

である。この事斯の如き理由から自由企業を認め、これを制限すべき責務
 を有するものであることは明白疑のない事柄である。

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以上

Urgent

DEPARTMENT OF STATE

DEPUTY UNDER SECRETARY

EUR - Mr. ~~Hickerson~~

If you have no objections,
can the attached memo be sent
to S/S this afternoon to be
added to your memo covering
other subjects?

BKS
bks

G: Bromley Smith

OK *BKS*
am

This paper was considered by Mr. Webb along with the EUR memoranda although no indication to that effect is shown thereon. The reason none appears is because it was made a part of EUR's file of papers which was broken up after Mr. Webb had finished with it and the various memoranda sent back to the originating offices.

STANDARD FORM NO. 64

CONFIDENTIAL

Office Memorandum



UNITED STATES GOVERNMENT

DATE: June 13, 1949

TO : The Acting Secretary
 Through : S/S
 FROM : FE - Mr. Butterworth *w*
 SUBJECT: Your Meeting with the Australian Ambassador on June 14

Problem

To persuade the Australian Ambassador to table or withdraw his Government's resolution now before the FEC relating to the labor rights of Japanese Government enterprise workers.

Discussion

Last summer, as a result of serious abuses of power by organized Japanese Government workers, SCAP recommended and, under the direction of occupation officials, the Japanese Government passed several laws, known as the National Public Service Legislation, restricting the rights of Japanese Government employees. The USSR and the Japanese Communists condemned SCAP's action in toto. The FEC countries and United States organized labor have criticized the restrictive provisions of these laws as excessive. The United States Government (State, Army, Labor) has informed SCAP privately that it regarded certain phases of the laws defective and has unsuccessfully attempted over the last nine months to have certain minor corrective measures taken. At the same time, the United States Government has opposed the passage of any FEC policy decision which would publicly reverse SCAP on this highly delicate issue.

The issue presents itself today in the form of an Australian Resolution before the FEC which provides that:

"Bearing in mind that it is a matter for the occupation authority in Japan to decide when strikes and other work stoppages should be prohibited as directly prejudicing the objectives or needs of the occupation, the FEC decides as a matter of policy that the provisions of FEC 045/5 (principles for Japanese Trade Unions) should be applied to workers in Japanese Government enterprises."

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Despite repeated attempts by the United States Government to have this resolution defeated or tabled, the Resolution was passed by the Steering Committee on May 31 by a

vote

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vote of 6 to 1, the United States alone opposing and the USSR, China, Netherlands and Philippines abstaining. It is now before the Commission and will probably be voted upon within the next few weeks.

The U.S. is therefore faced with an immediate choice between three course of action: (1) not voting against the resolution which, in effect, would permit its adoption. This is highly inadvisable for it would directly reverse SCAP, require a major rewriting of the National Public Service Legislation, unquestionably produce political turmoil in Japan, etc. (2) Defeating the resolution by a U.S. veto. This would require that the U.S. use the veto to defeat a resolution which no other countries oppose. It would not settle the controversy but afford the Soviets an opportunity publicly to present the U.S. as alone opposed to the "rights" of Japanese labor. (3) Further seeking the withdrawal or tabling of the resolution. Although the Australian Delegation to the FEC is acting under firm orders on this matter from the Australian Labor Government, there is believed to be some merit in making a high-level restatement of our position in the hope that the Australian Ambassador will act at least to seek the postponement of an FEC vote. In the meantime the Department plans to make a further joint State-Army-Labor approach to SCAP with a view to his having certain minor modifications made in the National Public Service Legislation, which are designed to dispose of this problem in the FEC. (The thought in the previous sentence should not, of course, be communicated to the Australian Ambassador.)

Recommendation

It is recommended that you raise this question with the Australian Ambassador, pointing out to him the desirability of tabling or withdrawing his Government's resolution. There follows some of the arguments that might be presented to him.

(1) The controlling FEC directive, to which the Australian resolution refers, is a broad statement of principles for Japanese trade unions, which does not state to which specific group it does or does not apply. SCAP acted within his proper administrative discretion in interpreting the directive

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as he saw fit, and his interpretation of the directive has been translated by the Japanese Government into a series of laws. The effect of the Australian resolution, if adopted, would be to require a major rewriting of these laws which in turn would undermine the position of the present Government, create political unrest and jeopardize the stabilization program.

(2) The Australian resolution would permit unrestricted use of the strike weapon by Government enterprise workers unless expressly forbidden by military fiat. This would impose on the occupying authority (and on the U.S. as principle occupying power) the direct responsibility for the banning of each strike as it arose --- a situation which would create continual uncertainty and turmoil.

(3) The adoption of the Australian resolution would be an FEC reversal of a position publicly taken by SCAP. The loss of prestige which SCAP would suffer from such a reversal would seriously threaten the occupation. It would play directly into the hands of the Communists.

(4) Accordingly, if the Australian proposal is put to a vote, the U.S. will be impelled to vote against it. The Australians will not gain their objective, the U.S. will be placed in an embarrassing position. No one, except the Soviets and their Japanese Communist Party minions, will reap any advantage from the vote.

(5) The U.S. regrets that on a question bearing so directly upon Japan's internal security the U.S. and Australia cannot see eye to eye. For the U.S. has assumed the principle burden for maintaining, on behalf of itself and of likeminded powers, the peace and security of the Pacific. The U.S. will be hard put to carry out this responsibility if it does not have the support of Australia and of other friendly powers on matters directly affecting their common security.

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STANDARD FORM NO. 64

5861

Office Memorandum

SECRET



TO : G - Mr. Rusk

FROM : E - Mr. Thorp *WAT*

DATE: June 19, 1949

SUBJECT: Australian Resolution before FEC on Rights of Employees of Japanese Government Enterprises

DC/R file

Problem

To establish a United States course of action with respect to meeting the problem of the rights of labor in Japanese Government enterprises which is seriously embarrassing United States relations with friendly FEC countries and is provoking antagonism to our occupation program from the Japanese labor movement.

Discussion

1. Last year as a result of serious abuses of power, especially of the right to strike, on the part of certain categories of Japanese government employees, SCAP recommended and, under the direction and guidance of responsible Occupation officials, the Japanese Government passed several laws restricting the rights of such employees. The USSR and the Japanese Communists condemned SCAP's action in toto. The restrictive provisions in these laws have been severely criticized as going too far by nearly all FEC countries, as well as by organized United States labor. The Department, on its part, has also believed that the legislation was defective in certain important respects and has attempted for nearly ten months to have certain minor corrective measures taken. At the same time, we have opposed passage of any FEC policy decision which would publicly reverse SCAP on this highly delicate issue and bring about loss of his prestige in Japan.

2. The issue presents itself today in the form of an Australian Resolution before the FEC which provides that:

"Bearing in mind that it is a matter for the occupation authority in Japan to decide when strikes and other work stoppages should be prohibited as directly prejudicing the objectives or needs of the occupation, the FEC decides as a matter of policy that the provisions of FEC O45/5 (Principles for Japanese Trade Unions) should be applied to workers in Japanese Government enterprises."

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This Resolution was passed at the May 31 meeting of the FEC Steering Committee by a vote of six in favor (Australia, U.K., Canada, New Zealand, India, and France) to one opposed (U.S.), with four abstentions (USSR, China, Netherlands, and Philippines). It is now before the Commission and will probably be voted upon within the next few weeks and unless we act rapidly, we will, I believe, again be alone in opposing it.

Several attempts have been made by officers of the Department to secure withdrawal of the Australian proposal, but all have been unsuccessful. The Australian Ambassador knows that a majority of FEC countries support his proposal. He cannot lightly disregard their support. He and his supporters believe that some corrective action - if not in the form of FEC action on the Australian Resolution, then by other means - is necessary to prevent weakening of the position of labor in the democratic process in Japan. He knows that the United Kingdom, Canada, New Zealand, with their long experience in democratic trade unionism, share with Australia the fear that particular aspects of SCAP's present labor policy, far from checking Communist influence amongst Japanese labor may, in fact, be producing the opposite effect. He may suspect that the United States Government is similarly concerned over the situation and objects only to the Australian method of coping with it. However, we have not at any time stated our own views on the substantive issues involved, though openly opposing the Australian Resolution, a procedure which has annoyed but at the same time appears to have strengthened the determination of the Commonwealth countries at least to push ahead. The extent of their annoyance was shown in the recent vote in the FEC Steering Committee on a Soviet Resolution extremely critical of SCAP's labor program where only the United States voted against the USSR position, all other nine member countries abstaining. In my opinion, therefore, the Australian Ambassador will not agree to letting his Resolution lapse unless he is provided with definite assurances that the United States Government intends, on its own part, to accomplish substantially the same ends by different and better means.

3. The United States is therefore confronted with having to make an early choice between: (1) voting against the Resolution, which in effect means use of the veto; (2) not voting against the Resolution which would permit

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its adoption; (3) following the course of action contained in the recommendations below, which is to establish a United States position on the basis of which the Australian Ambassador will agree to withdraw his Resolution.

4. Use of the unilateral veto has a number of serious disadvantages. It utilizes in the FEC a method of obstruction of majority will the use of which by the Soviets in the United Nations has been condemned by us and by other nations. We must expect that our action would be made known to Japan and the rest of the world by press and radio, and that we would be presented as having opposed alone the rights of Japanese labor. Moreover, veto of this Resolution would not finally settle this highly controversial issue. We may shortly be faced with a new FEC resolution calling for a position which accords with that which we are recommending below, namely: that government enterprise workers should have normal labor rights without the right to strike. Since this is a principle which we ourselves believe in, we would be placed in a far more embarrassing predicament than we are in at present. Finally, veto of the present Resolution would be another of a series of recent United States actions on Japan that have aroused resentment on the part of other friendly FEC member countries. Avoidance of unilateral action on this issue is thus highly desirable if at all possible.

5. On the other hand, I am convinced that the United States Government should not, under any circumstances, vote for the Australian Resolution. The controlling FEC directive (FEC 045/5) to which this Resolution refers is a broad statement of principles for Japanese trade unions which does not state to which specific groups of workers it does or does not apply. SCAP acted within his proper administrative discretion in ruling that all of its provisions (including the unrestricted right to strike) should not necessarily apply to all types of government employees. (Obviously, they should not all apply to normal civil servants, guardians of public safety, and so on.) In the opinion of State, Labor and Army - while Mr. Royall was Secretary - SCAP was justified in ruling that industrial workers in the Japanese government railway system and in the government monopolies should be granted most normal labor rights but not the right to strike. What these three Departments have opposed has been SCAP's refusal to extend these same rights to the only remaining group of government enterprise workers, namely: the employees in

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the telecommunications services. The arbitrariness of this discrimination has, probably more than any other single factor, prompted among FEC countries distrust in SCAP's labor program, provoked antagonism against SCAP among the Japanese labor movement, and has led the State and Army Departments on several occasions to request SCAP to reconsider the stand he has taken. SCAP's reasons for opposing our requests as well as an FE memorandum analyzing SCAP's reasons are attached at Tab A.

6. The United States Government, in particular the State and Labor Departments, has continued to be genuinely concerned over the labor situation in Japan. Two developments that have occurred during the past six months have tended to engender Japanese labor antagonism to American authorities in Japan. First, Japanese labor has interpreted SCAP's recent attitude towards labor rights of government employees as foreshadowing a general reversal in the sympathetic and friendly attitude towards labor displayed by SCAP during the initial period of the occupation. Second, the implementation of the economic stabilization program, through its wage stabilization, employment rationalization, and tax measures, has been interpreted as imposing upon the working population the primary burden for making the over-all stabilization program effective. Japanese Communist leaders, particularly those holding positions of responsibility in trade unions, are using these two developments to persuade the rank and file of the labor movement that American occupation authorities have ceased to be interested either in the welfare or in the democratic political potential of the working classes. Since wage stabilization and associated labor control measures of some sort are necessary short-term prerequisites for general stabilization of Japan's economy, the way in which the United States can best refute Communist propaganda is to reaffirm clearly, and to the maximum extent possible enlarge the incorporation of, sound principles of labor rights in permanent Japanese legislation. Continuation of the present situation will contribute to the strengthening of Communist influence within the trade union movement.

7. The issue which I have outlined above has been considered within the United States Government and between it and SCAP in a series of conversations and communications which began in August 1948. Assistant Secretary of Labor Gibson reported to us in March that General MacArthur personally, upon being informed of some of the practicable measures which could be taken to deal with the labor

situation

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situation in Japan, gave evidence of an open-minded and sympathetic attitude towards the Washington viewpoint. Upon one principle State, Labor, and usually Army, have, over the entire period, been in consistent agreement, namely: that all non-executive employees of government enterprises in Japan should be accorded full collective bargaining rights, including the right of mediation and arbitration but not the right to strike. Except for his discrimination against the some 150,000 telecommunications workers, SCAP, too, could be said to have supported this principle. In our most recent communication to SCAP on this subject we told him that if the United States Government were in a position privately to assure the Australians and certain other of the FEC countries that the United States and SCAP supported this principle and that full effect will be given to it by SCAP as soon as practicable, this long and unhappy controversy could almost certainly be laid at rest. Our proposal was designed to spare SCAP embarrassment. It did not require that SCAP take any immediate or difficult action. The refusal of the SCAP Headquarters, which has been now supported by the Army Department, leads me to the conclusion that our objectives can be achieved only if there can be established a high level United States Government position on the matter which is brought fully to bear upon SCAP with the notice that if he can not accept that authority for his guidance the United States Government may soon be placed in the deplorable position where it could not afford to oppose issuing a directive along the lines of the principles stated above. My first recommendation, stated below, is based upon this conclusion.

My second recommendation would, I believe, effectively delay putting the Australian Resolution to a vote in the FEC for several weeks, since it would be the first time the United States Government would have indicated that it has a compromise proposal to discuss.

Recommendations

I recommend that the Acting Secretary take up with Mr. Steelman in the White House the possibility of obtaining from Mr. Johnson, Secretary of National Defense, and Mr. Tobin, Secretary of Labor, agreement to the principle that SCAP should be required to take steps to provide that all non-executive employees of government enterprises in Japan be accorded full collective bargaining rights, including the right of mediation and arbitration, but not the right to strike.

I recommend

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I recommend, further, that, if you can agree that these steps should be taken to obtain a high level United States Government position upon this matter, you authorize appropriate representatives of the Department to make informal approaches to the Commonwealth FEC Delegations expressing the hope that they can await the development of a United States position with respect to rights of Japanese workers in government enterprises before putting the Australian Resolution to a vote in the FEC.

A proposed wire to SCAP, notifying him of this Government's position is attached at Tab B.

Enclosure:

Tab A-Telegraphic Exchange with SCAP
and FE Memo.
Tab B-Proposed Telegram to SCAP.

RB
OFD:RWBarnett:
ITP:ILS:PBSullivan:apg 3152
6/9/49 *CPB det*

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YDEPARTMENT OF THE ARMY
STAFF MESSAGE CENTER
OUTGOING CLASSIFIED MESSAGESECRET
PRIORITY

To: SCAP

NR: WAR 87368

28 Apr 49

From CSCAD cite FE.

Part one. At meeting of FEC Joint Committee on labor policy in Japan, fol Australian resolution was passed by affirmative votes of eight members, US representatives attempts to delay action failing: "Bearing in mind that it is a matter for the occupation auth in Japan to decide when strikes and other work stoppages should be prohibited as directly prejudicing the objectives or needs of the occupation, the FEC decides as a matter of policy that the prov of FEC 045/5 (principles for Japanese Trade Unions) should be applied to workers in Japanese Govt enterprises". This resolution is now in steering committee stage.

Part two. The US Del is seen to be faced with the alternatives of either (1) Sptg a resolution which we regard as objectionable, (2) Vetoing the resolution which is almost certain to be made known to the press by the Soviet member placing the US Govt in a highly embarrassing pos, or (3) Seeking the withdrawal or tabling of the Australian resolution.

Part three. As for the third alternative, we are convinced after six mos of discussion of the National Pub Sv Law in the Com that the other countries will cont to insist upon seeing certain changes in the National Pub Sv Law and will endeavor to force a vote in FEC, unless there is assurance that SCAP and the US Govt are doing everything possible to give recognition to their points of view. As long as they believe we are not doing this, the National Pub Sv Law will cont to be source of friction in our international relations, particularly unfortunate in respect to our friendly colleagues in FEC.

Part four. What the other countries have repeatedly sought from us is an expression of what, in our opinion, should be the principles governing Japanese Govt workers. The pos that we have taken so far is that FEC 045/5 is a broad statement of principles for Japanese Trade Unions which does not indicate the specific cats of workers to which it applies or does not apply. This pos is obviously unresponsive to the particular question raised by Australian proposal (spd by other friendly countries) as well as by important segments of opinion in this country. It is regarded as desirable that the United States Govt should

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make known to friendly countries a more positive stand on this question.

Part five. In order to (A) Clarify the pos of the US, (B) Counter Australian proposal now before FEC, (C) Effectively meet criticism adv by other friendly countries in FEC, it is proposed that the US, thru the diplomatic channel here:

1. Approach certain friendly FEC countries informally and point out to them (A) Delicate situation now obtaining in Japan (B) The need for not rocking the boat, particularly at this time, (C) The unfortunate repercussions which would flow fr forcing the Australian proposal to a vote, and (D) The desire on the part of US to refrain fr introducing policy statements circumscribing the discretion of SCAP on this matter.

2. Inform friendly countries that we endorse the principle that, at the time considered apropr by SCAP, full collective bargaining rights, inc the right of mediation and arbitration but not of strike, should be extended to all non executive full time employees of govt enterprises and that the term "govt enterprises" should inc the Japanese National Railways, the Japan Monopoly Pub Corporation and a new corporation inc Telecommunications Svs.

3. Info friendly countries that SCAP is familiar with the proposals outlined in subpara one and subpara two above, agrees with the principle embodied in subpara two and will undertake implementing action as soon as practicable in the light of the emerg cond peculiar to the situation in Japan.

4. In light of above info given friendly countries, seek their spt in obtaining withdrawal or tabling of Australian proposal.

Part six. Your comments urgently requested.

ORIGINATOR: CAD

DISTRIBUTION: CAD (STATE), PO, CSA, OSA

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(Apr 49)

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yDEPARTMENT OF THE ARMY
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From: CINCPAC Tokyo Japan

To : Dept of the Army Wash DC

Nr : C 69705

1 May 49

Reurmsg W 87868. The difficulties underlying the position of the United States in the Far Eastern Commission on the point involved are fully understood. Examination of the proposals contained in para 2 part 5 discloses that except for that providing for the inclusion of the telecommunications workers under new public corporation as a "government enterprise", they are fully covered by the National Labor Relations Law for Public Corporations which provides for collective bargaining with compulsory mediation and arbitration for all government enterprise workers. The excepted group of government workers was advisedly retained under the National Public Service Law because of the peculiar nature of the telecommunications facilities in Japan. Here the government owns and operates all communication facilities but unlike elsewhere has no protective force other than the police to ensure that the channels of communication are maintained open. Police action, on the other hand, in the preservation of internal law and order is dependent upon the availability at all times of uninterrupted rapid communication. As a consequence, the telecommunications system in Japan is itself a vital security adjunct. Moreover, such system here, in addition to lacking the protection of standing armed forces to be found in all other democratic countries, does not have available auxiliary military communications facilities and technicians to maintain communications when regular commercial channels fail. It is this peculiarity in the Japanese system which impelled the Communist drive to infiltrate into the leadership of the communications workers a year ago which ultimately necessitated direct SCAP action to forestall disaster to the country then imminently threatened.

Aside from the foregoing considerations, moreover, it is not clear why the United States should hesitate if necessary to use the veto to defeat the Australian proposal. The provisions now written into Japanese law and as to which some members of the Far Eastern Commission, notably having labor governments, take exception are already more liberal and at far reaching variance with the law and practice and the underlying philosophy of the United States. Thus the United States Civil Service Commission, speaking through Commissioner Frances Perkins in a letter addressed to Under-secretary Draper on 5th October 1948, condemned

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Nr: C 69706

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as excessive the liberality of the Japanese national public service law and its companion legislation then proposed and since enacted, in the following language:

"The civil service policy expressed in the proposed legislation is in harmony and accord with the policy of the United States Government in its own country. Suggestions made in the cablegram concerning collective bargaining by government employees is out of line with the practice and policy here. We wish to raise with you the question as to whether anything should be approved that is contrary to policy in the United States. The Civil Service Commission believes that our policy in this country is correct and would not care to approve anything contrary to it.

"The relationship to his employer of a person working for the government is entirely different from that of a person working for a private employer who makes a profit on his wages. In the government service there is no question of profit or competition between employers, and for that reason there is no temptation to reduce wages and lower working conditions to the point of exploitation. In this respect a public employee is in a protected position. In addition to which he has security of tenure, protection against dismissal except for cause, a system of appeals to the Civil Service Commission against any injustice to individuals by an agency, a liberal retirement benefit based on length of service and compensation for injuries in the course of employment under the employees compensation act. In this country, and I take it in the proposed public service law, every employee has opportunity to take up any grievance with superior officers and is usually given the opportunity of being represented of assisted in such procedure by a person of his own choosing, a friend, a lawyer, or a member of his own union. Government employees also are part of the citizenship and they have the opportunity to vote for their representatives in the legislature or parliamentary branch of the government. The parliamentary branch of the government through its approval of appropriations and suitable budget controls, fixes the wages, hours and other economic aspects of the working conditions. As a matter of fact, the proposed National Public Service Law would protect employees against disadvantageous administrative action to a much greater extent than is granted to government employees of the United States.

"In view of the foregoing, I question the appropriateness as civil service matter establishing collective bargaining as a matter of right to regular civil service as well as employees of government corporations."

The United States, despite its own philosophy of public service, has thus already gone far toward agreeing with the

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Nr: C 69707

differing philosophies of others. Furthermore, the statutory changes which would be mandatory under your proposals would in all probability have to be imposed by force upon the Japanese people, for the present government fully recognizing the dangers inherent in such a change would not be inclined voluntarily to accede thereto. The imposition of such force in a purely domestic detail would not only vitiate the policy of the United States and occupation philosophy now controlling, but it would be a variance with the broad principles enunciated in allied policy. Furthermore, nothing could more deeply affect the delicate Democratic-Soviet balance in the Far East than seemingly to yield to the widely publicized Soviet propaganda offensive against our position. The statement for the United States in the plenary session of the Far Eastern Commission on 13th January 1949 in support of SCAP's letter to the Prime Minister on 22nd July and the ensuing Japanese legislation was received in Japan with immense relief. To appear even partially to reverse that position at this time would lend immense support to the false Soviet pretense that it alone defends the rights and well-being of Japanese workers. No action, indeed, could better serve the Communist cause in Japan, as it would at once be fully exploited to strengthen the Communist labor leadership preparatory to a new offensive misusing the labor movement to create confusion and unrest with resulting deterioration in the local political and economic situation. The general trend of events in the Far East gives grave warning against any compromise of principle at this time. We have every moral and legal right to adhere firmly to the position we have publicly taken. It meets squarely the realities of the situation and is in general consonance with our own philosophies and beliefs. It seems apparent that if friendly governments would accept the proposal contained in para 2 of part 5 urmsg, they would with no less alacrity yield to the end desired if informed that the United States intended firmly to adhere to its opposition to the changes provided in the Australian proposal. On the other hand, the Soviet would gain little satisfaction from the American veto of the Australian proposal, as even if it fails to exercise the veto itself (which is unlikely), it is already on record as strongly opposed thereto and would in all probability center its attack upon the failure of the commission as a whole to support its own much more far-reaching proposals rather than upon the American veto action. It is accordingly felt here that the United States should make known to friendly members of the Far Eastern Commission its decision firmly to adhere to the position already taken and endeavor to secure their support to the withdrawal or tabling of the Australian proposal to avoid necessitating use of the veto power.

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FE - Mr. Butterworth
- Mr. Allison

May 4, 1949

NA - Mr. Bond

Exchange of Telegrams with SCAP on Labor Situation

You will be interested in the underlying exchange of telegrams between State-Army-Labor on one hand and SCAP on the other. SCAP's refusal to agree to the carefully reasoned proposal set forth in the attached outgoing telegram--a proposal which imposes no difficult or immediate obligation on SCAP and yet which would serve to extricate the U.S. Government from a highly embarrassing position--further illustrates the importance of a fundamental re-evaluation of the existing regime of control in Japan.

Discussed seriatim below are the arguments raised by SCAP:

(1) SCAP states that since the Government owns and operates all communication facilities upon which the police are completely dependent, the telecommunications workers should be regarded as a security adjunct and placed under direct Government control.

Comment:

If we were advocating that telecommunications workers be given the right to strike, SCAP's arguments would appear to be valid; but it is difficult to see how the extension of them of mediation and arbitration rights would entail national disaster. Furthermore, according to DRF Information Note of February 8, 1949, the police communications network has been "thoroughly reorganized to improve the direct channels of contact between the National rural police and the local police, allowing direct communication from Tokyo Headquarters to the smallest police unit".

(2) SCAP states that it is not clear why the United States should hesitate if necessary to use the veto to defeat the Australian proposal.

Comment:

As stated in our telegram, the exercise of a veto to defeat the Australian proposal would be made known to the press by the Soviet member, placing the U.S. Government

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in a highly embarrassing position. The veto would not solve the basic issue and the labor question would continue to fester in the FEC. It is U.S. policy to avoid unilateral exercise of the veto whenever possible.

(3) SCAP quotes at length the views of Commissioner Frances Perkins on why we should not extend to Japanese Government workers rights not enjoyed by the U.S. Government workers.

Comment:

If the U.S. Government were "in business" as is the Japanese Government, it would be in a better position to argue the applicability of its laws and customs to the situation in Japan. Government enterprise workers in the British Commonwealth countries have full collective bargaining rights.

(4) SCAP argues that the statutory changes which would be mandatory under our proposal would have to be imposed "by force" on the Yoshida Government.

Comment:

It is recalled that SCAP imposed last year on the Socialist-Democratic coalition regime a series of recommendations respecting Government workers rights that were far more extensive and considerably more repugnant to that regime than the mere proposal, described by SCAP as a "purely domestic detail", that a telecommunications corporation be established. During the last month SCAP's labor division has succeeded in persuading the Yoshida Government to tone down considerably its Trade Union Adjustments Act. There is no reason why any greater pressure would be necessary for persuading the Yoshida Government to support the creation of a Telecommunications Corporation. But in any case, we made it explicit in our telegram that SCAP should set up this corporation only when practicable in the light of emergency conditions peculiar to the situation in Japan.

(5) SCAP claims that to appear even partially to reverse the position he has taken would lend "immense support to false Soviet pretense that it alone defends the rights and well-being of Japanese workers".

Comment:

It is probably true that the Soviets are giving the impression to Japanese workers that the USSR is concerned for

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the rights of workers. It is precisely for this reason that we regard it important that the U.S. appear at least equally concerned for the rights of Japanese workers.

(6) SCAP maintains that the general trend of events in the Far East "gives grave warning against any compromise of principle at this time".

Comment:

In the case of Government enterprise workers SCAP has enunciated no principle which we can defend or which could be compromised.

(7) SCAP states: "It seems apparent that if friendly governments would accept the proposal contained in para 2 of part 5 urmsg, they would with no less alacrity yield to the end desired if informed that the United States intended firmly to adhere to its opposition to the changes provided in the Australian proposal".

Comment:

The essential difference between our proposal and SCAP's recommended course of action is that our proposal entails a clear statement of principle on the rights of Japanese Government workers--a statement which the other countries have repeatedly sought from us. Failure to express our Government's views on this subject, as well as failure to recognize the points of view expressed by them in the FEC and elsewhere, will almost inevitably result in continued controversy over Japanese Government workers rights. Because the Australian proposal offers the right to strike to Government workers, we could in all conscience present an effective argument against the Australian proposal; but we would have, in my opinion, no effective arguments against an FEC proposal that all Government enterprise workers be given full collective bargaining rights, but not the right to strike. It seems quite probable that if the Australian proposal is withdrawn or defeated, a resolution along the foregoing lines would be introduced by one of the British Commonwealth countries.

(8) SCAP claims that the Soviets would gain little satisfaction from the American veto of the Australian proposal, inasmuch as the Soviets are already on record as strongly opposed thereto.

Comment:

SECRET

SECRET

-4-

Before making any final recommendations on how this matter should now be handled, I believe it would be well for us to sound out the reactions of Mr. West and Mr. Gibson. The Army Department will undoubtedly support SCAP to the hilt and the Labor Department will probably take a completely opposite point of view. For the Labor Department, and for Mr. Gibson in particular, SCAP's telegram is an unhappy sequel to his telegrams rejecting the Labor Department's proposals for sending a Labor Mission to Japan and for establishing an AFL office in Tokyo.

Although SCAP has refused to go along with our proposal, it is recommended that we proceed with the planned approaches to friendly FEC countries in an effort to have the Australian proposal tabled or withdrawn. If these approaches fail, the Department is faced with the alternative of:

- (1) Vetoing the Australian proposal, which would not dispose of the overall labor issue and would expose our Government to not inconsiderable embarrassment and criticism;
- (2) Countering the Australian proposal with a U.S. resolution or statement that, "at the earliest moment deemed appropriate by General MacArthur, government enterprise workers be given full collective bargaining rights including mediation and arbitration but not the right to strike" - a resolution which would almost certainly be acceptable to the friendly FEC countries and which would probably dispose of the problem definitively.

The second alternative or any variation of it would be to reverse SCAP. It would obviously be a course of action which we would not pursue without agreement at a high level in this Government.

In any event, it is suggested that this matter be brought to the Secretary's attention as one more illustration of how the situation in Japan has gotten out of hand and why plans are now being formulated in FE for a change in the regime of control and for a peace treaty.

Attachments:

WAR 87868 of 28 April 49
C 69705 of 1 May 49 fr CINCFE

NA:MGreen:br

SECRET

SECRET

E-Mr. Thorp

June 22, 1949

ITP-Mr. Brown, OFD-Mr. Barnett

Australian Resolution before FEC on Rights of Employees
of Japanese Government Enterprises.

We recommend that you bring the attached memorandum to the attention of Mr. Rusk and Mr. Webb for discussion at Mr. Webb's Staff Conference. Assistant Secretary of Labor Gibson talked with Mr. Webb regarding this issue about ten days ago.

FE, while agreeing with the desirability of securing for the employees of Japanese Government enterprises the rights we recommend in our memorandum, does not agree that the present time is an appropriate one to raise the issue with SCAP in view of the current labor disputes in Japan, especially that between the employees of the Japanese National Railways and the Railway Corporation.

While we would agree that the existence of these disputes complicates an approach to SCAP at this moment, the alternative and entirely undesirable course of action before us is to veto the Australian Resolution on labor now before the FEC. In our view the current labor crisis does not affect the urgency of taking the action we recommend. The terms of the proposed advice (or instructions) to SCAP, moreover, leaves him considerable discretion regarding the timing of the change we ask him to make.

OFD:RWBarnett:
ITP:ILS:PBSullivan:apg
6/22/49

SECRET

FOI 944 504/6-1949

SECRET

DEPARTMENT OF THE ARMY
PERSONAL
FROM GRAY TO MACARTHUR.

At the request of the Secretary of Defense, the Secretary of Labor and the Secretary of State, I am communicating the following message to you:

1. "After careful reconsideration of the proposal advanced in WAR 87868 of 28 April, and of CINCPAC reply, C 69705 of May 1, we believe that for both international and domestic political reasons the interests of United States Government require that at the earliest practicable moment full effect be given to the principle that all non-executive employees of Japanese Government enterprises should be granted full collective bargaining rights including mediation and arbitration but not the right to strike (rights you state are extended now to all government enterprise workers except those in Telecommunications).

2. "If a vote is taken in the FEC on the Australian Resolution extending all rights of FEC 045/5, including the right to strike, to Government enterprise workers, the United States will oppose it, though we dislike use of the veto and especially so against a resolution initiated and strongly supported by our most friendly allies. Moreover, we are convinced that until we take more than the negative position we have perforce adopted in discussions of this subject up to the present, there is no hope that the long unhappy controversy on labor in the FEC can be laid to rest. Irrespective of FEC consideration, however, we believe the United States and SCAP should make it abundantly clear to the Japanese, to United States labor and to other FEC countries that we stand for the principle of paragraph one and that this is a principle which had previously underlain the Public Corporations Laws and is a principle which now, on your initiative, will be given full effect as soon as practicable.

3. "We earnestly hope that you will, by indicating your intention to implement this principle, make it possible for us to persuade friendly FEC countries to abandon their intention to secure an FEC action on the labor question in Japan, because in case another resolution embodying substantially this principle, upon which we ourselves must stand, were to be introduced into the FEC, we would be in a position where we could not oppose it."

SECRET

FD 894.504/2-1949

ACTION COPY

DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

DEPARTMENT OF STATE
INCOMING TELEGRAM
PLAIN

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~~File~~

Control 12762

Rec'd June 30, 1949
11:50 a.m.

FROM : Moscow
TO : Secretary of State
NO : 1651, June 30

Soviet press June 30 prints half column Tokyo Tass report growing unrest "Japanese public opinion" over "new crimes Japanese reaction" against workers. "So-called Socialist Party under pressure public opinion" called extraordinary session Parliament discuss labor question but made number reservations proving this merely "maneuver."

IZVESTIYA prints 10 line Pyongyang Tass report Japanese Government delcared railroad workers strike "illegal."

Passed Tokyo 30.

KOHLER

CSB:KC

OFFICE
OF EUROPEAN AFFAIRS
MESSAGE CENTER

1949 JUN 30 PM 3 03

DEPARTMENT OF STATE

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JUL 6 1949

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894.504/6-3049

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

DIVISION OF NORTHEAST ASIAN AFFAIRS

DATE: 7/13/49

JUL 18 1949

DEPARTMENT OF STATE

TO : FE - Mr. Butterworth

FROM : E - Willard L. Thorp *WLT*

SUBJECT: Labor Rights of Japanese Government Enterprise Workers



I am glad to know that you agree that the legislation sponsored by SCAP in dealing with government workers labor rights is defective in some respects. I believe that a correction of the matter will have a definitely beneficial effect on the general labor situation in Japan. The timing of any approach to SCAP is a question primarily within your competence rather than mine and I certainly do not propose to press the matter further at this time. I do hope that you will keep this question in mind and consider further action as soon as it seems feasible.

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DEPARTMENT OF STATE
INCOMING TELEGRAM

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Control 5287

Rec'd July 15, 1949
7:01 a.m.

FROM: Moscow
TO: Secretary of State
NO: 1756, July 15

PRAVDA July fifteen prints 2/3 column Washington Tass
despatch reporting Panyushkin's FEC statement re
MacArthur's repressive measures against Japanese
labor.

Sent Department 1756, repeated Tokyo 31.

KIRK

BB:ME

894.504/7-1549

1949 JUL 15 AM 11 12
DEPARTMENT OF STATE
OFFICE
OF EUROPEAN AFFAIRS
MESSAGE CENTER

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JUL 15 1949
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STANDARD FORM NO. 64

DEPUTY UNDER SECRETARY OF STATE

Office Memorandum • UNITED STATES GOVERNMENT
JUL 1 1949

TO : G - Mr. Rusk

DEPARTMENT OF STATE

DATE: June 30, 1949

FROM : FE - Mr. Butterworth *W63*

SUBJECT: Labor Rights of Japanese Government Enterprise Workers

*Dcl R
File*

I have been handed a copy of the draft memorandum to you dated June 19 from Mr. Thorp on the subject "Australian Resolution before the FEC on the Rights of Employees of Japanese Government Enterprises". Since this is not an economic problem but is directly concerned with one of the most delicate and important political issues in our policy toward Japan and in our relations with the occupation I wish to place FE's views on record.

This Office agrees with E that the SCAP-sponsored legislation dealing with Government workers' labor rights is defective in certain respects and has attempted for the last ten months to have minor corrective measures taken. At the same time FE has opposed the passage of any FEC policy decision which would publicly reverse SCAP, causing him to suffer a loss of prestige.

Where this office cannot agree with Mr. Thorp is with respect to his contention that a US unilateral use of the veto to defeat the Australian proposal would have the "serious disadvantage" of causing the US to be presented "by press and radio as having alone opposed the rights of Japanese labor". In the several talks which members of this Office have had with Australian Embassy officials on this subject, the latter have come to recognize the validity of our position and have intimated that they could see no reason why we should not seek to dispose of their resolution by opposing it in the FEC. Meanwhile, the Australians have not pressed for a vote on the resolution for over a month now, which leads me to suspect that they may be reconsidering their position in the light of current labor strife in Japan. The Australians and other friendly FEC countries have assured us that they would not ventilate this matter outside the confines of the FEC. The Soviets may well do so, but, coming from that quarter, it is believed that their claims will not gain much credence outside circles sympathetic to the Communists. In any case, we have ample ammunition to counter Soviet propaganda attacks should they occur; for the liberal character of our occupational labor policy is a subject toward which we need have no apologies but is one which we would do well to proclaim from the housetops. We can meet any propaganda challenge.

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Rev. _____
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- 2 -

The other principal objection of this Office to Mr. Thorp's memorandum concerns the advisability of raising the labor issue with SCAP at this time. When last we did so, we received a complete rebuff. Since then, a number of serious strikes and strike threats have developed in which the very workers with which we are concerned - those in the Japanese Government telecommunications and railways - have assumed the most militant, threatening posture of all. No one will dispute, I am sure, that the next three months will witness a most critical period in the occupation. As the stringent stabilization program goes into effect we can expect intensive labor strife to develop, backed by the Communists whose present primary objective is to bring discredit to the US occupation. The wisdom of avoiding any rocking of the boat during this period is apparent. From all evidence at hand, it is obvious that SCAP will reject the proposal set forth in the telegram appended to Mr. Thorp's memorandum.

I therefore, recommend that, for the present, this matter not be taken up with Mr. Steelman or with Secretary Johnson and that Mr. Thorp's telegram not be sent.

WLB

MMA. MG
FE:NA:MGreen:aw

~~HA~~

DEPARTMENT OF STATE

DEPUTY UNDER SECRETARY

July 25

FE - Mr. Allison

May we have an appropriate
reply for Mr. Rusk's signature?

Mr. Baldwin talked to Mr.
Rusk about this problem last
week--along with other problems.

G: Bromley Smith

~~Mr. Giffen~~
~~Can you answer~~
~~please?~~
~~John~~

Office of
FAR EASTERN AFFAIRS
JUL 25 1949
DIRECTOR
Department of State
NORTHEAST
JUL 25 1949
DEPARTMENT OF STATE

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DEPUTY UNDER SECRETARY OF STATE

MR. RUSK

JUL 25 1949

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July 20, 1949.

Hon. Dean Rusk
 Assistant Secretary of State
 21st & Virginia, Washington, D.C.

My dear Dean Rusk:

I have been giving some thought to the problem of revising the labor policy in Japan without appearing too much to upset what has already been done, and I offer the following suggestions for what they may be worth.

The principle I think that could be followed is that of elaborating in detail the policies already laid down, not reversing them. Indeed the policies as to government workers are, in a large part pretty sound, and not far removed from the practices in most democracies.. My specific suggestions in elaborating the policy would be:

1. To continue the ban on strikes by government employees in all critical industries, possibly not applying it to those government workers in the non-critical industries, such as tobacco workers and possibly a few others. The principle that strikes should be forbidden where the public's safety or convenience is involved is sound anyway.

2. Collective bargaining in some form should not be denied any workers, public or private. While it may be fairly argued that collective bargaining agreements should not supercede civil service provisions, a compromise can be reached as it is in municipal transit services in New York, Cleveland and elsewhere, under which collective bargaining agreements are reached. No contracts are signed, the agreements being written into a civil service law. This is, in effect, what happens with our own post office employees where Congress fixes the standards after conferences between post office officials and union representatives. Such a procedure is now banned in Japan.

It may be possible to separate in Japan those government departments suitable for collective bargaining from those which are not. For instance with us, Congress recognizes the TVA as an industry enterprise where collective bargaining is appropriate. The TVA makes such contracts with non-civil service organizations.

188829 I am confident that a good deal of the ammunition

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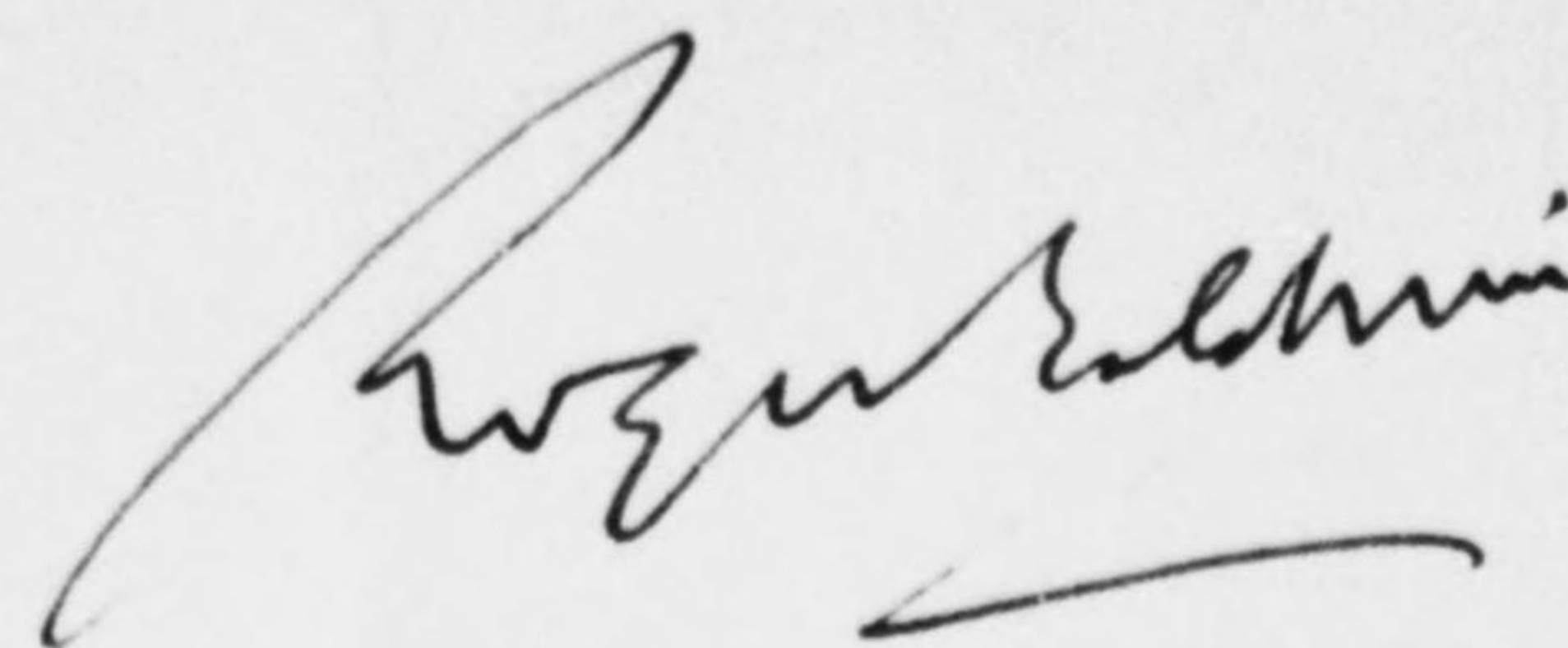
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-2-

which we have handed to the Communists in Japan could be transferred to the democratic side if some such common sense adjustments were made. *ans* I am reasonably confident that the Department of Labor, which is deeply interested in this problem would go along on this, and if properly presented, SCAP might adopt suggestions for study along these lines, and come up with the same ideas as his own!

Sincerely yours,

RNB.T



AUG 5 1949

In reply refer to
NA

Dear Mr. Baldwin:

Your letter of July 20 setting forth some of your thoughts on the labor rights of Japanese government workers has been carefully considered in the Department.

While there is unlikely to be any reformulation of existing labor laws during the present period of severe unrest following the mass layoffs of government workers, it is reasonable to expect that labor legislation evolved to date will undergo further changes through normal legislative process in the future. For this reason it would seem helpful for General MacArthur's Headquarters to have the benefit of your constructive suggestions. I am therefore taking the liberty of having the substance of your letter forwarded to the Department of the Army for transmission to the appropriate authorities in Headquarters. I am confident that your views will be given the same well-deserved attention in Tokyo as they are being given in Washington.

Sincerely yours,

Dean Rusk
Deputy Under Secretary

WR
not your last sentence!
DR

Mr. Roger N. Baldwin, Director,
American Civil Liberties Union,
170 Fifth Avenue,
New York 10, New York.

MEY
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8/3/49

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

Moscow, July 26, 1949

ITD
PBS

RESTRICTED

No. 413

Subject: Transmittal of translation of Soviet
press article regarding oppression
of Japanese workers.

DEPARTMENT OF STATE
APR 8 1949
INTERNATIONAL LABOR
SOCIAL AFFAIRS - ILS
PBS

REC'D
AUG 5

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The Ambassador has the honor to enclose a summary translation of an article, "Offensive of Reaction Against the Japanese Working Class", which was published in the Soviet trade union organ Trud on July 21. This article is both a typical sample and good summary of Soviet propaganda on the oppression of Japanese workers allegedly being carried out by US occupation authorities in league with the Yoshida Government, propaganda which has intensified considerably in recent weeks to take advantage of Japanese economic difficulties.

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gnw

Enclosure: *att.*
✓ As stated

cc: Tokyo

Original to Department

DEBoster:gnw

AUG 15 1949

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EBC

Enclosure to Desp. 413
July 26, 1949, Moscow.

SECTION A

- 11 -

21st July, 1949

TRUD

OFFENSIVE OF REACTION AGAINST THE
JAPANESE WORKING CLASS

By Kh. Eidus

At the present time Japan is the arena of a bitter class struggle. The American occupation authorities, the reactionary government of Yoshida and Japanese monopolists are conducting a concentrated offensive against the vital interests and trade union rights of the working people.

The notorious American programme of "economic stabilisation" was worked out for Japan in December 1948. The aim of this programme consisted in ensuring the maximum profits from American capital which was being invested in Japanese industry, that is to say to increase the income of the monopolies at the expense of the further lowering of the standard of living of the working people.

"Stabilisation" began with the Japanese Ministry of Labour distributing to the governors of the Prefectures a directive approved by MacArthur's staff on the dissolution of those Japanese trade unions which were allegedly carrying on political activity. The Yoshida Government with the approval of the American occupation authorities worked out at the same time new reactionary bills further curtailing the right of the workers and trade unions.

The new laws which in character recall the American Taft-Hartley anti-workers' law in essence forbids strikes not only in public but also in private undertakings.

The new anti-worker legislation is the direct result of the American programme of the "economic stabilisation" of Japan. The American programme has already led to a new increase in taxation, a rise in prices, a lowering of wages and the growth of unemployment.

The class struggle in Japan assumes every day yet sharper features. The police more and more frequently attack strikers, meetings and demonstrations of the working people, crudely violating their rights and using physical force.

The police terror is primarily directed against the Japanese Communist Party which is the only political Party in Japan struggling for genuine democracy and the demilitarisation of Japan, for its freedom and independence against reaction and fascism, against the enslavement of the country by American monopolistic capital. The constant growth of the influence of the Japanese Communist Party is evoking the wrath of the American and Japanese reactionaries.

On the 4th July this year MacArthur made a special statement directed against Communism. He ended his statement with the question: "How long will this movement enjoy the protection of the law?", thereby hinting at the desirability of declaring the Communist Party illegal. The Japanese Minister without Portfolio, Higan, replied with the statement that the government was preparing appropriate measures.

The attempts of the servants of the American monopolists are doomed to failure. Even the reactionary newspaper "Nippon Times" was recently compelled to admit with contrition that a big movement to the left had taken place in the Japanese trade unions. These changes are the result of the growing class consciousness of the working people who in their own experience have savoured the delights of American "democracy".

AUG 12 1949

SECTION A

- 12 -

21st July, 1949TRUD(Contd.)

The grandiose 1st May demonstrations, the wide strike movement, the mass protests of workers, students and representatives of the intelligentsia against the campaign of Japanese-American reaction on the democratic rights of the working people and the growth of the influence of the Communist Party all bear witness to the fact that all the progressive strata of society are rallying around the working class which is conducting a struggle for the vital rights of the working people and for a democratic independent Japan. The forces of the Japanese democratic camp are increasing and growing stronger with every day.

(2 cols.)(Summary)

TRUD 21.7.49.

SOME PAPERS

STATEMENT OF THE HEAD OF THE RUSSIAN
ORTHODOX MISSION IN SEUL THE ARCHIMANDRITE
POLIKARP

PINGYANG, 19th July, TASS. For a long time in Southern Korea the Americans and their henchmen the Korean reactionaries have been conducting a struggle for gaining control of the Russian Orthodox Mission in Seoul, attempting to remove it from the jurisdiction of the Moscow Patriarchate. Not having an opportunity to do this by any legal means the authorities of southern Korea have illegally exiled by police methods from southern Korea the Archimandrite Polikarp who refused to acknowledge any other jurisdiction and hand over the mission to the henchmen of the Korean reactionaries.

At the beginning of July the Archimandrite Polikarp arrived in Pingyang. "I and my mother", said the Archimandrite Polikarp, "were arrested on the 13th December and remained under arrest until the 23rd December by the local police and from the 23rd to 29th December in the prison of Kemukdan.

The police prisons are a row of stinking cages like animal cages. On the wooden floor sit exhausted tortured people. For the most part they are young workers, members of the intelligentsia and student youth. The prisoners were beaten with thick straps, sticks and so on. Here I learned of the use of various tortures: the pouring of water into the nose and mouth, torture by electric current, hanging up by the hands and others. For the first four days I could neither eat nor sleep, so inhuman and cruel was everything around me. Three times a day badly cooked corn was provided in small wooden boxes.

When I left prison I did not go to Church and lived exclusively on charity.

On the 18th June, 1949, the police came to me and led me away for questioning. They stated that the matter would not take more than an hour. And so and I and my mother went as we were. The police questioned us and stated that they had learned that we had been admitted to Soviet citizenship in January 1949. We were told that Soviet citizenship is allegedly only given to those people who give services to the Soviet government in the way of espionage. Consequently they demanded that we inform them who were the intermediaries and what services we had performed. I stated that this was entirely at variance with the truth. The questioning continued

STANDARD FORM NO. 64

CONFIDENTIAL

AA

Office Memorandum • UNITED STATES GOVERNMENT

TO : FE - Mr. Weigle
FROM : ILS - Mr. Sullivan
SUBJECT: ILO Convention on Freedom of Association

Office of
FAR EASTERN AFFAIRS
20 1949
DIRECTOR
Department of State

DIVISION OF
NORTHEAST ASIAN AFFAIRS 15, 1949

SEP 20 1949

DEPARTMENT OF STATE

DC/R
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Re your note:

Both Mr. Butterworth and Mr. Allison are familiar with the general purpose of this ILO Convention, its applicability (Articles 2-4 especially) to the problem of public workers in Japan having been called to their attention during the dispute over the rights of those workers.

A good case can be made that certain provisions of both the Japanese National Public Service Law and the Public Corporations Labor Negotiations Law conflict with Article 2 of this new ILO Convention, though some articles of the Public Service Law especially are in apparent contradiction concerning the matter of being allowed to join associations of their own choosing.

A new though related convention entitled "The Application of the Principles of the Right to Organize and to Bargain Collectively" was passed at the ILO conference in Geneva this past summer. Article 6 states "This Convention does not deal with the position of public servants engaged in the administration of the State, nor shall it be construed as prejudicing their rights or status in any way." This exemption of "public servants engaged in the administration of the state" is, of course, a recognition of the special status of such employees, especially in regard to rights of collective bargaining, and it is anticipated that a special Convention dealing with their organizational rights will be attempted at some future date.

For your background information the chief quarrel of the Department with SCAP over the Public Service Legislation has concerned the inclusion of "enterprise employees" of the government under the provisions of such laws.

TTP:ILS:PBSullivan:apg

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81st CONGRESS }
1st Session }

SENATE

} EXECUTIVE
S

CONVENTION CONCERNING FREEDOM OF ASSOCIATION
AND PROTECTION OF THE RIGHT TO ORGANIZE

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE CONVENTION (NO. 87) CONCERNING FREEDOM OF ASSOCIATION AND PROTECTION OF THE RIGHT TO ORGANIZE, ADOPTED BY THE INTERNATIONAL LABOR CONFERENCE AT ITS THIRTY-FIRST SESSION, HELD AT SAN FRANCISCO JUNE 17 TO JULY 10, 1948

AUGUST 27, 1949.—Convention was read the first time and the injunction of secrecy was removed therefrom. The convention, the President's message of transmittal, the report by the Secretary of State, and a copy of a letter from the Secretary of Labor with respect to the convention, were referred to the Committee on Foreign Relations and ordered to be printed for the use of the Senate

THE WHITE HOUSE, August 27, 1949.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith an authentic text of the convention (No. 87) concerning freedom of association and protection of the right to organize, adopted by the International Labor Conference at its thirty-first session, held at San Francisco, June 17 to July 10, 1948.

I transmit also for the information of the Senate the report of the Secretary of State regarding this convention, together with a copy of a letter addressed by the Secretary of Labor to the Secretary of State with respect to the convention.

HARRY S. TRUMAN.

(Enclosures: (1) Report by the Secretary of State, (2) copy of letter from the Secretary of Labor, (3) authentic text of convention (No. 87) concerning freedom of association and protection of the right to organize.)

FOI 894 504/9-1549

DEPARTMENT OF STATE,
Washington, August 26, 1949.

The PRESIDENT,
The White House:

Under article 19 of the Constitution of the International Labor Organization, which deals with the nature of the obligations of members with regard to the effectuation of conventions and recommendations adopted by the International Labor Conference, members which are federal states undertake to place or make effective arrangements for placing each such convention or recommendation within a given period before the proper authority or authorities for the enactment of legislation or other action.

In accordance with the above-mentioned obligations of the Government of the United States of America as a member of the International Labor Organization, the undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, an authentic text of the convention (No. 87) concerning freedom of association and protection of the right to organize, adopted by the International Labor Conference at its thirty-first session, held at San Francisco, June 17 to July 10, 1948.

Ratification of this convention by the United States is recommended in a letter dated June 30, 1949, from the Secretary of Labor to the Secretary of State. That letter, a copy of which is enclosed, expresses the coordinated view of the interested agencies and departments of the executive branch of this Government, namely, the Department of State, the Department of Justice, the Department of the Interior, the Department of the Navy, the Federal Security Agency, and the Department of Labor. That letter expresses the view, among others, that the subject matter of the convention is appropriate under our constitutional system for Federal action within the meaning of article 19, paragraph 7 (a), of the Constitution of the International Labor Organization, the relevant provisions of which are quoted in that communication.

The view is also expressed in the above-mentioned letter that no new Federal legislation or revision of existing Federal law is necessary to effect compliance by the United States with the terms of the convention. The convention affirms the guaranties provided under the first, fifth, tenth, and fourteenth amendments to the Constitution of the United States. The delineation of appropriate spheres of Federal and State authority under our Constitution is not, of course, affected by anything in the convention.

The subject matter of the convention is of fundamental significance in the field of international regulation of trade-unions because it guarantees, to both workers and employers alike, the basic right of freedom to establish and to join organizations of their own choosing. The question of freedom of association and industrial relations was the subject of resolutions by the Economic and Social Council of the United Nations at its fourth and fifth sessions and by the General Assembly of the United Nations at its second session. The Secretary of Labor states in his letter referred to above that he considers the convention to be of such importance that he plans to transmit it to the governors of the States of the United States for their information.

The substantive provisions of the first 11 of the 21 articles thereof. The I, entitled "Freedom of Association," entitled "Protection of the Right to Organize."

Articles 12 and 13 of the convention titled "Miscellaneous Provisions," relation to Territories. In this connection relevant provisions of article 35 of the Labor Organization, quoted in the end of Labor, and the recommendation departments that the ratification of States should be applied specifically to the Virgin Islands, Guam, American Pacific Islands, of which the United States authority under the trusteeship agreement July 18, 1947 (61 Stat., pt. 3, 3301). coordinated view that no new Federal or revision of existing law for such compliance therein by the United States convention.

It is contemplated that upon ratification United States discussions will be instituted the United Kingdom with respect to the convention to Canton and Enderbury Islands. Those islands are under the joint administration of the United States of America and the United Kingdom pursuant to an agreement effected by an exchange of notes signed July 18, 1947.

Provisions regarding ratification of force, denunciation, registration, and IV, entitled "Final Provisions," and inclusive.

Respectfully submitted.

Enclosures: (1) Authentic text of freedom of association and protection copy of letter dated June 30, 1949, from

INTERNATIONAL LABOR ORGANIZATION
CONVENTION (No. 87) CONCERNING FREEDOM OF ASSOCIATION AND PROTECTION OF THE RIGHT TO ORGANIZE.

The General Conference of the International Labour Organization, having been convened at San Francisco, California, on 17 June 1948, and having decided to adopt, in the proposals concerning freedom of association and protection of the right to organize, which is the severest session;

Considering that the Preamble to the International Labour Organisation

THE RIGHT TO ORGANIZE

DEPARTMENT OF STATE,
Washington, August 26, 1949.

stitution of the International Labor Organization, the nature of the obligations of members of conventions and recommendations of the International Labor Conference, members which are to place or make effective arrangements for the ratification or recommendation within a given territory or authorities for the enactment of

above-mentioned obligations of the Government of the United States as a member of the International Labor Organization, the Secretary of State, has advised the President, with a view to its transmission to the President, with the advice and consent of that body to approve thereof, an authentic text of the Convention concerning freedom of association and protection of the right to organize, adopted by the International Labor Conference at its thirty-first session, held at San Francisco,

and the ratification of the Convention by the United States is recommended in a letter dated August 19, 1949, from the Secretary of Labor to the President, a copy of which is enclosed, expresses the views of the interested agencies and departments of the Government, namely, the Department of Justice, the Department of the Interior, the Department of the Federal Security Agency, and the Department of State. The letter expresses the view, among others, that the ratification of the Convention is appropriate under our Constitution and that the ratification of the Convention is of fundamental significance.

In the above-mentioned letter that no change in existing Federal law is necessary for the ratification of the Convention by the United States with the terms of the Convention. The ratification of the Convention confirms the guaranties provided under the Constitution and the amendments to the Constitution of the United States in the creation of appropriate spheres of Federal action. The ratification of the Convention is not, of course, affected by the ratification of the Convention.

The Convention is of fundamental significance for the regulation of trade-unions because it recognizes the basic right of workers and employers alike, the basic right of workers to join organizations of their own choosing. The Convention was adopted by the Economic and Social Council of the United Nations at its third and fifth sessions and by the General Assembly of the United Nations at its second session. The Secretary of State referred to above that he considers the importance that he plans to transmit it to the President of the United States for their information.

PROTECTION OF THE RIGHT TO ORGANIZE

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The substantive provisions of the convention are embodied in the first 11 of the 21 articles thereof. The first 10 articles constitute part I, entitled "Freedom of Association." Article 11 constitutes part II, entitled "Protection of the Right to Organize."

Articles 12 and 13 of the convention, which constitute part III, entitled "Miscellaneous Provisions," relate to application of the convention to Territories. In this connection attention is invited to the relevant provisions of article 35 of the Constitution of the International Labor Organization, quoted in the enclosed letter from the Secretary of Labor, and the recommendation by the interested agencies and departments that the ratification of the convention by the United States should be applied specifically to Alaska, Hawaii, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Territory of the Pacific Islands, of which the United States is the administering authority under the trusteeship agreement which entered into force July 18, 1947 (61 Stat., pt. 3, 3301). That letter also sets forth the coordinated view that no new Federal legislation for those Territories or revision of existing law for such Territories is necessary to effect compliance therein by the United States with the provisions of the convention.

It is contemplated that upon ratification of the convention by the United States discussions will be instituted with the Government of the United Kingdom with respect to the matter of applying the convention to Canton and Enderbury Islands in the South Pacific Ocean. Those islands are under the joint administration of the Government of the United States of America and the Government of the United Kingdom pursuant to an agreement between the two Governments effected by an exchange of notes signed April 6, 1939 (53 Stat. 2219).

Provisions regarding ratification of the convention, its entry into force, denunciation, registration, and revision are contained in part IV, entitled "Final Provisions," and comprising articles 14 to 21, inclusive.

Respectfully submitted.

DEAN ACHESON.

Enclosures: (1) Authentic text of convention (No. 87) concerning freedom of association and protection of the right to organize, (2) copy of letter dated June 30, 1949, from the Secretary of Labor.

INTERNATIONAL LABOR CONFERENCE

CONVENTION (No. 87) CONCERNING FREEDOM OF ASSOCIATION AND PROTECTION OF THE RIGHT TO ORGANIZE.

The General Conference of the International Labour Organisation, Having been convened at San Francisco by the Governing Body of the International Labour Office, and having met in its Thirty-first Session on 17 June 1948;

Having decided to adopt, in the form of a Convention, certain proposals concerning freedom of association and protection of the right to organise, which is the seventh item on the agenda of the session;

Considering that the Preamble to the Constitution of the International Labour Organisation declares "recognition of the

principle of freedom of association" to be a means of improving conditions of labour and of establishing peace;

Considering that the Declaration of Philadelphia reaffirms that "freedom of expression and of association are essential to sustained progress";

Considering that the International Labour Conference, at its Thirtieth Session, unanimously adopted the principles which should form the basis for international regulation;

Considering that the General Assembly of the United Nations, at its Second Session, endorsed these principles and requested the International Labour Organisation to continue every effort in order that it may be possible to adopt one or several international Conventions;

adopts this ninth day of July of the year one thousand nine hundred and forty-eight the following Convention, which may be cited as the Freedom of Association and Protection of the Right to Organise Convention, 1948:

PART I. FREEDOM OF ASSOCIATION

ARTICLE 1

Each Member of the International Labour Organisation for which this Convention is in force undertakes to give effect to the following provisions.

ARTICLE 2

Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation.

ARTICLE 3

1. Workers' and employers' organisations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes.

2. The public authorities shall refrain from any interference which would restrict this right or impede the lawful exercise thereof.

ARTICLE 4

Workers' and employers' organisations shall not be liable to be dissolved or suspended by administrative authority.

ARTICLE 5

Workers' and employers' organisations shall have the right to establish and join federations and confederations and any such organisation, federation or confederation shall have the right to affiliate with international organisations of workers and employers.

ARTICLE 6

The provisions of Articles 2, 3 and 4 hereof apply to federations and confederations of workers' and employers' organisations.

The acquisition of legal persons organisations, federations and confederations to conditions of such a character as to affect the provisions of Articles 2, 3 and 4 hereof.

1. In exercising the rights provided for in this Convention, workers and employers and their respective organisations or organised collectivities, shall respect the law of the land.

2. The law of the land shall not be so applied as to impair, the guarantee of this Convention.

1. The extent to which the guarantee of this Convention shall apply to the armed forces shall be determined by national laws or regulations.

2. In accordance with the principle of Article 19 of the Constitution of the United States, the ratification of this Convention shall not be deemed to affect any existing law, any of which members of the armed forces are guaranteed by this Convention.

In this Convention the term "organisations" shall mean organisations of workers or of employers for furthering their interests of workers or of employers.

PART II. PROTECTION OF

Each Member of the International Labour Organisation for which this Convention is in force undertakes to take appropriate measures to ensure that workers and employers enjoy freely the right to organise.

PART III. MISCELLANEOUS

1. In respect of the territories referred to in Article 1 of the Constitution of the International Labour Organisation, other than the territories referred to in Articles 4 and 5 of the said Article as so amended, any State which ratifies this Convention shall, after its ratification a declaration stating:

(a) the territories in respect of which it has taken the provisions of the Convention into effect;

THE RIGHT TO ORGANIZE

association" to be a means of improving
of establishing peace;

Declaration of Philadelphia reaffirms
of association are essential to

International Labour Conference, at its
ously adopted the principles which
international regulation;

General Assembly of the United Nations,
sed these principles and requested the
organisation to continue every effort in
ble to adopt one or several international

of the year one thousand nine hundred
Convention, which may be cited as
nd Protection of the Right to Organise

FREEDOM OF ASSOCIATION

ARTICLE 1

International Labour Organisation for which
undertakes to give effect to the following

ARTICLE 2

Without distinction whatsoever, shall have
effect only to the rules of the organisation
of their own choosing without pre-

ARTICLE 3

Organisations shall have the right to
and rules, to elect their representatives
their administration and activities and
rules.

shall refrain from any interference which
impede the lawful exercise thereof.

ARTICLE 4

Organisations shall not be liable to be
administrative authority.

ARTICLE 5

Organisations shall have the right to
and confederations and any such organi-
sation shall have the right to affiliate
of workers and employers.

ARTICLE 6

Articles 3 and 4 hereof apply to federations and
employers' organisations.

PROTECTION OF THE RIGHT TO ORGANIZE

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ARTICLE 7

The acquisition of legal personality by workers' and employers' organisations, federations and confederations shall not be made subject to conditions of such a character as to restrict the application of the provisions of Articles 2, 3 and 4 hereof.

ARTICLE 8

1. In exercising the rights provided for in this Convention workers and employers and their respective organisations, like other persons or organised collectivities, shall respect the law of the land.

2. The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this Convention.

ARTICLE 9

1. The extent to which the guarantees provided for in this Convention shall apply to the armed forces and the police shall be determined by national laws or regulations.

2. In accordance with the principle set forth in paragraph 8 of Article 19 of the Constitution of the International Labour Organisation the ratification of this Convention by any Member shall not be deemed to affect any existing law, award, custom or agreement in virtue of which members of the armed forces or the police enjoy any right guaranteed by this Convention.

ARTICLE 10

In this Convention the term "organisation" means any organisation of workers or of employers for furthering and defending the interests of workers or of employers.

PART II. PROTECTION OF THE RIGHT TO ORGANIZE

ARTICLE 11

Each Member of the International Labour Organisation for which this Convention is in force undertakes to take all necessary and appropriate measures to ensure that workers and employers may exercise freely the right to organise.

PART III. MISCELLANEOUS PROVISIONS

ARTICLE 12

1. In respect of the territories referred to in Article 35 of the Constitution of the International Labour Organisation as amended by the Constitution of the International Labour Organisation Instrument of Amendment, 1946, other than the territories referred to in paragraphs 4 and 5 of the said Article as so amended, each Member of the Organisation which ratifies this Convention shall communicate to the Director-General of the International Labour Office with or as soon as possible after its ratification a declaration stating—

(a) the territories in respect of which it undertakes that the provisions of the Convention shall be applied without modification;

(b) the territories in respect of which it undertakes that the provisions of the Convention shall be applied subject to modifications, together with details of the said modifications;

(c) the territories in respect of which the Convention is inapplicable and in such cases the grounds on which it is inapplicable;

(d) the territories in respect of which it reserves its decision.

2. The undertakings referred to in subparagraphs (a) and (b) of paragraph 1 of this Article shall be deemed to be an integral part of the ratification and shall have the force of ratification.

3. Any Member may at any time by a subsequent declaration cancel in whole or in part any reservations made in its original declaration in virtue of subparagraphs (b), (c) or (d) of paragraph 1 of this Article.

4. Any Member may, at any time at which this Convention is subject to denunciation in accordance with the provisions of Article 16, communicate to the Director-General a declaration modifying in any other respect the terms of any former declaration and stating the present position in respect of such territories as it may specify.

ARTICLE 13

1. Where the subject matter of this Convention is within the self-governing powers of any non-metropolitan territory, the Member responsible for the international relations of that territory may, in agreement with the government of the territory, communicate to the Director-General of the International Labour Office a declaration accepting on behalf of the territory the obligations of this Convention.

2. A declaration accepting the obligations of this Convention may be communicated to the Director-General of the International Labour Office—

(a) by two or more Members of the Organisation in respect of any territory which is under their joint authority; or

(b) by any international authority responsible for the administration of any territory, in virtue of the Charter of the United Nations or otherwise, in respect of any such territory.

3. Declarations communicated to the Director-General of the International Labour Office in accordance with the preceding paragraphs of this Article shall indicate whether the provisions of the Convention will be applied in the territory concerned without modification or subject to modifications; when the declaration indicates that the provisions of the Convention will be applied subject to modifications it shall give details of the said modifications.

4. The Member, Members or international authority concerned may at any time by a subsequent declaration renounce in whole or in part the right to have recourse to any modification indicated in any former declaration.

5. The Member, Members or international authority concerned may, at any time at which this Convention is subject to denunciation in accordance with the provisions of Article 16, communicate to the Director-General of the International Labour Office a declaration modifying in any other respect the terms of any former declaration and stating the present position in respect of the application of the Convention.

The formal ratifications of this Co
to the Director-General of the Inter
tration.

1. This Convention shall be bind
the International Labour Organisati
registered with the Director-Genera

2. It shall come into force twelve
the ratifications of two Members
Director-General.

3. Thereafter, this Convention
Member twelve months after the d
been registered.

1. A Member which has ratified
it after the expiration of ten years
vention first comes into force, by an
tor-General of the International Lab
denunciation shall not take effect
which it is registered.

2. Each Member which has rati
does not, within the year following
ten years mentioned in the preced
of denunciation provided for in this
period of ten years and, thereafter
at the expiration of each period of t
for in this Article.

1. The Director-General of the
notify all Members of the Internat
registration of all ratifications,
communicated to him by the Mem

2. When notifying the Members
tion of the second ratification com
General shall draw the attention of
to the date upon which the Convent

The Director-General of the
communicate to the Secretary-Ge
registration in accordance with A
United Nations full particulars of
acts of denunciation registered by
visions of the preceding Articles.

THE RIGHT TO ORGANIZE

respect of which it undertakes that the Convention shall be applied subject to modifications of the said modifications;

respect of which the Convention is inapplicable; the grounds on which it is inapplicable; respect of which it reserves its decision. referred to in subparagraphs (a) and (b) of paragraph 1 shall be deemed to be an integral part of the Convention from the date of ratification.

at any time by a subsequent declaration cancelling the provisions made in its original declaration in accordance with the provisions of Article 13, (c) or (d) of paragraph 1 of this Article. At any time at which this Convention is in accordance with the provisions of Article 13, the Director-General a declaration modifying in whole or in part any former declaration and stating the territories to which it may apply.

ARTICLE 13

1. Where the territory in respect of which this Convention is within the self-governing metropolitan territory, the Member concerned shall, in accordance with the provisions of Article 13, communicate to the Director-General of the International Labour Office a declaration indicating whether the obligations of this Convention shall be applied subject to modifications of the said modifications.

2. Where the territory in respect of which this Convention is within the self-governing metropolitan territory, the Member concerned shall, in accordance with the provisions of Article 13, communicate to the Director-General of the International Labour Office a declaration indicating whether the obligations of this Convention shall be applied subject to modifications of the said modifications.

3. Where the territory in respect of which this Convention is within the self-governing metropolitan territory, the Member concerned shall, in accordance with the provisions of Article 13, communicate to the Director-General of the International Labour Office a declaration indicating whether the obligations of this Convention shall be applied subject to modifications of the said modifications.

4. Where the territory in respect of which this Convention is within the self-governing metropolitan territory, the Member concerned shall, in accordance with the provisions of Article 13, communicate to the Director-General of the International Labour Office a declaration indicating whether the obligations of this Convention shall be applied subject to modifications of the said modifications.

5. Where the territory in respect of which this Convention is within the self-governing metropolitan territory, the Member concerned shall, in accordance with the provisions of Article 13, communicate to the Director-General of the International Labour Office a declaration indicating whether the obligations of this Convention shall be applied subject to modifications of the said modifications.

PROTECTION OF THE RIGHT TO ORGANIZE

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PART IV. FINAL PROVISIONS

ARTICLE 14

The formal ratifications of this Convention shall be communicated to the Director-General of the International Labour Office for registration.

ARTICLE 15

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Director-General.

2. It shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Director-General.

3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

ARTICLE 16

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Director-General of the International Labour Office for registration. Such denunciation shall not take effect until one year after the date on which it is registered.

2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

ARTICLE 17

1. The Director-General of the International Labour Office shall notify all Members of the International Labour Organisation of the registration of all ratifications, declarations and denunciations communicated to him by the Members of the Organisation.

2. When notifying the Members of the Organisation of the registration of the second ratification communicated to him, the Director-General shall draw the attention of the Members of the Organisation to the date upon which the Convention will come into force.

ARTICLE 18

The Director-General of the International Labour Office shall communicate to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations full particulars of all ratifications, declarations and acts of denunciation registered by him in accordance with the provisions of the preceding Articles.

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THE RIGHT TO ORGANIZE

ARTICLE 19

period of ten years after the coming into effect of the Convention, the Governing Body of the International Labour Organization shall submit to the General Conference a report on the Convention and shall consider the desirability of amending it. At the same time the Conference shall consider the question of its revision.

ARTICLE 20

When a Member of the new revising Convention has adopted a new Convention revising this Convention, then, unless the new Convention provides otherwise, the Convention shall cease to be open to ratification.

When the new revising Convention comes into force, the Convention shall cease to be open to ratification in any case remain in force in its actual form in those Members which have ratified it but have not ratified the new Convention.

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When the new revising Convention comes into force, the Convention shall cease to be open to ratification in any case remain in force in its actual form in those Members which have ratified it but have not ratified the new Convention.

Conference at San Francisco, Calif., from June 17 to July 10, 1948. The Department of State, the Department of Justice, the Department of Interior, the Department of the Navy, the Federal Security Agency, and the Department of Labor have considered this matter. Their position, together with appropriate references to the constitution, as amended, of the International Labor Organization, is as follows:

Article 19, paragraph 7, of the constitution relates to the obligations of federal states relative to conventions adopted by the International Labor Organization. Article 19, paragraph 7 (a), provides:

in respect of Conventions and Recommendations which the federal Government regards as appropriate under its constitutional system for federal action, the obligations of the federal State shall be the same as those of Members which are not federal States.

It is our view that the subject matter of this convention is appropriate under our constitutional system for federal action within the meaning of article 19, paragraph 7 (a).

Article 19, paragraph 5, of the constitution, which relates to the obligations of members which are not federal states with respect to conventions adopted by the International Labor Organization, provides, in part:

5. In the case of a Convention—

- (a) the Convention will be communicated to all Members for ratification.
- (b) each of the Members undertakes that it will, within the period of one year at most from the closing of the session of the Conference, or if it is impossible owing to exceptional circumstances to do so within the period of one year, then at the earliest practicable moment and in no case later than eighteen months from the closing of the session of the Conference, bring the Convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.

It is our view that this convention should be ratified by the United States, and we recommend that the President of the United States transmit this convention to the Senate of the United States with a request for the advice and consent of the Senate to its ratification. It is also our view that no new Federal legislation or revision of existing Federal law is necessary to effect compliance by the United States with the terms of the convention.

Article 35 of the constitution relates to the obligations of members relative to conventions adopted by the International Labor Organization with respect to "non-metropolitan territories for whose international relations they are responsible." Paragraph 1 of article 35 provides:

The Members undertake that Conventions which they have ratified in accordance with the provisions of this Constitution shall be applied to the non-metropolitan territories for whose international relations they are responsible, including any trust territories for which they are the administering authority, except where the subject matter of the Convention is within the self-governing powers of the territory or the Convention is inapplicable owing to local conditions or subject to such modifications as may be necessary to adapt the Convention to local conditions.

Paragraph 2 of article 35 relates to reporting relative to the action of a member pursuant to paragraph 1 of article 35; paragraph 3, permits modification "from time to time" of action taken pursuant to paragraph 1; paragraph 4 relates to the obligations of a member under the exception provided in paragraph 1 "where the subject

of the Conference,

W. GODART.

International Labour Office,

Geneva, Switzerland.

DEPARTMENT OF LABOR,

OFFICE OF THE SECRETARY,

Washington, June 30, 1949.

STATE,

Washington, D. C.

This letter will express to you the co-operation of the various agencies and departments of the Department of State in the convention concerning freedom of association and the right to organize (convention No. 87) adopted at the session of the International Labor

matter of the Convention is within the self-governing powers of the territory." Paragraph 5 provides:

A declaration accepting the obligations of any Convention may be communicated to the Director-General of the International Labour Office—

(a) by two or more Members of the Organisation in respect of any territory which is under their joint authority; or

(b) by any international authority responsible for the administration of any territory, in virtue of the Charter of the United Nations or otherwise, in respect of any such territory.

Paragraphs 6 and 7 relate to reporting relative to, and modification "from time to time" with respect to, action taken pursuant to paragraphs 4 and 5. Paragraph 8 provides reporting obligations with respect to territories to which paragraphs 4 and 5 relate, "if the obligations of a Convention are not accepted on behalf of" such territories.

We have assumed for the purpose of our deliberations that Alaska, Hawaii, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territories of the Pacific Islands are the "non-metropolitan territories for whose international relations [the United States is] responsible," within the meaning of article 35, paragraph 1. It is our view that ratification by the United States should be rendered applicable specifically to all of these nonmetropolitan Territories. It is also our view that no new Federal legislation for such Territories or revision of existing law for such Territories is necessary to effect compliance by the United States with the terms of the convention in such nonmetropolitan Territories.

It is our view that paragraphs 5, 6, 7, and 8 are applicable to Canton Island and that it may, therefore, be appropriate for the United States to institute discussion with the United Kingdom relative to joint action pursuant to those provisions.

In view of the importance of the convention concerning freedom of association and protection of the right to organize (convention No. 87), it is my plan to transmit the convention to the governors of the States of the United States for their information and to indicate to them that it has been transmitted to the Senate of the United States with the recommendation that it be ratified.

Yours very truly,

MAURICE J. TOBIN,
Secretary of Labor.



THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

Handwritten initials/signature

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6 DIVISION OF United States Political Adviser
NORTHEAST ASIAN AFFAIRS for Japan

OCT - Tokyo, September 19, 1949.

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Subject: Transmitting Copies of Headquarters Summary of Labor Conditions in Japan.

The Acting Political Adviser has the honor to enclose herewith five copies of a summary of the current labor situation in Japan prepared by the Labor Division of the Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers, for presentation to Under Secretary of the Army Tracy S. VOORHEES, as a part of his general briefing.

The Department's attention is invited to the following salient points contained in the summary:

1. There is a widening cleavage between pro-Communist and anti-Communist forces in organized labor, with the former losing strength and the latter attempting to gain or consolidate leadership in individual unions and in organized labor as a whole.

2. Japanese labor in general has adapted itself to the stringent measures inherent in the application of the Economic Stabilization Program and the 1949 National Budget. The trade unions have accepted reductions in living standards and employment with protest but without widespread resort to forceful means of opposition.

3. Progress has been made in developing the trade-union organizational and operational patterns desired, but much remains to be done if the equal dangers of government and employer domination on the one hand and Communist domination on the other hand are to be avoided.

4. Although reported unemployment was only 440,000 as of May, the Japanese tendency in time of economic stress is to spread available work among the total labor force, resulting in reduction in the aggregate income of the family unit and in "dilution" of employment rather than in overt unemployment. Despite this tendency, unless private

enterprises

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Tokyo's Despatch No. 650,
September 19, 1949.

- 2 -

enterprises develop an expanding labor demand, a serious increase in overt unemployment is indicated. The Government's present unemployment counter-measures are designed primarily to cushion the transition from uneconomic to economic enterprises, so that protracted unemployment of large numbers would require substantial additional measures.

5. While wages have registered a net increase of only 4.3 per cent during the first half of 1949, the cost of living has risen 7.6 per cent. This decline in real wages is particularly significant since real wages are only 69 per cent of prewar levels. (In July wages decreased 1 per cent and cost of living increased 1 per cent.)

The Labor Division's conclusions relate to the progress made to date toward the Occupation's major objectives in the field of labor. On the basis of the Division's report an additional conclusion would appear to merit stress: that unless the rising anti-Communist leadership is able to assert effective leadership and at least partially successful action toward relieving economic pressure on workers, the dangers of government and employer domination on the one hand and of Communist attraction on the other hand are active dangers.

Enclosure: *att. 4*

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✓ Five copies of Headquarters
Summary of Labor Conditions in
Japan.

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Enclosure to Despatch No. 650 dated September 19, 1949, from the Office of the United States Political Adviser to Japan, Tokyo on the subject "Transmitting Copies of Headquarters Summary of Labor Conditions in Japan".

Economic and Scientific Section
Labor Division

SUMMARY OF CURRENT LABOR SITUATION - LABOR DIVISION - 15 August 1949

Labor Relations

The struggle between the pro-Communist and anti-Communist groups for control of the labor movement has resulted since mid-June in a loss of strength by the Communists and has caused a definite cleavage within the labor movement. The intent and tactics of the Communists have fallen into disfavor with the union leaders and rank and file members alike.

The unions have registered opposition in various forms to the rationalization of governmental and private industry but have become reconciled to the reductions in personnel. Within recent months unions have even been reluctant to use their limited strike weapons. The use of violence tactics advocated by the Communists has fallen into disrepute and the unions are turning to the use of recognized trade union practices.

To aid in the development of a trade union movement to counteract undesirable trends, new legislation was promulgated to insure rank and file authority within the unions. Initial opposition was encountered in the unions since the application of the laws. Through promulgation of enforcement ordinance, combined with an educational program, opposition to the laws has lessened and more major unions are complying.

Emphasis is being placed on negotiations of complete collective bargaining agreements with education being directed at rank and file union leaders and management representatives.

Employment and Unemployment Situation

At present there is no evidence of large scale unemployment in Japan. The monthly labor force survey for May showed 440,000 unemployed of a total work force of 36,300,000. Unless private industry expands, particularly the export industry, an increase in unemployment may assume more serious proportions within the next few months.

The average weekly number of persons receiving unemployment benefits rose from 28,700 in January to 92,100 in June.

The Japanese Government has planned a program to provide temporary relief for unemployed workers during the period of transfer from unessential to essential industries. This program includes the use of emergency work relief projects, the unemployment insurance fund and the use of the public employment security offices. If the unemployment problem becomes serious, additional measures would be necessary. The present program will only temporarily relieve unemployment problems. The only adequate answer is a healthy economy of increasing rates of production and greatly expanding export trade.

Labor Standards Law

The Labor Standards Bureau is faced with an 18% decrease in the number of inspectors and a 30% decrease of all other personnel which may affect the inspection program. During the first six months of this year, the average number of inspections per month has increased markedly. This number of inspections may not be continued when the reduction in force takes place in August. Pressure for revision of the Labor Standards Law has lessened considerably within the last few months. This may be attributable to the fact that the Japanese Government has been completely

absorbed in the more pressing problem of unemployment and the dismissal of Government employees.

Wages

Observation of wage movements for the first six months of 1949 indicates that the indirect controls stated in the "3 principles" have succeeded in decelerating the upward movement of wages. This has been characterized by irregular rises and drops in average wages with a net increase of 4.3% between January and June. This increase is in startling contrast to the increases of 51%, 76% and 140% during the same periods, January to June, respectively 1948, 1947 and 1946. However, whereas cost of living increased less than half as rapidly (20% as wages (51%) during the comparable period of 1948, living cost rose almost twice as fast (7.6%) as wages (4.3%) during the first half of 1949.

The tightening of financial credits and the curtailment of subsidies have created a situation where employers are failing to pay wages in full. As of June 30 1949, approximately \$745,000,000 was still owing to workers for back wages.

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Economic and Scientific Section
Labor Division

REPORT OF LABOR DIVISION, ECONOMIC & SCIENTIFIC SECTION, GHQ, SCAP
CURRENT SITUATION IN THE FIELD OF LABOR
15 August 1949

OBJECTIVES

In the field of labor the Occupation was primarily concerned with four major objectives: the creation of conditions under which a free and democratic labor movement could develop, the encouragement and development of sound collective bargaining and labor relations, the creation or extension of democratic labor legislation and administrative agencies, and the effective use of Japan's manpower resources.

The first of these aims was fully accomplished during the first year and substantial progress was made in achieving the other objectives during the second year. By the end of the third year of the Occupation, Japan had ten basic labor laws, comprising a system meeting international standards of labor legislation, and its first Ministry of Labor, providing integrated machinery for the administration of labor affairs.

The rapid growth of Japanese labor unions and the introduction of collective bargaining in a nation where it had been virtually nonexistent, created an acute need for worker and employer education. Primary objectives of SCAP and the Japanese Government programs have been:

1. To provide union officials and rank and file members with an understanding of trade union aims and practices in democratic countries;
2. To encourage the adoption of democratic features in union constitutions and other guarantees of internal democracy in unions;
3. To encourage bonafide bargaining and the adoption of written contracts which promote peaceful settlement of disputes; and
4. To discourage undemocratic tendencies or control of unions by outside groups.

POLITICAL INFLUENCES IN LABOR UNIONS

The most significant aspect of the present day labor movement in Japan is a definite re-alignment between the anti-Communist and the pro-Communist forces and a loss of strength by the Communists in the labor movement. The intent of the Communists, despite their seemingly plausible arguments, to use the labor movement as a step toward political power, is now generally recognized by union leaders and rank and file members alike. This clarification of Communist methods is resulting in a widening cleavage between the two sides, a shifting of union forces, and a definite loss of support by the Communists.

There is much evidence of this loss dating from mid-June when the cancellation by ESS/LAB of the Communist-inspired railway strike in the Tokyo-Yokohama area crystalized Communist policies, aims and methods in the minds of the workers and general public. Since that time, the anti-Communist elements in the Government Railway Workers Union, known as the Democratization League (Mindō) have defeated the Communists and are well on their way toward undisputed control of the union. Anti-Communist forces in the electrical equipment, metal, steel and shipbuilding unions, are openly contesting the Communists for control of existing unions or are organizing opposition unions.

The most significant development is still in the formative stage. Under the leadership of Takeo Muto, President of the Coal Miners Union; Etsuo Kato, President of the Railway Workers Union; Totaro Fujita, President of the Private Railway Workers Union; Yukitaka Haraguchi, President of the Metal Miners Union; Shohzaburo Araki, President of the Teachers' Union; Susumu Fujita, President of All-Japan Electrical Workers Union; those progressive, anti-Communist elements represented in National Congress of Industrial Unions, Japan Federation of Trade Unions, and the large independent group of national unions are now in the process of organizing a committee which will guide the formation of a new federation of industrial organizations. Only unions that are committed to democratic principles and which declare themselves specifically in opposition to the World Federation of Trade Unions will be admitted. The political complexion of this group will probably be similar to the labor party of Great Britain.

1. Sanbetsu (National Congress of Industrial Unions) . . . 1,150,000

This includes the organizations which have recently undertaken to form a new Sanbetsu (Shin-Sanbetsu) whose membership is estimated at about 300,000. It is not clear at present whether this group will remain within Sanbetsu or separate from it.

2. Sodomei (Japan Federation of Trade Unions) 900,000

3. Independents 2,435,000

This group includes many of the most important labor organizations in Japan, such as Tanro (Coal Miners Union) 432,000; Kokotetsu (National Railway Workers Union) 500,000; Shitetsu SoRengo (Private Railway Workers Union) 120,000; Kinscku Kozan (Metal Miners Union) 80,000; and Kaiin Kumiai (All-Japan Seamen's Union) 120,000. It will be noted that some of these large independent unions are supplying the leadership in forming the new labor group previously mentioned.

4. Government Workers (Zen-Kan) 2,115,000

This group includes the Teachers' Federation of 500,000 and national and prefectural government employees.

UNION POLICIES AND OPERATIONS

The development of undesirable trends had been noted in the labor movement, particularly among some of the large national unions. Many officers of local unions, national unions and federations, were being paid by management. Also the unions often included high ranking management personnel within their membership as top union officials. Decisions were made by governing bodies of the unions and not by the rank and file membership. These trends endangered the development of a free trade union movement and tended to establish a hierarchy within the movement with management and political elements at the top. They threatened to restrain or prevent the free interplay of economic forces. The educational program of ESS/LAB and the new legislation were designed to counteract these dangerous trends. The revised laws, effective from 10 June 1949, though not compelling, influence labor unions to pay their own operational expenses; to exclude managerial personnel as members; to adopt constitutions granting to the rank and file full democratic powers to elect officers, to sanction and ratify collective bargaining, authorize strike action and to make other important decisions. Since the application of the laws and the promulgation of an enforcement and educational program, these new concepts have come to be generally accepted and most major unions have undertaken to comply with the provisions of the new laws.

Japanese unions generally have been sparing in their use of strikes. Their strikes have been usually of short duration and often, as in the coal fields, the unions have authorized work on holidays, or days off, to compensate for production lost during strikes or members have worked harder during regular hours to meet quotas. Their strike tactics have been extremely varied. Dispute tactics which have been called strikes have often been only partial strikes. A case in point is the recent dispute within the pyrite mines. The transportation workers in these mines either stopped work or took other jobs in the mine, but all other workers, including the diggers, continued to produce. Wherever any dispute tactics actually threatened to stop the operation of vital industries, the unions have almost without exception willingly supplied materials necessary to prevent a shutdown. This has been true even of unions presumed to be Communist-controlled or strongly influenced.

A tactic called "production control," which had been generally accepted as a proper dispute tactic, especially by the extreme leftists, has now fallen largely into disuse and disrepute. By this tactic the union took over management and operation of the plant. The fact that all personnel except a few of the top management, and in some cases only the plant manager himself, were members of the union facilitated this procedure. Production control had even been legalized in some labor agreements, and its legality had been substantiated by certain court decisions. Within the past six months, however, the trend has been in the opposite direction. Courts have ruled against production control in several important decisions and in the case of the Kamo Plant of the Tokyo Shibaura Company, authorized the use of police power to enforce court orders against production control.

Within recent months the unions have even been reluctant to use their limited strike weapons. Though Japanese labor in general has been opposed to the stringent measures inherent in the application of the Economic Stabilization Program and the 1949 Budget, it has in general adapted itself to the new policies and the new conditions. The coal miners in effect have accepted a 20% wage reduction except in a few of the more prosperous companies, without strike, and have acquiesced to a system of arbitration -- the first major labor union to adopt it in Japan. Other unions such as the metal miners have reconciled themselves to even greater reductions in their standards of living.

Labor has also generally reconciled itself to the "rationalization" of both governmental and private industry. Rationalization has entailed considerable reduction in personnel in such industries as government railways, communications, steel, and electrical equipment manufacturing which suffered losses in production as a result of curtailment in the railroad and communications budgets. The unions have, of course, protested against dismissals and in the case of the government railways and the Hiroshima Plant of the Nippon Steel, under Communist leadership resorted to strikes accompanied by acts of violence. The strike of the government railway workers on several lines in the Tokyo-Yokohama District was given impetus by the Law for the Fixed Number of Personnel in the Administrative Organizations, which was passed in the closing hours of the recent Diet session, denying to the Railway Workers Union the right to collective bargaining which had been specifically guaranteed in Article 8 of the Public Corporation Labor Relations Law. The Public Corporation Labor Relations Law had been passed earlier, had been concurred in by ESS/LAB and resulted in the violent strikes which followed, temporarily increasing the influence of the Communists and eliciting much popular support for their cause. This increased prestige and power of the Communists in the labor movement began to wane, however, on 19 June when the Acting Chief of the Labor Division ordered the strike called off. Since that time the attempts of the Communists to revive strikes in the railways, steel and the communication fields, except for minor incidents, have met with failure and the dismissal of surplus workers, both in government and private industry, is proceeding with a minimum of disturbance.

PROGRAM DEVELOPMENTS

Much remains to be done in the fields of collective bargaining and union organization. Many basic industries do not have collective bargaining agreements that completely cover all points on wages, hours and working conditions and ESS/LAB is now working to install complete contracts regulating all phases of labor relations in such basic industries as mining, maritime, steel, metal manufacturing, electrical power and manufacturing, textiles, harbor, publishing and printing, chemicals, construction, transportation and in such professions as teaching, press and radio, and motion pictures. Both Japanese labor and management, undoubtedly because of their feudalistic background, at the present time are prone to intermingle the management of the business with the operation of union and vice versa. There is still misunderstanding of the proper functions of negotiation committees, grievance committees, and labor-management councils. There is also a reluctance to accept the principle of arbitration or contractual guarantees against strikes or lockouts. The necessity of industry to rationalize has resulted in a management trend to insist upon so-called management prerogatives.

The danger that the Government will dominate the labor movement is ever present in Japan. An indication of this is the recent action of the Cabinet and the National Personnel Authority in declaring that only employees-on-the-job could be members or officers of the Communications Workers Unions or other unions in the Government service. This restriction on union membership and office-holding is written into the Public Corporation Labor Relations Law in regard to the unions in the national railways and the Government monopolies. It was recently applied in the dismissals of surplus personnel in the railways. This provided a convenient expedient for eliminating the Communists from positions of union leadership, and as the anti-Communist factions of the Government Railway Workers Union have adopted a policy of compliance with regularly enacted laws, these moderate elements have not taken an aggressive stand in opposition to the provision of the Cabinet and National Personnel Authority. They announce, however, that the new organization now being formed, representing the largest and most important labor unions in Japan, will make this one of its focal points of attack and will insist that the determination of qualifications for union membership and officers be a right of the union, as it is in the Western democracies.

It is the opinion of the Labor Division that the free trade union movement in Japan is at this moment in equal danger from both the extreme right and the extreme left. It is the aim and purpose of the Labor Division to guide the movement away from both extremes and down a middle path through encouragement of more active rank and file participation in union affairs. If this objective is accomplished, the Japanese trade union movement may in the future constitute the principal bulwark against the exploitation of workers, the oppression of the masses and the revival of militaristic forces in Japan.

EMPLOYMENT AND UNEMPLOYMENT SITUATION

There is as yet no evidence of large scale unemployment in Japan resulting from implementation of the Economic Stabilization Program in the period ending June 1949. The Monthly Labor Force Survey prepared by the Cabinet Bureau of Statistics for May shows only 440,000 unemployed of a total work force of 36,300,000. In addition, it should be noted that small proprietors and family workers make up two-thirds of the employed population in Japan and numbered 23.9 million in May out of a total employment of 36.3 million; whereas paid employees, i.e., wage and salary workers, numbered only 12.4 million in the same month. Whereas, in the United States a low figure for total unemployed persons is a reliable indicator of prosperity, in Japan there is a strong tendency to spread available work among the total labor force. Thus the employment situation in time of economic stress is more apt to result in unmet economic need in terms of family income and the "dilution" of employment, rather than in unemployment.

In spite of this general tendency, unless private enterprises, particularly the export industries, develop an expanding labor demand to provide an absorptive cushion, an increase in unemployment among the paid employee group of the work force which may assume serious proportions in the next few months, is indicated by the following labor market factors:

1. A small but steady rise in the excess of employment separations over accessions, exclusive of the temporary impact of April school graduates on the labor force, contributory to non-replacement attritions. These excesses of separations totaled 9,300 in February, 20,000 in March and 27,000 in May in industrial establishments employing over 3½ million workers.
2. A rise in layoffs due to employers' inability to operate economically, as reported to employment exchanges, was from 218 plants laying off 7,500 workers in February to 680 plants laying off 32,000 in June. This does not reflect current personnel reductions in Government enterprises and administrative agencies of 95,000 railway workers plus approximately 100,000 others.
3. An increase in the average weekly number of persons receiving unemployment insurance benefits rose from 28,700 in January 1949 to 92,100 in June.

UNEMPLOYMENT COUNTER-MEASURES

The Japanese Government, within the framework of the present budget, has a program to provide temporary relief to a minimum number of unemployed workers based upon the assumption of the transfer of most of these workers from non-essential to essential industries. This is dependent upon a continued rise in production, particularly industries for export, in accordance with original target goals established in the Economic Stabilization Program. It is also dependent upon the expenditure of Counterpart Funds for public and private capital investment which will assist in the maintenance of present levels of employment for some basic industries and, to some extent, will create an additional demand for approximately 100,000 workers.

In the event Japanese economy enters a serious deflationary period, unlikely unless exports remain at a low level, the government unemployment relief program can be expanded considerably to prevent idleness of unemployed workers for long periods of time still within the framework of the present budget if additional funds are found for the Emergency Work Relief Programs, a program somewhat comparable to WPA in the United States. If unemployment of large numbers continues for over 12 months, substantial additional measures would be necessary. A brief outline of this Government program is as follows:

1. On 20 May 1949, the Diet passed an Emergency Work Relief Law providing for the establishment of economically useful projects for the purpose of absorbing unemployed, such projects to be placed in operation only after appreciable unemployment develops in specific local areas. These projects would be discontinued as soon as workers could be transferred to regular employment, and as an inducement for transferring, the law provides for lower wages than for comparable work. The small sum of ¥808,000,000 provided in the budget has been sufficient for this program to date. Any substantial increase in the number of unemployed in the coming months would require additional funds.
2. Approximately 6,000,000 workers are presently covered by unemployment insurance. By an amendment to the Unemployment Insurance Law on 20 May 1949, an additional 1,000,000 day workers will be covered after 1 November 1949. The unemployment insurance fund now has a reserve of approximately ¥6,000,000,000, sufficient to provide payments for the full six months of benefits authorized for some 250,000 to 300,000 individuals, or an average of three months of benefits for twice that number.

3. The efficiency of the Japanese Public Employment Security Offices (employment exchanges) has increased to such an extent in the past two years that they are in a good position to administer the unemployment counter-measures program effectively. There are 415 exchanges in Japan which adjust labor supply and demand by soliciting job openings and placing workers to available jobs, are responsible for implementation of the work relief program, pay unemployment insurance to covered workers, provide payment of traveling expenses to employees who change residence in obtaining new employment, and report information on unemployment.

It should be noted that present long-range public works or short-term work relief projects in Japan will only partially or temporarily relieve the problems occasioned by unemployment or under-utilization of labor force skills. The only adequate answer is a healthy economy with increasing rates of production and greatly expanded export trade.

LABOR STANDARDS LAW

Recently the major development in the Labor Standards Bureau has been in connection with personnel. The 1949-50 budget for the Labor Standards Bureau (exclusive of its Workmen's Compensation Insurance Section) authorized an 18% decrease in the number of inspectors and a 30% decrease in all other Bureau personnel as compared with the 1948-49 budget allocation. This means a loss of 2,236 positions (301 inspectors and 1,935 other positions). However, since there were about 1,000 vacancies, the actual number of persons to be dismissed is around 1,200. When the reduction in force is completed, the staff will consist of 6,237 persons of whom 1,818 will be inspectors.

The impact of loss of personnel has not as yet been felt since dismissals will not be effectuated until the end of August. Reductions so far as possible will be largely in the Central Bureau and in the prefectural offices with the least possible reductions to be made in the local inspection offices. It is clear that the reduction in staff will necessitate more delegation of responsibility to local inspection offices and a review of office procedures, employer reporting, etc., with a view to reducing the amount of paper work in order that the inspection program will not suffer too drastically.

From February 1948 through May 1949, 370,000 inspections were made in establishments employing approximately 14,000,000 workers. These figures include reinspections. The average number of inspections per month has increased markedly since January of this year, due primarily to the emphasis on inspections in small and medium sized establishments, the average being more than 35,000 per month. As already indicated, this number of inspections may not be continued after the reduction in force takes place in August.

As a result of the transfer of mine safety to the Ministry of International Trade and Industry, the Mining Section of the Central Labor Standards Bureau and the Mining Sections in the 7 prefectural Labor Standards offices in which they were established have been eliminated and their remaining functions transferred to other sections of the Labor Standards Organization.

An Apprenticeship Section has been established in the Central Labor Standards Bureau with a small staff of approximately 20 persons. It is hoped that with the establishment of this Section there may be a new impetus to the development of the apprenticeship program.

In the past few months, there have been no further pressures for revision of the Labor Standards Law. This may be attributable to the fact that the Japanese Government has been completely absorbed in the more pressing problems of unemployment and dismissal of Government employees. What the Cabinet will propose when it reconvenes is an unknown quality.

WAGE STABILIZATION

One of the "9-points" in the United States Interim Directive for Economic Stabilization was the adoption by the Japanese Government of effective measures to achieve wage stabilization. Deciding that direct wage control was both impracticable and unnecessary, the Japanese Government adopted, toward the end of 1948, a program for indirect control of wage movements. This program, known as the "three principles," stated that the government would not grant price increases, deficit loans or subsidies (except from available revenue) to any enterprise or industry for the purpose of increasing wages.

Observation of wage movement for the first six months of 1949 indicates that these indirect controls have in fact succeeded in decelerating the upward movement of wages. This period has been characterized by relatively small monthly rises and drops in average wages, with a net increase of 4.3% between January and June. This small increase is in startling contrast to the increases of 51%, 76% and 140% during the same periods (January to June) respectively in 1948, 1947 and 1946. A fact which will bear watching, however, is that whereas cost of living increased less than half as rapidly (20%) as wages (51%) during the comparable period in 1948, living cost rose almost twice as fast (7.6%) as wages (4.3%) during the first half of 1949. This decline in real wages is particularly significant since real wages (May 1949) were only 69% of pre-war (1937) levels.

NON-PAYMENT OF WAGES

The tightening of financial credits and the curtailment of subsidies have created a situation where employers are failing to pay wages in full. According to incomplete reports of the Labor Standards Bureau, 3,236 cases involving firms who had failed to pay 1.72 billion yen in wages were handled by the Bureau during the first half of 1949. As of 30 June 1949, approximately ¥745,000,000 was still owing to workers for back wages.

WORKMEN'S ACCIDENT COMPENSATION INSURANCE

A modern Workmen's Compensation system was established for the first time in Japan in September 1947 with the passage of the Workers' Accident Compensation Insurance Law and the Labor Standards Law. The system is basically similar to that in the United States. Legal obligation is put on all employers to compensate workers for industrial accidents with provisions that this liability can be avoided by taking out insurance. Insurance is compulsory for employers in manufacturing, mining, construction and other hazardous industries, and is voluntary for employers in commerce and other nonhazardous activities. The premium is paid entirely by the employer and is variable in accordance with the number of accidents in each industry. There are 22 different premium rates, from 4.4%, applicable to subway construction and other extra-hazardous activities, to 0.15% for banks and nonhazardous activities. The Japanese system differs from that prevailing in many states in that employers in the compulsory category must take out the insurance offered by the government. In the voluntary category, employers may choose between government operated insurance or insurance offered by private carriers.

Workers are entitled to the full cost of medical care plus 60% of wages during disability. A sum amounting to approximately three years' wages is paid in death cases and smaller amounts for permanent disability. Administration of the program is in the hands of the Labor Standards Bureau of the Labor Ministry, which agency is also responsible for safety and sanitation provisions. The administrative efficiency has improved steadily since the inception of the program and is now relatively very high. There are 235,000 employers covered and 6,500,000 workers. As an index of the extent of benefits paid to covered workers, the figures for the month of June 1949 show benefits amounting to 250,000,000 yen were paid to 50,000 workers and to the surviving families of workers killed in industrial accidents.

The 1949-50 budget provides for a total of 2,356 persons to administer the program representing an increase of 206 persons over the previous year.

At the present time a Bill is in preparation to transfer responsibility of administration of Workmen's Accident Insurance for government workers to the Labor Ministry to be coordinated with the program for private industry.

WOMEN'S AND MINOR'S BUREAU

The Women's and Minor's Bureau's work will be seriously handicapped during the 1949-50 fiscal year by a 30% reduction in personnel, representing a loss of 74 positions. The present budget provides for a total of 174 positions, of which 70 are in the central office and 140 are in the field, which includes a local office in each of the 46 prefectures. (The 1948-49 budget provided for a total of 248 positions.) This means that from 2 to 3 persons will be assigned to each of the prefectures. The difficulties of carrying on a major program in the field of women and children with such a small staff are obvious.

One of the gratifying developments in the field of improving the economic and social status of working women was the enthusiasm with which women of all walks of life participated in the "Promotion of the Welfare of Women Workers' Week" held between 1 August and 7 August of this year. This enthusiasm was not confined to the women only but was evidenced in newspaper editorials, radio commentaries and other sources.

GENERAL CONCLUSIONS

With the completion of four years of Occupation and the emancipation of the labor movement, it is fair to say that the objectives originally set forth in regard to the development of a sound and democratic labor movement have achieved a large measure of success. Union structure and organization have developed to a point where national industrial unions, and national federations speak for the thousands of locals and their members on national economic and social policy matters. Internal struggles for union control between the extremist and moderate factions are in part a consequence of factors outside the Japanese political and economic structure. Vigorous education programs and the obviously unrepresentative character of extremist leadership and programs in regard to the native labor movement have tended to minimize the influence of this leadership. The issues involved and the conduct of labor disputes are gradually moving toward conformity with the established concepts and practices which have been associated with Western labor movements. Political issues as a factor in labor disputes have to some extent given way to the fundamental economic relationships between management and labor.

Modified labor relations legislation reflecting the experience of the post-war years plus the increased effectiveness of the administrative and judicial organs established to carry them out are becoming increasingly important factors in labor relations. Labor Relations Committees continue to be an increasingly constructive force in the melioration of labor disputes. The courts are establishing precedents in regard to the interpretation of these laws in such a manner as to define the legal responsibilities of both labor and management in hitherto unchartered areas of labor relations thereby setting the boundaries within which legitimate economic issues can be negotiated.

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STANDARD FORM NO. 64

RESTRICTED

Office Memorandum • UNITED STATES GOVERNMENT

TO : NA - Mr. Allison

FROM : NA - Mr. Green *mg*

SUBJECT: Tokyo's 650 of September 19, 1949

DATE: October 11, 1949

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Brad Coolidge summarizes and encloses a fairly frank and comprehensive "Summary of the Current Labor Situation" prepared by SCAP's Labor Division as part of Under Secretary Voorhees' general briefing. Coolidge's summary of the report is well worth reading. Note the concern he has expressed on other occasions lest a youthful labor force, facing unemployment, succumb to the domination of management or to the overtures of the Communists.

FWD 894.504/9-1949

FE:NA:MGreen:clh

RESTRICTED

DEPARTMENT OF STATE

Memorandum of Conversation



DATE: October 26, 1949

SUBJECT: Labor and Land Reforms in Japan

PARTICIPANTS: Mr. Tokutaro Kitamura, Member of Parliament for Hiroshima, former Minister of Finance, and now Secretary General of the Democratic Party

Mr. Setsuo Yamada, Member of Parliament for Nagasaki, and Chairman of the Labor Committee of the Upper House

Mr. Allison, NA

COPIES TO: Mr. Sullivan, FE

Mr. Green, NA

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E DRF
S/P POLAD, Tokyo

894.504/10-2649

In the course of a courtesy call by Mr. Kitamura and Mr. Yamada who are returning to Japan from the Moral Rearmament Conference in Geneva, the conversation turned briefly to the Japanese labor and land reforms.

It was Mr. Yamada's view that the basic labor legislation enacted under the occupation would not be compromised in the post-treaty period, despite a present need for greater preciseness in some sections of the laws. Although welcoming the recent discharge of many Communist union leaders in connection with the retrenchment program, Mr. Yamada expressed apprehension lest this create a precedent for the elimination of other, non-Communist union leaders. Widespread victimization of union leaders would, he warned, cause a resurgence of a Communist influence in the trade union movement. Mr. Yamada regarded the labor provisions of the National Public Service legislation as imposing necessary restrictions on the political activities of government unions, many of which had been Communist-led. Asked if the political restrictions placed on teachers under the National Public Service legislation might not be excessively restrictive in view of the intellectual leadership of teachers, particularly in rural communities, Mr. Yamada replied that this might be a loss, but that many teachers "needed restraining influence because of their Communist leanings".

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Form with handwritten initials: RRM, CMC

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Mr.

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Mr. Yamada saw reason to hope that half of the almost seven million organized workers in Japan would soon be affiliated with a new anti-Communist labor federation and that this federation would become a principle prop of the Socialist Party. In that event, he thought, about 500,000 organized workers would join in a federation supporting the Communist Party.

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Speaking as one whose father had lost 9/10ths of his land under the reforms, Mr. Yamada admitted a tendency to be critical of the land reforms. He said that many small landowners today would prefer reverting to a status of tenancy because of their inability to cope with high taxes, rising prices, and the need to purchase equipment formerly loaned by the landowners. Mr. Kitamura observed that his party's (the Democrats) answer to this problem is to encourage small farmers to join in cooperatives; indeed, he felt that a good deal of progress is being made in this direction. Mr. Kitamura did not believe that any appreciable number of small landowners sided with the Communists in advocating state ownership of lands.

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November 16, 1949

In reply refer to
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MEMORANDUM FOR THE UNITED STATES MEMBER,
FAR EASTERN COMMISSION

With reference to the statement of the USSR member on October 27, 1949, regarding labor policy in Japan, the United States member is authorized, at his discretion, either to make or to have circulated the following reply to the other members of the Commission:

"At the meeting of the Commission on October 27 the Soviet member reiterated his allegations that the labor policy which is being carried out by the United States occupation authorities and the Japanese Government is in contradiction to the Potsdam Declaration and the policy decisions of the Far Eastern Commission.

"I feel that I have already rebutted these charges of the Soviet member in my statement on July 14, 1949, which has been circulated as FEC 318/25.

"However, the Soviet member makes two further allegations in his recent statement. While it is not my intention to make a practice of answering charges of this nature, I would like to call the attention of the Commission to the following information:

"First, the Soviet member charges 'that by means of mass discharges of workers, the Japanese authorities are removing from enterprises or institutions first of all leaders and active members of trade unions.' In implementation of the economic stabilization program which calls for the rationalization of government employment in the interest of efficiency and economy, the Japanese Diet passed a law which established ceilings on the total personnel strength of the Japanese governmental agencies. Those ceilings required a reduction of some 20 per cent overall, resulting in the release during the summer months of about 10 per cent of the personnel actually on the regular government payroll. In executing this

program,

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program, factors such as employee's seniority, work record, efficiency, attendance and attitude toward his job were considered and weighed. Some of these persons may have been active union members, but that certainly was not the criterion for discharge.

"Secondly, the Soviet member stated that 'on September 17 the Japanese Government published a new decision according to which the workers of government and public utility enterprises and institutions are prohibited from engaging in political activities.' As I understand it no 'new decision' is involved at all. I assume that the Soviet member is referring to a rule, issued by the National Personnel Authority in September, which applies only to government workers and not to workers in public utility enterprises. This rule merely implements the provision of the National Public Service Law as enacted in 1947 and amended in 1948 which states that 'personnel shall not solicit nor receive, nor be in any matter concerned in soliciting or receiving, any subscription or other benefit for any political party of political purposes or engage in any political activity as defined by the rules of the Authority other than to exercise the right to vote.'"

John M. Allison
Director
Office of Northeast Asian Affairs

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