commodities became unavailable.} Living costs remained high ^{and} ~~continued to rise~~ ^{and} by June certain unionized industries like coal mining and electric ^{power} generation had secured compensatory wage increases.

1/ Labor Bureau Order No. 950, 15 September 1945.
2/ Appointed by the Welfare Ministry in December 1945.
3/ ~~SUMMATION~~ No. 4, January 1946, p.176.
4/ These measures included the conversion of the yen and the freezing of bank deposits in accordance with the Emergency Financial Measures Ordinance and the Deposit of the Bank of Japan Notes Ordinance, issued on 16 February 1946.

see footnote p. 2

Labor Division Report for the Month of January, 1946, para. 6.

*After consultations with SCAP representatives issued
Committee Report No. 156*

New Wage Schedules for Workers Serving Occupation Forces

8. ~~Sufficient pressure was put upon the Japanese authorities to~~
Issue ~~an upward revision of the wage schedules applying to the Occupa-~~
tion Forces, which ^{*The revision*} became effective on 12 February 1946. It provided
for a 20 to 60 percent increase in total wages and eliminated the so-
called sex-differential by using the principle of "equal pay for equal
work." ^{*1/*} This was a unique wage scale in that all allowances (except the
stipulated family allowance of ¥20 per dependent), together with all
food and clothing remittments were included in one basic wage figure. ^{*2/*}

Formerly only the part of the wage paid in yen was given in the official
wage tables thus permitting much variation and manipulation of allowances
in various localities and concerns. SCAP officials hoped that this new
type of simplified yet inclusive wage schedule, although limited to the
laborers used by the Occupation Forces, would serve as a precedent in
the ~~making~~ ^{*revision of wage*} of future schedules for Japanese industries. ^{*generally*}

9. Further revision of the ~~above~~ wage rates and allowances ^{*for the laborers suffered to the extent*} took
place during the summer to meet the growing food shortage and the in-
creased cost of living. ^{*3/*} The monthly dependency allowance was raised
from 20 yen to 40 yen per dependent. Overtime pay was changed from ~~three~~
yen per hour to 1.5 times the regular hourly pay. Those on night duty
were given an allowance equivalent to two hours of overtime pay per night.

^{*monthly*} Salaries could be automatically increased when occasion demanded by an
amount not more than 50 yen at one time for those who have been employed

Labour Division Report for the Month of February, 1946, para. 19.
1/ SUMMATION No. 5, February 1946, p. 194.
2/ Revised Salary Scale and Payment Procedure, 12 February 1946. Pre-
pared by the Imperial Japanese Government Central Liaison Office.
~~See Appendix III, G.~~
3/ CLO Plan (Setsukeigo) No. 438, 11 July 1946. See Appendix III, H.

by the occupation forces for more than six months, except in cases where the pay rates were adjusted according to the results of service. ¹¹

10. The Central Liaison Office also informed the prefectural authorities that pending the alleviation of the food shortages, extra monthly allowances might be granted to permanent employees of the Allied Forces. These allowances might vary from 100 to 250 yen depending on the acuteness of the food situation in each locality but they were ordered to be uniform and without gradation according to type of occupation or other reasons. These temporary food allowances were made effective retroactively to 16 May 1946. ²¹

Wage Readjustments for Government Employees

11. Among the workers suffering most severely from inadequate wages were 1,759,860 ^{workers employed directly by the national government} government employees who, in contrast with the 200 - 390 ^{thousands of} percent increases received by employees in many private concerns, had received only meager increases of from 20 - 40 percent during the first eight months after the surrender. ³¹ With SCAP permission a general pay increase averaging 62.5 percent was given to this group of government workers on a temporary basis through 30 June pending the issuance of a completely revised wage and classification order. ⁴¹

Separation Allowances

12. A "retirement" allowance was generally paid to employees of the Japanese Government who were dismissed from service through no fault of their own. Payments had been made, however, in lump sums with no ac-

¹¹ Ibid, Inclosure 2.

²¹ Monthly Summary, Labor, ESS/IA, May 1946, para. 23 to 26. Data taken from surveys made by the Ministry of Public Health and Welfare at the end of April.

³¹ CLO Memo No. 1793 (EF) 18 April 1946 and SCAPIN 1320 A, 24 May 1946. For the latter see APPENDIX III, D.

count taken of those who were able to secure immediate reemployment in other governmental services. In April SCAP approved such allowances for 130,000 discharged employees. The Government was instructed, however, to make payment in accordance with the following counter-inflationary principles:^{1/}

a. Payments were not to be made in a single lump sum but were to be spread out over a period of months, usually from 8 to 13 months.

b. Payments were to be stopped immediately upon the re-entry of the discharged employee into government service, whether national, prefectural or municipal.

c. The amounts paid monthly were to be considerably less than the regular monthly salary. In this specific case, payments were to equal two-thirds of the regular monthly salary.

13. In June the Japanese Government took the lead in abolishing the quarterly bonus system. This was a method of deferring payment which had the effect of keeping workers on "good behavior" and deterred many from leaving undesirable jobs. With SCAP's permission^{2/} the monthly wage was proportionately increased to include amounts which would have been held for bonus payments.

14. The comprehensive revision of the wage structure for government employees which had been under preparation for some months was permitted without objection by SCAP on 28 August.^{3/} In line with the recommendations

Labor Division Report on the Issue
1/ Monthly Summary: Labor, April 1946, para. 21.

2/ SCAPIN 1527-A, 21 June 1946.

3/ See CLO Memo No. 3622 (LO 909 (AL)), dated 24 July 1946 and SCAPIN 2074-A. For the latter see APPENDIX III, J.

28 Aug 46.

of SCAP's Advisory Committee on Labor,^{1/} this simplified the wage system by incorporating into the basic monthly wage all except one of the separate allowances including those temporarily authorized in May and June. The monthly dependency allowance was retained. This was increased to 100 yen per dependent in large cities, 80 yen in small cities and 60 yen in rural areas.

Minimum Wage Legislation

15. Prior to 1939 no minimum wage legislation existed in Japan. In that year minimum entrance wages were established by the Government in certain industries connected with war production. The Wage Control Ordinance of 1940 also provided for minimum wages but the levels fixed were totally inadequate for the changed postwar period. The SCAP Advisory Committee on Labor took note of the recognized social value of minimum wage legislation but recommended, in view of the inflationary implications of such legislation and the necessity of a relatively stabilized economy in order to make minimum wage legislation effective, that the establishment of minimum wages be deferred.^{2/}

and had come to be ignored.

Anti-inflationary Wage Control

16. The major need in regard to the wages of Japanese labor during the period under consideration was to ^{effect} stimulate their increase to a subsistence level and to keep them abreast of the cost of living. The anti-inflationary aspect of wage control, therefore, remained a secondary consideration for the Occupation Authorities for some months. By February, 1946, however, the pressures exerted by the trade unions and independent

in view of the rapid price increases after the war's end

^{1/} ~~Final Report of the Committee, Chap. IV, para. C.~~
^{2/} ~~Final Report of the Advisory Committee on Labor, 29 July 1946, Chap. IV, A.~~

stop
Put after 9/3

used

Part of p 31

labor groups had secured wage increases sufficiently large to warrant paying some attention to their inflationary tendencies. ^{As a part of the emergency} A program of ^{financial program instituted by the Jap Govt during this month} limited wage control was instituted during this month which prevented ^{was ordered which prevented} an employer from paying more than ~~¥500~~ ^{per year} per month in cash to any worker.

Part of p 31
The amount of the bank of Japan notes

Any balance due the worker was to be deposited in the workers blocked account from which monthly withdrawals were limited to ~~¥300 plus~~ ^{¥100 per} for each dependent. Any remaining blocked funds could be used only for certain specified purposes such as the payment of debts or taxes.

not changed
amount in bank
¥100 per month
only

^{It appeared Corporation allowances approved in} LABOR STANDARDS ^{and workers were ordered to} ^{in accordance with certain purposes. See below} Pre-War Protective Legislation

A category which was gradually extended to include rent, doctor bills, utilities, and educational expenses

17. ~~Some progress had been made by~~ ^{had made some progress} the Japanese Government prior to its ^{capture} dominance by the militarists in providing legislative restrictions upon excessive working hours and upon night work for women and children in mines and factories. A beginning was made by the Mining Act of 1905 and the Factory Act of 1911. In 1928, ^{an ordinance} legislation was ^{was} passed, restricting their employment underground in mines to a maximum of 10 hours per day including a break of at least 30 minutes. In regard to night employment, legislation prohibiting the employment of women and young persons in specified factories between 10 P.M. and 5 A.M. was passed in 1929. Similar regulations were applied to mines beginning 1 September, 1933. In 1938, the employment of women and of children under 16 years of age was limited to eleven hours per day in shops em-

An ordinance?

- 1/ SUMMATION No. 5, February 1946, p. 195.
- 3/ Amendment of 1928 to the Mining Regulations for the Employment and Relief of Miners.
- 4/ Amendment to the Factory Act of 1923.
- 5/ Ordinance, dated 1 September 1928; see Army Services Forces Manual M-354-9, p. 56.

* Copy 4 as it appears on p 33

ploying more than 50 persons. ^{1/}

*The war
This legislative question
was inadequate in scope,
standards, and enforcement
The suspension of the
legislation was
never for poor
war-time conditions*

18. An order effective 1 May 1939 limited in principle the working day of adult males in specified industries to a 12-hour day including a break of 30 minutes when the hours of work were more than six, and a one-hour break when working hours numbered 12.

19. Two days of rest per month for women and young persons employed in mines had been prescribed since 1916. In 1937 an Act which regulated the closing of department stores prescribed from 1 to 3 rest days per month depending upon the district involved. For salaried employees in shops employing more than 50 persons one rest day per month was prescribed in 1938.

20. The concept of employers' liability for industrial accidents was generally recognized by 1931 and compensation, including medical expenses, for injury or illness arising in connection with employment was required by law. ^{2/} By this date, also, the half-million workers, most of them women, who lived in dormitories maintained by manufacturing concerns were afforded certain minimum standards of hygiene and living accommodations by Government regulations. ^{3/}

Wartime Suspension of Protective Legislation

21. As a result of wartime production needs, most of this legislative protection of working standards was nullified by Ordinance or by lack of enforcement. ^{4/} The wartime exceptions to the Miners Act Ordinance and the wartime exceptions to the Factory Act Ordinance had progressive-

*most of
protective legislation was
suspended in emergency by the standards
of set up standards were poorly
enforced*

*Wartime
suspension*

1/ Employment Exchange Act, promulgated 25 March 1938; Cf. Army Service Forces Manual M-354-9, p. 54.
2/ The Workmen's Relief for Accident Act as amended in 1931.
3/ Final Report, of the Advisory Committee on Labor, Chap. V, para. B. 29 July 1946, ←

was a factor
ly suspended restrictions upon working hours and holidays, and upon night work for women and children and their employment in hazardous occupations.)

Restoration of Protective Standards

22. The re-establishment of ^{pre-war} protective standards was part of the basic Occupation policy of SCAP. After consultation with ^{SCAP representatives} the Labor Division of General Headquarters, the Japanese Welfare Ministry, on 1 November 1945, ordered the abrogation of the wartime suspensions of these protective standards as applied to factories. Action with respect to mines was deferred because of the extremely critical situation in regard to coal production.^{1/}

23. The crisis in coal production had diminished somewhat by late February. In consequence, pressure was put on the Japanese authorities to reestablish the pre-war protective standards in the mines, and to extend these standards so that they would conform to the regulations in the International Labor Organization Convention covering mining standards. After consultations of the Labor Division with the Welfare Ministry, the Coal Board of the Commerce and Industry Ministry, and the Coal Operators Association, an Ordinance was issued by the Welfare Ministry on 13 March, which repealed all wartime exception regulations affecting mines. The Ordinance went further and repealed the original exemptions in the "Mining Employment and Compensation Regulations of 1928" which permitted underground work for females and children in certain coal mines. The effective date of this last mentioned provision

^{1/} Memorandum to Major General Marquat from Labor Division, ~~33~~, Subject: Re-establishment of Protective Standards in Mines, para. 5, dated 25 March, 1946. See ~~infra~~ page 18. In December, 1945, there were almost 42,000 women working in the coal mines, *of whom*

8,964 were working underground. See Labor Division Monthly Summary, January 1946, ~~sect 1~~ para. 31.

Indentures *M. Becker memo*

was postponed, however, until 31 August 1946 for most mines and until 28 February 1947 for specified thin-seam mines in Kyushu. Coal mine operators, in consideration of the special treatment received in regard to this postponement, agreed to grant women who continued to work in the pits after 1 April 1946 sixty days parturition leave and 3 days menstrual leave per month with full pay.^{1/}

24. By July 1946 most of the protective legislation had been restored on paper to the situation in 1938. In respect to hours of work the actual situation was somewhat better than that required by law. In respect to working conditions in factories investigation showed that the legal standards, even though far from adequate, were not being enforced.^{2/}

Restriction of Contract Labor

Add info. on Indentured labor system
W. K. ...

25. Pre-war legislation had not removed ~~one of the most reprehensible of labor conditions, namely,~~ the extensive use of contract labor, especially the indenture of young women from depressed rural areas in the textile and entertainment industries. ^{Although contraction of the textile industry,} ~~With~~ manpower shortages and labor conscription had virtually eliminated this contract system during the last years of the war, ^{There was evidence that} post war ~~conditions, characterized by~~ unemployment, ^{would stimulate} made probable the revival of the system unless preventive action were taken. Consultation with Japanese authorities regarding this danger resulted in ~~one concrete measure which would aid in forestalling its recurrence on a large scale.~~ ^{to.} This was the inclusion in the ^{Trade} ~~Labor~~ Union Law of the provision which specified that standards

1/ Memorandum to Major General Marquat from Labor Division, Subject: Re-establishment of Protective Standards in Mines, dated 25 March 1946, Para. 6, 7, 9.

2/ Final Report of the Advisory Committee on Labor, Ch. V, para. B, 29 July 1946.

Insert after paragraph 25, p. 42:

In Hokkaido there was a revival of the traditional practice of using ^{some} indentured labor for such ~~purposes as the construction of~~ earthworks, ^{construction,} railroad ~~and~~ roads ~~and~~ housing, ~~and~~ mining and agriculture. The laborers were recruited in cities like Tokyo and Osaka by agents of the labor contractors who, with cajolery or chicanery would get loafers and country boors in debt in order to be able to force their victims to go to Hokkaido to work off these debts. Since many such "recruits" tried to escape a barracks system was established with barred windows and doors locked from the outside, in which ^{to confine} these workers ~~were confined~~ ^{at} night and on holidays.

(Public Welfare Ministry, Labor Department: Report on the Kangokubeya, 16 October 1946).

Late in March 1946, SCAP informally required the Japanese Government to survey the indentured labor situation in Hokkaido. In July the Hokkaido Prefecture submitted a report ^(Ibid) which showed a total of 3852 "recruited laborers" supervised by vigilance guards and housed in 89 barracks. ^(Ibid.)

Early in August after conferences with SCAP representatives, the Hokkaido Prefecture was directed through Military Government channels to prepare an effective plan to eradicate the evils of forced labor. A plan was ~~subsequently~~ submitted on 20 August, ^{Subsequently} ~~following which~~ there were arrests of certain subordinates connected with the employment of indentured labor.

(Ibid.) ^{SCAP activity during} The first Occupation year was largely devoted to an investigation of conditions. ^{of substantial improvement in conditions for troops in the post subsequent to that covered here & the advisory on legislation was adequate} Major action to eliminate the evils was taken by SCAP in the second Occupation year.

^{late -} in advising Japanese legislators on the draft of a Labor ^{was whole} Standards Bill ~~which~~ was under preparation during the summer of 1946, SCAP urged the inclusion of provisions making the use of forced labor illegal and imposing heavy penalties on violators. (The Labor Standards Bill submitted to the Japanese Diet. APPENDIX IV-G).

fixed by trade union agreements shall supersede and invalidate inconsistent standards in any other contracts which may have been made with the workers, individually or otherwise.

Regulations Relative to the Employment of Convict Labor

26. The employment of convict labor, although not a major problem in Japan, offered some danger to wage standards wherever practiced. Reference was made above to the proposed use of such labor in the coal mines to alleviate the production crisis during the winter of 1945. An investigation conducted by SCAP officials in January 1946 disclosed that as many as 800 prisoners were being used in mining operations. More serious was the use of convicts in less critical industries. The Japanese Ministry of Justice estimated that, on 31 January, at least 4,000 were thus employed. An investigation of this situation showed that the employment of convict labor had been current in Japan for a long period and that rates charged private employers who contracted for such labor currently averaged only one-third to one-half of prevailing earnings of comparable free labor in the same areas. In fact, only about one tenth of the money paid by the contractor reached the convicts, the remainder going to the Bureau of Prisons for prison maintenance.

27. In view of the depressing effect of such cut-rate labor on wages, consultations with SCAP officials led to the issuance of the following regulations by the Japanese Director of Prison Affairs to be effective beginning 1 April 1946:

(1) Private concerns contracting for prison labor are to pay

1/ Article 22 of the ^{TRADE UNION} Law. See Appendix IV, E, 1.

2/ See above page 10, para. 12.

3/ Summation No. 1, January 1946, p. 179.

Labor Division Report for the Month of January 1946, para. 31.

*Subject
Section*

*Article 4
on industrial
labor*

*Continual
SCAP pressure
on Japanese
Ministry to
investigate &
eradicate*

*check with
Bureau on
convict labor
measures*

*Put
this
file
915
237*

Put on page 33

the prisoners at the same rate as free labor for comparable work, including in the computation all regular bonuses and allowances received by free laborers.

- (2) All special services hitherto performed by the contractors which partly justified the former differential are to be assumed by the prison.^{1/}

General Revision of Protective Legislation

28. The reform ^{measures about were} ~~action~~ mentioned ^{although} ~~was~~ beneficial ^{but} limited in scope. After a general survey of the ~~action~~ ^{general} necessary to adequately enforce the protective legislation ~~and~~ fill in the gaps in this legislation and extend its coverage, the Advisory Committee on Labor made the following recommendations:^{2/}

expanding

change to compare to SOP methodology

- a. SCAP Action: SCAP should clearly indicate the areas in which changes are needed and the general direction which these changes should take. At the same time SCAP should avoid prescribing the specific details of such reforms. The details should be determined through public hearings in which fair consideration can be given to the effect of various proposals upon workers, employers and the general public.
- b. Administrative Reform: Enforcement machinery should be removed from the Home Ministry and Prefectural governments and placed under a Bureau of a New Labor Ministry adequately staffed for supervisory, planning and research activities. Penalties for violations should be strengthened.

Labor Division Report for the Month of March 1946, page 38.
 1/ ~~SUBMISSION No. 6, March 1946, p. 177~~
 2/ ~~Final Report of the Advisory Committee on Labor, Ch. I, F.~~
Appendix I, C.

- c. Coverage: Measures which deal with such matters as reasonable labor contracts, prompt wage payments, compensation for accidents, sanitation and the prevention of involuntary servitude should apply universally since they cover the basic rights of all types of workers. The other principal forms of protective legislation should be extended to large groups of workers who are now excluded - such as small manufacturing establishments, transportation and communication, fishing, various commercial enterprises, and possibly to large enterprises in agriculture and forestry. Where a sound basis for special treatment exists, every effort should be made to provide at least some degree of protection.
- d. Labor Contracts: The duration of such contracts should be limited to a period of not more than one or two years. Basic standards should be established controlling the frequency and method of wage payment; restricting deductions from wages; and requiring advance notice of dismissal or wages in lieu of notice.
- e. Involuntary Servitude: Involuntary servitude, in any form, should be defined and prohibited by law.
- f. Working Rules: Except in the smallest establishments, employers should be required to maintain written work regulations, accessible to workers and Labor Ministry officials, clearly stating the work schedule, the method of paying wages, and other important company rules.
- g. Maximum Hours: A standard work day and work week should

be established by law, at least in manufacturing industry, with overtime premium pay at a rate at least 50% higher than straight time earnings for all work in excess of the standard period.

- h. Weekly Rest Day: A legal requirement of at least one day of rest per week should be established by law.
- i. Vacations: Regular employees should be entitled to at least one week of paid vacation per year, this minimum to be increased by collective bargaining and by subsequent legislation.
- j. Child Labor: The minimum age limit should be raised to 15 years which was the standard adopted by the International Labor Office for those who have not finished school, and to 14 years for those who have. Coverage should be extended considerably. Somewhat lower limits may be necessary for the time being in agriculture and certain other industries. The work day of children under 15 or 16 should be limited to 7 hours, and overtime prohibited for all workers under 18.
- k. Women Workers: Longer periods of leave before and after childbirth should be provided, with adequate cash benefits during absence. Work above 9 hours per day, or on the weekly rest day, should be prohibited and restrictions on use of women in heavy work extended.
- l. Dormitories: Workers who live in factory dormitories should be guaranteed the right to leave the premises or receive

visitors during the early evening hours, should be protected from interference with conversation or assembly within the dormitories, and should have an opportunity to participate in controlling the daily routine of dormitory life.

- m. Workmen's Compensation: Reform of workmen's compensation must be undertaken as part of a badly needed comprehensive revision of the entire social insurance system. At that time, more adequate benefits - especially for death and permanent disability - should be provided; and the system of financing should be revised so that all or most of the cost is borne by the employer; and participation by labor in administration should be increased.

29. The Soviet Member of the Allied Council for Japan recommended on 10 July that SCAP direct the Japanese Government to revise and improve the existing labor legislation in accordance with 22 specified "principles". Actually these "principles" were in part detailed proposals which elicited the following comment from the U.S. Chairman of the Council:^{1/}

"...Our purpose here should be to establish democratic principles with respect to labor, and to let the play of forces -- because employers, as well as employees are concerned and both have rights -- decide the rules in accordance with those principles. To attempt

^{1/} Verbatim Minutes of the Ninth Meeting of the Allied Council for Japan, 10 July 1946, pages 32-38. The Soviet proposals were timed to antedate the release of the Final Report of the Advisory Committee on Labor, dated 29 July 1946, and were interpreted by the U.S. Member of the Council as a form of propaganda used to support the Communist Party in Japan. For the Soviet member's proposals see APPENDIX IV, F 2.

to dictate rules in minute detail would reflect what does not exist here - an entirely arbitrary and dictatorial Government of Japan by the Allies in direct contravention of the Potsdam Declaration. The Supreme Commander has no intention of setting up any bayonet rule of military occupancy which would be the antithesis of the liberties we are giving the Japanese."

30. The Japanese Government, in fact, had had under advisement for some time the draft of a Labor Standards Bill which had been prepared with the advice and assistance of SCAP Headquarters by the Government Labor Legislation Committee representing employers, labor unions and the public.^{1/} This Bill was a revision and consolidation of the previous protective legislation including the Mining Act of 1905, the Factory Act of 1911, together with subsequent amendments and supplementary laws and ordinances passed up to the beginning of the war period.

31. Following the Allied Council discussion of the subject, the Japanese government made public the draft of this Bill, which provided for comprehensive legislative protection. Among its provisions were increased coverage, raised minimum health and safety standards, shorter maximum hours, overtime premiums, enlarged protection for women and children, raised minimum age levels, expanded accident compensation, regulation of labor contracts and permission to set minimum wage levels in particular industries.^{2/}

^{1/} ~~Monthly Summary: Labor, ESS/LA, August 1946~~, para. 3, The Ministry of Health and Welfare had sent questionnaires to more than 400 labor unions, employers and employees organizations requesting suggestions in the formulation of this legislation.

^{2/} ~~both these hearings and the~~ The hearings on this proposed measure were scheduled for September and the subsequent action taken fall outside the period of the first occupation year.

LABOR DIVISION REPORT FOR THE MONTH OF AUGUST 1946 ~~(ESS/LA)~~

*Referendum of
collective labor statutes*

*Add SCAP action on
collection of labor statistics;
also action of military
on course of unionism, etc. add
Education*

IV. TRADE UNIONS AND THE DEVELOPMENT OF DEMOCRATIC LABOR RELATIONS

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Occupation Policy Regarding Trade Unions

*and approved by the Inter-
Departmental Committee on
Labor Affairs
Studies*

1. In a report submitted to the War Department in July, 1945, the Foreign Economic Administration recommended that the Occupation Authorities in Japan "should permit and look with favor upon the free organization of democratically organized and managed trade unions and should remove all legal obstacles to such organization"; that Military Government "should encourage collective bargaining between freely chosen representatives of the employees on the one hand and the employers on the other for adjustment of wages, hours and working conditions." Such a policy, the report stated, would not only "strengthen the elements in Japan which were among the most consistent and effective advocates of

1/ TRADE UNIONS AND COLLECTIVE BARGAINING IN JAPAN, Enemy Branch, F.E.A. p. 27.

democracy in the past, but would also "induce that important segment of the laboring population which belonged to unions less than ten years ago to cooperate with Military Government."^{1/} *Occupation Japan*

1. 2. It was substantially ~~this policy~~ *The general policy toward trade unions* which received Presidential approval ~~and was set forth~~ *included* in the basic policy documents issued for the ~~White House~~ *White House* of the statement re-

Insert para. 2, p. 49:

¶ A subsequent directive to the Supreme Commander required the removal of all legal hindrances to the formation of organizations of employees along democratic lines, subject to any necessary safeguards to prevent the perpetuation of militaristic influences under any guise or the continuation of any group hostile to the objectives and operations of the Occupying Forces.^{3/}

mal organizational activities without the customary police surveillance or ~~such~~ interference. A more ^{specific} important step in its implementation was the order given ^{directly} personally by ~~General MacArthur~~ *The Supreme Commander* to Baron Shidehara on 11 October, 1945, when the newly appointed Prime Minister was instructed to institute reforms in the social order of Japan, among which were the following:

"The encouragement of the unionization of labor - that it may be clothed with such dignity as will permit it an influential voice in safeguarding the working men from exploitation and abuse and in raising his living standard to a higher level; with the institution of such measures as may be necessary to correct the evils which now exist in child labor practices ..."

^{1/} TRADE UNIONS AND COLLECTIVE BARGAINING IN JAPAN, Enemy Branch, F.E.A., p. 27.

^{2/} Press release by the White House, 22 September 1945, quoted in the Nippon Times, 25 September 1945, Cf. JCS 1380/15, 3 November, 1945, para. 25, b.

^{3/} SCAPIN No. 93, ^{4 Oct 45} See Appendix IV, B.

democracy in the past, but would also "induce that important segment of the laboring population which belonged to unions less than ten years ago to cooperate with Military Government."^{1/} *Occupation Japanese*

The general policy toward trade unions
 1. 2. It was substantially ~~this policy~~ which received Presidential approval ~~and was set forth~~ ^{included} in the basic policy documents issued for the guidance of the Occupation Forces. ^{White House} In the language of the statement released for publication ^{on} 22 September, 1945, "encouragement shall be given and favor shown to the development of organizations in labor ... organized on a democratic basis," ^{and} ~~policies shall be favored which permit a wide distribution of income.~~

2- insert
 3. A step in the implementation of this policy was taken when the Imperial Japanese Government was ordered on 4 October 1945 to remove restrictions on freedom of thought, of religion, of assembly and of speech. This granted Japanese labor union personnel the liberty to conduct normal organizational activities without the customary police surveillance or ~~the~~ interference. A more ^{specific} important step in its implementation was the order given ^{directly} ~~personally~~ by ^{The Supreme Commander} ~~General MacArthur~~ to Baron Shidehara on 11 October, 1945, when the newly appointed Prime Minister was instructed to institute reforms in the social order of Japan, among which were the following:

"The encouragement of the unionization of labor - that it may be clothed with such dignity as will permit it an influential voice in safeguarding the working men from exploitation and abuse and in raising his living standard to a higher level; with the institution of such measures as may be necessary to correct the evils which now exist in child labor practices ..."

^{1/} TRADE UNIONS AND COLLECTIVE BARGAINING IN JAPAN, Enemy Branch, F.E.A., p. 27.

^{2/} Press release by the White House, 22 September 1945, quoted in the Nippon Times, 25 September 1945, cf. JCS 1380/15, 3 November, 1945, para. 25, b.

^{3/} ^{4 Oct 45} SCAPIN No. 93, See Appendix IV, 8.

"The democratization of Japanese economic institutions to the end that monopolistic industrial controls be revised through the development of methods which tend to insure a wide distribution of income and ownership of the means of production and trade."^{1/}

The Dissolution of the Wartime Labor Front Organizations

4. Existing independent trade unions had been forced to disband in 1940 and all laborers were thereafter integrated either into the Government sponsored Industrial Patriotic Societies (Sangyo Hokoku-kai or "Sampo"), organized in every mine, factory, communications and agricultural enterprise employing fifty or more workers, or into the Labor Patriotic Societies (^{1/ Romu} Romu Hokoku-kai) which controlled casual labor, stevedores, transport employees and construction workers. The primary aim of these wartime Labor Front organizations was to convey the illusion that laborers and employers were united in service to the state and to mobilize, regiment, and discipline them for the purposes of war production.^{2/} The publication of the basic occupation policy was clearly the handwriting on the wall and these undemocratic labor societies voluntarily dissolved on 30 September, 1945.

5. Sampo officials had planned to convert their defunct organization into a semi-independent labor union but abandoned their plans after conferences at SCAP Headquarters. The Ministry of Welfare, under supervision of SCAP, was charged with the liquidation of Sampo's assets and their conversion, where practicable, to the benefit of workers and the newly developing labor unions.

6. A new Labor Association (^{3/ Romu Kyokai}) was temporarily permitted to take over the assets and some key officials of the dissolved ^{labor} Romu

^{1/} ~~Press Release~~ ^{GHQ Press Release} SCAP ~~Headquarters~~, 11 October 1945.

^{2/} Trade Unions and Collective Bargaining in Japan, ~~FEA~~ July 1945, Section II D, para. 3.

Foreign Economic Administration Report: ⁵⁰
^{3/} Romu Kyokai

Patriotic Societies

~~Hokoku-kai~~, and supported by government subsidy, to become the organization through which both skilled and common labor was supplied to the Occupation Forces. This function it was permitted to ~~perform~~ ^{perform} until 1 January 1946. ^{1/} On that date ~~Boru Kyokai~~ ^{The Labor Association} was also abolished and replaced by ~~Boards of Day Laborers~~ ^{Day Laborers Employment Exchange} (Hiyatei-Kinro-Sho) in each important city, government agencies unconnected with the former Labor Front organization.

*add
Harmonia
Society*

Abrogation of Restrictive Legislation

7. In the Occident, aside from traditional individualism, strong employer opposition had been the important factor which retarded the growth of the labor movement. In Japan, the ~~chief hindrance~~ ^{absence of trade unionization} ~~was~~ rather ^{the result of} ~~from~~ ^{action} government than from direct action by the employers. More specifically it came from ^{measures taken by} the police acting under the provisions of a series of repressive laws, ordinances and regulations. In the basic Occupation policy directive, SCAP was instructed to require the removal of these legal hindrances and wartime controls as a necessary measure in clearing the ground for the rebuilding of democratic employees' organizations.

was

see above p. 1

This was done by ~~the~~ ^{the} SCAP ~~order~~ ^{directive} to the Japanese Government issued under ~~date~~ ^{on} of 4 October, 1945. In compliance, the Welfare Ministry reported that the restrictions in question had been abrogated ~~as of~~ ^{during} 31 October ^{and November}.

8. Among the measures thus abrogated were the Peace Preservation Law (Chian Iji-ho) of 1941 under which the ^{thought} "ideational police" put to death or imprisoned thousands of Japanese for "dangerous thoughts" or for advocating the changing of what was elastically called "national policy"; the National Labor Mobilization Ordinance which permitted labor

ESS Labor Division Report:
1/ Labor Division Activities and Labor Development in Japan, ~~ESS/LA~~, 29 January 1946, p. 9.
2/ SCAPIN No. 93. See Appendix IV, B.
3/ ~~SUMMATION No. 1, p. 87.~~
4/ Memorandum to Brig. Gen. Margaret from Chief Labor Division, 13 Sept 1946, Subject: Report of Labor Division ESS, on First Year's Occupation of Japan. ~~ESS/LA~~

note
 conscription; the Ordinance for the Management of Labor in Important Factories (Kojo Jigyo Kanri-rei) of 1944, which placed workers in selected plants under military discipline and gave shop foremen almost unlimited power over the workers under their control; the National Defense and Peace Preservation Law (Kokubo Hoan-ho) of 1941 and its enforcement order; and the Protection and Surveillance Law for Thought Offense (Shiso-han Hogo Kansatsu-ho), placing not only violators of Peace Preservation Law but also their friends under police surveillance for a 2-year period, and the Regulations relative to its application. ^{1/ An Imp. Ord.} The Diet some- ^{2/} what later also abrogated The Public Peace Police Law which authorized the prohibition or dispersal of any public meetings, the Regulations Regarding the Labor Note Book enacted in 1941 to control labor mobility, and the provisions of the National Mobilization Act (Hokka Sodo-in-ho) of 1938 as amended in 1941, giving blanket authority to break strikes and disband unions. ^{3/}

The Labor Union Law

9. Japanese trade unions at their peak strength in 1937 had never ^{4/} enrolled more than 6.9 per cent of the country's industrial workers. This was in part due to the restrictive legislation the abrogation of which has been noted above. It was also due to the fact that the Japanese Diet had been unwilling to enact legislation granting legal status to labor unions and to the process of collective bargaining. It was necessary to enact such positive legislation, therefore, in order to carry

^{1/} SCAPIN No. 93. See Appendix IV B.

^{2/} Imperial Ordinance No. 638 promulgated 21 November 1945.

^{3/} 19 December 1945 by Law No. 144 passed by the 89th Diet. See SUMMARY No. 3, December 1945, p. 108.

^{4/} Federal Economic Administration, Enemy Branch: TRADE UNIONS AND COLLECTIVE BARGAINING IN JAPAN, July 1945, p. 6.

Diet does not abrogate Imperial Ordinance

abrogated

out SCAP's order requiring "the encouragement of the unionization of labor" and the giving to labor "such dignity as will permit it an influential voice in safeguarding the working man from exploitation."

10. Accelerated by suggestions from SCAP Headquarters,^{1/} a deliberative committee composed of Welfare Ministry officials, labor leaders, industrialists, members of the Diet, economists and laymen set about the preparation of a Trade Union Bill. SCAP's Labor Division welcomed consultation with this Committee and participated in many conferences on important details of the proposed measure. The finished draft of the law was submitted to the Welfare Ministry on 26 November. With some revision it was passed by the Diet, and on 21 December ~~it received the Emperor's signature.~~ *not needed in this report*

11. The chief provisions of this first Japanese Trade Union Law may be summarized as follows:^{2/}

- (1) The right of workers to organize is guaranteed and collective bargaining is encouraged.
- (2) Laws and regulations which infringe on ^{proper} labor union activities are declared invalid.
- (3) Government employees, other than police, firemen and prison officials, have the right to organize ~~but strikes by workers in public enterprises may be prohibited or suspended.~~ *not in law specified*
- (4) Employers are prohibited from discharging or discriminating against employees because of union membership.
- (5) Registration of labor unions is required and provisions for voluntary incorporation are included in the Act.
- (6) Incorporated labor unions are made exempt from income taxes.

^{1/} Nippon Sangyo Keizai, 25 November 1945.

^{2/} ~~SUMMARY No. 3, December 1945, p. 107-108, see Appendix IV~~ ^{E1} ~~the text of the law.~~ *Articles 1, 2, 4, 11, 16 and 18, 19-32*

spec. article in law

(7) Provisions governing collective bargaining agreements and their enforceability are included.

(8) Labor Relations Committees are established on national and prefectural levels with authority to investigate, mediate and arbitrate labor disputes, and recommend prosecution of violators of the law. *and assist* *with most page*

12. On 27 February, the Imperial Ordinance setting up procedural regulations under the Labor Union Law was promulgated and on 1 March the Law became effective. Thus, under the stimulation of the SCAP Directive of 11 October and with the advice and encouragement of the Labor Division of SCAP Headquarters, the Japanese for the first time in their history had given official status to their trade union movement and had enacted many of the legal safeguards enjoyed by the unions in the Occident.

13. The press reaction to this first labor protection law was generally favorable. Typical was the comment of Professor Keizo FUJIBAYASHI of Keio University who, in praise of its "broad scope" and "modern spirit" called it "really a big instrument of social progress." *usually*

Administration of the Law and Role of the Labor Relations Committees

14. Considerable uncertainty was expressed, however, in regard to the administration of the Law. The Welfare Ministry and the prefectural governors were designated as the "administrative authorities" but most of the actual work of administration was to be performed by Labor Relations Committees - national, prefectural and special - to be appointed by the administrative authorities and empowered

(1) To determine whether labor organizations conform to the statutory definition of trade unions as prescribed by the Act.^{3/}

^{1/} Jiji Shimpō, 24 February 1946, ATIS Press Translation No. 1550, 27 February 1946 (Eco. Series No. 361).

^{2/} Labor Union Law, Art. 26. See APPENDIX IV, E1. *Articles 19-25*

^{3/} Ibid. Art. 6. *26-32*

- (2) To order revision of the statutes of labor unions which contravene law or government regulations.^{1/}
- (3) To request a court order to dissolve any labor union which frequently violates laws and ordinances and which disturbs peace and order.^{2/}
- (4) To make amendments to those provisions of trade agreements between unions and employers which are judged inappropriate.^{3/}
- (5) To inspect factories, mines and other business establishments and to require such books and documents as are necessary for the investigation of labor conditions.^{4/}
- (6) To prevent work stoppages and settle labor disputes by mediation, arbitration or conciliation.^{5/}
- (7) To request the punishment of employers who have dismissed or maltreated employees by reason of their membership in a labor union, or who have employed laborers subject to their not joining, or their resignation from labor unions.^{6/}

15. The law stipulates that these Labor Committees shall be composed, in equal numbers, of employers' delegates recommended by employers associations, labor delegates recommended by trade unions, and "central members" approved by the delegates of employers and laborers. The choice of these delegates, particularly of the neutral members who would ordinarily hold the balance of power in any matters over which employers and laborers were divided, was repeatedly discussed in the press. ~~The~~ SCAP ~~Labor Division~~ warned that "the people should closely watch the nominations to see what sort of men are going to be elected" since the choice "may decide the direction of the labor movement in Japan."^{7/}

- TRADE
- 1/ Labor Union Law, Art. 8. See APPENDIX IV, E 1.
 - 2/ Ibid. Art. 15.
 - 3/ Ibid. Art. 24.
 - 4/ Ibid. Art. 29.
 - 5/ Ibid. Art. 27.
 - 6/ Ibid. Art. 33.
 - 7/ Minpo, 6 February, 1946.

16. Some security against "bureaucratic or undemocratic procedures" in choosing the Labor Committee delegates was provided in the Enforcement Ordinance which specified that all labor unions and employers organizations would be invited to make nominations for the delegates six weeks prior to the date of their appointment and that the nominations thus made would be made public at least three weeks prior to their appointment.^{1/}

17. Nevertheless the administrative authorities retained considerable power over the appointments ^{in the early stages} since "in cases where labor organizations and employer organizations are considered by the Administrative Authority inadequate to represent labor and employer opinion, and in the selection of temporary Labor Relation Committees, this procedure need not be followed." Furthermore, "in case the persons recommendedare not suitable, the Welfare Minister or the prefectural governor may appoint the members using his official powers." [Art. 31] *Johns*

18. The Central Labor Relations Committee, fully aware that it was setting a precedent for the prefectural and special committees shortly to be appointed, held its initial meeting on 2 March. Containing personnel referred to by SCAP officials as "top-notch industrial and labor leaders as well as two outstanding labor relations authorities who were influential in drafting the Labor Union Law,"^{2/} this Committee nevertheless decided to reorganize at a later date since time had not been available for a thorough canvass of labor and employer opinion regarding its membership. Moreover it set an important precedent in deciding to open its meetings to the public.

^{1/} Imperial Ordinance No. 108, 27 February 1946, Art. 37.

^{2/} ~~SUMMATION No. 6, March 1946, p. 173.~~ The members appointed by the Welfare Ministry were as follows:

← Labor Division Report for the Month of March, 1946, para. 14.

19. The reorganization was formally recommended to the Ministry of Public Health and Welfare on 18 June. The Ministry in turn invited the unions and employer associations to make recommendations for their respective representatives on the Committee. Rules for the reorganization were being formulated when the first occupation year came to a close but the reorganization itself had not yet been effected.

20. Similar reorganization of the Prefectural Labor Committees along more representative lines was pending at the end of August and had actually taken place in Osaka prefecture.

21. The formulation of procedures and the investigation of trade union organizations and statutes in order to pass on their conformity

Public Members:

Chairman: Miyake, Shetaro - Chief Judge, Supreme Court *former*
 Members : Suehiro, Gentaro - Professor of Law, Tokyo Imperial University, Member of Labor Legislation Committee
Katsura, Takashi - Managing Director, Japanese Chemical Industry Control Association
Ayusawa, Iwao F. - Associate Editor, Oriental Economist, Member of Labor Legislation Committee
Nakayama, Ichiro - Professor of Economics, University of Commerce and Industry

Employer Representatives:

Members : Seki, Keize - President, Textile Control Association
Zen, Zennosuke - President of the Japan Group Insurance Company (Nippon Dantai Semei)
Taneda, Torao - President, Kinki Nippon Railway Company (Kinki Nippon Tetsudo Kaisha)
Kawakami, Kaichi - President, Nippon Musical Instrument Company (Nippon Gakki Kaisha)
Komura, Kitaro - President, Mitsubishi Mining Company (Mitsubishi Kogyo Kaisha)

Labor Representatives:

Members : Matsuoka, Komakichi - *Democratic* Socialist Party, President of Japan General Federation of Labor Unions
Nishie, Suehiro - Chief, Diet Department, *Democratic* Socialist Party, ~~or Communist~~
Tokuda, Kynichi - Secretary General, Communist Party
Matsuda, Chozaemon - Member, Central Executive Committee, Japan General Federation of Trade Unions
Arahata Kanson - *Democratic* Social Democratic Party

with the requirements of the Trade Union Act was the major activity of the Committees during the spring and summer which was the period of rapid union expansion. At the same time but to a lesser degree the function of settling labor disputes was also performed. Sixty nine cases were processed during the period under review by the Labor Relations Committees throughout Japan. ^{1/} They were reluctant to accept major cases, however, until their reorganization had been effected. ^{And their functions more precisely defined by law.} Inadequate knowledge of their powers and functions also hampered many Prefectural Committees. ^{To assist in the implementation of LRC functions in disputes}

Growth and Consolidation of Labor Unions ^{A Labor Relations Adjustment Bill was prepared in the Spring/Summer of 1946, public hearing was held at the end of April and the bill was introduced in the Diet on September 10, 1946.}

22. The activity chronicled above in conformity with the policy to encourage the development of democratically organized labor unions was remarkably successful in its purpose. Starting with the revival of a few of the stronger pre-1937 unions during September, ^{1945,} 65 unions with a membership of over 70,000 were reported by 20 November according to a Japanese Government spokesman. ^{2/} The Welfare Ministry reported to SCAP that at least ⁵⁰⁸ ~~28~~ unions with ^{379,631} ~~126,587~~ members had been organized by ^{between 10 Oct and 31 Dec} December, 1945. ^{3/} The same source reported that, two months later these numbers had been increased to 1,326 unions with 875,024 members, 373 unions with 142,189 members having been organized during February alone. ^{4/}

23. The Labor Union Law which went into effect on 1 March called for the registration of all labor unions. The results of this registration showed the unionization was progressing in all the major industries

1/ Monthly Summary: Labor, September 1946, para. 17.

2/ Nippon Times, December 15, 1945.

3/ SUMMATION No. 3, December, p. 110.

4/ SCAP to WARCOS, Daily Operations Report, 5 April, Sect. II.

LABOR DIVISION REPORT FOR THE MONTH OF SEPTEMBER, 1946 (ESS/LA).

para. 17.

3/ ESS Labor Bureau Report: Labor Union Statistics 31 Aug 1946. Table VII Organization of Labor Unions by District. Earlier Report had put the cumulative total at 88 unions with 126,587 members as of 15 Dec. Labor Division Report for the month of December 1945 para. 14.

SCAP/LA efforts to establish LRC as accepted labor relations machinery

and services. Organization was particularly strong among coal miners, seamen, metal workers, communications employees, railway workers, school teachers, and municipal employees. The number and membership of the unions which registered from 1 - 15 March were reported to SCAP as follows: ^{1/}

	<u>Number of Unions</u>	<u>Membership</u>
Agriculture	14	2,651
Marine products	17	4,352
Mining	314	275,727
Manufacturing	1,955	652,667
Transportation	722	535,982
Construction	22	26,529
Commerce	36	10,142
Teaching and "liberal" professions	304	95,192
Other	355	82,906
Total	<u>3,739</u>	<u>1,686,148</u>

A more detailed classification of unions in the manufacturing industries follows:

Textiles	141	39,563
Metallurgy	177	61,198
Machines and Tools	486	185,014
Chemicals	168	47,062
Lumber and Woodworking	61	10,297
Printing and Binding	33	8,511
Gas, Electricity and Water Supply	83	39,645
Other Manufacturing	117	32,720
Unknown	689	228,657
Total	<u>1,955</u>	<u>652,667</u>

24. This growth was "amazing" ^{2/} in view of the fact that independent unions had been abolished since 1940 and in their best year, 1936, had less than 450,000 members. ~~The continued attempts of employers to organize company unions, the use of former "Sampo" officials to prevent democratization of unions, and the slow response of workers to unionize~~

1/ GHQ/SCAP to WARCOS, SRS 15 May, 1946, Operations Report Japan, Sect. II.

2/ GHQ/SCAP, PRO, Press Release dated 14 May, 1946.

Odd figures on union organ. at are about. Indicate proportion of labor force organ. etc.

Handwritten notes on right margin: "Some of the figures in the above table are not to be used."

~~tion, and lack of education regarding union administration and methods, remained obstacles to be overcome.~~

add high proportion of women amongst

25. By U.S. standards many of the unions enumerated above were not more than "locals" but ^{along with the continued growth of the unionization} a strong movement toward reorganization and consolidation was already under way in April. This was indicated by the fact that ~~the organization of new unions declined in number.~~ A further indication was the fact that there were ³⁵⁵ unions with 146,763 members discontinued between March and August. Approximately 80 percent of

these discontinued unions represented ~~the~~ merger of small unions into larger ones. ^{A further indication was the fact that the establishment of new unions declined in number. (Add figures)}

26. In addition to direct mergers there were councils and federations of unions formed such as the Council of Kanto District Labor Unions, ^{2/} the Hokkaido Federation of Coal Miners' Unions and similar Federations of Miners' Unions in Kyushu and Joban.

^{Two major national federations emerged as a result of the movement toward labor union consolidation:}
27. ~~Organization on a district or regional level was seen topped by organization on a national level.~~ ^{The General Federation of Japanese Trade Unions and the National Congress of Industrial Unions} Already in February the General Federation of Labor Unions which supported the Social Democratic Party claimed 300,000 affiliated members. ^{3/} On 19 March the National Federation of Government Railway Labor Unions was formally organized. ^{At the end of March}

insert below

1/ Labor Union Statistics: Number of Labor Unions and Union Membership in Japan, ESS/LA, 31 August 1946. Figures compiled by the Ministry of Public Health & Welfare, were as follows: APPENDIX IV, E 1.

Month	New Unions Organized	Reported Membership
March	3,297	1,031,361
April	2,006	458,737
May	2,074	424,696
June	1,598	298,781
July	1,026	194,530

2/ Organized in January. Claimed 500,000 members by 28 February.

3/ SUMMATION No. 5, February 1946, p. 192, para. 6.

SUMMATION No. 6, March 1946, p. 172.

→ Labor Division Monthly Report for March, 1946. Para. 10.

Labor Division

*Special 77
on 2 major
fed.*

*Picture seems con-
fused. Add full growth
the 2 major federations
should emerge as such.*

of the ~~month~~ the Preparatory Committee of the ~~All-Japanese~~ ^{National} Congress of Industrial Unions (Zenkeku Sangyo-botsu Kumiai Kaigi) claimed the ~~affili-
ation~~ ^{of} 15 major industrial unions with a ~~total~~ ^{combined} membership of 910,000. The industries covered included coal mining, steel, newspapers, motion pic-
tures, rubber, chemicals and metals and machinery. ^{1/ (Present assembly in Osaka, Fed)} The Japan Council of Electric Workers' Unions was consolidated into a national union on 7 April. Later in April delegates representing 86,000 union members from coal mines all over Japan inaugurated the All-Japan Coal Miners' Union. ^{2/}

*Final
many
2 day*

insert
32

Labor Disputes

28. Related to the growth of unions was the increase in labor dis-
putes which reached a numerical peak in January 1946 and except for the
renewed increase in May declined through the remainder of the first oc-
cupation year. ^{3/}

**
Note -
the disputes
recorded
include
strikes, lockouts,
slow-downs,
production control,
and disputes not
accompanied by
actual dispute*

LABOR DISPUTES IN JAPAN

<u>1945</u>	<u>Number of Disputes*</u>	<u>Workers Involved</u>
August	1	192
September	3	913
October	32	17,292
November	66	36,363
December	141	109,506
<u>1946</u>		
January	226	229,104
February	195	122,819
March	137	117,056
April	134	113,910
May	220	175,892
June	155	155,690
July	101	73,295

- 1/ SUMMATION No. 6, March 1946, p. 172. ^{ESS/LA}
- 2/ Monthly Summary: Labor, April 1946, ^{ESS/LA} p. 3. Most coal miners - 200,000 of them - although unionized did not affiliate with this union.
- 3/ Reported by the Ministry of Public Health and Welfare on the basis of information received through 20 August 1946. Monthly Summary: Labor, September 1946, ESS/LA, Appended Tables. APPENDIX II, I.

Insert in paragraph 30, p. 62:

The Home Justice, Commerce and Industry and Welfare Ministries on 2 February 1946 issued a joint warning to labor against an infringement of the right of ownership. (Japanese Government statement to the Press on 1 February 1946. Nippon Times, 2 February 1946). ~~SCAP~~ SCAP ^{denied} a report that it had approved ~~the policy~~ ^{sanctioned or taken responsibility for the procedure involving} stated by the Home, Justice, Commerce and Industry and Welfare Ministries ~~for~~ ⁱⁿ firm action against attempts by labor to win demands by intimidation and violence. ^{emphasized} It was ~~made clear~~ by a SCAP spokesman that problems of legality involving labor-management disputes must be settled by Japanese courts and not by GHQ directives (GHQ, AFPAC, PRO: Press Release, 2 February 1946).

In subsequent instructions issued by the Japanese Government on ¹⁹⁴⁶ 8~~th~~ February (Letter from Home Ministry to Governors of provinces, municipa-

women during strikes, the police were to watch carefully in order to detect infractions of the law such as forgery, impersonation or trespass. (Lab. Decision Report for the Month of July, 1946, page 15)

lities and prefectures, 8 February 1946. Subject: "Prevention and Control of Legal Actions accompanying Labor Disputes". APPENDIX IV-D, 2) Prefectural and municipal authorities were informed that the determination of the issue regarding labor's participation in or control of management was necessarily a matter for the courts or the competent ministry. *On 21 June Home Ministry instructions stated that in instance of production control by*

It remained SCAP's policy not to be drawn into this controversy but to allow the decision to be given by appropriate Japanese authorities. On 11 June a SCAP spokesman clarified this policy on production control as follows: (Nippon Times, 11 June 1946, p. 3):

"The question of legality of the occupation of premises or production control by workers in connection with labor disputes is the concern of the Japanese government and people. It is to be decided by the Japanese courts in accordance with existing laws which can be modified only by legislative action of the Diet.

"An agreed party may seek redress through regular judicial process and in accordance with Japanese law.

"Japanese police may act to enforce the decisions of a properly constituted Japanese court after due judicial processes have been served."

~~ACT~~

29. Initially a considerable number of these disputes resulted from an effort by the new unions to secure the right to bargain collectively for their membership and to secure protection against arbitrary discharge of workers. In December and January, however, there was a noticeable shift to such issues as increased wages and food allowances.

30. One of the most significant developments was the growing demand of labor groups for participation in management, ^{which manifested itself as a tactic in labor disputes.} Notable instances of disputes which involved "production control" i.e., union management of production during the period of a strike, ~~and which were influential in setting a precedent~~ were those in the Mitsubishi Bibai Coal Mine, the Yomiuri Hochi Newspaper Company and the Keisei Electric Railway Company. In each of these cases the facilities of the concern were seized by its workers who, having prevented management from performing its function, actually carried on the operation of the firm until a settlement had been reached on the points in dispute. ³¹ The question of the legality of workers' seizure of management was vigorously discussed as new disputes regarding production control occurred. In January these numbered 12; in February there were 20; in March, 23; in April, 29; in May, 25. ³² It was SCAP's policy not to be drawn into the controversy but to allow the decision to be given by appropriate Japanese authorities.

with
HHS

^{Immediately thereafter, cabinet}
31 The Japanese Government on 13 June issued a statement on "social order and labor-management relations" ^{which, while not declaring illegal, since that would be an executive function, announced} declaring that "the Government finds it ^{difficult to} justify it ~~"production control"~~ as a recognized form of labor dispute" adding that "it is likely to destroy the

Only just to a SCAP spokesman...
HHS
Statement to...
by the courts; Gov't's...
not a settled...
legality

1/ (Monthly Summary: Labor, September 1946, ESS/LA) Appended Tables, APPENDIX IV, I.

LABOR DIVISION REPORT FOR THE MONTH OF SEPTEMBER, 1946 (ESS/LA)

industrial structure of the country....." ~~As an alternative~~ ^{the} estab-
 lishment of labor-employer "management councils" was urged, ^{as an alternative} ~~to prevent~~
^{method of handling disputes,} ~~disputes.~~ To carry out the latter recommendation the Ministry of Public
 Health and Welfare submitted to the Central Labor Relations Committee
 a request that the Committee formulate model agreements establishing la-
 ber-management councils in each industry. ^{Central Labor Relations Committee} On 17 July the CLRC released
 its recommendations that the councils should not be set up unilaterally
 by the employer but should be in the form of collective agreements ar-
 rived at by collective bargaining with the labor unions involved, that
 the degree and manner of union participation in management should be
 carefully determined taking into full account the nature of the enter-
 prise concerned, and that decisions should require unanimity and should
 have the same legal effect as collective trade agreements under the La-
 ber Union Law. Both the Ministry and the ^{Central Labor Relations Committee} CLRC continued to support the
 establishment of these councils throughout the period under review.

SCAP Policy Regarding Labor Disputes

32. By mid-November 1945 a general policy toward work stoppages in
 Japanese industry whether resulting from strikes or from lockouts had
 been adopted by SCAP Headquarters. Those stoppages "inimical to the ob-
 jectives of the occupation" were prohibited. ^{1/ by decision,} In the event any stoppages
 so classified did occur, the use of military intervention was not to be
 undertaken except ^{with prior approval of} by the decision of SCAP Headquarters. Action in regard

1/ Such a labor dispute was defined as "one which jeopardizes the safe-
 ty of Allied troops, interferes with troops' supply, disrupts serv-
 ices or production necessary to the maintenance of public order,
 public service and public health or adversely affects the purposes
 of the occupation." Ltr. GHQ/SCAP, AG230 (17 Nov 45) ~~ESS~~ to Command-
 ing Generals of 6th and 8th Armies and Commander 5th Fleet, ~~Subj.:~~
 CIVILIAN LABOR EMPLOYED BY OCCUPATION FORCES.

cf JCS 1380/15 para. 25 (g)
 - 63 -
 Subj: Civilian Labor Employed
 by Occupation Forces

APPENDIX II, B.
 By the end of the 1st Occupation
 year production control
 had dropped to a
 level of 10% of
 pre-war levels

Production
 dropped sharply
 This tactic
 had proved
 mainly a
 temporary
 measure

to stoppages not inimical to the objectives of the occupation was declared to be the responsibility of the appropriate Japanese authorities. The Occupation Force would neither mediate nor arbitrate labor disputes of this latter type. Prior to the appointment of ~~The~~ Labor Relations

Insert paragraph 33:

In a number of threatening disputes SCAP advised both Government representatives and the parties to the disputes regarding the use of machinery of conciliation and mediation in aid of collective bargaining and as procedures for the peaceful and orderly adjustment of labor relations. In the coalmine disputes particularly and in connection with work stoppages

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the

connection with ~~labor dispute~~ on occupation projects or even the hampering of work on these projects were prohibited. ^{as a matter of policy} ~~Violators of this prohibition, whether contractors, Liaison Office officials or workers, were subject to dismissal.~~ ^{#5}

34. Prior to and during the war the police had been one of the chief instruments used by the Government to restrict and repress labor unions. ~~SCAP officials, therefore, took action to prevent the recurrence of unwarranted police interference with legitimate union activities.~~ ^{SCAP advised} Instructions ^{3/} were issued which led to the abolition of the "Special

1/ ^{Lab. Div. Monthly Summary to December 1945, para 22} ~~SUMMATION No. 3, December, p. 112-113. See also: Remarks of Chief, Labor Division, ESS, GIG/SCAP at the Inaugural Convention of the National Congress of Industrial Labor Unions, 21 August 1946. APPENDIX IV, H.~~

2/ ^{Lab. Div. Monthly Summary, March, 1946, para. 30.} ~~SUMMATION No. 6, March, p. 176.~~

3/ ^{APPENDIX IV, B} ~~SCAPIN 93, 4 Oct 1945. - 64 -~~

#3436 are on rolls of police to unions generally not just disputes should also be part of with police and labor admin. generally.

to stoppages not inimical to the objectives of the occupation was declared to be the responsibility of the appropriate Japanese authorities. The Occupation Force would neither mediate nor arbitrate labor disputes of this latter type. Prior to the appointment of the Labor Relations Committees established by the Labor Union Law, the interim Mediation Committees, established by order of the Ministry of Welfare, dated 2 No-

noting note

in all essential industries, conferences were often held by SCAP with the parties concerned to assist in the use of procedures for the aversion or the expeditious termination of the work stoppages.

ment of Japan and to refrain from any work stoppage. ^{1/} ~~the possibilities of negotiation and mediation.~~ All work stoppages in connection with ~~labor disputes~~ on occupation projects or even the hampering of work on these projects were prohibited. ^{as a matter of policy} ~~Violators of this prohibition, whether contractors, Liaison Office officials or workers, were subject to dismissal.~~ ^{2/}

*SCAP
#5*

34. Prior to and during the war the police had been one of the chief instruments used by the Government to restrict and repress labor unions. ~~SCAP officials, therefore, took action to prevent the recurrence of unwarranted police interference with legitimate union activities.~~ ^{SCAP advised} ^{3/} Instructions were issued which led to the abolition of the "Spe-

§34.36 are on policy police to unions generally not just disputes should also be part of setting police out labor admin. generally.

- 1/ ~~SUMMATION No. 3, December, p. 112-113.~~ See also: Remarks of Chief, Labor Division, ESS, ~~CH/SCAP~~ at the Inaugural Convention of the National Congress of Industrial Labor Unions, 21 August 1946. APPENDIX IV, H.
- 2/ ~~SUMMATION No. 6, March, p. 175.~~ ^{4/} Labor Division Monthly Summary, 5 March, 1946, para. 30. APPENDIX IV, B
- 3/ SCAPIN 93, 4 Oct 1945. - 64 -

to stoppages not inimical to the objectives of the occupation was declared to be the responsibility of the appropriate Japanese authorities. The Occupation Force would neither mediate nor arbitrate labor disputes of this latter type. Prior to the appointment of the Labor Relations Committees established by the Labor Union Law, the interim Mediation Committees, established by order of the Ministry of Welfare, dated 2 November, were prescribed as the appropriate government agencies to settle these disputes.

435 In its relations with Japanese labor unions, it was the consistent policy of SCAP to emphasize the importance of developing union stability and responsibility. Labor leaders were urged to avoid the indiscriminate use of strikes which would hamper the economic development of Japan and to refrain from any work stoppage before exhausting the possibilities of negotiation and mediation. All work stoppages in connection with labor disputes on occupation projects or even the hampering of work on these projects were prohibited. Violators of this prohibition, whether contractors, Liaison Office officials or workers, were subject to dismissal.

34. Prior to and during the war the police had been one of the chief instruments used by the Government to restrict and repress labor unions. SCAP officials, therefore, took action to prevent the recurrence of unwarranted police interference with legitimate union activities. Instructions were issued which led to the abolition of the "Special

- 1/ SUMMATION No. 3, December, p. 112-113. See also: Remarks of Chief, Labor Division, ESS, GPO/SCAP at the Inaugural Convention of the National Congress of Industrial Labor Unions, 21 August 1946. APPENDIX IV, H.
- 2/ SUMMATION No. 6, March, p. 176. Labor Division Monthly Summary, March, 1946, para. 30. APPENDIX IV, B
- 3/ SCAPIN 93, 4 Oct 1945. - 64 -

Planned for note

Lab. Div. memo

made by Lab. Div. on 11/17/45

#5

§34 36 are on role of police to suppress generally not just disputes should also be part of with police but labor admin. generally.

cial Higher Police" and the "Thought Police" and to the subsequent in-
 eligibility of the officials of these police organizations for any pub-
 lic office. ^{2/} On 22 January 1946 SCAP issued specific instructions stating
 "Japanese police shall not participate in labor relations activities or
 interfere in labor disputes until such intervention is necessary to pre-
 serve public order." ^{3/}

35. ~~The~~ ^{was followed} ~~strict~~ warning to labor against the development of violence,
 intimidation and the infringement of the right of ownership issued joint-
 ly on 2 February by the Home, Justice, Commerce and Industry, and Welfare
 Ministries, ^{was followed} ~~was clarified~~ by the Home Ministry on 8 February. ^{issued on 8 Feb. 1946} Supplement-
 ary instructions ~~issued on that date~~ stated that prescribed control over
 "illegal actions accompanying labor disputes" was not intended to pre-
 vent the labor disputes but to keep them "sound and orderly". It was
 explained that the situations calling for control were "immensely unjust-
 ified crimes" rather than "just a mere and slight offense, as, for exam-
 ple, the breaking of a window pane," and that the determination of the
 issue regarding "labor's participation in or control of management" was
 necessarily a matter for the courts or the competent Ministry.

- 1/ The former were abolished on 13 Oct. 45 by Imperial Ordinance No. 568, the latter by the Justice Ministry on 15 Oct. 45.
- 2/ Japanese Cabinet Announcement of 10 March 46.
- 3/ SCAP's Advisory Committee on Labor reported that Japanese police in compliance with the instructions made conspicuous efforts to dissociate themselves from any situation involving labor relations until the SCAP statement of 20 May 1946 cautioning the Japanese people against mass violence and physical intimidation. Since then some tendency ~~has been evident~~ for the Japanese authorities to resume police surveillance of labor organizations, especially in connection with labor disputes. See Final Report of the Advisory Committee on Labor, p. 37 a.
- 4/ Home Minister to Governors of Provinces, Municipalities and Prefectures, 8 February 1946. Subj.: "Prevention and Control of Illegal Actions Accompanying Labor Disputes." APPENDIX IV, D.2

insert with above 4

THE COMMITTEE REPORTED

From page 1/
measures to industrial, economic, and social development
In a number of labor disputes...
parties concerned...

36 Further instructions regarding the role of the police in labor disputes were issued by the Ministry to the prefectural governors.

36. The Home Ministry further clarified the police role in labor disputes by instructions issued to the prefectural governors on 21 and 22 June. ^{ordered} Regular police attendance at union meetings or collective bargaining conferences was ordered discontinued. Such attendance was to take place only when labor meetings were held in public places by numbers of persons large enough to create a problem of maintaining order, or when violence, breach of the peace, actual or attempted bodily harm or other definitely unlawful acts were involved. In instances of "production control" by workers during strikes, however, the police were instructed to watch carefully in order to detect infractions of the law such as forgery, impersonation or trespass. ^{1/}

Labor Relations Adjustment Legislation

37. In accordance with SCAP policy to encourage the development of adequate governmental procedures and agencies capable of taking the necessary corrective measures in time to prevent labor disputes from resulting in work stoppages, SCAP Labor Division officials urged the inclusion in the Trade Union Bill of a section ^{2/} giving to the Labor Relations Committees powers of conciliation, mediation and arbitration.

⁵ 38. Subsequently a separate Labor Relations Adjustment Bill was drafted by the Japanese Labor Legislation Committee with SCAP's advice and counsel. ^{3/} Public hearings on this proposed legislation were held from 25 - 30 April, setting a precedent in the history of Japanese legis-

^{1/} Monthly Summary: Labor, July 1946, ESS/LA, para. 15.

^{2/} See Chapter IV of the Trade Union Law, APPENDIX IV E1.

^{3/} It had been the original intention to make this legislation an integral part of the Trade Union Law but it was found necessary to defer action on this subject in order to prepare the remainder of the measure in time for passage at the December Diet session. See Final Report of the Advisory Committee on Labor, p. 38. Final Report, 29 July 1946, p. 38.

LABOR DIVISION REPORT FOR THE MONTH OF JULY 1946

lative practice.^{1/} As a result of these hearings the permissive character of the bill was strengthened. It was made clear that the primary responsibility for settling disputes belonged to the parties involved.^{2/} The Government's role was to assist them by providing conciliation, mediation and arbitration. The bill made the following provisions for these services:

- a. Each Labor Relations Committee was authorized to maintain a panel of competent conciliators who would be available to assist in the settlement of disputes if the parties involved requested such assistance.^{3/}
- b. Under certain conditions, particularly in cases of disputes in public welfare works, e.g., transport, post, telegraph, telephone, gas, electricity and public health, mediation was authorized by a Mediation Committee consisting of a sub-committee of the Labor Relations Committee concerned plus outsiders who are deemed desirable. Acceptance of any settlement was made voluntary but the Mediation Committee was authorized to mobilize public opinion in support of its recommended settlement.^{4/}
- c. When both parties agreed in advance or when a collective bargain agreement specified the use of arbitration,

^{1/} This was the first time in the history of Japan that public hearings were held on pending legislation with the persons directly affected given the opportunity to participate in the actual formulation of law. Monthly Summary: Labor, April 1946, ~~SS/TA~~, para. 3.

^{2/} Labor Relations Adjustment Law, Articles 4, 16, 28, 35. APPENDIX IV, F.3. Cf the

^{3/} Ibid, Articles 10 - 16.

^{4/} Ibid, Articles 17 - 27.

Draft Bill of 26 April
APPENDIX IV, F.1.

Text of News Item from Nippon Times, 11 June 1946

SCAP SPEAKER DENIES OUTPUT CURB IS LEGAL

Refutes Statements in Japanese Press:
No Set Rule Exists, He Explains

Major Anthony Costantino, Chief of the Labor Relations Branch, Labor Division, E and S Section of SCAP, on Monday categorically denied statements appearing in the Japanese press that he announced to a press conference on June 4 that "production control" is legal or that it is a policy approved or recognized by the Supreme Commander.

There is no SCAP policy on this matter, a spokesman for GHQ stated, since the legality of this type of strike action is a subject for decision by Japanese courts in accordance with existing Japanese laws which can only be revised by Diet action.

The spokesman continued, "Major Costantino, in the course of a discussion on the proposed 'Labor Disputes Bill, was asked whether production control was a form of strike. He replied that 'any organized action by a union designed as economic pressure against an employer to win demands is a form of strike.'" "No statement was requested or made with regard to the legality of that form or any other specific form of strike which might be devised by workers.

"To correct any misapprehensions caused by those untrue reports, the following clarification with regard to labor disputes is offered:

"The question of the legality of the occupation of premises or production control by workers in connection with labor disputes is the concern of the Japanese Government and people. It is to be decided by the Japanese courts in accordance with existing laws which can be modified only by legislative action of the Diet.

"An aggrieved party may seek redress through regular judicial processes and in accordance with Japanese law.

"Japanese police may act to enforce the decisions of a properly constituted Japanese court after due judicial processes have been observed.

"Crimes of violence, theft, and other criminal acts are not part of the orderly processes of collective bargaining. Such actions are condemned in any democratic society. The Japanese authorities are expected to enforce their responsibilities in the event that such acts are committed.

"Japanese police may act in a labor dispute to quell public disorder and to protect individuals against actual or attempted bodily harm. Further, they may act to apprehend individual perpetrators of criminal acts occurring in the course of labor disputes after due charges have been made and proper procedures observed.

"However, in a democratic country, the settlement of Labor disputes is not a police function. It is rather, primarily the responsibility of the parties concerned, and secondarily, the responsibility of special government agencies set up by law for that purpose."

Labor Relations Committees were empowered to arbitrate disputes. Awards made under these circumstances were to have the same legal status as a trade agreement.^{1/}

^{51/} 37. The bill also contained provisions restricting acts of dispute as follows with penalties specified for non-compliance:^{2/}

a. Acts of dispute in specified public welfare works are to be disallowed until 30 days after mediation has been requested.^{3/}

b. Acts of dispute are to be disallowed on the part of police and firemen, those employed at prisons and officials and employees directly engaged in the processes

of government administration.^{4/} *These enterprises such as tobacco, salt, cement, railways, communication etc were specifically excluded from*

c. No act which hampers or causes the stoppage of maintenance or normal operation of safety accommodations

at factories, mines or other places of employment shall

be resorted to as an act of dispute.^{5/}

Trade Agreements

240. Discussion of Labor disputes and the machinery for their settlement should not obscure the negotiation and successful completion of labor agreements. By 30 May, 212 written agreements had been registered by the Welfare Ministry.^{6/} Provisions for joint labor-management councils

^{1/} Labor Relations Adjustment Law, Articles 29 - 35.

^{2/} Intensive labor union criticism of these provisions marked the discussion in the Diet Committee. Cf. Monthly Summary: Labor, August 1946, para. 2.

^{3/} Labor Relations Adjustment Law, Article 37.

^{4/} Ibid, Article 38.

^{5/} Ibid, Article 36.

^{6/} Final Report of the Advisory Committee on Labor, ES/LA, 29 July 1946, page 39. Comparing the number of agreements with the number of unions (see p.) it was obvious that unlike the practice in western countries, many negotiations did not result in the conclusion of a written agreement. Instead, informal agreements without specific duration was the rule, - a practice which did not lend itself to stabilized labor relations.

Protective provisions were also included in the bill.

Trade Agreements

Add some indication of what stipulations are to be made.

Seems to be in fact plus SEAP policy of increasing pay & benefits?

LABOR DIVISION REPORT FOR the Month of August

were contained in 110 of these agreements.^{1/} On 1 September 1946 only 452,968 workers were covered by collective bargaining agreements. This number represented only about one-eighth of the workers in trade unions *at that time* and emphasized the great task of negotiation still remaining to be carried out. The agreements were on a plant by plant basis, no industry wide collective agreement having been concluded prior to 16 September. The accompanying table gives further details.

FORMAL TRADE AGREEMENTS IN JAPAN BY INDUSTRY^{2/}

(1 September 1946)

<u>Industry</u>	<u>No. of Agreements</u>	<u>No. of Workers Covered</u>
AGRICULTURE		
MARINE PRODUCTS		
MINING	81	84,241
MANUFACTURING	607	297,268
Metallurgy	90	37,360
Machines & Tools	247	106,860
Chemicals	90	33,110
Gas, Electricity & Water Supply	15	80,239
Ceramics		
Textiles	37	25,403
Lumber & Woodworking		
Food Stuffs	19	8,399
Printing & Binding		
Civil Engineering & Construction	15	2,933
Other	94	22,964
TRANSPORTATION & COMMUNICATION	80	58,204
COMMERCE		
TEACHING & LIBERAL PROFESSIONS		
OTHER	53	13,255
TOTAL	821	452,968

LABOR DIVISION REPORT FOR THE MONTH

- 1/ ~~Monthly Summary: Labor, June 1946, BSS/LA, para. 20~~
 2/ Labor Division Report, September 1946, para. 20.

for the Month of

Labor Education

41 At the close of the first occupation year seven eighths of the members of the Japanese trade unions had an average membership duration of less than seven months. It was not surprising therefore, that considerable lack of understanding of the real significance, goals and functions of democratic trade unions existed in this group. SCAP's Advisory Committee on labor pointed out that the comparative rapidity of the union growth in Japan made the need of well-directed education correspondingly great.^{1/}

42 Other important groups also lacked basic information and experience in the field of labor policy and relations. On the employer's side this need was acute since few of them had any previous experience in collective bargaining. Even the members of the various Labor Relations Committees officially established to assure non-interference with union organization and to facilitate the settlement of labor disputes expressed both the need and desire for information which would help them avoid initial mistakes and aid in the performance of their functions.

43 During the summer, educational activities on the part of labor elements were relatively small aside from the Communist Party schools for union organizers which were established in almost every prefecture. The more important accomplishments of other labor groups were as follows:

- (1) The non-partisan Osaka Labor Society which was established in June conducted regular classes on labor topics and prepared research data for general publication.^{2/}
- (2) In July the Japan General Federation of ~~Labor~~ ^{Japan Trade} Unions began operating two labor schools in Saitama and Kanagawa

1/ Final Report, Advisory Committee on Labor, Ch. II, p.43.
2/ Labor Division Report for June 1946 (BSS/LA) para. 30.

Prefectures and the Socialist Party set up labor schools in four prefectures. The Central Labor College was formally opened in Tokyo, in July. *to provide instruction and published materials for union leaders and government officials!!*

Little was accomplished by itself
 57. The Government ~~likewise accomplished little~~ in the field of labor education. *during the first occupation year.* No government pamphlets or bulletins intended to disseminate information on labor problems ~~had been~~ *were* issued due chiefly to the serious understaffing of the governmental labor agencies. Nor had the universities and colleges made any substantial contribution to the need for labor education. SCAP officials reported that relatively few professors were engaged in writing books, pamphlets and articles dealing with the labor field.

for labor education SCAP took action
 545. In view of the obvious need ~~SCAP Headquarters became increasingly interested in stimulating~~ the provision of additional labor educational services. Early activities included the following:

- (1) A small quantity of American labor literature was provided *copied* some of which was *made* available to the Japanese at the Civil Information and Education Library.
- (2) Radio programs were arranged to include daily labor news reports and occasional labor forums in which various Japanese leaders discussed important current labor problems.
- (3) The production of educational labor films was encouraged.

546 Two conferences held in August with educational directors of some 25 national unions initiated a comprehensive program of labor education designed to provide information to the Japanese on labor policies

2/ Primary responsibility for meeting the informational needs was vested in the Civil Information and Education Section of SCAP Headquarters. Cf. See Memo to Chief ESS, 1 Nov. 46. Subject: Quarterly Report of the Labor Education Branch/LA. APPENDIX IV, K.

1/ Labor Division Report for August 1946 (ESS/LA) para. 25.

The Labor College took over the facilities of the Labor-Capital Harmonization Society, the original sponsor of Sampo, which was dissolved in late June.

Handwritten notes:
 11/11/46
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NON-MILITARY ASPECTS

of the

ALLIED OCCUPATION OF JAPAN

--

LABOR AND LABOR STANDARDS

2 September, 1945

to

1 September, 1946

NON-MILITARY ASPECTS OF THE ALLIED OCCUPATION OF JAPAN:

LABOR

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LABOR AND LABOR STANDARDSLIST OF APPENDICES

APPENDIX I: General Documents Relating to Labor

- A. Administrative Memorandum No. 47, GHQ/ESS, 6 Sept. 1946. Subject: Functions of Labor Division, ESS.
- B. Memorandum to Major General W. F. Marquat, Acting Chief, ESS, from Labor Advisory Committee. Subject: First Interim Report, 6 April 1946.
- C. Final Report - Chapter I: Summary of Recommendations on Labor Legislation and Labor Policy in Japan; Advisory Committee on Labor, 27 July 1946.

APPENDIX II: Documents Relating to Manpower

- A. Excerpt from Directive No. 2, Office of the Supreme Commander, 3 Sept. 1945.
- B. Letter to Commanding Generals, Sixth and Eighth Armies, AG 230 (17 Nov 45) ESS. Subject: Civilian Labor Employed by Occupation Forces. Inclosures:
 1. Welfare Ministry Ordinance No. 41, dtd 16 Oct 45.
 2. Labor Order No. 950, dtd 15 Sept 45.
 3. SCAPIN 260 (20 Oct 45) ESS. Subject: Monthly Labor Report.
- D. ~~B.~~ SCAPIN 360 (28 NOV 45) ESS/LA. SUBJECT: EMPLOYMENT POLICIES.
- E. ~~D.~~ SCAPIN 424 (11 Dec 45) GD. Subject: Additional Requirements to Expedite Coal Production.
- F. ~~E.~~ Memorandum to Japanese Imperial Government, AG 463.3, 17 Jan 46, GD. Subject: Coal Production.
- G. ~~F.~~ Letter to Commanding General Eighth Army, AG 319.1 (26 Mar 46) ESS/LA. Subject: Reports of Labor Furnished to Occupation Forces by Japanese Government.
- G. ~~F.~~ SCAPIN 967 (18 May 46) GD. Subject: Japanese Budget for Fiscal Year 1946.

- H. X. SCAPIN 968 (18 May 46) GD. Subject: Manning of US Vessels by Japanese Seamen.
- I. X. Letter to Com Nav Jap, Commanding Generals Eighth Army and PACUSA, AG 230.05 (21 May 46) ESS/LA. Subject: Instructions for the Efficient Utilization of Japanese Labor on Occupation Projects.
- J. X. Letter to Commanding General Eighth Army, AG 230 (23 July 46) ESS/LA. Subject: Civilian Labor Employed by the Occupation Forces.
- K. X. Memorandum for Military Government Labor Officers, (15 Aug 46) ESS/LA, inclosing:
1. Welfare Ministry: Draft of Policies of Supplying Japanese Laborers to Allied Forces.
- L. X. SCAPIN 1162 (28 Aug 46) GD. Subject: Repatriation Ships.
- M. X. Letter to M. G. Labor Officers, AG 675 (8 Nov 46) ESS/LA. Subject: Information on Japanese Public Works, inclosing:
1. Text of Regulations Concerning Public Works (Approved by Japanese Cabinet) 3 Sept. 1946.
 2. Principles Governing Japanese Public Works Program (Published by ESS/LA).
 3. Analysis Sheet, Public Works Project (Published by ESS/LA).
- N. X. Annual Labor Census of Japan, 1946: Number of Establishments in Japan by Industry and Size as of 30 June 1946 - ESS/RS, 2 Jan 47.

APPENDIX III: Documents Relating to Wages and Working Conditions

- A. Memo for Imperial Japanese Government, AG 240 (20 Dec 45) ESS/LA. Subject: Control of Salaries and Allowances of Employees.
- B. Memo for Imperial Japanese Government, AG 248 (12 Jan 46) ESS/PI. Subject: Retirement Allowances to Civilian Employees in Military Establishments.
- C. *REVISED SALARY SCALE AND PAYMENT PROCEDURES, CENTRAL Liaison Office, 12 FEBRUARY 1946.*
- D. X. SCAPIN 1320-A (24 May 46) ESS/LA. Subject: Temporary Increase of Pay of Japanese Government Employees.