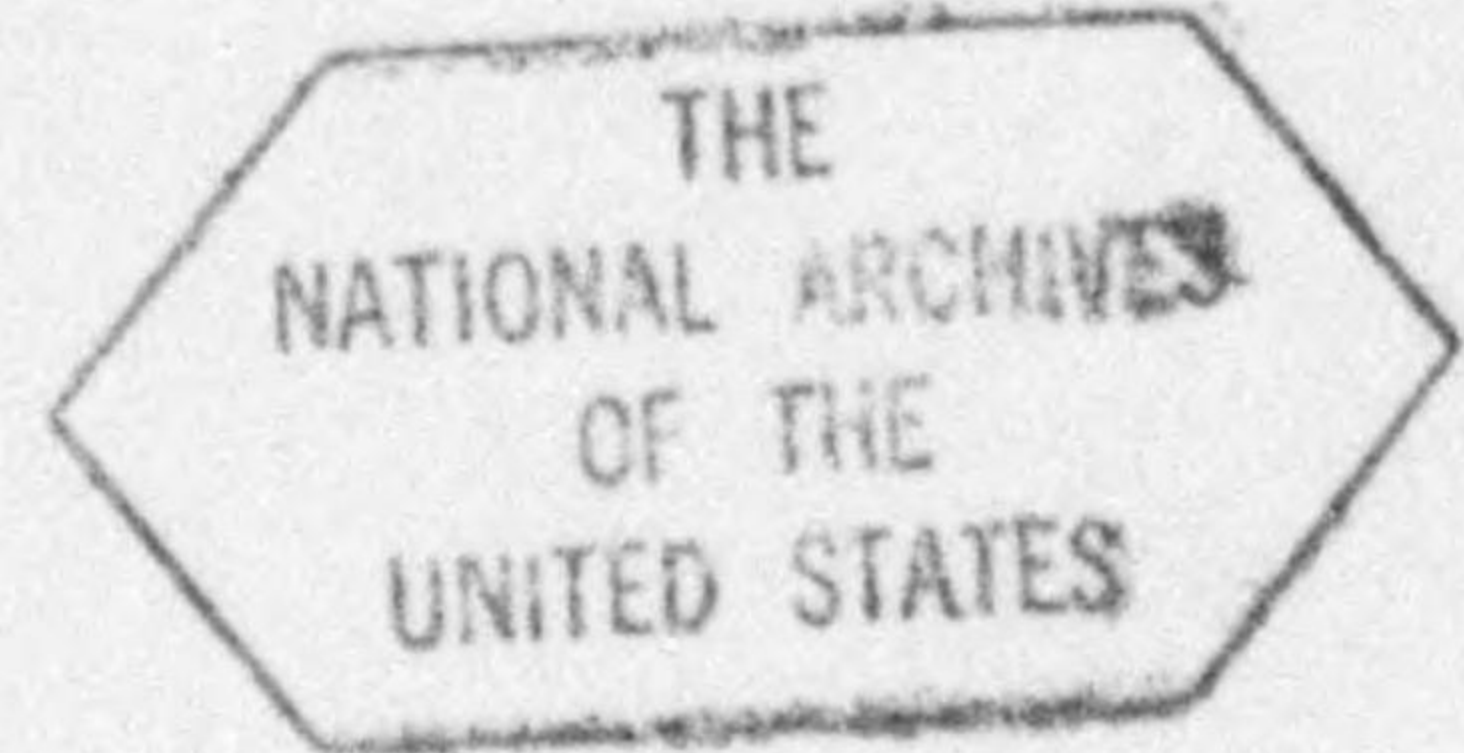


GHQ/SCAP Records(RG 331)
Description of contents



- (1) Box no. 2745
- (2) Folder title/number: (20)
PG 005.001 Memo for Record - Tochigi
- (3) Date: Nov. 1949 - Dec. 1950

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Prof. file

kn

26 December 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip, Tochigi Prefecture, 21-22 December 1950:
Conferences with LD and LSB

1. Conference with LD Chief and chairmen of Ashio Copper Mine Union (Furukawa Mining Co.):

a. Ashio Copper Mine Situation: Struggle over year-end allowance continues. Union demands ¥5,000, which it feels management is well able to pay; management offers ¥2,000 and no more. LD Chief expressed the opinion that this demand is modest. Union chairmen pointed out that Kamioka Mining Co. (same type of industry) has paid ¥16,000 to plant workers and ¥30,000 to staff members as year-end bonus, and that Furukawa Electric has met the union's demand for ¥10,000 with ¥8,000. He also stated that the Furukawa Mining management has assumed a "challenging attitude" toward the union. The union chairman (Mr. Ikuta) is also a member of the Tochigi Prefectural Assembly.

b. Year-end Allowance Situation in Tochigi: LD Chief reported as follows:

Number of cases:	61
Number under negotiation:	44
Number resulting in dispute:	0
Number settled:	13
Number predetermined:	4
Highest amount demanded	¥12,400
Lowest " "	¥ 1,500
Highest " paid.	¥13,500
Lowest " "	¥ 2,400

c. Increase in Allowance for LRO Members: LD Chief reported that substantial increases have been made in allowances for chairmen and all members and in per diem allotments for mediators and conciliators.

d. Trade Agreement Acceleration: LD Chief presented copy of detailed plan of operations for promotion of trade agreements.

2. Conference with Chief and Officials of Tochigi LSB:

a. Attacks on LSL: In discussion of the increasingly frequent criticisms of the LSL arising from both management and labor, the LSB Chief stated his opposition to any downward revision of the law. The Labor Minister's recent statement to the effect that the time has come to revise

the LSL would appear to be capable of only one interpretation: a downward revision. The LSB Chief added that he and his officials will oppose any relaxation of standards. It was pointed out that the workers themselves will have to support such opposition.

b. Safety Education: The Chief requested further assistance from KaSAR in the area of safety and sanitation education.

c. Apprenticeship Training: The Chief wished to know if there is any possibility of having SCAP's apprenticeship training expert visit Tochigi to offer advice in the area of the textile dyeing industry. Inquiry will be made of SCAP CAS.

d. Unpaid Wages: As compared with the situation of one year ago, the number of cases is fewer. There has also been a decrease in the total amount of arrears, but inability to pay appears to be on the increase. Last year, when the LSB made recommendations to employers, these were usually followed. This year, such is not the case. This may be interpreted to mean, however, that only the most stubborn cases remain. During 1950, 23 conferences have been held with employers on wage problems. The reaction has been good. Employers have requested that this type of conference be held monthly, but budget restrictions prohibit this. This constitutes only one more example of the obstacles imposed by lack of funds for the LSB to carry out its programs effectively.

e. Diagnosis of Industrial Problems: LD Chief reported that the Small and Medium Industry Bureau is conducting diagnoses of problems in these enterprises. At prefectural level, the work is being done by the Commerce and Industry Section. The LD has not been asked to co-operate, but the LD Chief feels that it could offer valuable assistance in this field.

3. Summary: Conferences were held in Tochigi Prefecture with LD Chief, chairman of Ashio Copper Mine Union, and Chief and officials of the LSB. Subjects discussed included year-end allowance problems (chiefly Ashio Copper Mine), trade agreement acceleration, enforcement of LSL, apprenticeship training, unpaid wages, and diagnosis of industrial problems in small and medium industries.

RALPH FREDRICK
Labor Relations Division

Prof. file

fk

25 October 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Tochigi Prefecture, 16-17-18 October 1950, for the purpose of:

- (1) Conference with union and management representatives of Nikko Copper Works, at Nikko-machi;
- (2) Visit to Labor Ministry's Silicosis Sanatorium-Laboratory at Kinugawa;
- (3) Conference with eight employer representatives at prefectural labor Department;
- (4) Conference with Oya quarry operators and representatives of Oya Quarrymen's Union at Oya-machi.

1. Conference with union and management representatives of Nikko Copper Works:

a. A conference was held with four union officials and approximately 35 shop representatives of the union. Prefectural Labor Department and LPS chiefs were also present. The union has been without trade agreement for the last 1½ years. Immediately after the old agreement was terminated, the union and management started negotiating a new agreement, but they were unsuccessful because the management had not been given sufficient authority. The negotiations thus were taken over by the head office of Furukawa Electric K.K. and the Furukawa Union Federation. But the latter were soon obliged to suspend the contract negotiations, as the representatives became absorbed in problems arising from the personnel retrenchment carried out in March and April this year. Although the union tried to negotiate a new agreement by presenting its own proposal, the management has not yet prepared its counter-proposal. The union members present blamed the management for its procrastinating attitude and lack of faith in the matter of contract negotiations. However, it seemed that the union, too, had been inconsistent or lacked persistence in its attitude toward the contract negotiations. The labor officer advised them to file an unfair labor practice charge against the management with the prefectural LRC for refusal to bargain collectively. Three committees, each with distinct functions were recommended: (1) A negotiations committee for negotiation of a trade agreement only, (2) A grievance committee (with arbitration as a last step) for settling grievances and differences during the term of the agreement, and (3) A production and research committee which should be a purely advisory body for discussing matters of mutual interest. These three committees were recommended in place of the management-council which has been a cause of trouble and confusion in labor-management relations in Japan. The need of a peace clause in the trade agreement was emphasized in order to prevent continual negotiations during the term of the contract. It was mentioned that an agreement may specify, in case of unstable economic conditions, that the wage clause only can be reopened after a six months period, or that the wage clause can be reopened by either party when the wage revision, upward or downward, is proposed at least sixty days prior to the desired

Annex Bb, page 1

date of revision. In view of the present economic conditions of Japan, the six months reopening provision was recommended as preferable. The rule of seniority was explained and recommended as a fair standard for personnel retrenchment and promotion because the use of the seniority standard and grievance machinery are the most effective systems by which the union can protect its members in the matter of personnel affairs. The labor officer further referred to the three main obstacles to labor movement, i.e. management opposition, rank and file indifference, and Communist infiltration. Throughout the conference and the question and answer period, the members present appeared very receptive, and they expressed a desire to make more active efforts toward conclusion of a good trade agreement in accordance with the labor officer's suggestions.

b. Another conference was held with four management representatives of the plant. The labor officer told them what had been discussed at the conference with the union members. As an excuse for the delay in contract negotiations, they mentioned that subsequent to the personnel retrenchment problem the company concentrated efforts on job classification and wage structure, two items which would become an important part of the trade agreement. The recently appointed plant manager promised that he would do his best for early conclusion of the trade agreement now that the head office policy had been clarified and he had been given sufficient authority to conclude the agreement. The management officials had a misconception of personnel rights; they felt management should hold the right to unilaterally decide on hiring, firing, lay-off, promotion, transfer, etc., though the union has the right to be consulted in advance. The labor officer advised that the union has the right to demand certain standards such as seniority rule in the trade agreement for lay-off, promotion, transfer, etc. as well as to set up grievance machinery by which the union can ask for impartial judgment as to the justifiability of the action taken by the management. The management officials promised that they will include the seniority rule in the agreement proposal, and they further asked for an educational lecture by the labor officer in case the union would not accept it.

2. Visit to Labor Ministry's Silicosis Sanatorium-Laboratory.

This establishment was started by the Labor Ministry on 11 May 1950. The sanatorium had 70 beds and now 52 of them are occupied. The laboratory director stated that this silicosis laboratory is one of four in the world. There was an aluminum dust inhaling apparatus, which is the most advanced cure for silicosis patients, and slight improvements have been reported after six months continuous application. But no complete cure has ever been found. Dr. Onishi, the director, was very much interested in getting more materials on recent silicosis research works.

3. Conference with employer representatives.

Eight leading employers in Tochigi prefecture and six prefectural LP officials were present as well as the Labor Department chief. The labor officer presented to the group the following subjects; three different types of committee instead of management-council; the necessity of a peace clause in the trade agreement; provision for renewal of wage clauses; grievance machinery inclusive of arbitration; seniority rule, and its valuable role in solving the controversial problem of temporary employees; standards of efficiency, and the explanation that seniority does not protect inefficient

workers; the ridiculousness of the position of unions in opposing personnel retrenchment itself, instead of demanding fair standards for selection of those to be laid off; personnel rights, and the union's rights to propose setting up grievance machinery and seniority rule in the trade agreement. During the question and answer period which followed, the employers appeared to have been persuaded as to the advisability of the seniority rule and grievance machinery inclusive of arbitration.

4. Conference with Oya quarry operators and representatives of Oya Quarrymen's Union.

In addition to the Labor Department Chief and LPS Chief, five quarry operators and seven union officials were present at the conference. The union has a membership of 1,270 including all the quarry workers in the area except approximately 300 who are part-time farmers. An area-wide trade agreement has been signed between the union and the operators' association, which represents more than 80 operators. The agreement is subject to renewal every three months. The current agreement is effective from 1 October through 31 December 1950. The wage clause, however, provides for wage renegotiation whenever drastic changes take place in the economic or market conditions. The labor officer addressed the group about the necessity of ensuring stability for a fixed period; provision for renewal of wage clauses; effective grievance machinery inclusive of arbitration; and seniority rule. All the workers are being paid on a piece rate basis, and monthly wages per worker average approximately 6,500 yen at present, while the average wages in the Utsunomiya area are approximately 47,000 a month. The employers stated that most of the operators have such limited funds that they can not long withstand unfavorable market conditions. Some of the small operators dumping the product in the market, and are therefore compelled to lower their wage rates. On the other hand, the workers are so unstable that they quit to get higher paid jobs when poor market conditions exist. Thus, the cost of quarried stone being mostly labor cost because of the primitive method of hand quarrying, the wages are bound to fluctuate in proportion to the changes of market conditions. They have a system similar to grievance machinery. According to the agreement, all grievances and difference of opinion that arise almost everyday are being settled between the workers and individual employers concerned, and if they fail to reach an amicable settlement through mutual discussion the issue is to be referred to the ten-man joint committee composed of five union representatives and five representatives of the operators' association. However, no issue has ever been referred to the ten-man committee. Regarding seniority rule in the matter of personnel reduction, the operators claimed that they had to continue employing the workers even by cutting wages in case of poor market conditions, because the employers feel a responsibility for the workers' livelihood, and they wish to ask the cooperation of the workers when demands come rushing in. They have no problem of high cost of production due to surplus workers, for the workers are working on a complete piece-rate basis. The only thing to be done is to prevent market fluctuations by continuous sales and an advertisement program.

Summary:

a. Educational conferences were held with (1) union and management representatives of Nikko Copper Works; (2) employer representatives in Tochigi prefecture; and (3) quarry operators in Oya area and representatives of Oya Quarrymen's Union. In each of the conferences the following matters

were discussed; negotiations committee, grievance committee, and production and research committee these three to replace the management-council; necessity of a peace clause in the trade agreement; provision for renewal of wage clauses under unstable economic conditions; value of the seniority rule for the benefit of union as well as management; problem of inefficient workers and the application of seniority; and the problem of personnel rights. The reasonableness of the ideas presented was generally accepted by the groups.

b. A brief visit was made to the Labor Ministry's Silicosis Sanatorium-Laboratory. The director stated that his laboratory is in need of research materials.

M. T. CAMACHO
Labor Relations Division

BHW

22 September 1950

MEMORANDUM FOR RECORD

orig. file

SUBJECT: Labor Surveillance of the following Agencies in Tochigi Prefecture on 18, 19 September:

- a. Women's and Minors' Bureau
- b. Labor Standards Bureau
- c. Labor Department, LPS, 3 LRC members
- d. Employment Security Section and one PRSO

1. Women's and Minors' Bureau

a. Quarterly program (Jul, Aug, Sep) prepared by the Labor Ministry places emphasis on urging women to take a greater part in union activities. This program, carried out in conjunction with the local labor administration offices, encourages women to form a separate section in the union, for the sole purpose of furthering their education. When they have advanced to the level of men in this respect, such sections will be abolished. Also being stimulated, in conjunction with the LSIC, is the organization of autonomous groups in dormitories to govern their after-hours life, and thereby eliminate undesirable interference by management. Unfavorable situations encountered by the W&MB representative are management domination of dormitory activities and instances where management is afraid to act for fear of encroaching on the workers' rights. In such cases, discipline is lacking and an unsatisfactory situation prevails.

b. The main impediment to the execution of her program is the fact that meetings with women's groups are not allowed to interfere with factory production. Most of the meetings must therefore be held during the lunch period or after normal work hours. Also of considerable concern, she reported, is a trend among managements to encourage women, sometimes by giving financial assistance, to form "friendship societies" instead of taking part in union activities.

2. Labor Standards Bureau

a. Unpaid wages situation. The imposition of more strict regulations covering bank loans appears to be the most common excuse offered by management for the failure to meet wage payments. The chief stated that labor cost should represent from 40 to 45% of the production cost of any item. However, in many cases the cost is found to range as high as 70%. There are

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suspected instances where companies have deliberately delayed the payment of wages so as to delude the union into believing that the company is in financial straits, and thus succeed in discouraging the union from making new wage demands. In the majority of dilatory wage cases, the LRB believes a 100% collection of accounts receivable by the companies would net enough cash to meet all commitments. The bureau believes further that 40% of the wage arrears could be settled if managements were more sincere and less inept. They appear apathetic and chose to blame their failures on the present economic situation.

3. Labor Department and LRC Members

a. Densen. To date approximately 150 workers have withdrawn from Densen and Kampai and organized what is reportedly the first prefectural union of electrical workers in Japan.

b. The CLRC has notified the commission that it is not to accept any appeals relative to persons recently discharged by the electrical industry; such matters will be handled by the CLRC only. The above group of discharges has not demonstrated, created any disturbances, nor appealed to the LRC or courts. Nor is any such action anticipated.

c. The Mindo faction has taken exception to the discharge of but one man - an admitted former Communist who complied with Directive Zero and has since refrained from participation in Communist activities. His case will soon be negotiated by top level union and management representatives. The Labor Ministry reportedly expressed confidence that the man will be reinstated.

d. The Utsunomiya Rolling Stock Company, employing 580 permanent workers, found it necessary, primarily due to the outbreak of the Korean Conflict, to employ additional personnel. 160 persons, 90% having approximately two month's seniority but with the remaining 10% having as much as 18 months of uninterupted service, are employed as temporary workers. Permanent workers (the last one employed in Feb 48) claim they experienced considerable hardship during the recent reconversion period, and do not choose to allow new-comers to join the company and share in the present success. Consequently there are no provisions whereby temporary workers may convert to a permanent status. They are not allowed to join the union, are not covered by the trade agreement, and can be discharged for any reason without management fear of incurring union opposition. Further, temporary workers when discharged are not entitled to a retirement allowance. The union officials admit that acceptance of the seniority principle is the solution to their problem and promised to consider its adoption.

e. Three workers frequently engaged in agitations were notified by the chief of Nikko-machi that they were undesirables and would not be granted further employment on work relief projects.

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Whereupon the workers filed an appeal with the LRC, charging that such action constituted a violation of article 7, par. 1, Trade Union Law. The LRC members were in a quandry as to whether or not they were authorized to accept such charges from day labor unions. They stated that that question was broached at the conference of LRC neutral members at Hakone last month, but no decision could be reached. Moreover, the commission could not agree whether article 11 of the Emergency Unemployment Countermeasures Law applied in this case. Thus the chairman, conducting informal conciliation, advised the Nikko chief to reinstate the three on condition that they cooperate with officials in the future.

f. The LSB advised that day laborers employed on work relief, public works, or any other project for more than 30 days are entitled to one month's pay in accordance with provisions of article 20, LSL. Contractors engaged in temporary public works projects for sometimes only one or two months are required to pay this allowance. Consequently only those large contractors with many future jobs in mind are in a position to place bids on such construction work, since a smaller contractor could not afford to hire men for a short period and pay them a retirement allowance upon termination.

4. Kanuma Public Employment Security Office

a. This office is authorized to employ 96 workers on work relief projects each day. 179 persons applied for those openings today. Each applicant received an average of 18 days employment during July and August. Consequently there have been no disturbances or demonstrations in this area.

b. Employer visitation program. 65 visits to factories in August resulted in 46 job openings. Total openings during month were 123. Employers applied to the PESO for the remainder. Highest demand during the past month was for lumber workers (26%), 22% were for machinists, 11% for housemaids. The others represented miscellaneous job categories.

5. Summary

a. There is a trend whereby managements encourage women, sometimes by giving financial assistance, to form "friendship societies" instead of taking part in union activities.

b. Labor costs which reportedly should represent 40-45% of production cost, sometimes range as high as 70%. LSB believes that 40% of wage arrears cases could be settled if managements were more sincere and less inept.

c. CLRC notified local Commission that it will not accept any appeals relative to persons recently discharged by the electrical industry; such matters will be handled only by the CLRC.

d. Hindo faction of Densan has taken exception to the

discharge on but one man in this prefecture.

e. The Korean outbreak has brought about the problem of temporary workers at the Utsunomiya Rolling Steel Company. Such workers are not allowed to join the union or receive protection of same, although a few have as many as 18 months of uninterrupted service.

f. Three day laborers employed on work relief projects in Nikko-machi were discharged for being constant agitators. Members of LRC could not decide whether they could legally accept an appeal from the day laborers union, so they conciliated "informally". The workers were reinstated and withdrew their appeals.

CHESTER J. PECK
Labor Relations Division

Prof file

kn

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Foshigi Prefecture, 19-21 October 1950, to Visit Four Factories on Trade Agreement Matters

1. Schedule of visits was arranged by prefectural and local labor officials, who accompanied KeCAR personnel to each plant. Conferences were held with management representatives, union officials, and rank and file workers. Labor officials were requested to conduct follow-up investigations and report degree of progress.

2. Furukawa Denko (electrical instruments), Oyama:

Number of employees: 84. Number of union members: 79. Management and union have exchanged draft proposals for trade agreement. Comparison of these showed agreement upon considerable number of points. There has been difficulty, however, in reaching understanding on the following matters: scope of non-union employees, personnel rights of management, peace clause and grievance machinery, seniority, wage clause. Management's draft proposal contains fairly detailed grievance procedures; union's does not. Union proposal contains wage clause; management's does not. Union representatives stated that union does not oppose peace clause but feels that grievance machinery would not operate effectively. Recommended that further study of grievance machinery be made (KeCAR pamphlet had not been received), and that attention also be given to the subject of seniority. It was further recommended that items upon which agreement already exists should be disposed of first in the collective bargaining negotiations, and that as agreement is reached, items should be committed to writing and mutually signed.

3. Dai Nippon Spinning Co., Ashikaga Woolen Works, Ashikaga:

Number of employees: 600. Number of union members: 596. Union is affiliated with Sensendomei Menbōbukai (All Japan Textile Workers' Union, Cotton Spinning Division), Sōfūsei. Contract, negotiated at national level, was to expire 16 September 1950. It was extended to 31 December, and then to 26 March 1951. Wage issue is now under negotiation. Idea is to have wage provisions separate from main body of contract, since the industry is characterized by considerable economic fluctuation. Suggested attention be given to possibility of including wage clause of shorter duration than main body of contract or to device of permitting either side to request re-opening of wage negotiations with 60 days' advance notice. Neither union nor management is opposed to idea of peace clause and grievance machinery, but present contract shows need for further study of both. Actually, the peace clause, as presently set up, merely restricts dispute tactics but does not prohibit them. Arbitration has not been provided as final step in grievance machinery. Agreement also shows need for clear distinction between union and non-union employees. LD Chief and KeCAR personnel pointed out values and deficiencies in present agreement.

4. Tochigi Seisen (dyeing works), Ashikaga:

Number of employees: 217. Number of union members: 132. Temporary workers: 51. Union has no affiliation. At present, no trade agreement exists, although negotiations are in progress. Union submitted draft proposal to management with request that management "rearrange" it in conformity with its desires. Pointed out advisability of each side's submitting its own draft proposal at least 60 days before collective bargaining is to begin. Proposed peace clause and grievance machinery are not satisfactory. For example, proposed grievance machinery requires collective bargaining rather than arbitration as top step. Fallacy of this was pointed out. Peace clause (as proposed) states that all means of mediation and conciliation are to be exhausted before dispute tactics are resorted to. Inadequacy of this was emphasized, and meaning of peace clause was explained. Some time was spent in discussing the peace clause, grievance machinery, seniority, and distinction between union and non-union employees.

5. Nisshin Flour Mfg. Co., Utsunomiya:

Number of employees: 57. Number of union members: 33. Union belongs to federation made up of 14 locals. Agreement between federation and company was concluded 25 August 1950. Under federation contract, each local is permitted to conclude agreement with local company. For example, grievance machinery may be set up at local level, even though it already exists in federation contract. There is no peace clause in the federation-level agreement, but apparently no opposition to establishing it on the local level exists. Grievance procedures in federation agreement do not provide for shop stewards. Instead, individual workers bring their complaints directly to supervisors. Local plant, however, has grievance committee. Failure to settle the grievance through the committee, however, is followed by bringing it to management council. Fallacy of management council concept was pointed out. Some time was spent in outlining three committees that ought to replace management council: collective bargaining, grievance, and production and research committees. Union stated that, since management representation at the plant is small, a problem would arise with regard to personnel to serve on these committees. It was pointed out that there is no objection to having same personnel serve on several committees, as long as functions of the committees are kept separate. Clear distinction between union and non-union employees is made in the federation-level agreement. At meeting with rank and file workers, it was urged that adequate study of grievance machinery and seniority be made, and that agreement to be negotiated at plant level be specific in all its provisions.

6. Prefectural and local labor officials were commended for the excellent arrangements they had made for the visits and for the active part they took in the meetings which were conducted.

7. Summary:

Four plants in Tochigi Prefecture were visited for the purpose of promoting establishment of trade agreements. Meetings were held with management, union officials, rank and file workers. No serious obstacles to conclusion of

agreements were found. Impeding factors were largely misunderstandings regarding such matters as scope of non-union employees, peace clause and grievance machinery, personnel rights of management, and seniority system. Labor officials accompanied KeCAR personnel on all visits and participated in all meetings. They will report degree of progress.

RALPH FRIEDRICH
Labor Relations Division

fk

24 August 1950

MEMORANDUM FOR RECORD

- prop*
- SUBJECT: Field Trip to Tochigi Prefecture, 1-2-3 August 1950, for the Purpose of:
- a. Delivering lectures at the Summer Labor School in Utsunomiya City
 - b. Conference with labor and management representatives of Ashio Copper Mine of Furukawa Mining KK, in Ashio-machi
 - c. Conference with labor and management representatives of Nikko Electric Copper Works of Furukawa Electric Industry KK, in Nikko-machi

1. Lectures at the Summer Labor School.

a. KACAR labor officer presented several lectures to an assemblage of approximately 70 students, one entitled "History of the Labor Movement in the United States" and the other "Collective Bargaining". The former was intended mainly to give the students ideas of what took place in the American labor movement in parallel and contrast with what has taken place in the Japanese trade union movement. Among the seventy students were five (5) women unionists. Management representatives numbered six (6). Prefectural labor policy officials, including the Labor Department Chief, also attended. Upon completion of the lectures, a question-and answer period was conducted.

2. Conference with labor and management representatives of Ashio Copper Mine.

a. Present were ten (10) representatives of the Ashio Copper Mine Workers Union, which also included the chairman of the Federation of Furukawa Metal Mine Workers Union. Management was represented by six (6) officials. The Tochigi Labor Department Chief was also present. Management had presented to the union its enterprise reconstruction plan which proposed the reduction of nearly 500 out of approximately 3,000 employees. Under the current trade agreement, management is required to consult with the union prior to making any change in the labor force. At the present time the management-labor relations are calm, because the parties have not yet entered into actual negotiations. Representatives of both groups stated that they would resort to peaceful negotiations with a view to reconstructing the mine which has suffered financially since the ~~withdrawal~~ withdrawal of government subsidies. The union expressed interest in avoiding, or at least diminishing, the reduction of personnel -- possibly by reducing cost-per-unit production expenses. If the union accepts retrenchment as inescapable, it apparently prefers a seniority principle

which would tend to operate more or less in the inverse order of the universally accepted concept. Their main concern is for the livelihood of the discharged personnel. They believe that since the man with the most seniority is eligible for the largest retirement allowance, he is best prepared to face the unhappy prospect of unemployment; and that fact must receive consideration. It was noted that the union has an Examination Committee by which the union has rid itself of some of the subversive elements, vis., the Communists.

3. Conference with labor and management representatives of Nikko Electric Copper Works:

a. Present were eight representatives of the union and six (6) of management. It was learned that the old trade agreement expired in September 1949. Negotiations on the new agreement began shortly thereafter and continued until February 1950. There still remains unsettled several major differences on which local management is not authorized to make decisions, but must await instructions from the Tokyo Central office. It was said that such issues must be negotiated by representatives of the Company's head office and the Federation of Furukawa Electric Industry Workers Union. However, such contract talks have been temporarily suspended by the top level negotiators, giving first priority to the more pressing problem of personnel retrenchment.

b. The chairman of the union reported that the KACAR nomination and election procedures for union officers adopted recently by his union had failed, because all persons nominated from the floor declined to accept the nominations. Whereupon the members cast ballots for candidates without reference to positions, and persuaded the three (3) members who received the largest number of votes to assume the offices of chairman, vice-chairman and secretary. Since the general membership appears apathetic toward union activities and hesitant to offend management, they are disinclined to assume union leadership unless urged by a substantial number of fellow workers. Further information on this situation will be obtained and submitted by the LPS.

4. Summary:

a. The undersigned presented lectures entitled "History of the Labor Movement in the United States" and "Collective Bargaining" to approximately seventy students of the Tochihi Summer Labor School.

b. Negotiations on proposed reduction of 500 out of the 3,000 employees will begin shortly by labor and management of Ashio Copper Mine. Union officials expressed interest in avoiding, or at least diminishing, the reduction of personnel -- possibly by reducing cost-per-unit production expenses.

c. Contract negotiations at the local level by labor and management of Nikko Copper Works have been unduly lethargic. Principal issues, are required to be negotiated at the company central

level and the federation of all the company's workers throughout Japan. However, such contract talks have been temporarily suspended by the top level negotiators so as to devote first priority to the pressing problem of personnel retrenchment.

MARTIN T. CAMACHO
Labor Relations Division

Prof. J. H. G.

fk

1 August 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Tochigi Prefecture, 24-28 July 1950, to Conduct Following Activities:

- (a) Conference with Labor Department Chief and Officials
- (b) Conference with Members of Labor Relations Commission
- (c) Visit to Otawara Public Employment Security Office
- (d) Visit to Otawara Labor Standards Inspection Office
- (e) Visit to Otawara Vocational Training Center
- (f) Visit to Yaita PESO
- (g) Conference with Employers in Yaita
- (h) Inspection of Public Works Project in Nikko
- (i) Visit to Imaichi Vocational Training Center
- (j) Visit to Pine Sewing Machine Mfg. Co., Utsunomiya

1. Conference with Chief and Officials of Labor Department:

a. LPS activity in settlement of disputes: LD Chief and LPS officials assume active role in handling of disputes, working in co-operation with LRC. LD Chief furnished examples of recent cases in which such intervention was successful. Police show good co-operation in cases where their assistance is required.

b. Day laborers: LD Chief cited episode at Nikko in which town office instructed PESO to discontinue employment of three CP members on locally subsidized work relief projects because of bad behavior. These three appealed to LRC, charging PESO with unfair labor practice. It would appear that Nikko town government had the right to request discharge of these workers, but it is possible that they have a case under several laws that apply. LD Chief pointed out that case rests on interpretation of Article 7 of Trade Union Law, which defines employer-employee relationship, and that their claim might be legitimate if their union is regarded as a craft union. (This is indicative of the confusion that has been caused by the Ministry of Labor's recognition of these day laborer groups as unions.) The question arises, however, as to whether Article 7 applies to workers whose employment terminates at the end of each day. As far as the Labor Standards Law is concerned, with its requirement of 30 days' prior discharge notice, the Ministry has stated that day laborers do not come under it. Article 11 of the Emergency Work Relief Law states that day laborers may be discharged because of inefficiency.

c. Densan split: Densan in Tochigi has seceded from the national organization, by vote of 205 to 57, and decided to form an independent organization. First reports regarding the statement of principles which the Mindo element is requiring Densan members to sign indicate that about 20% of membership are leftist; the remaining 80% are with Mindo.

d. Independent unions: LD Chief reported that number of independent unions is increasing. He cited the following reasons:

- (1) Declining influence of Sodomei
- (2) Antagonism toward Sodomei leaders
- (3) Growing feeling that it is not up to Sodomei to fight the CP, but rather up to the independent unions
- (4) Desire to cut down expenses incurred by affiliation

The choice of affiliates is now between Sanbetsu and Sohyogikai. Sanbetsu, being on the defensive, feels the need to bolster its strength and for this reason is lending its weight to the recently organized (CP-led) Seinen Sokoku Sensen (Youth Home Front Battle Line). There are also the unions which are not only independent but also neutral. It is their feeling that remaining neutral will enable them to preserve their initiative, but the danger exists that they may succumb to Sanbetsu influence.

2. Conference with Members of Prefectural LRC:

a. KACAR ideas regarding improvement of LRC were presented. Following opinions were expressed:

- (1) Requasi-judicial status of LRC: Labor member concurred in proposal; suggested that present LRC might become the organ for handling mediation and conciliation functions and that new, separate quasi-judicial body be set up; wondered why this has not been done before. Management member pointed out that members of quasi-judicial LRC would have to be carefully selected, that they must not be theoreticians and scholars but rather personnel abreast of the times. He added that if the quasi-judicial function is too strongly emphasized there is danger of return to the old style of bureaucracy. He pointed out that the public is still largely ignorant of present LRC functions and that any changes which are to occur should take place after public understanding regarding the current LRC's has been obtained. There was considerable concern on the part of the chairman regarding the danger that the LRC of the type proposed would result in an undemocratic upon officialdom, since its quasi-judicial status might place its members in the class of public officials. The labor member concurred with these opinions, stating that any improvements to be made should be undertaken on the present LRC as it is, since in Tochigi the Commission is functioning comparatively well.
- (2) Regarding qualified personnel for LRC membership: Both management and labor members agreed that the task of obtaining truly qualified personnel would be difficult,

In view of the fact that the 3-year term does not have sufficient permanence to attract people of the caliber required. It was the opinion of the labor member that similar difficulties would confront the attempt to find qualified advisors, field examiners, etc. Basis of this difficulty is that Japan's labor movement has had such a short history.

- (3) Salary and term of office: It was agreed by both labor and management members that plans for extension of term of office and for replacement of members is good. It was estimated that the salary, in order to be sufficiently attractive, should be roughly five times what it is at present.

b. Functioning of Tochigi LRC: There has been no tendency for either management or unions to bypass the LRC. Upward revision of salaries of members and provision for reimbursement of witnesses (travel and per diem) have resulted in acceleration in handling of cases. Tochigi LPS officials all serve on conciliation panels, and co-operation between LRC and LPS is excellent. In Tochigi there have been no illegal disputes except those instigated by the Communists. LRC members requested that Civil Affairs, in its guidance to management and unions, point out the limitations regarding legal and illegal dispute tactics. As long as there is no clear definition, the CP has the chance to evade the law. The fact that there is still an air of suspicion surrounding public office constitutes a retarding factor in the progress of the LRC. The budget of the Commission is so severely limited that it will not even permit provision of copies of records and other essential materials for individual members.

3. Visit to Otawara PESO:

a. Day laborers: There are no work relief projects. An average of 426 workers per month are used on public works projects. Although the PESO has not been subject to the usual demonstrations and disturbances by day laborer groups, an episode at Kaneda-mura illustrates continued Communist manipulation of these groups. Kaneda-mura is a CP stronghold. During the past spring, Communists induced the mayor and the village government to institute a work-relief program, locally subsidized, which lasted only one week. At the end of this time, laborers were asked to join the CP because it had provided them with work. The prefectural government, in expression of strong disapproval against the use of public funds to enhance CP prestige, issued instructions that there would be no more prefectural work relief projects in the Otawara district. There are, of course, a number of public works projects in flood control, road maintenance, and irrigation. There are three day laborers' unions in the district, of which the one at Karino-mura (organized under CP leadership and with a CP member as secretary) succeeded, during July, in getting the mayor to accede to at least one of its demands. This was for a loan of ¥30,000 to provide living expenses for 30 union members who were hired to work for the Nissan Construction Co. on a diking and road repair project at Shiobara. The demand was granted with the understanding that the money would be paid back. Report is that the first instalment has been paid by the union.

Regardless of whether the money is all repaid, there is still the question of whether the mayor was acting within the law (the village is not believed to have a fund for such purposes), to say nothing of the fact that he played into CP hands by acceding to the demand.

b. PESO functions: Shortages of budget and personnel are obstacles to maximum effectiveness of operation. Employer visitation program suffers on this account. Recent drop in budget allotments for average PESO's is interpreted to mean that only the large cities are taken into consideration insofar as increased work of the PESO's is concerned. What with the great amount of overtime work required even at smaller PESO's, this has become a matter of discouragement to local PESO Chiefs and employees.

4. Visit to Otawara LSIO:

a. Unpaid wages: Amount of arrears has been reduced since June. Increased success in obtaining payment has been achieved since Prefectural LSB instructed all LSIO's to obtain from delinquent employers a clear-cut plan for payment of back wages. Present figure for Otawara district is ¥147,000.

b. Safety and sanitation: Increasingly co-operative attitude on the part of employers was reported. Promotion of safety committees made up of management and labor representatives has had success. Encouragement is being given to employers to specify safety rules (with penalties for infringement) in the rules of employment, with a view toward following up safety education with actual enforcement. Workers are also being instructed that injury through carelessness of their own will result in cutting of accident insurance benefits. In extreme cases, workers will be taken to court and charged with gross negligence.

5. Visit to Otawara Vocational Training Center:

Facilities require considerable improvement. Capacity is 30 trainees (carpentry, woodwork) for 1-year course. Trainees get practical experience on public works. A serious problem is constituted by the curtailment of ¥150/month training allowance formerly provided by the Ministry of Labor. The prefecture is still paying ¥45/month, which is all that it can afford at present. It is felt that an allowance is necessary, since a boy who goes into apprenticeship training with a private employer is given room and board.

6. Visit to Yaita PESO:

a. Day laborers: There are no work relief projects. The fact that public works projects are extensive and capable of providing almost full employment has obviated demonstrations and disturbances. In fact, there is no day laborers' union.

b. Unemployment insurance problem: The fact that present Ministry of Labor regulations require PESO's with fewer than 200 recipients of benefits to interview these persons twice weekly detracts from the effectiveness of other PESO functions, -- for example, the employer visitation

program. PESO Chief felt that the figure should be lowered to 150, in order that the necessity for twice-weekly interviews might be obviated. Objective of the interviews is to prevent illegal payment of benefits, but there are other ways in which illegal payment can be prevented. For example, investigation might be co-ordinated with the employer-visitation program.

c. PESO functions: Budget and staff are inadequate. All personnel put in uncompensated overtime. Method of handling revisions and rescissions in PESO manual is cumbersome and confusing. Improved loose-leaf system would save considerable time.

7. Conference with Employers at Yaita:

A conference of approximately 1 hour was held with ten employers in the Yaita district for the purpose of discussing trade agreements and labor relations.

8. Public works project (ice-skating rink) at Kiyotaki Village (Nikko) was inspected.

9. Imaichi Vocational Training Center was visited.

10. Visit to Pine Sewing Machine Co. (Utsunomiya) was made for purpose of conferring with labor manager regarding current union situation. New contract is in process of negotiation. Management indicated desire to have KACAR personnel come to the plant in August to discuss grievance machinery and seniority system. There have been no recent labor disturbances.

SUMMARY

1. LPS officials are active in solution of disputes. Co-operation between LPS and LRC is excellent.

2. Densan split shows 80% pro-Mindo in Tochigi Prefecture.

3. Trend toward formation of independent unions is increasing.

4. Conference was held with LRC members to obtain their opinions regarding KACAR suggestions for LRC improvement.

5. Otawara PESO, LSIO, and Vocational Training Center were visited. All are hampered by inadequate budget. PESO reported CP manipulation of day laborers and village government of Kaneda-mura; cited example of mayor's compliance with demand of CP-led day laborer union at Karino-mura. LSIO reports increased success in safety and sanitation program, decrease in amount of unpaid wages.

6. Yaita PESO was visited. Extensive public works obviate difficulties with day laborers.

7. Public works project at Hikko was visited, and VTC at Imaichi inspected.

8. Visit was made to Pine Sewing Machine Co. in Utsunomiya.

9. Conference was held with employers in Yaita for discussion of trade agreements and labor relations.

RALPH FRIEDRICH
Labor Relations Division

pref file

HW

29 May 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Tochigi Prefecture, 25-27 May 1950, to Conduct Following Activities:

- (a) Meeting with Labor Relations Commission
- (b) Conference with Labor Department Chief and Officials of Employment Security Section
- (c) Conference with Labor Department Chief and Chiefs of Trade Union and Labor Education Sub-sections
- (d) Inspection Visit to Karasuyama Public Employment Security Office
- (e) Visit to Karasuyama Vocational Training Center
- (f) Visit to Fukuda Paper Manufacturing Co., Karasuyama
- (g) Conference with Labor Department Chief on Problem of Hitachi Plant, Tochigi City

1. Meeting with Labor Relations Commission:

The LRC was holding its first general meeting since the appointment of its new members. There are no Communists on the Commission. At present, it has before it two cases charging unfair labor practices and six cases for mediation. During the past month, in two cases of alleged unfair labor practices, the LRC rejected the charges on the grounds that workers had been discharged for their political and not for their union activities, as they had alleged. One of these cases involved the Nikko Copper Works, which has been carrying on a campaign to eliminate Red leaders. The other involved the Utsunomiya City Office. In the latter case, the charge has been re-submitted in protest against the LRC's rejection of it. The most prominent factories in Tochigi Prefecture have started another personnel reduction program, with the result that disputes are increasing in number. There are six disputes at present. There is a noticeable trend toward increased Communist activity in these disputes. Example was given of Fuji Sangyo, where the union is willing to cooperate with management, but Sanbetsu is preventing settlement of the issues involved. Another instance is represented by the Hitachi Plant at Tochigi City, where the union is affiliated with Sodomei but is apparently being put under pressure by Hitachi unions in Kameari and Ibaraki, both of which are under Sanbetsu. (See detailed report of Hitachi situation in paragraph 7 below.)

Advantage was taken of the opportunity to present to the LRC the ideas regarding improvement of the Commissions which were

Annex Ja, page 1.

submitted in a special report to higher headquarters in March 1950, and to warn members against giving in to political and other pressures which will increasingly be put upon them.

2. Conference with LD Chief and Employment Security Section officials:

a. Organizations of Day Laborers: LD Chief stated that these groups are mushrooming, but that their leadership is indefinite beyond the fact that it is largely Communist-motivated. The Ministry of Labor, although it has stated that these groups are to be regarded as unions, and that they should be educated in the proper techniques of union organization and operation, has not come out with a definite policy for their guidance. Those day laborers' unions which are under CP leadership have, of course, no democratic organization whatsoever, but even those which are not CP-controlled are still dominated by their cliques of "officers." The prime objective of the CP-organized unions is to bolster the Party's membership. Prefectures are inconsistent in the counter-measures they are adopting for use in this situation. The LD Chief felt that certain prefectural governments are actually being swayed by the Communists. The attack is first directed at the city, town, and village governments, with the objective of getting them to undertake relief work projects on their own. If this objective is achieved, the CP takes credit for the success and capitalizes upon it. A local community lacking funds to undertake such projects will approach the prefectural government for assistance. At present, the policy of the Toohigi Prefectural Government is to refuse such requests. It is realized there that granting such requests only increases CP membership. But in some prefectures, the LD Chief reported, the government has adopted the method of subsidizing local relief work projects, with the inevitable result that the CP program has been accelerated. He further pointed out that the national government policy is that the prefectures should subsidize such projects; that allocations for these should not be referred to as "unemployment relief work funds" but as "unemployment emergency funds" (probably for accounting purposes); and that there should be clear differentiation between relief work projects subsidized by the national government and those subsidized locally. The LD Chief felt that the probable reason for this is that the national government, having already allocated \$4 billion for relief work projects, wants the prefectural governments to supplement this insufficient amount. The national government seems, however, to be unaware of the fact that these funds are being used to enhance CP prestige. The LD Chief cited the example of Nagoya, where there are 4,000 workers on nationally subsidized relief work projects, and where the Aichi Prefectural Government is itself sponsoring projects for another 4,000, despite the fact that it is already running short of funds on this account. Apparently, even though it were to spend all its funds on relief work projects, it would still not be enough. In Saitama, the Chief stated, \$10 million has been allocated by the prefectural government to subsidize relief work, but apparently the government

is not playing into the hands of the CP, in that it is not spending money in direct response to demands made by CP-dominated day laborer unions, but to those made by legitimate groups.

The LD Chief expressed the opinion that strong counter-measures are necessary with regard to these groups, since it is established CP policy to steer public resentment into a head-on clash with the Government. He pointed out the necessity of determining whether CP-organized "unions" of day laborers are actually trade unions or political organizations. If it is determined that they are the latter, there are two outlets: (1) the registration of political organizations as required by law and (2) the application of Article 2 of the Trade Union Law, with its provision that, if the prime purpose of an organization is political activity, it cannot be recognized as a trade union. There is also urgent necessity of informing the public of the facts. The LD Chief felt that LaCAR suggestions regarding identification of travelling demonstrators (who go from PESO to PESO in order to create a false impression of the actual number of unemployed) were good. He stated that he will be able to get good newspaper cooperation in publicizing these tactics.

b. Problem of Unemployment Insurance: The requirement that a worker be employed 32 days out of a 60-day period in order to be eligible for unemployment insurance results in complications. If a worker is employed for two days in a stretch of five, he must wait eight days to collect his benefits. It is essential that this period be shortened. CP leaders are claiming that if a man does not work 32 days out of 60, and does not collect unemployment insurance benefits, he is being robbed. If the waiting period for benefits could be shortened, this type of criticism could be eliminated.

c. Other Relief Work Problems: There are discrepancies in the operation of the rotation system. For example, workers numbered from 1 to 100 are given jobs on the first day, with those numbered from 101 to 130 held as reserves. On the second day, some prefectures begin with Number 101; others, with Number 131 (even though none of the reserves worked the day before). Supervisory personnel on work relief projects are frequently incompetent, and workers therefore give inadequate performance. Because of this situation, most Public Works Departments do not welcome work relief projects. The Tochihi officials felt that supervisory personnel should be subsidized by the national government. Another complication is that local governments lack funds and are reluctant to bear their share in relief works. They attempt, therefore, to push the burden off on the prefectural government. In cases where local governments lack funds, they can obtain loans from the prefectural government.

d. Personnel Reduction at Nikko Copper Works: In view of prior information that the Nikko Copper Works anticipated difficulty in its recent personnel cut, it was inquired whether any trouble had developed. Officials gave information that no difficulty

was encountered. Management requested voluntary resignations and received considerably more than the number required. Reason for this was asked. Reply was that several factors were apparently responsible: (1) Many workers at the plant are from families with several members employed at the factory. (2) The discharge allowance was attractive. (3) Complete elimination of Red element from union has resulted in great improvement in labor relations.

3. Conference with LD Chief and Chiefs of TU and Labor Education Sub-sections:

a. Effects of Management Education Conferences: Officials stated that KaCAR employer education conferences conducted in April were the first attempt in Tochigi Prefecture at any really organized education for employers. Attendance was much better than anticipated, and it was considered notable that a substantial number of company presidents and plant managers were present. Recently employers have taken to consulting the LPS and local LPI's in increasing numbers.

b. Progress in Establishment of Trade Agreements: Recent trend shows slight increase in number of trade agreements in private industry. There has also been noted a considerably more intensive study on the part of both labor and management with regard to trade agreements. Plans are being made for implementing the July-August program of the Ministry of Labor for the promotion of trade agreements. The LPS plans to give special attention to those plants where both union and management are willing to conclude a trade agreement but have not done so because of confusion regarding the rights and prerogatives which properly belong to the respective sides. LD Chief reported that information from Japan Employers' Federation indicates that they are waiting for the Government to make a policy statement regarding trade agreements before they take any action. The local branch of the Federation, however, has divided the prefecture into districts and has launched a drive to get all employers to join the Federation and to establish trade agreements. The branch has also announced that it plans to appoint one member to specialize in labor problems. With regard to the recent advice of Mr. Amis (SCAP ESS Labor), Tochigi officials stated that it was generally quite well understood, but that extremist elements had tried to make an issue of it through misinterpretation. Their effort, however, failed.

c. Labor Education Materials: Distribution of KaCAR pamphlets is as follows: Seniority, 500; Grievance Machinery, 1,300; Nomination and Election Procedures, 3,000. It was advised that during demonstrations of nomination and election procedures special emphasis be placed upon methods of avoiding minority control of unions. Slide films on nomination and election procedures have been ordered. The film on grievance machinery, ANZEN-TU (Tower of Safety), has been purchased. The Tokyo Seiko Co. has adopted nomination and election procedures in its constitution. KaCAR program of management education has been published in prefectural labor organ, TOCHIGI KUDU JINGU.

4. Inspection Visit to Karasuyama PESO:

a. Administration and Operation: Staff numbers eight, including Chief. Average number of applicants processed per day is as follows: for permanent employment (first time), 7-8; for permanent employment (repeat), 30; for day labor on public works projects, 10. There are no relief work projects. Personnel and budget are both far from adequate. Quality of personnel has shown gradual improvement. Chief expressed opinion that there should be training courses for minor PESO officials as well as for PESO Chiefs.

b. Day Laborers: There are no organized groups. PESO is fortunate in being able to supply full employment for all day labor applicants. There was a definite attempt on the part of the CP to organize a day laborers' union, but on 20 May, the day scheduled for the meeting, only the five CP leaders showed up. PESO Chief feels that CP influence in the district is practically non-existent. Liaison is maintained with welfare agency. Certificates of unemployment are issued and applicants are referred to town office. Unemployment insurance benefits paid out in 1949 ran to ¥3,700,000. For the first quarter of 1950, the amount was ¥1,900,000.

c. Employer Visitation Program: The program is operated in conjunction with the PESO's industrial service program. The Chief reported that it is proving effective. Ratio between visits and job-openings is about 40%. Since about four days out of every week must be devoted to unemployment insurance and other PESO functions, only two days can be given to the visitation program. Employers are quite cooperative and have exhibited an increasing tendency to rely on the PESO. The selective placement system is not yet in operation.

d. Employment and Unemployment: Chief industries in the district are lumbering and woodworking. 57% of personnel retrenchment in the area was in these industries. About 40% of the approximately 2,000 junior high school graduates (March 1950) have been placed. There are no real opportunities for part-time work in the Karasuyama area.

5. Visit to Karasuyama Vocational Training Center:

The center trains students in carpentry. At present it has 25 enrollees for its one-year course, although it has capacity for 30. Jobs are rotated, with a view toward giving boys a variety of skills. The chief problem is that of budget. An allocation for additional machinery has been received, but it does not include funds for housing the machinery. Budget request was for ¥350,000, but actual amount received was ¥180,000. During time of KaCAR personnel's visit, boys were at work on construction materials for private dwellings in response to an order from local sources, but the flow of orders is not constant. Emphasis is placed on good basic training in carpentry rather than on turnout of products. One recommendation made by the head of the center is notable: He

considers it highly desirable that each student be given his own set of tools, with the instruction that these will become entirely his own at the time of graduation. Thus each student would be completely prepared for employment. Under present circumstances, since all students are from under-privileged homes, none can afford to buy his own tools. The head of the center stated that a good set of tools would cost only about ¥2,000 and that their value to the graduating student would be far in advance of this amount.

6. Visit to Fukuda Paper Manufacturing Co., Karasuyama:

The enterprise has 35 full-time (no part-time) employees who earn an average wage of ¥3,000 per month. Practically all operations are by hand. Head of the enterprise explained that the paper-making industry of this area dates back 700 years and that it was formerly a sideline for farmers in the vicinity. Present factory is ten years old; was established out of desire of farmers to form a cooperative enterprise instead of operating individually. Principal products are paper for shoji, umbrellas, and lanterns. There is a trade union, affiliated with Sodomei. It has a trade agreement, established in 1947. There is no CP activity whatsoever. The enterprise has not been faced with the problem of personnel reduction, but if production is to continue at normal rate, some sort of financial backing will be necessary. This problem is under study cooperatively by the three paper-manufacturing enterprises of Karasuyama.

7. Conference with LD Chief regarding Hitachi Plant Problem at Tochigi City:

The Hitachi Co. is a reparations plant manufacturing electric refrigerators for the Occupation Forces. It has a total of 934 employees, 119 of whom are to be discharged under personnel retrenchment. 82 of these volunteered to resign. The remaining 37 received discharge notices on 25 May. New union officials were elected 5 April, and since that date there have been 23 meetings between union and management over the wage issue. Union demands increase from ¥7,400 to ¥12,000. Management apparently gave no consideration to this demand, but eventually answered with its discharge announcement. The union at this plant is affiliated with Sodomei, although other Hitachi unions (Kameari and Ibaraki) are under Sanbetsu. On 25 May, the Hitachi General Federation sent instructions to the Tochigi plant local telling members "not to be swayed by the Communists, but to take advantage of them." There was to be no unlawful struggle. These instructions came in response to management's discharge announcement. The local union was also instructed to resort to court action. The Hitachi General Federation plans to consolidate all disputes and handle them at national level. Management apparently wanted to set up a cooling period after the discharge announcement; so it declared a 3-day holiday, 25-27 May, with pay.

But on 25 May, while all eleven management personnel were "away" (possibly in hiding), there arrived a delivery order for 20

refrigerators for the Occupation Forces. Fortunately, this fell into the hands of Yamamoto, a prominent union member who appears to have the confidence of all the workers. On the strength of this order, Yamamoto apparently persuaded the union to decline two of the three proposed holidays in order to meet the delivery deadline. According to the LD Chief's report, Yamamoto suspected that the CP was trying to move in and, knowing that some of the younger workers were extremely excited, considered that it would be better to cool them off by having them remain at work. Yamamoto represents the moderate element, together with Kataoka (chairman) and Suzuki (LRC member). The younger element in the union is made up of 60 members and calls itself the Toseibu (Control Department). After the failure of the 25 May negotiations over the discharge announcement, it was this element that made a nuisance of itself by going to company officials' homes and using "psychological warfare" tactics. However, LD Chief's inquiry of the policy yielded the information that these younger members did not indulge in any unlawful acts, as management had claimed. Police called in union chairman and vice-chairman (Sugiyama) and warned them to control this younger element. The two promised to exercise discipline among their members and announced that they were going to fight to the finish with the CP. The police have made three dry-runs of their riot plan, and police chiefs of all neighboring stations have been alerted.

Management is tiring of negotiations, both physically and psychologically. The LD Chief is of the opinion, however, that this state of anxiety on the part of management has been brought on entirely by itself. Work is progressing normally at the plant. Three of the company section chiefs are on hand. Although management is at a disadvantage in having only a total of eleven persons on its side (i.e., 11 management personnel), there are other factors in which its responsibility for the current situation becomes evident. It has known since March, for example, that it must dispose of surplus workers. Its stated reason for retrenchment is that it purchased expensive materials for manufacture of its products, but now the prices of these products are declining, with the result that the more it sells, the more it loses. The personnel slated for discharge included (1) those who would resign voluntarily, (2) those who had had prolonged absence, and (3) those whose attendance had been irregular. Instead of discharging workers for just cause, one by one as the occasion arose, or in small groups, management saved them up for one wholesale discharge. The trade agreement at this plant has expired and has not been re-negotiated. In the expired agreement, consideration was not given to the fact that the factory is a reparations plant, and no provisions were made for such necessities, for example, as excluding guards and maintenance crews from striking. The LD Chief pointed out that this sort of situation constitutes a nation-wide problem, and that there is definite need for study of the type of trade agreements that will be suitable for reparations plants. He added that previous Hitachi contracts had been forced upon management by CP-dominated unions, and that management

is not accustomed to real negotiation.

There are two known outside Communists operating in the Hitachi Co. affair. These are the Kawase brothers, of Tomiyamamura. There is one other, at present unidentified. Two Tokyo-to CP headquarters members, Ito and Kimura, are known to be operating at the Hitachi Co. in Ibaraki. Persons from the local Sanbetsu (Tochigi) have gone to root for the Hitachi employees. Nevertheless, in the opinion of the LD Chief, no CP member will be able to wedge his way in and create confusion. If such an eventuality should occur, it would probably originate with union secretary, Gunji, who is alleged to have connections with the above-mentioned Kawase brothers. It is expected that the discharged workers will begin their real protest on 27 May. It is possible that some of the 82 who voluntarily resigned will claim that they were forced to do so. There appears to be no likelihood of illegal acts for the time being. But intervention by Sanbetsu elements from the other Hitachi plants is a definite possibility. The Tochigi Hitachi union, however, being with Sodomei, will probably maintain its independence and resist attempts at intervention. The LD Chief does not feel that the trouble in Tochigi springs from an attempt to make a thrust at the Occupation, but rather from an attempt to make the Tochigi Hitachi union fall in line with the Kameari and Ibaraki branches of Hitachi.

SUMMARY:

1. First LRC general meeting since appointment of new members was attended for purpose of presenting KaGAR opinion regarding improvement of LRC organization and functions.
2. Conference with LD Chief and Employment Security Section officials brought out following information:
 - a. Aware that CP pressure, exerted through day laborer unions, is being put upon prefectural and local governments to set up relief work projects on their own, and that granting of such demands only adds to CP prestige, the Tochigi Prefectural Government is following the policy of rejecting these demands.
 - b. The need for strong counter-measures against these CP-led groups has become increasingly apparent.
 - c. The too-long period of waiting required before workers can obtain unemployment insurance benefits has also been capitalized upon by the CP.
 - d. Supervisory personnel on relief work projects are frequently incompetent, with the result that laborers do not give adequate performance.
3. Conference with LD Chief, TU and Labor Education Sub-section Chiefs revealed the following:

a. Beneficial results of KaCAR management education conferences have been noted.

b. Local branch of Japan Employers' Federation has launched drive to get employers to join and to establish trade agreements. Slight increase in number of agreements in private industry has been noted.

c. Good distribution of KaCAR pamphlets has been obtained.

4. Karasuyama PESO and Vocational Training Center were visited. Both are operating effectively, but problems of budget impose serious obstacles, particularly for the latter. PESO has not had any day laborer problems.

5. Fukuda Paper Manufacturing Co., Karasuyama, was inspected with regard to employment situation, union status, working conditions, and production.

6. Conference was held with LD Chief regarding problem of personnel retrenchment at Tochigi City Hitachi Plant (reparations, manufacturing electric refrigerators for Occupation). Union at this plant is affiliated with Sodomei, but unions at Hitachi plants in Kameari and Ibaraki are with Sanbetsu, and it is anticipated that they will attempt interference. Tochigi Hitachi union is expected to resist efforts to bring it in line with the other two. No violence has occurred, but younger element in union has used "psychological warfare" against company officials.

RALPH FRIEDRICH
Labor Relations Division

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7 April 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Tochigi Prefecture to Attend the Northern Kanto Bloc Labor Administration Conference, 3 & 4 April, 1950.

1. Representatives to the conference included labor department chiefs and assistants from the four prefectures of Northern Kanto, headed by Tochigi, the sponsor, and Gumma, Ibaraki and Saitama. Three officials from the Labor Policy Bureau, Labor Ministry, including the bureau chief, participated in the gathering, as well as two labor officers from KaCAR. This conference was the first one of this nature undertaken in the Kanto Region; the prefectural officials of these prefectures decided to get together to discuss mutual problems on labor. The number of prefectures represented at the meeting was limited to the four listed above, since the various conditions and labor problems were more similar and common within this group. (This conference must be differentiated from the Kanto Bloc Labor Policy Conference which deals only with issues of labor policy sections covering labor education and labor relations.) Other prefectures may be included at future gatherings if the need and desire is felt by the individual "ken", as in the case of KRLPC, in which the ten prefectures of the region participate.

2. The agenda for the meeting, prepared by Tochigi Prefecture, concerned such problems as unemployment and its counter-measures, with emphasis on the unemployed day-laborers. Some of the more important points discussed by the representatives were the following:

a. The effect of the change of wages for day-laborers working on unemployment relief projects. For instance, the average for heavy and light laborers wages in Tochigi will be decreased from ¥192.50 to ¥176.00.

b. Number of personnel employed by the prefecture to enforce the unemployment counter measure projects. Saitama is using 23 and Gumma 20, at prefectural expenses, whereas Ibaraki and Tochigi have none.

c. Regarding unemployment insurance, day-laborers are complaining that many of them secure the unemployed coupons just short of the required number to become recipients of the benefits. At least 32 coupons within a period of 60 consecutive days are required before the day laborer becomes entitled to unemployment insurance benefits. Many day-laborers get together and pool their coupons by using one employment card in order to get the insurance money.

d. PESO officials find that many unemployed do not have separation notices when applying for jobs or unemployment insurance. In order to save time, the representatives of the meeting were of the opinion that Article 49, Item 2, of Unemployment Insurance Law should be revised to make it compulsory for employers to issue separation notices for all discharges, instead of upon request as is provided in the present law.

e. Day-laborers unemployment insurance fee should be increased from the present rate of ¥3.00 for 1st class and ¥2.00 for 2nd class. Also, it would be better to have the same amount for both types of laborers.

f. Requests have been received to establish branch offices to handle unemployed people where PESO's are not located. However, due to the stringent budget and lack of personnel, even one official cannot be spared from the individual PESO's

g. The KaGAR labor officer inquired about the coordination between the PESO's and the welfare department concerning those unemployed unable to find jobs. Liaison is being maintained, but it was discovered that a more thorough follow-up is necessary in order to give complete service to the needy.

h. An inquiry was also made by the KaGAR labor officer as to the adequacy of the benefits paid to the needy, under the Livelihood Protection Law, to maintain the minimum standards of health and decency. It was the consensus of all that unemployed people requesting aid have difficulty qualifying, since the standards set up by the welfare officials are too stringent. For example, one representative mentioned that applicants must not subscribe to a newspaper, cannot have a "tansu" (chest of drawers), radio, or any other cultural articles. Even after qualifying for the benefit, the amount received is so small that living is so difficult that people endeavor to obtain side work to supplement the benefit payment.

3. Other items included in the agenda were:

a. The establishment of the Livelihood Consumers Association and other measures for the welfare of the laborers. It was pointed out that Miyagi Prefecture had allocated one million yen towards assisting the workers to set up and operate such a consumers association. None of the four prefectures represented had any system in operation, but stated that a serious study would be made of the matter.

b. Discussion was held to find ways and means to increase the number of signed labor contracts. In comparison to the number of trade unions, the percentage of agreements signed and still valid are as follows: Ibaraki 40%, Gumma 31%, Saitama 25%, and Tochigi 35%.

c. Lastly, they all agreed to cooperate in the publishing and printing of leaflets and pamphlets, so that the prefectures could jointly do the work more economically.

4. On the second day of the conference, the various representatives presented recommendations which the group will present to the Labor Ministry in the form of a petition. Tochigi Prefecture submitted the following:

a. The instructions issued by the Central LRC do not coincide, on many instances, with the policies of the Labor Ministry. As a result, concurrence is often difficult between the Prefectural Labor Dept. and the Prefectural LRC. The request is for the two central bodies to get together so that the lower echelons can take unified action.

b. The Labor Standards Inspection Offices are located in the FESO buildings causing such confusion and interference. It would be to advantage of both parties if the LSIO could obtain separate offices.

c. The allowances paid to the members of the LRC are too small and not in proportion to the time and effort expended toward this work; this applies especially to neutral members. Recommendations include payment of ¥3,000 per month to all members, plus ¥300 for attendance at regular meetings, and ¥500 for each special meeting; the latter are called mostly for neutral members on unfair labor practice problems.

Ibaraki Prefecture was worried that the allocation of four billion yen for the Unemployment Counter Measure for the new fiscal year will be insufficient. If such is the case, they fear that the activities of the communists will be increased. Finally, both Gumma and Saitama Prefectures were interested in getting information regarding C.P. directives in order to combat this menace by setting up counter measure policies.

SUMMARY:

1. Four Northern Kanto Prefectures, Tochigi, Ibaraki, Gumma and Saitama, got together for the first time to discuss labor problems with emphasis on unemployment.

2. Through the interchange of mutual problems and various ideas, the representatives were able to benefit greatly by the conference.

3. As a result of the discussion meeting, recommendations on the prefectural problems will be sent to the Labor Ministry in the form of a petition.

(Note) Attached is a translation of the Labor Ministry's reply to Ibaraki Prefecture regarding the latter's query on collective bargaining with the unemployed.

MARTIN T. KAMACHO
Labor Relations Division

SHITSU-HATSU #38

30 March 1950

TO: Chief of Each Prefectural Labor Administrative Department (Bureau)
FROM: Chief, Unemployment Countermeasures Section, Employment Security Bureau, Ministry of Labor

Attached herewith is a copy of the reply given by this section to Ibaraki Prefectural Economics Department chief in reference to the collective bargaining with groups of the unemployed. It is to serve as your reference.

SHOKU-HATSU #550

30 March 1950

TO: Chief, Economics Department, Ibaraki Prefecture
FROM: Chief, Unemployment Countermeasures Section, Employment Security Bureau, Ministry of Labor
SUBJECT: Collective Bargaining with Groups of the Unemployed.

As regards the subject matter referred to in SHOKU-HATSU #11, dated 10 March 50, the policy to be followed is stated below. Request that you understand it fully and do not cause any inadequacy in case of individual happenings.

This office further informs you that the policy stated below has been already consulted with such authorities concerned as the Local Autonomy Agency.

NOTE

1. Workers employed on work relief projects by local public entities, shall be included in "those persons who hold positions as employees of the national government or local public entities, regardless of whether they are appointed or employed" within the meaning of Art. 1, Cabinet Order 301 of 1948.

2. The Cabinet Order 301 has been "abolished as it applies to personnel of the national government" under Art. 8 of the Supplementary Provision of the National Public Service Law. However, such provision has not yet been enacted pertaining to personnel of the local public entities, and accordingly the Cabinet Order 301 is fully effective on them.

NOTE (Cont'd)

3. "These persons who hold positions as employees of local public entities" as provided under Art. 1, Cabinet Order 201 of 1948, shall not have the right of collective bargaining as usually understood with its coercive character supported by such threats as strike, sabotage etc. Therefore, such persons and the local public entities are not qualified as parties to conclusion of trade agreements.

Local public entities are not under obligation to bargain collectively with the unions organized of day laborers in general, centered around workers placed on work relief projects.

In other words, the employer's obligation to bargain collectively, within the meaning of the provision of Par. (2), Art. 7 of the Trade Union Law, does not apply to local public entities by reason of the above 3, as it concerns the workers now employed on work relief projects. Nor does this obligation apply as it concerns the trade unions organized of day laborers in general who may possibly be employed by local public entities, since the above provision of the Trade Union Law provides for the employer's obligation to bargain collectively only with "the representative of the workers employed by the employer" but not with those who may be employed in future. Therefore, local public entities are not under obligation to bargain collectively with any of the aforesaid groups. (Art. 6 of the Trade Union Law is not one that provides for the employer's obligation to bargain collectively.)

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17 April 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Tochigi Prefecture, 10-14 April, 1950
to Conduct Following Activities:

- (a) Four Management Education Conferences (Utsunomiya, Tochigi City, Kanuma, Otawara)
- (b) Visit to Tochigi Women's Prison in Connection with Women's Week (Women's and Minors' Bureau)
- (c) Visit to Otawara Public Employment Security Office and Labor Standards Inspection Office
- (d) Inspection of Relief Work Project at Washiko-machi

1. Management Education Conferences:

Agenda for the conferences was the same as that presented at the original series of management education conferences in Ibaraki Prefecture during January 1950: labor relations, collective bargaining and trade agreements, wage clauses, allowances, seniority system, and grievance machinery. (Ibaraki meetings were reported in detail in Memorandum for Record, 23 January 1950.)

Attendance at each conference averaged between 40 and 50 employers. Prefectural and local Labor Policy officials were present at all meetings. There was evidence of good planning and co-operation on the part of LPS officials and employers' associations. The degree of attention was excellent, and audience participation in the question-and-answer period that followed each lecture indicated the eagerness of the employers to make use of the advice and suggestions which had been presented to them. At each meeting, the Labor Department Chief gave a brief advisory speech in which he emphasized the urgency of establishing trade agreements. Greatest amount of interest was shown in the subjects of grievance machinery and seniority. Employers were informed concerning KaCAR pamphlets on these topics which are to be made available to them through the LPS. It is interesting to note that the Japanese translation of the U.S. Chamber of Commerce pamphlet, COMMUNISTS WITHIN THE LABOR MOVEMENT, has become increasingly familiar to employers and that they are making use of the information it presents, both in dealing with the Communist problem and in improving labor relations.

2. Visit to Tochigi Women's Prison, Tochigi City:

The visit was made at the request of the Women's and Minors' Bureau Chief, who had previously arranged to visit the prison in connection with Women's Week activities. After inspecting living and

working conditions among the prisoners, KaCAR personnel gave a brief talk for their benefit, emphasizing the importance of women's assuming the responsibilities that go along with the rights that have been granted them, and pointing out that the maintenance of these rights depends upon women's working together for mutual benefits.

3. Visit to Otawara Public Employment Security Office and Labor Standards Inspection Office:

These offices were inspected informally during visit to Otawara to conduct a management education conference. The PESO has no serious problems in connection with day laborers or organizations of the unemployed. The LSIO, like almost all others, is hampered by low budget and lack of transportation facilities. The district includes a number of areas that are difficult of access. The impression was gained at both the PESO and the LSIO that they are functioning effectively despite obstacles imposed by inadequate budget and insufficient personnel.

4. Inspection of Relief Work Project at Mashiko-machi:

The project is road-construction and was set up in order to help relieve the unemployment situation created by depression in the pottery industry, which is the town's chief source of livelihood. Twenty to thirty workers are being employed per day for a period of one month and a half.

SUMMARY

1. Four management education conferences were held at strategic locations in Tochigi Prefecture, with an average of 40 to 50 employers attending each. Attention and audience participation were excellent.
2. Tochigi Women's Prison was visited in connection with Women's Week activities of Women's and Minors' Bureau.
3. Otawara PESO and LSIO were informally visited.
4. Relief work project at Mashiko-machi was inspected.

RALPH FRIEDRICH
Labor Relations Division

Pref file

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17 March 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Tochigi Prefecture, 8-10 March 1950, for:

- (a) Conference with Chief of Labor Department
- (b) Visit to Imaichi-machi Labor Standards Inspection Office
- (c) Visit to Ashikaga-shi Public Employment Security Office
- (d) Visit to Ashikaga-shi Labor Standards Inspection Office
- (e) Inspection of Two Work Relief Projects at Ashikaga
- (f) Visit to Moka-machi Public Employment Security Office

1. Conference with Chief of Labor Department:

a. Background information was obtained regarding unions at Pine Sewing Machine Co. and Fuji Sangyo (both in Utsunomiya) in preparation for educational meetings to be held with these organizations by KACAR personnel.

b. Public Employment Security: Outstandingly difficult case is that at Nikko-machi, involving discharged workers of the Nikko Copper Works. These persons have organized a union of the unemployed. A union of discharged officials of the company was also planned, but the Labor Department Chief and the Labor Policy Section Chief expressed their disapproval. As a result of this, a split occurred in the union. On 2 March, the union called a meeting, but no definite decision was reached. The day laborers stated that they would adhere to PESO instructions. All workers went to their jobs. It appears, however, that they are still in the process of forming a union which will include the former company officials. CP influence is apparent. Workers have been paying fees to CP leaders. When the futility of such payments was pointed out to them, they began to quit the union.

LD Chief stated that he would like to have clarification of Government policy regarding formation of unions of the unemployed. His own opinion is that they should be permitted to organize, since this would provide an opportunity for educating the workers. He added that this would bring up the question of the appropriate unit, and gave the opinion that this should be on a geographical basis. It would also bring up the question of which government agency or organ should be subjected to frontal attack by such a union: the PESO, the agency handling work relief projects, or some other organ. There is then the question of whether such organizations as unions of the unemployed have the right to bargain collectively, or whether their demands should be presented in the nature of grievances. The latter method would imply the establishment of some form of grievance machinery.

Annex 3a, page 1.

There is also the problem of wages of day laborers on relief work projects. Present law calls for establishment of these wages at 10-20% below prevailing wages for day laborers engaged in similar work (but not on relief projects) in local communities. But there are variations within one prefecture regarding prevailing wages. For example, at Nikko, where commodity prices are high, the day laborer's wage has less purchasing power than in a community like Utsunomiya. The LD Chief is of the opinion that the Government should give more attention to this problem, with a view toward establishing differentials. He also mentioned that job-classifications are slipshod and need to be rationalized.

In further evidence of the seriousness of the situation regarding the relief work program, the LD Chief gave the following information: Under CP pressure in local areas, cities, towns, and villages have begun to undertake relief works on their own (without national government assistance). He cited instances of this development in Kanuma-shi, Mashiko-machi, Kaneda-mura, and Nanai-mura. One definite result of this, he stated, is an increase in CP membership, since the Communists can offer jobs as premiums for workers who join the Party. Recently, the CP has approached the prefectural government with the demand that it undertake relief projects on its own. The LD Chief expressed himself strongly to the effect that counter-measures must be taken. He pointed out that although the Minister of Labor has the right (under the Enforcement Ordinance of the Unemployment Counter-measures Law, Article 5c) to suspend any relief project, the prefectural governor is without such authority, and is therefore not in a position to take action in situations like those described above.

The LD Chief produced a copy of the CP "Handbook for the Unemployed" (SHITSUGYOSHA NO TEBIKI) published by Nippon Rono Tsushinsha. He stated that it contains a variety of misinformation, plus a number of misstatements regarding unemployment in the United States.

Educational measures being taken by prefectural authorities in the effort to inform day laborers regarding the true facts of their position and the true function of the FESO include distribution of leaflets and conduct of "explanation" meetings for groups of workers throughout the prefecture. The latter procedure has proved most effective so far. Four out of the 15 meetings planned have been conducted. The LD Chief and Employment Security Section officials alternate as speakers. Suggestions made by KACAR personnel regarding the subject were incorporated into agenda to be used by speakers. On the third day of this field trip, after four of the "explanation" meetings had been conducted, Employment Security Section Chief reported highly favorable response on the part of day laborers who had been addressed so far.

2. Visit to Imaichi-machi Labor Standards Inspection Office:

a. Administration and operation: The staff is at full strength, having nine members. There are 431 establishments in the district, representing chiefly the following types of industry: lumbering, wood-working, metal mining, tourist. The three regular inspectors average a

total of 50 inspections per month. It was noted that the charts regarding these inspections and other functions of the LSIO were particularly well maintained. The Chief Inspector of the LSB, who accompanied KaCAR personnel on this visit, explained that until about a year and a half ago inspections had been comparatively lax, since inspectors considered that their efficiency would be judged by the frequency rather than the quality of inspections. The present policy is to make thorough inspections, using a checksheet which assures that all points requiring attention will be covered. Standard forms used for regular and follow-up inspections were examined. Chief Inspector explained that Tochigi Prefecture had the advantage of putting these forms into use as early as October 1949, although they were not put into use nationally until 1 March 1950. This advantage came about through the Chief's having been one of four personnel in the Ministry of Labor assigned to study types of inspection forms and to develop a standard one for use throughout Japan.

b. Safety and sanitation: In contrast with situations reported at LSIO's in other prefectures, it appears that a considerable number of safety and sanitation violations in enterprises in Tochigi are reported by workers themselves. LSI officials attribute this degree of progress to the effectiveness of the Labor Standards education programs that have been conducted by the LSIO's and the unions. As a specific example of the tendency among workers to report violations themselves, they cited the lumbering industry. Previously, they pointed out, when business conditions became bad, operators would simply not pay the workers, who would continue to work without protest. Now, with their knowledge of LSL provisions, workers exhibit an increasing tendency to report violations. The Chief Inspector reported that the Workmen's Accident Compensation Insurance fund is facing bankruptcy because of the great number of accidents that continue to occur. This emergency, he pointed out, brings into the limelight a problem that will have to be solved through more effective promotion of safety and safety education. He was of the opinion that as far as safety is concerned, the problem can be solved largely through the installation of adequate safety devices. The main problem is that of sanitation. At present, he stated, there is no one in the LSB sufficiently qualified to undertake educational programs on sanitation. In other words, the LSB should have a doctor on its staff. But the salary that the LSB could afford to pay would not be attractive enough to bring in a qualified physician. In addition to the constructive work he might perform, such a physician would also be of value to the LSB in the area of checking on diagnoses made by local doctors in cases of accident or illness claims made under the WACI program.

c. Recommendations made to LSI officials: It was emphasized to the LSI officials that safety is not a matter of one-time safety education alone, but that it is also a matter of constant supervision and, even more important, a matter of changing the worker's attitude toward safety. It was recommended that inspectors point out to employers the practical dividends that will accrue to them from the promotion of safety and sanitation. It was suggested that co-operative measures might be taken among employers to achieve improvement of the situation, and that individual types of industry should conduct research along these lines. Some time was spent in discussing practical measures that have proved effective in the U. S. and Japan.

It was also suggested that the rules of employment include disciplinary measures to be taken against employees who persist in their carelessness despite proper instruction in matters of safety and sanitation.

d. Unpaid wages: Imaichi LSIO Chief reported that the present trend in his district is toward an increase in the number of cases, all of which involve small operators who go to the limit of delinquency. The situation does not characterize any single type of industry. The prefectural LSB inspector reported that the situation with regard to the whole prefecture also shows a slight increase in the number of cases. He presented the following statistics:

<u>LSIO Re- porting</u>	<u>Amount carried over from De- cember 1949</u>	<u>Additional cases dur- ing January</u>	<u>Amount of in- crease during January</u>	<u>Amount paid during Jan- uary</u>
Utsunomiya	¥ 170,000	11	¥537,000	¥ 160,000
Ashikaga	¥ (none)	1	¥100,000	¥ 90,000
Tochigi-shi	¥ 165,000	2	¥280,000	¥ 82,000
Sano	¥1,468,000	1	¥130,000	¥1,074,000
Kenume	¥ 230,000	2	¥ 41,000	¥ 150,000
Oteware	¥ 350,000	2	¥154,000	¥ 135,000
Imaichi	¥ 345,000	0	(none)	(none)
Noka	¥ 403,000	0	(none)	¥ 180,000
TOTAL	¥3,131,000	19	¥1,242,000	¥1,871,000

Breakdown of delinquent firms shows 34 small, 22 medium-sized, and 2 large enterprises. 39 cases were carried over from December 1949. Present total for prefecture is 58 cases.

e. Workmen's Accident Compensation Insurance: During the Imaichi LSIO visit, opportunity was taken of advantage of LSB Chief Inspector's presence to inquire concerning collection of WACI premiums. He gave the following figures for the entire prefecture:

<u>Goal set for 31 March 1950</u>	<u>Amount collected to date</u>	<u>Percentage of collection</u>
¥58,000,000	¥53,110,000	91.5%

He added that collections are proceeding satisfactorily and that balance is being maintained between collections and payment of premiums. As of 31 January 1950, there had been 8909 cases, with total benefit payments of ¥39,966,661.

e. Matters of budget and personnel at Imaichi LSIO: The chief stated that the LSIO is understaffed. The members are young and eager, but there are limitations regarding what they can do. Overtime work is frequently necessary. The addition of only one member to the staff would assist greatly. Frequent training courses are carried on for inspectors to keep them abreast of latest developments regarding the law, new techniques of inspection, and the like. Lack of a qualified physician hampers work, particularly when it comes to checking on accident cases. The chief suggested that if each local LSIO cannot have the services of a physician, at

least the LSB should have such services. Increase of budget has caused consequent increase in efficiency of LSIO operation.

3. Visit to Ashikaga-shi Public Employment Security Office:

a. Administration and operation: The regular staff of 16 has been augmented by 4. Since the Ashio Copper Mine community is included in the district, a larger staff would be desirable in the interest of PESO effectiveness. Prefectural government plans for a work relief project in Ashio may require the PESO to dispatch two or three of its staff to that area. The number of day laborers processed per day is 150. New applicants for regular employment average 50 per day; repeating applicants, 80. The PESO Chief expressed himself enthusiastically regarding the training course he attended at Urawa (Saitama). He felt that the chief value of the course was that it gave PESO Chiefs the opportunity of actually participating in the work of the PESO, instead of requiring them merely to attend one-way instruction meetings as former training courses did.

b. Employer visitation program: Towards the end of 1949, the PESO achieved a record of some 500 visits per month. Present average is approximately 300. Results have been encouraging. Number of placements has tripled. These are mostly in small enterprises. The employment situation in larger enterprises (50 or more workers) shows excess of dismissals over placements. PESO Chief stated that efforts made in the visitation program are more than worthwhile, not only with regard to increase achieved in number of placements, but also in development of understanding on the part of employers regarding the PESO and its functions. He added that their effectiveness in selective placement techniques may be increased. He is at present engaged in providing such training for his personnel.

c. Jobs for junior high school graduates: The situation is brighter in the Ashikaga district than in the majority of districts visited so far. Placement of between 35% and 40% is expected. Pertinent figures are as follows:

	BOYS	GIRLS	TOTAL
Number desiring jobs	585	456	1041
Number who have applied to PESO	476	470	946
Number of openings (estimated)	96	272	368
Number already assigned jobs	29	120	149

Large difference between number of openings for boys and for girls is accounted for by the fact that Ashikaga, as a textile manufacturing district, offers more opportunities for female workers. The local vocational guidance committees have been of little assistance in finding or creating job-openings for graduates. PESO officials have had some success through employer visitation program. There is a plan for a prefectural-level committee to deal with the problem, but actual formation of the committee has been delayed until after current session of prefectural assembly.

It was suggested that attention be given to the possibility of using idle reparations plants and machinery in vocational training courses for junior high school graduates. Some time was spent in discussing the PESO's role as a liaison agency between employers and vocational schools.

d. Unemployment relief work and day laborers: In the Ashikaga district, a Free Laborers' Union was organized on 26 February under CP leadership. PESO Chief reported that the actual motivating force is a Korean CP member, but that the nominal officials are Japanese. Dues are reported to be ¥5 per month. PESO Chief does not believe that members are paying a fee to the CP leader. There have been no disturbances or demonstrations to date. Suggestions were made to the chief regarding methods of handling day laborers' groups which may approach the PESO with demands. These suggestions included emphasizing to day laborers the following facts: The PESO is a service agency of the Government. There is no employer-employee relationship between the PESO and day laborers. CP leadership is mis-leadership. The CP is attempting to use the day laborers as tools in its campaign against the Government. It was pointed out that day laborers have the right to petition the Government or one of its agencies, but that whether or not their demands can be granted is a different matter. Episodes in Shizuoka and Ibaraki were cited to illustrate methods used by PESO's there in dealing with groups of day laborers and their representatives.

Inquiry was made of PESO Chief concerning distribution of work booklets. He stated that the system of issuing booklets to all applicants does not work. He feels that the booklets should be issued only to those who are able and willing to work. At present, they are being issued indiscriminately, since there is no time to investigate each individual worker's qualifications. It has been the practice of PESO officials, at the time booklets are issued, to emphasize to workers that the issuing of a booklet is not a guarantee of a job. Previously, when number of applicants and number of placements were balanced, there was no problem, but now the situation has changed, and applicants outnumber openings. The rotation system has had to be instituted only recently. A prefectural fund of ¥18,000,000 for work relief projects will absorb just about all applicants for day labor in the Ashikaga district, provided national government subsidy is forthcoming. The PESO Chief requested detailed information regarding the Hitachi incident in Ibaraki, in order that he might have some idea of how to deal with similar situations which might arise in his district. He stated that he has the good fortune to have in his office a repatriate from Manchuria who is well acquainted with CP tactics and who serves him in an intelligence capacity in addition to performing his other duties. The PESO also receives excellent co-operation from Labor Policy field offices regarding labor trends and possible disturbances. Liaison with the police is good.

4. Two unemployment relief work projects were inspected in Ashikaga City: (a) Flood control project in connection with the Watarase River and (b) Cleaning project involving the moat around the Banneji, former seat of the Ashikaga Shogun, now a public park.

5. Visit to Ashikaga Labor Standards Inspection Office:

a. Unpaid wages: Remarkable success has been achieved in collection of wage arrears in this district. Between March 1949 and January 1950, out of a total of ¥9,466,110, collection of ¥9,045,822 was accomplished. Present amount outstanding is ¥420,288, representing two cases, both of which are before the procurator. Total of all cases was 30. At the top of the list were electro-communications and textile industries. When inquiry was made concerning techniques employed to achieve this degree of success, the following information was elicited: Inspectors were persistent in pointing out to employers the necessity of protecting the workers' livelihood. Causes of non-payment were determined. Inspectors studied employers' accounts receivable and visited debtors in attempts to secure payment of these accounts. The LSIO Chief stated that intelligence, sincerrity, and diligence of the inspectors were largely responsible for their success. He explained that inspectors must determine with discretion whether or not employers have exhausted all resources or whether they still have untouched private means. He stated that it is a matter of determining whether employers are keeping faith with their workers. He was of the opinion that publication of the names of delinquent firms is of advantage only in cases of willful refusal to pay back wages. He mentioned that in the two cases which are now before the procurator the employers were living well upon their own resources and exhibiting no sense of responsibility to their unpaid employees. With regard to the future, he was not optimistic, citing as his reason the fact that the textile industries, which comprise 51% of industry in the district, are in the doldrums. The LSB inspector who accompanied KaCAR personnel stated that the Ashikaga LSIO is outstanding in efficiency and that it might well serve as a model for other LSIO's in the prefecture.

b. Safety and sanitation: Five inspectors are responsible for 2300 establishments. Most frequent violations are found with regard to safeguarding of machinery, bad flooring, and poor lighting. Of 5927 men and 3238 women examined between April 1949 and March 1950, 1138 were found to be either partially or totally unfit for work. Group examinations have been conducted with a view toward reducing expense incurred, in private individual examinations. Services of public health centers are used to good advantage. Individual exams average about ¥300 each, whereas the institution of group exams and the use of public health center services have reduced the price to ¥50. Some time was given to discussion of the topic of safety education, and recommendation was made to inspectors that the best approach to employers is to emphasize the practical dividends that result from promotion of safety and sanitation.

6. Visit to Ma:za-machi Public Employment Security Office:

a. Administration and operation: Regular staff of seven has been increased by one temporary employee. January figures show that 171 new applications for regular employment were received, 2026 repeat applications, and 135 applications for day labor. There were 52 job-openings in regular employment that month, but only 35 placements were

made, since such circumstances as difficulty of commuting prevented acceptance of all jobs. There are no relief work projects in the district, but the FESO has applied to the Ministry of Labor for institution of such projects, since 279 persons are drawing unemployment insurance benefits, and the fund will soon be exhausted. The FESO building is inadequate in space, poorly constructed, and unattractive. It is rented, and will have to be vacated during this month. A new building is planned, provided budget allotment is granted. Increase of personnel by three would be desirable. Transportation difficulties exist.

b. Unemployment situation: Moka is the CP stronghold in Tochigi Prefecture. Although there have been no demonstrations or disturbances at the FESO, demands for relief work have been made, in all cases by groups under CP leadership. FESO officials reported that local Communists were assisted in organizing these visits to the FESO by Saneki Matsumoto, central committee member of the Tokyo CP. In addition to the usual demand that local mayors sell rice on the installment plan, they have demanded and in several cases achieved institution of relief work projects by local communities on their own. It appears, as in the above-reported Nikko incident, that the Communist leaders wish to contract for such relief work and distribute the jobs among day laborers with a view toward increasing party membership. FESO Chief and Prefectural Employment Security Section official who accompanied McCAR personnel pointed out that these demands are being directed more at local town and village offices than at the FESO in this district.

The mayor of Mashiko-machi appears to typify the weakness of municipal authorities in the face of demands made by unions of the unemployed under CP leadership. He is reported to have made loans to the unemployed from his private resources and has apparently been instrumental in the institution of relief work projects undertaken by the town government. In an incident involving unpaid workers at certain of the Mashiko potteries, he demonstrated further his ineptness at dealing with the situation. Pottery, the chief industry of Mashiko, has gone into a decline. 27 of the 55 existing establishments have closed. In lieu of unpaid wages, employees were presented with 82 bales of pottery. Under the leadership of CP member Isobe, these were transported to the town office, where the mayor was asked to buy the pottery. In an effort to handle the situation without difficulty, the mayor called in a group of 15 workers (represented by Isobe), 4 pottery manufacturers, and 2 pottery dealers to discuss disposition of the pottery. An agreement was reached by which the dealers would accept the pottery at ¥400 per bale, less 20% for breakage. The ¥7900 loss through breakage was to be borne as follows: 50% by the manufacturers, 30% by the town office, and 20% by the workers themselves. FESO officials reported that the mayor paid the town's 30% out of his own pocket. They also pointed out that if such concessions as this and the local governments' institution of relief projects on their own continue, towns and villages will soon reach a financial crisis.

c. **Employer visitation program:** The program is not meeting with success in the Moka district because the present trend is toward discharge rather than hiring. The only good results so far have been in the placement of workers in government jobs. The program has at least one advantage, however, to compensate for the failure to achieve much improvement with regard to placements. It is that through visits by PESCO officials, employers come to realize the value of the PESCO and its functions.

d. **Jobs for junior high school graduates:** For 548 job-seekers, an estimated 30 jobs are available, practically all outside the prefecture. Vocational guidance committees are of no assistance in dealing with the problem. PESCO officials have succeeded in providing some part-time employment for young people through liaison with employers. Columbia Phonograph Co. employs 10 students on Saturdays and Sundays in probationary employment.

7. **Visit to Moka-machi Labor Standards Inspection Office:**

a. **Unpaid wages:** There has been an increase in delay and in number of cases, although the total amount of arrears has been reduced. Figures for the first two months of 1950 are as follows:

	<u>Number of cases</u>	<u>Amount unpaid first of month</u>	<u>Amount paid during month</u>	<u>Balance unpaid</u>
January 1950	8	¥318,919	¥ 95,083	¥223,736
February 1950	12	¥402,706	¥239,305	¥169,401

Policy of LSIO has been to save legal action as final resort after all persuasive methods have been exhausted. Since the district is characterized by small-scale industry, workers in general stick by their employers despite non-payment of wages, partly because of a sense of moral obligation and partly because of their feeling that no benefit will result from their seeking jobs elsewhere.

b. **Factory inspections:** There are 723 establishments in the district. Although the LSIO is entitled to three inspectors, only two are available at present. They average 25-36 inspections per month. Problems of budget and transportation impose obstacles. Of all violations of the LSL, the most frequent are in the area of administrative procedure (workers' roster, wage ledger, etc.). The cause is largely indifference on the part of employers rather than ignorance of the law. Safety violations occur most frequently in lumbering and woodworking industries. The LSIO Chief stated that few violations are reported by workers themselves in this district. He also reported that indifference toward conducting physical exams is great, and that the problem is complicated by a lack of doctors. Compliance of employers is good, once deficiencies have been brought to their attention. Methods of promoting safety and safety education were discussed. LSIO Chief stated that it has been his policy and that of his inspectors to emphasize to employers the practical value of promoting safety and sanitation.

SUMMARY:

1. Organizations of day laborers and the unemployed, under CP leadership, present a problem of increasing seriousness. In at least four instances in Tochigi Prefecture, local communities have instituted relief work projects on their own, apparently under pressure from these Communist-led groups. It appears that CP leaders offer jobs on these projects as premiums for workers who join the Party. It also appears that municipal authorities lack firmness in meeting these demands. FESO officials stated that continuation of this trend will soon lead local communities to financial crisis.
2. The three local Labor Standards Inspection Offices which were visited appear to be operating effectively under good guidance from Prefectural LSB officials. Some time was spent at each in discussion of techniques of promoting safety and sanitation.
3. At the Ashikaga LSIO, remarkable success has been achieved in collection of unpaid wages. At two other LSIO's, although the yen total has been decreased, there has been an increase in the number of cases. Majority of enterprises involved are small-scale.
4. Employer visitation program of Ashikaga FESO has met with considerable success, but this instance appears to be exceptional. FESO officials feel that the program has value in that it serves to acquaint employers with the FESO and its functions, even though the immediate objective of the program, which is to find job-openings, may not be accomplished.

PALPH FRIEDRICH
Labor Relations Division

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27 January 1950

MEMORANDUM FOR RECORD

Prof file

SUBJECT: Field Trip to Tochigi Prefecture, 23-25 January 1950, for:

- (a) Conference with Chiefs of Labor Department and Labor Policy Section and with Representatives from Labor Education Advisory Committee.
- (b) Conference with Officials of Labor Standards Bureau.
- (c) Inspection of Public Employment Security Offices at Utsunomiya, Tochigi City, and Kanuma.
- (d) Inspection of Labor Standards Inspection Offices at Tochigi City and Kanuma.
- (e) Inspection of Two Relief Work Projects at Tochigi City.

1. Conference with prefectural labor officials and LEAC management and labor representatives:

a. Main purpose of conference was to present a prospectus of the ECAR management education program, to offer to conduct the program at a number of places in the prefecture, and to obtain the suggestions and recommendations of labor officials regarding the subjects which require most emphasis in a program of management education.

b. The following topics were considered by the officials to be of greatest concern to management at present:

- (1) Techniques of collective bargaining and establishment of trade agreements: Misunderstanding regarding these topics exists both among management and unions. Larger enterprises are generally still in the process of negotiating contracts.
- (2) Establishment of grievance machinery: LEAC management representative stated that top management is still too much concerned with handling all disputes, regardless of their nature, and that there is a confusion between collective bargaining and grievance machinery. Another problem exists in the failure of both union and management to be bound by decisions rendered through arbitration. There is also a failure to delegate sufficient authority both to representatives of union and management at each level of the grievance machinery. Further confusion exists regarding the relationship between the shop steward and the foreman. This situation arises out of general misunderstanding regarding the qualifications for union membership. There is also some question concerning the extent of the union executive committee's authority in the operation of the grievance machinery.

- (3) Current problems of management under personnel rationalization program indicate the need for establishment of effective seniority systems.

c. Since the above-mentioned topics are also of vital concern to unions, it was suggested that a similar program be conducted for the benefit of unions. Consensus of opinion was that it would be more satisfactory to hold management and union education conferences separately. When it was inquired what the employers' reaction would be to the proposal of holding such conferences for union representatives, opinion was that once the value of the program became clear to employers, they would be willing to have it presented for unions.

d. Status of labor education:

Union representative from LEAC stated that until now too much attention has been concentrated on the education of union leadership and not enough on the education of the rank and file. He cited the weekly radio program for labor as an example of this tendency, adding that more specific and elementary topics ought to be discussed, e.g. trade agreements and grievance machinery. The Labor Department Chief cited the lack of leisure time for workers as a barrier to labor education. He brought up the matter of the union's holding educational meetings on company time. Apparently some employers are willing to grant such a privilege, provided the time per week does not exceed one hour. The workers themselves, however, seem to lack the desire to avail themselves of opportunities for education. Officials also mentioned the need for a systematic program of education that will reach small unions. The "Twenty Questions" type of quiz program has been found to be an effective educational device. A training course for kasahibai operators is being instituted, with a view toward presenting programs for individual unions. The LEAC union representative, who is a Densen official, described techniques used successfully in his union for attracting workers to union meetings and educational programs. It was suggested to the officials present that some sort of prospectus outlining all educational facilities and services available to individual unions ought to be developed by the LEAC and the Labor Education Sub-section and presented to all unions.

2. Conference with Labor Standards Bureau Officials:

a. Unpaid wages:

Worst offenders are machinery and woodworking industries. Average arrears is 1½ months. Techniques of persuasion rather than of coercion have been found more effective in getting management to pay back wages. If no retirement allowance clause exists in the trade agreement, the tendency is not to pay an allowance in cases of personnel rationalization.

b. Workmen's Accident Compensation Insurance:

As of the end of October 1949, there were 607 cases of delinquency in payment of premiums, with the amount of \$3,240,000 uncollected. Action taken against delinquent firms includes personal visits

by inspectors to collect premiums and attachment of employers' property. Although there have been instances of attachment, so far no sale of assets has been held, since employers have paid up before the sale could be consummated.

c. Safety and sanitation:

Machinery industries have the greatest percentage of accidents, with an average loss of time from work running from 3 to 7 days per case. Chief causes of accidents are carelessness of workers and failure of management to safeguard dangerous machinery. If complete safeguarding of machinery presents too great expense to the employer, temporary safety measures are suggested by inspectors. The safety situation at the Oya stone quarries, where working conditions and methods are primitive, presents one of the most serious problems. The problem of minor workers is also involved. Inspectors advanced the opinion that if the Labor Standards Law were to be strictly applied in the Oya quarries, a substantial number of female laborers would be eliminated and would most probably be driven to prostitution. Apparently this argument is not one put up by management to retain its female workers, but rather a statement of fact, since the town of Oya depends largely upon the quarries for employment opportunities. Management in the quarrying industry is interested in promoting safety measures, but the basic issue is the extent to which it can afford financially to make improvements. Officials also pointed out that, although management usually cites the carelessness of workers as the chief cause of accidents, there are other factors involved, such as overwork, lack of nourishment, and dangerous and unhealthful working conditions. The prevalence of silicosis and tuberculosis indicates urgent need for research into causes and means of prevention of these diseases in industry. It was felt that management must take the initiative in such research. Consensus of opinion among Labor Standards officials was that quarterly rather than semi-annual health examinations should be given, and that the Labor Standards Law should be altered to provide for more frequent examinations.

3. Inspection of Public Employment Security Offices:

a. Utsunomiya PESO:

Physical arrangements are good, considering limited amount of space. Addition to present building has been planned. On the average, 200 daily laborers and 300 applicants for permanent employment are processed each day. Present staff is 39. Semi-private booths for interviewing have been set up. Impression was that the PESO is functioning effectively within its present limitations and that the staff, under good guidance from labor officials, is operating efficiently.

b. Tochigi City PESO:

PESO, Labor Policy Office, and Labor Standards Inspection Office are in the same building. PESO is attractive and well arranged. Officials appeared to be well informed and efficient in their work.

Records and statistics are effectively maintained and readily available. Number of daily laborers handled per day is 150-160; number of applicants for permanent employment, 140. Two public work relief projects are being conducted, one in flood control and one in road construction. Good progress has been made in the elimination of labor bosses. The problem is most persistent in the construction industry. Payment of wages directly to workers on public projects has obviated labor boss exploitation in these projects. A major problem is presented by the Nurses' Association, in which there is evidence of exploitation in the handling of placements and the payment of wages. There is a movement in the direction of establishing a separate association which will co-operate directly with the PESO in the matter of placement for nurses. Current problems of the Tochigi PESO, as presented by the officials, include the following: Wages of PESO employees are too low in comparison with wages of employees in the prefectural offices. Funds for travel and incidental expenses of local PESO chief are almost non-existent. The present system of making additions to the PESO Manual causes difficulties in indexing and maintenance of materials for ready reference. Officials also reported that the great lack of jobs for lower secondary school graduates is the cause of increase in juvenile delinquency. The prefectural government is considering the establishment of a vocational guidance school and dormitory as a means of combating the delinquency problem. The number of jobless lower secondary school graduates in the Tochigi City area is approximately 5,000. Considerable time was spent with the officials in discussing possible measures for dealing with the problem. It was suggested that a city committee, with membership representing employers, school principals, teachers, parents, labor officials, and other interested parties, might well contribute toward a solution.

c. Kanuma PESO:

The office is functioning effectively with its staff of 16 persons. Monthly average of applicants processed is 350 for permanent employment, 3,500 for day labor. PESO chief stated that a 30% increase in personnel would greatly improve the effectiveness of PESO operations. There are a number of relief work projects under way. Chief of these is for the repair of earthquake damage at Imachi and vicinity. Others include city water system for Kanuma, establishment of a public park, and repair of prefectural roads. Decline in the woodworking industry, which comprises 51% of industry in Kanuma has created a serious unemployment problem. A similar decline has occurred in the rope manufacturing industry. Mass discharges at the Nikko Copper Works have added to the problem. The prefectural project for the repair of earthquake damage (including the removal of obstructions from rivers) will employ 3,500 daily workers for a period of two months and will require expenditure of ¥20,000,000. Problems of the Kanuma PESO, as reported by the chief, include the following: Wages of PESO employees are inadequate. Present budget allocation is insufficient and does not allow for satisfactory repair and maintenance of PESO building and facilities. Job openings for graduates of secondary schools are in the ratio of approximately 10 per 1,000. There is a distinct relationship between this situation and the increase of juvenile delinquency. The problem was discussed at some length with the officials, and suggestions were made regarding possible solutions. Another problem is the failure of the prefectural government to place sufficient confidence in the local PESO chief with regard to the matter of budget expenditure. Officials ex-

pressed the opinion that the PESO should be given the opportunity to use its own initiative in budget planning and expenditure. Present method requires that all requests for materials (paper, furniture, etc.) be submitted to the prefectural office for approval. If the PESO chief, on the other hand, were permitted to have a definite budget allotment and to exercise his own judgment in expenditures, much waste of time and energy would be eliminated. The Labor Department Chief stated that a training course for PESO chiefs in the handling of budget matters is being planned. The recent training course held in Saitama Prefecture for PESO chiefs was considered to be of great value in two respects: Training in techniques of interviewing job applicants was well handled, and exemplary planning and operation of Saitama PESO's provided the Kanuma PESO chief with good ideas for the improvement of his own office. He is particularly concerned with the careful selection of the proper applicant for the proper job, since, through this, more effective placement is achieved, and there is a consequent increase in the reliance of employers up on the PESO.

d. General matters concerning PESO's:

Improvement has been noted in the quality of the staffs, but a need for further training exists. Two inspectors have the responsibility of visiting all PESO's for the purpose of evaluating personnel. Generally speaking, there is good co-operation from the schools in the effort to find employment for graduates. Radio programs and wall newspapers have been used for the purpose of acquainting graduates with job opportunities, and liaison is maintained with PESO's in Tokyo in an effort to increase placements. A special campaign for placement of graduates is being held from 22 to 28 January. Collection of unemployment insurance premiums is excellent. Percentage for Tochigi Prefecture is 98.1, which places it tenth among all prefectures. Increase of unemployment problems has caused the need for more PESO personnel. Although 33 PESO employees were discharged in August under personnel rationalization, it was found necessary to hire 12 additional persons in December. There has been a small increase in budget, but the problems of overtime and travel expenses still remain to be solved.

4. Visits to Labor Standards Inspection Offices:

a. Tochigi City Labor Standards Office:

- (1) Safety and sanitation: Particular attention is being concentrated on the safeguarding of saws in lumbering and woodworking industries. In machinery industries, inspectors have given special attention to the installation of covers for grinders. Inspection office chief reported that safety education has been directed largely at management, but that it cannot be ascertained to what degree management has passed on this education to workers. Two model workshops have been selected to illustrate good safety measures; these are in machinery and metal work. There is a tendency in small enterprises to ignore matters of safety and sanitation. Employers may give polite

attention to recommendations made by inspectors, but their degree of compliance is limited by their lack of interest in the problem. Officials expressed the opinion that failure to develop study of job-analysis has a relationship with problems of safety. This observation was made in connection with a discussion of the problems of carelessness and the accident-prone worker. There appears to be little initiative on the part of the employer to institute measures of safety and sanitation. The average number of enterprises inspected per month by each inspector is 20. Regular inspections are carried on by three persons. It is occasionally necessary for inspectors to pay travel expenses out of their own funds. On the average, each establishment is inspected once per year. There are 12,000 establishments and 50 inspectors in the prefecture.

- (2) Unpaid wages: Officials stated that no improvement has been shown, although by the end of 1949, 15 out of 16 cases had been settled by payment in full. Reason for lack of improvement is that lumbering, woodworking, and machinery industries are showing a steady decline, with consequent increase in the number of cases of wage arrears. There is a general tendency for workers to remain with employers despite wage arrears, because there are few job opportunities elsewhere and also because many workers are able to return to their farming families in cases of financial emergency. Officials stated that workers in Tochigi Prefecture are in general characterized by a certain mildness which precludes their standing up for their rights. They also reported that associations of the unemployed are being formed, some of them under Communist influence. Unemployed Koreans constitute another problem; they have refused relief work on the grounds that wages are too low and that, as foreign nationals, they are entitled to higher pay.

b. Kanuma Labor Standards Inspection Office:

- (1) Factory inspections: Inspections are conducted by two full-time inspectors, the chief, and the Workmen's Accident Compensation Insurance inspector. The two full-time inspectors handle the bulk of factory inspections. There are 950 establishments in the district, of which 864 were inspected during 1949. Each inspector conducts an average of 30-35 inspections per month. During 1949, 2654 cases of violation were discovered. In order of frequency, these were as follows: failure to conduct physical examinations, failure to maintain a wage ledger, failure to maintain personnel records for workers, and safety violations consisting largely of lack of covers for grinders and guards for saws. Improvement has been noted in the degree of compliance

shown by employers when violations are brought to their attention. Procedure is to have the employer acknowledge the deficiency in writing and to promise to eliminate it by a certain date. So far, among the factories in the district, the Teikoku Fiber Company represents a model, since its efforts in the direction of safety and sanitation, particularly in the attempt to deal with the problem of dust-exclusion, have been exemplary. Good results have been obtained through the conduct of special training courses for acetylene torch workers and boiler men. During January, a labor sanitation training course was held for 23 safety officers. In enterprises where a union exists, the attitude of workers toward promotion of safety is good, but in smaller establishments without unions, the attitude is one of indifference. Of the 950 establishments in the district, approximately 80% do not have unions, but 60% of the workers in the district are unionized. Two cases of violation have been brought before the law, with the salutary effect of convincing employers that violations, even though they be minor ones, are strictly prosecuted.

- (2) Unpaid wages: During 1949 there were 56 cases of unpaid wages, with a total of ¥356,797 remaining unpaid at the end of the year. Average length of arrears is 2-3 months. Worst offenders are woodworking, machinery, and mining industries. No cases have been brought to court.
- (3) Workmen's Accident Compensation Insurance: 70% collection of premiums was reported as of the end of 1949. Some improvement has been shown as result of special collection campaign. Personal contacts between inspectors and employers appear to be the best method of obtaining payment. Out of a total of ¥3,370,931 due between June and December 1949, payments amounted to ¥2,879,614. A substantial number of small enterprises have indicated a desire to participate in the insurance plan. There is a problem, however, in that small establishments with poor installations and facilities present a great risk and an obstacle to the soundness of the insurance program.

4. Inspection of relief work projects at Tochigi City:

Two projects were inspected, one in flood control on the Nagano River and the other in the Tsutsuji-en (Asalea Park), where motor roads and safety barriers are being constructed. Day laborers on both projects are paid directly at the close of the work-day, and the danger of exploitation by labor bosses is thereby eliminated.

5. Impressions:

Labor Department Chief accompanied KCAR personnel on all visits and inspections and exhibited a commendable interest in all discussions, as well as a remarkably good knowledge of labor affairs throughout the prefecture. Degree of interest in their work shown by all officials contacted was good, and in many cases excellent.

SUMMARY: Proposed series of management education conferences was discussed with prefectural labor officials, who presented their recommendations regarding topics that should be stressed at these conferences. The progress of labor education was discussed, and the need for educational programs within individual unions was emphasized by the officials. Conference with Prefectural Labor Standards Bureau officials revealed the need for continued education in safety and sanitation. The problem of unpaid wages remains great, with woodworking and machinery industries as the worst offenders. Three Public Employment Security Offices were visited for the purpose of discussing the current employment situation and current problems of PESCO officials. General impression gained from these visits was that PESCO officials are working with commendable efficiency, despite additional work-load imposed by increase in number of applicants for employment. Two local Labor Standards Inspection Offices were visited, and problems of safety and sanitation, unpaid wages, and collection of Workmen's Accident Compensation Insurance premiums were discussed. Two public relief work projects were inspected.

RALPH FRIEDRICH
Labor Relations Division

HEADQUARTERS
KANTO CIVIL AFFAIRS REGION
Labor Relations Division

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17 December 1949

MEMORANDUM FOR RECORD

*Tochigi Memo
for Record file*

SUBJECT: Field Trip to Tochigi Prefecture, 12-14 December 1949, for: (a) Conference with Chiefs of Labor Department, Labor Policy Section, Labor Education Sub-section, Union and Legislation Sub-section, Chairman of Labor Relations Committee, and Chief of LRC Examination Section; (b) Conference with Chiefs of Labor Standards Bureau and Women's and Minors' Bureau; (c) Conference with Representatives of Four Labor Unions

1. Conference with Labor Department Officials:

a. Industrial rationalization in Tochigi Prefecture forms the basis for the majority of current labor problems. From February through November 1949, there were 296 cases of rationalization affecting 8640 employees. The greatest number of discharges took place in August. There has been a decline to the point where discharges for November (359 persons) are about equal in number to those for February. Of the 8640 discharges mentioned above, 2532 represented discharges of government personnel. Officials reported that government separations are just about completed. Three cases charging unfair labor practices in connection with the rationalization program have been appealed to the Labor Relations Committee. These involve the Utsunomiya City Office (3 persons), the Nikko Copper Works (1 person) and the Sannoya Steel Works (1 person). With regard to the first of these cases, investigation has been completed. Altogether, 26 persons were discharged from the Utsunomiya City Office, of whom 23 made no protest. It was stated by the officials that those who protested are CP members; that two of these were inefficient; and that the third was unqualified to be a public servant. Decision has not yet been rendered. With regard to affairs at the Nikko Copper Works, the following information was obtained: At present there is no labor contract. Whenever an attempt is made to negotiate, the problem of drawing the line between union and non-union employees arises. There are 104 security personnel whom management claims as its representatives. The neutral members of the Labor Relations Committee, after conference, decided that these 104 employees are properly the representatives of management and strongly recommended to the union that they be dropped from membership. The case was brought to the attention of the LRC when the union applied for certification. The Committee has requested the union to act voluntarily in the matter. If it does not, official notice will be sent to it on 16 December. Total union membership at present is 3070; there are between 50 and 60 non-members.

Annex 3b, page 1

b. The Tochigi Prefectural Board of Education announced, during November, that it would request the resignation of 25 teachers who came under a set of six standards of separation, which the Board later announced. These are substantially as follows; (1) Uncooperative toward democratic development of education and unsuited to new teaching methods; (2) Inefficient in service, unsatisfactory in attitude, unsuited as a public servant, exerting bad influence on pupils, lacking confidence of parents; (3) Uncooperative toward policy of principal or supervisors; (4) Guilty of violating the school's regulations; (5) Guilty of violating the Fundamental Law of Education; (6) Guilty of violating the Board's policy on political activities in the schools. By some leak of information through the Board of Education Secretariat, the names of the 25 prospective resignees were published in the local press (SHIMOTSUKE SHIMBUN), despite the fact that six of the teachers had resigned before their resignation was actually requested by the Board. The newspaper article referred to the teachers as "reds" although the Board had apparently made no allegation of this sort. Nine of the teachers resigned upon request; the other ten refused. Each of the teachers had been notified concerning the reasons for the Board's request for resignation. Later, when the ten teachers refused to resign, the Board's charges against them were made public in the press. Although none of these ten has made a personal appeal to the Teachers' Union, the Union has interested itself in the case and has taken the matter to the Board of Education with a request for clarification of the reasons for dispensing with the teachers' services. The labor officials stated that these discharges are not connected with the Ministry of Education's fixed ratio for teachers, nor are they part of an effort to dispose of union leadership. The Teachers' Union made the announcement that if the charges against the teachers are justified, and if the motive of the Board is to dispose of unsatisfactory teachers, it will approve. But if the Board cannot clarify its reasons, the Union cannot approve. The Labor Department Chief stated that since the Board's meetings have been held in closed session, it has not been possible for labor officials to get complete information, but they have, nevertheless, a definite interest in the case. The Board and its Secretariat are at present engaged in investigating the means by which the names of the teachers became known to the newspaper. The Board had promised to withhold the names from publication. The labor officials stated that no hearings of individual cases have been held by the Board, but that if the Board's reasons for requesting the resignations are not satisfactory, hearings will be opened. The matter, however, has not yet reached this stage. The Labor Policy Section Chief expressed the opinion that the Board's charges were well-founded. When it was inquired whether there is any likelihood that the case will reach the Labor Relations Committee, the reply was that the present status indicates it will not, but that the individual teachers may appeal. If the LRC accepts the appeal, the sources of the Board's evidence against the teachers will be investigated. It should be noted that, even though the Board's charges may be well-founded, it has been put into an embarrassing position by the publication of the teachers' names. Of even greater importance is the fact that the above-mentioned standards of separation set up by the Board not only admit of broad

interpretation but also allow for the possibility of injustice to teachers, even though the Board is obligated by law to give hearings to teachers threatened with discharge. The labor officials were requested to report further developments in the case.

e. The Labor Department Chief reported a hunger strike involving eight employees of the Utsunomiya-shi branch of the Japanese Government Railways (kokutetsu) which had begun on 11 December and was still in progress. The strike developed out of the Government's failure to act positively in the issue of the wage payment of ¥45 okyu recommended by the Public Corporations Arbitration Committee. The Chief pointed out that the Socialist party's support of the workers' demonstrations against the Government is similar to the action that preceded the projected general strike of February 1947 and added the opinion that this movement will become general as other unions join in. It is the feeling of the workers that the Government is not acting in good faith, since, instead of accepting the arbitration committee's recommendation and in turn making a direct recommendation to the Diet to appropriate the ¥45 okyu, it has presented the problem to the Diet for deliberation. Opposition parties in the Diet state that if the Government were sincere, it would not have sidestepped the decision in this fashion. Labor officials expressed the opinion that the Kokutetsu workers' union, although it is now under the leadership of the Minde group, is not likely to remain quiet in the face of this issue. The Labor Department Chief added that it will be interesting to see what attitude will be taken by the delegates to the World Labor Congress when they return to Japan. In explanation of the Government's attitude toward the problem, he stated that there are three issues that the Government faces: First, its greatest worry is that it must not go against present economic fundamentals; second, it fears that an increase in wages such as that represented by the recommended payment of ¥45 okyu to Kokutetsu workers (an average of ¥6,000 per employee) would result in a serious inflationary trend; and third, that if this increase is paid to Kokutetsu workers, other Government workers will present similar demands.

d. Labor education matters as reported by the Labor Education Sub-section Chief included the following: Three main types of educational programs are being conducted:

- (1) Programs dealing with the revised labor laws, with emphasis on conducting these in individual plants.
- (2) The KGAR program on nomination and election procedures for unions: An extra budget allocation of ¥10,000 was provided for the purpose of presenting the program in individual plants. Between June and mid-November 1949, demonstrations were given before 220 individual unions out of the total of 503 unions in the prefecture. In addition to these presentations, the program was given for a number of unions in combination with the union organization and operation program mentioned in (3) below. 3000 copies of the nomination and election procedures program were printed for distribution to unions at the time demonstrations were given. The program was also printed in the TOCHIGI-KEN RODO JIHO (1500 copies).

- (3) Programs on union organization and operation have been completed for 345 out of the total of 503 unions, with the expectation that the remaining 158 will be completed within this year.

The Ministry of Labor has suggested a number of programs, but the Tochigi officials have followed the policy of selecting those matters which appear to require the most emphasis. The programs on the revised labor laws and the KCAR nomination and election procedures program are felt to have been the most successful to date. The Labor Department Chief stated that at first efforts were made largely in the direction of educating union leaders, but that now it has become apparent that it is necessary to educate the rank-and-file in the simplest terms regarding the labor movement. Until recently, leaflets and other educational materials were distributed only to union leaders, but it is now realized that simpler materials must be disseminated in larger quantities, with the objective of providing individual copies for all union members. The Labor Education Sub-section Chief stated that the method of dealing thoroughly with one labor topic at a time is superior to the method of Presenting the whole general picture at once. Another interesting feature of the labor education program in Tochigi is the service offered to senior high schools, whereby graduating students are given instruction in basic labor principles by personnel from the six Labor Administration Offices. Ten schools have availed themselves of this service during 1949.

e. Discussion of trade union matters brought out the following information: The problem of full-time union officials has been solved almost completely, except for a few banks which remain to be investigated. Union members appear to have begun to comprehend the difference between union activity and political activity. Also, understanding is increasing regarding the elimination of useless intermediate organs in union structure. (Labor Department Chief stated that he is encouraging such elimination). The labor officials expressed the opinion that the successful establishment of grievance machinery will depend upon management's change of concept regarding the position of the foreman and other supervisory personnel and its willingness to grant them authority concomitant with their positions. The labor officials stressed the importance of increasing education regarding union constitutions. The unions seem to understand basic local union organization, but they do not understand how this foundation should be built upon by establishing an adequate but not a surplus number of departments. The role of women's and youth departments in unions appears to be fairly extensively understood.

f. Matters of budget as related to the various labor administrative organs were discussed. Simplified statement of prefectural budget reveals that the Labor Department receives 1.6% of the total budget,-- for operating

expenses. Personnel expenses are included in the General Affairs Department allocation, which is 4.3% of the total budget. Funds for printing and travel are inadequate, and the labor education program is thereby hampered. For the 1949 fiscal year, the Labor Department was expecting a 50% additional subsidy (against the total estimate) from the National Government, but only 16% actually came through. Consequently, the labor officials show little inclination to rely on subsidies and are gloomy regarding prospects for 1950. They would prefer that total allocation for the Labor Policy Section be made within prefectural budget if the promised subsidy cannot be depended upon.

2. Conference with Chiefs of Women's and Minors' Bureau and Labor Standards Bureau:

a. The Women's and Minors' Bureau Chief reported that her main problem is the large scope of activities which the Ministry of Labor expects to have carried out. Limitations of budget and personnel impose a serious handicap. She cited the example of the present survey on women working in posts established by law, an undertaking which requires a great deal of time and will not be completed by the time the Ministry expects it. Postal expenses for the Bureau far exceed the amount now available under the budget. The present allocation of ¥1,200 for three months ought to be increased to ¥3,000 per month if informational materials are to be adequately distributed. At present, it is difficult to reach the small unions. The average transportation allowance is ¥1,500 per month. The special allocation for conferences does not arrive until more than a month after the conference for which it is earmarked has taken place. Consequently, the Chief has to supply conference travel expenses out of her own funds and wait an inordinate length of time for reimbursement. Although the Ministry of Labor has suggested the use of the Labor Policy Section as a channel for distributing informational materials, that section has no budget allocation for postal expenses. It was suggested to the Chief that the aid of various women's organizations (other than unions) and civic groups might be enlisted. At the same time it was emphasized that it is a matter of getting all women, and not exclusively working women, interested. The Chief stated that a few women's clubs have been approached for assistance, and that they have been very cooperative. She feels that understanding of the working woman's position has increased. Her report on the present activities of the Bureau included the following:

- (1) Working Women's Section: Present emphasis is on extension of job opportunities for women. The section has already conducted one of a series of four meetings with FEBO officials and local women representatives for the purpose of realizing this objective. An example of public cooperation in this field is to be found in Kanuma-shi, where both employers and the city office have exhibited interest in a project to employ widows (exclusively) in the home industry of ornamental

woodwork on geta. The city office advanced funds for getting the project under way, and geta manufactures provided a week's course of instruction for the women. It is possible for employees in this industry to earn as much as ¥200 per day.

- (2) Working Minors' Section: An investigation is being carried on with regard to hours, wages, and working conditions of minors in such businesses as flower-selling, food-peddling, etc. In Fochigi, the average salary for minors so employed runs from ¥2,000 to ¥3,000 per month, with the proportion of 60% to the operator and 40% to the working minor. The Chief explained that unless a minor belongs to a business organization or pays a premium of some sort, it is practically impossible for him to be employed. The problem of working minors of compulsory school age has been reduced through strict investigation and action by local inspection officials working in cooperation with school authorities and welfare officials.

b. The Labor Standards Bureau Chief reported as follows:

- (1) Women's and Minors' Bureau workers are diligent and exhibit excellent cooperation with the Labor Standards Bureau.
- (2) Unpaid wages: Worst offenders are brought before the procurator, who at present has 15 cases before him. The greatest number of cases handled occurred during July and August 1949. So far, only one case has been settled through the court. It involved 300 people, with wages four months in arrears; was sent to the procurator in July; was finally settled in December, with instructions to the company to make periodic partial payments until full amounts are paid. Company was liquidated in July and assets were mortgaged for purpose of wage payments. In the present 15 cases, 500 people are involved. Cases of unpaid wages are brought to the attention of the Bureau through complaints of workers, either individually or through their unions. Such cases are most prevalent in small factories where no unions exist. The Bureau Chief stated that there has been no substantial exodus of workers from factories because of unpaid wages and that, on the other hand, workers appear willing to stay with employers and take their chances of collecting back wages, because it is extremely difficult to find jobs elsewhere. The Chief fears that there are many unreported cases of wage arrears because of this "loyalty" of workers to employers. He stated that workers appear to have faith in the Bureau's ability to assist them. The number of cases settled by administrative orders issued

by the Bureau is much greater than the number brought before the procurator.

- (3) **Wages:** There is a tendency for employers to decrease wages. In the face of this, the Bureau and the Ministry of Labor are making plans to set up a minimum wage system by category. From 1 January 1950, there will be a budget allocation for investigation committees to consider fair and just wage levels.
- (4) **Child-selling:** The problem is not so acute as it was previously, but there is still a tendency for women and minors to be sold from the Tohoku Region for work in Tochigi-ken. The Chief cited an instance of forced labor by a minor whose employer refused medical care and thereby caused the child to lose his foot through an infection. The Bureau investigated the case and sent it to the procurator, who is now continuing investigation.
- (5) **Forced labor:** A case now before the court involves a test as to whether there is an employer-employee relationship between geisha and their manager. Upon complaint of one geisha to the Labor Standards Bureau, it was discovered that she and a number of others entered into a verbal agreement with an operator who promised them 30% of their total income, with the other 70% to go to him. The promised 30% was not paid. Some of the geisha became ill but were not permitted to have medical care. The lawyer for the defense claims that there is no employer-employee relationship involved, and that the geisha are merely living in the operator's house as guests. No written employment agreement exists, but the operator has kept a written record of the women's engagements, and this record is in the possession of the Bureau. Both the Bureau and the procurator maintain that there is an employer-employee relationship and that the Labor Standards Law applies. The LBS Chief stated that this is the first case of its sort and that the decision will be of considerable significance. He added that geisha in other areas of the prefecture are working under similar conditions.
- (6) **Workmen's Accident Compensation:** 90% of the premiums have been collected. A special campaign was conducted during July and August, with all Bureau officials and local inspection officers taking part. In cases of willful refusal to pay, management's assets are attached, with the result that most employers pay up. In cases of shutdown or liquidation, the insurance is closed out as of the liquidation date, or premiums are reduced in order to permit balancing of books. There are also cases of disappearance of operators who have to be searched

out and made to pay. A case now under investigation concerns protection of lumber workers (of whom there are approximately 5000 in the prefecture) hired on a contract basis by operators who claim that they are therefore not liable in case of accident. Lumber workers appealed to the Bureau, whose investigation indicates that there is an employer-employee relationship even though the workers are hired on contract. The Ministry of Labor has expressed interest in this matter and wishes to set up a policy on a national basis for dealing with the problem.

- (7) Inspection Section: There are 37 inspectors and approximately 10,000 firms. In order for each firm to be inspected at least once per year, it is necessary for inspectors to spend 15 days per month in the field, visiting an average of 3 factories per day. Major faults found are (a) requiring overtime without pay, (b) requiring work on rest days, (c) failure to submit necessary documents. Safety measures are being forcefully promoted by inspectors, and the number of violations is decreasing. Sanitation remains a problem because of the lack of materials for construction of sanitary facilities. Cases of violation are recorded, and employer is required to make written statement that the fault will be corrected by a certain date. At this date, a follow-up inspection is conducted. If violations continue, the case is prosecuted.

3. Conference with Officials of Four Unions (Teachers', Nippon Express, Fuji Sangyo, Chuo Kamotsu):

a. General situation regarding union activity: All officials present agreed that there is a definite tendency for management to discourage union activity and that certain recent instances of management's use of the industrial rationalization program as a pretext for getting rid of union leadership (Kokutetsu, Nikko office of Chuo Kamotsu) have left the public with the impression that this is a general tendency. This tendency is especially noticeable in small and medium-sized plants. It appears that management, caught in the present economic circumstances, requires longer hours and more work, and therefore discourages union activity. Two of the union officials stated that at their companies management opposition to the union is so great that workers are reluctant to engage in union activities for fear of losing their jobs. In a recent union election at one of the companies, members were extremely reluctant to assume office because they feared management retaliation. It was even debated whether or not the union should continue, in view of its present weak position. The Fuji Sangyo official reported that there has been no move by management at his plant to discourage union activity. It was felt by all officials present that there has been a retrogression in the union movement. They also pointed out that, what with the decline of the CP, management is using the advantage given it under the industrial rationalization program to get rid of CP members, not because they are union

leaders but because they are Communists. But they added that there is a tendency for any leader who is active in the union movement to be dismissed. One union official reported that at his company, management appears to be of the opinion that whoever becomes a union leader must therefore be a Communist.

b. Labor Education in unions: Chief obstacles to effective conduct of educational programs are long working hours, variation in days off, lack of sufficient printed materials to distribute to individual workers, insufficiency of films on labor education per se, and reluctance of union leaders and members to engage in educational programs for fear of management's disapproval. All union officials agreed that programs conducted by labor administration offices are most effective, but there have not been enough of them. They expressed the opinion that if labor administration officials conduct the programs, management will feel obliged to cooperate and will require workers to participate, whereas if union leaders do it, management's attitude will be one of suspicion and disapproval. The consensus of opinion was that progress has been made in the understanding of the union's organization and functions, but that participation in union activities and support of union leaders is retarded. It was further agreed that management education is urgent. Films have been used successfully, but officials expressed a desire for more Japanese films and greater variety, explaining that the exhibition of labor films alone is not sufficiently attractive to workers and that more films of a general nature (especially sports films) ought to be shown along with educational films.

c. Grievance machinery and related matters: Larger firms appear willing to study grievance machinery and see if it can be applied. Smaller employers are unable to understand it or to see how they can use it. At present, the usual method of settling grievances is to bring the problem to the full-time union official who in turn takes it to top management. The equivalent of foreman and shop steward is one person who may also be a union official and will thus be representing union and management at the same time. The problem is to make a clear distinction. Furthermore, unions appear not to understand the difference between grievance committees and collective bargaining committees. The Japanese word for grievance machinery is misleading and does not enable workers to distinguish between the functions of these two types of committee. A further misunderstanding exists concerning the definition of a dispute, and it was the consensus of opinion both among union officials and prefectural labor officials that neither the Ministry of Labor nor occupation personnel have provided a clear definition of the term.

d. Other union matters: Only about 30% of the Tochigi unions have contracts at present. There are several examples among existing contracts of peace clauses referring issues to a third party for arbitration. Many contracts do not include wage clauses or provisions required by the Labor Standards Law. A chief cause of disputes is the

attempt of management and union to establish a contract. One steel firm has a separate document describing grievance machinery, but it is not a part of the actual contract, although it is said to have the same force.

Summary: Industrial rationalization forms the basis for the majority of current labor problems. Teacher dismissals by the Board of Education have occasioned difficulty. The failure of the National Government to follow recommendation of the Public Corporations Arbitration Committee and grant wage increases to Kokutetsu workers has occasioned a hunger strike and is taken by prefectural officials as indication that a movement of protest will become more general. Labor education conducted by prefectural and local officials is proceeding effectively, but programs within individual unions are not. Matters of personnel and budget restrictions present serious problems to all labor administrative organs. Women's and Minors' Bureau is operating effectively within its present limitations of budget and personnel. Wage arrears is still a serious problem, and there is a tendency to decrease salaries. The Labor Standards Bureau continues to increase in prestige as its effectiveness is demonstrated in more and more cases. Union activity has diminished in the face of management's use of the industrial rationalization program as a weapon against union leadership. The problem of establishing grievance machinery remains largely unsolved, a situation which indicates urgent need for management education. Union officials feel that management education along these lines is a prerequisite to clear understanding on the part of the rank-and-file and to establishment of harmonious union-management relations.

RALPH FRIEDRICH
Labor Relations Division

HEADQUARTERS
TOKYO CIVIL AFFAIRS TEAM
Labor Division

15-16 November 1949

MEMORANDUM FOR RECORD

SUBJECT: Report of Field Surveillance Trip to Tochigi Prefecture

1. The undersigned, accompanied by Mr. Ralph Friedrich, assistant labor officer, TCAT, and Mr. William Doherty, labor officer, Eighth Army Civil Affairs Section, arrived at Tochigi CA Team on 14 November and departed 16 November, authority SC No. 87, TCAT, dtd 14 November 1949.

2. Itinerary:

15 November	Ashikaga City	Management Education Conference
15 November	Ashikaga City	Inspection of Kokoku Chemical Industry Co., Ltd.
16 November	Utsunomiya City	Conference with Key Labor Personnel in Prefectural Office

3. Management Education Conference:

Place:	Kyoka Kaikan, Ashikaga City
Date:	15 November 1949
Attendants:	Management representatives (chiefly factory managers): 50
Officials attending:	Mr. Koyama, Chief, Tochigi-ken Labor Policy Section Mr. Tomita, Secretary-general, Tochigi-ken Management Association Mr. Nakajima, President, Ashikaga Management Association

The conference was sponsored by the Tochigi-ken Labor Department and the Tochigi-ken Management Association for the purpose of educating management in the Ashikaga area regarding current labor problems and trends, with emphasis on increasing management's understanding of labor-management relations. The

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industries in the Ashikaga area are chiefly the production of silk and rayon, and because of the scale of these industries, there are a number of small unions. The Japan Federation of Management Associations has been rather inactive in its operations in this area, and it was felt by the sponsors that this type of conference would be effective. Participation by CA personnel consisted of lecture, content of which was based upon requests made in advance by the Japanese attendants, followed by question-and-answer period. Main points covered were as follows:

- a. The collective bargaining committee: its organization and its functions.
- b. The establishment and operation of grievance machinery, inclusive of arbitration.
- c. The organization, functions, and purposes of a union-management research and planning committee.

Particular attention was given to the explanation of grievance machinery and the steps involved in the simplest of grievance handling procedures, with the objective of acquainting management with the importance of such machinery and its ultimate value to their businesses. It was emphasized that management must take advantage of its present opportunities and assume leadership in the improvement of labor-management relations. It was suggested that the Tochigi-ken Management Association appoint a committee to study the current problem of top management's failure to delegate sufficient clear-cut authority to subordinate supervisory employees, such as the foreman, and to suggest means by which such authority can be delegated.

With regard to union-management research and planning committees, it was forcefully emphasized that management must learn to make use of the great resources it has in its employees, that it must provide labor with increasing opportunities to express its natural creativity, and that workers must be encouraged more and more to present their suggestions to management regarding improvements in production.

Impressions: It appeared that the attendants, in ~~general~~ general, were rather unfamiliar with labor problems and found it rather hard to grasp even fairly easy labor terminology. The matter of a union's playing an important role in the increase of production efficiency seemed to be a completely new aspect. A number of the attendants appeared to be in agreement with the statement that top management has not delegated

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sufficient authority or responsibility to foremen. However, when it was emphasized that top management must learn to delegate authority to its subordinates in order to set up proper grievance machinery, there seemed to be some who, although they understood the purport, were not convinced that they should actually put the theory into practice. In a way, this disinclination of management to delegate authority to their supervisory employees may be taken to correspond to union's concept that management representatives should be included in unions. Actually, there are very few foremen or other management representatives who enjoy power which could be construed as belonging to management. This means that they are management representatives in name only and do not actually have authority.

The matter of arbitration in connection with grievance machinery seemed to be of major importance to management. The fact that one conference delegate inquired whether an arbitrator's decision is binding or not indicates the attitude toward this matter. Management seems to feel that as long as the arbitrator's decision is favorable to management it should be binding, but when it is not, management should be allowed a further say in the matter. As the meeting progressed, one delegate inquired what type of arbitrator would be desirable. It was felt that management can be reached effectively on these matters in proper explanation is given and if sincerity in trying to understand the problems of management in Japan is demonstrated.

4. Factory Inspection:

The inspection of the Kokoku Chemical Industry Co. Ltd., was made following an invitation by the Tochigi Management Association to visit one factory in the Ashikaga area. It was informally conducted, with questions and suggestions regarding production, employee situation, maintenance of equipment, and other related matters.

5. Labor Officials' Conference:

Place:	Tochigi Prefectural Office
Date:	16 November 1949
Attendants:	Mr. Hozumi, Labor Department Chief
	Mr. Koyama, Labor Policy Section Chief
	Mr. Nishizawa, LPS Education Sub-section Chief
	Mr. Kobori, LPS Union and Legislation Sub-section Chief
	Mr. Konita, LPS General Affairs Sub-section staff member

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Mr. Oya, LD Employment Security Section,
General Affairs Sub-section
Chief
Mr. Sotome, LD Employment Security Section,
Business Sub-section Chief
Mr. Sasaki, LD Employment Security Section,
Unemployment Measures Sub-
section Chief
Mr. Abe, LD Employment Security Section,
Research and Statistics Sub-
section member
Mr. Sasaguchi, LD Unemployment Insurance
Collection Section Chief
Mr. Tsunura, LD Unemployment Insurance
Collection Section, Auditing
Unit Chief
Mr. Sekiguchi, Labor Standards Bureau
Chief
Mr. Takei, LSE Payment Section Chief
Mr. Iwata, LSE Workmen's Compensation
Section Chief
Mr. Iris, LSE Inspector
Mr. Kurosawa, Labor Relations Committee
Chairman
Mr. Kuroda, LRC Secretariat Adjustment
Section Chief

The conference was called for the following purposes:

- a. Establishing formal contacts with key labor person-
nel at prefectural level.
- b. Obtaining information regarding current trends and
problems in the labor field.
- c. Discussing ways in which KCAR Labor Division can
be of assistance to the Japanese in the field.
- d. Requesting the following from prefectural officials:
 - (1) Monthly report on trends and problems in labor
(current over-all picture)
 - (2) Lists of key personnel in each administrative
organ and statement of areas of responsibility
 - (3) Periodic information regarding educational
programs and publications

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- (4) Invitations to KCAR Labor Division personnel to participate in local labor programs and conferences of major importance.

Main subjects discussed were the following:

a. Effectiveness of Labor Education Advisory Committee and Employment Security Committee: LEAC is effective in giving weight to labor education programs so that they will not be opposed by local unions, since such programs have first been approved by representatives of labor in LEAC. ESC is proving its worth by making suggestions to the governor on unemployment measures and operations of PESO's.

b. Activities of Labor Relations Committee: The Committee in Tochigi Prefecture is encouraging union certification even though there may not be a specific reason. The chairman reported that the Committee is busy, the actual number of cases pending is only nine: 6 in conciliation or mediation, 2 in union certification, 1 in investigation of unfair labor practices. The chairman stated that requests for conciliation and mediation are increasing in number and that the reason for the increase is that greater trust is being placed in the Committee by the unions. Reason for this greater trust lies in the LRC's active participation in education activities primarily carried out by the Labor Policy Section and the Labor Education Advisory Committee. This opinion was supported by the Labor Department Chief, who asserted that the present good relations which exist between the Labor Department and the LRC are of great importance in increasing the prestige of the LRC. In conducting conciliation services, the selection of a conciliator (or conciliators) is made from a panel of 40 individuals who have been recommended and approved by interested parties. The panel was selected from a list of 65 names submitted by unions, management organizations, and Labor Policy Field Offices.

c. Dissolution of unions: There have been 12 or 13 cases of union dissolution. The reason given was that in some of the strongest unions in the prefecture were leader-dominated leftist unions; discharge of these leaders has left the rank-and-file at a loss concerning what to do. In addition to this, most of the companies involved are those in which management is old-fashioned in its concept of labor, and there appear to be chances that Article 7 of the Trade Union Law is being violated. Such cases are being investigated by the Labor Policy Field Offices. It was suggested that organization and dissolution of unions is a voluntary matter to be decided by the workers. However, if there are unfair labor practices underlying dissolution of unions, the Labor Policy Section should gather suf-

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ficient proof to justify the charges and then file charges with the LRC. It was noted during the recess that there was some controversy as to whether there actually were any cases of unfair labor practices. The LPS stated the opinion that unions have been dissolved purely because the workers felt that was not much to be gained from unions. The Labor Department Chief asserted that he knew of cases in which the workers were afraid to belong to unions, but that it was difficult to get concrete evidence because the workers did not wish to speak up. Industrial readjustment has given employers a weapon against unions. It is hard to discern whether a worker has been discharged for his union activities or because he is surplus. Although LPS seemed to desire not to pursue this issue too far in regard to filing charges with LRC, the Labor Department Chief seemed to prevail in his opinions.

d. Job classification of management representatives: The fact that the matter of job classification is not clear to management is a great obstacle to the establishment of proper grievance procedures. The Labor Department Chief presented a plan for the conduct of job analyses of management (top management to foreman) in three or four plants in the prefecture.

e. Relative to the problem of proper trade union structure, there appears to be a need for the elimination of some useless intermediate union organs. It was inquired to what extent this should be carried out. It was suggested that this is a matter for each local union to decide for itself. An example of union structure in the United States was presented.

f. What should be the Labor Policy Section's attitude toward the labor education of national public servants? It was suggested that although it is permissible for national public servants' organizations to participate voluntarily in labor education activities, beyond this, they should be let alone. The delicacy of this problem was pointed out.

g. It was asked whether the present practice of the governor's being able to discharge LRC Secretariat members without consulting the Committee chairman was proper or not. It had been decided by a majority at a national conference of LRC members that the chairman should be consulted on matters of discharge as well as on matters of appointment. It was pointed out that it is desirable to handle personnel administration of the Secretariat on a pure merit system rather than on a patronage system, and that if the chairman feels that there has been any mishandling of the matter, he has access to the governor to present his opinion.

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h. Impressions: Relationships among all organs concerned with labor seem to be very good. Meetings are held on the first Monday of each month in order to co-ordinate operations. The Labor Department Chief has a good grasp of his job, with the result that his subordinates also show efficiency in their jobs.

Note: At both meetings reported in the foregoing, advantage was taken of the opportunity to inform the Japanese concerning the continuing urgency of crop collection and food turn-in.

MARTIN T. GAMACHO
Chief, Labor Division
Economics Section