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national output and because of the large proportion of the national output which was devoted to military and industrial expansion instead of consumption. The standard of living of Japanese labor was ^{consequently} not far above the subsistence level. When prices ^{increased more rapidly than} rose ^{relative to wages} during the inflation of the first world war, ^{broke out} there were food riots because workers could no longer afford to buy even their minimum needs of staple foods. Similarly in 1937 when ^{again increased more rapidly than wages, there was a recrudescence of} prices ^{rose relative to wages, there were many} labor disputes and demands for higher wages, although they were ^{generally} repressed to a large extent after the China Incident in July 1937.

27. During the Pacific War price control and savings drives were fairly successful with the result that wages ^{in general increased at about the slightly more} ~~would rise~~ ^{than official} relative to prices. This did not reflect an increase in consumption because the volume of goods for consumption ~~had actually declined.~~ ^{It reflected an} The accumulation of savings and of deferred demands ^{which} constituted a potential inflationary force.

	<u>Retail Prices in Tokyo a/</u>	<u>Regular Wages of Males in Manufacturing b/</u>	<u>Real Regular Wages of Males c/ in Manufacturing</u>
		(1938= 100)	
1940	130	112	86
1942	135	132	98
1944	160	188	118

a/ Bank of Japan b/ Ministry of Labor c/ Ratio of Wages to Prices

28. The Government was able to appeal ^{with considerable success} to the patriotism of the people during the war to save and to comply with price and wage controls, ~~to a great extent.~~ ^{1/} The National Saving Association Law was designed to encourage savings through the establishment of thou-

1/ The National Saving Association Law, Law No. 64, 13 March 1941.

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sands of savings associations. Cities, towns and villages, factories and schools formed savings associations. While it was compulsory for everyone to join the associations the poor were not required to ^{contribute savings.} ~~save~~. The forced savings were not fixed in amount for each individual, but for each association, ~~these funds~~ ^{and} were deposited with banks, postal savings, insurance companies and various industrial or agricultural cooperatives, all of which in turn purchased government bonds for the savers.

Wage Controls

29. The first steps toward wage control ^{were taken} ~~were ordinances issued~~ in 1939 ^{when ordinances were promulgated} establishing levels of wages for specified groups of workers which the prefectural governors could change. Although these ordinances were issued under the authority of Article 6 of the National General Mobilization Law of 1938 ^{they} ~~the ordinances~~ were considered

((a)) temporary and not strictly enforced. The 1939 ordinances expired with the issuance of the Wage Control Regulation, ^{1/} on 16 October 1940 ~~also~~ based on Article 6 of the 1938 National General Mobilization Law. This regulation covered all workers except prefectural employees, servants and restaurant workers. Minimum and maximum wages were fixed by the Minister of Welfare and the prefectural governors for workers according to locality, sex, age and skill.

1/ Imperial Ordinance No. 675, 16 October 1940.

((a)) Report, OSS, "Control of Wages and Hours in Japan," 30 July 1945, p. 15.

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30. It was not feasible to control the wages for each worker. Hence, a limit was placed on the total payroll of each plant. The official average hourly rate of wages multiplied by the number of hours worked was not to exceed the plant payroll. There were exceptions to this rule, as when a plant was more efficient than the average or when additional workers could not be recruited without granting higher wages. Other exceptions were for official piece-work rates and the existence of wage agreements made by employer associations approved by prefectural governors. The payments of ~~these~~ excepted wages were enforced by the prefectural governors.

31. The Wage Control Regulations also covered supplementary payments and wages in kind. However, it was difficult to control these payments. Employers found it necessary to offer inducements to hold workers and to maintain their enthusiasm ^{by such devices as} ~~in the form of~~ ^A allowance for overtime, holiday work, and attendance records. These had the effect of weakening the wage controls.

32. The wage controls were not ~~not~~ made effective ^{simultaneously} ~~at the same~~ date. Minimum and maximum initial wages for factory and mine workers were ^{made} ~~fixed~~ effective 1 August 1941. ^{The average hourly wage for} ~~The maintenance of the official~~ ^{each factory} ~~average hourly wage as the quotient of aggregate payroll to manhours~~ ^{could not be increased} ~~became~~ effective 1 October 1941. It was not until 3 February 1942 that wage controls were promulgated for workers in construction, transportation, agriculture and forestry. In 1943 the payroll limitations were removed for the strategic industries such as iron and steel, coal, light metals, shipping, and aircraft. Approval for wages increases had

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still to be obtained in these industries, but the controls were re-

((a)) laxed in order to ^{increase} ~~insure~~ labor incentives.

33. ^{At first, ? Welfare?} The Ministry of Labor had authority to issue wage control

*Ministry of Labor
an early
project.*

orders for all industries. The Ministry of Finance exercised some control over wages paid by financial corporations; the Ministry of Transportation handled wage controls for workers in transportation; and the Ministry of Communications covered workers in communication. In November 1943 the Ministry of Munitions was created with jurisdiction over labor problems, including wages, in key industries. It was not always clear whether an industry was under the authority of the Ministry of Welfare or the Ministry of Munitions because a non-munitions industry often manufactured some munitions. The administration of wage control was complicated by the fact that its enforcement was in the hands of the police under the Ministry of Home Affairs.)

The administration of wage control was further complicated by the existence of control associations in certain industries. In July 1943 the Ministry of Welfare transferred part of the administration of wages to these associations in the coal, iron and steel, shipbuilding, light metals, and metal mining industries. These associations helped distribute subsidies to workers whose official

((b)) wage rates were below the rates necessary to maintain adequate in-

((c)) centives.

((a)) Report OSS, "Control of Wages and Hours in Japan," 30 July 1945, pp. 17, 18.

((b)) ~~Report OSS, "Control of Wages and Hours in Japan," Services, op. cit. pp. 19, 20.~~ *Ibid. pp. 19, 20.*

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Finally, there were the schedules of fixed wages and dependency allowances for conscripted workers. One third of these dependency allowances were financed by the Government. Payments for conscripted workers were often lower than ^{for} nonconscripted workers, particularly in the skilled occupations. However, ~~Some~~ indirect payments were made to those affected adversely by labor conscription, ^{in the form of} ~~via~~ reduced school tuition, ^{for the children of conscripts,} reduced tax rates and extensions in payment of insurance premiums. ^{1/}

Labor Standards

34. Labor standards were unduly low, were of limited coverage ^{and} lacked penalty provisions, ^{They} ~~and~~ were inadequately enforced, and during the war were virtually suspended. The Factory Law provided the bulk of the prewar labor standards. It covered all factories with more than 10 regular workers and all hazardous occupations. It was administered jointly by the Ministry of Commerce and Industry and the Ministry of Home Affairs until 1938 when the Ministry of Welfare was established and took over the administration of the law. Employers were prohibited from working women and minors under 16 years of age more than 11 hours per day and from working them between the hours of 2200 and 0500, ~~unless prior permission was obtained to work them until 2300~~ and also from assigning them to hazardous tasks. It was required that women and minors be given at least ^{two} ~~6~~ days per month for rest and ^{a half} ~~1/2~~ hour recess per day for every ^{six} ~~6~~ hours worked or one hour per day for more than 10 hours worked. These recesses

1/ Imperial Ordinance No. 451, 8 July 1939.

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were to be given simultaneously for all the workers. These provisions could be suspended in times of local disaster.^{1/}

35. The actual number of hours worked in industry was close to the maximum for sustained efficiency. The limitations upon working hours were rescinded in 1943 and in February 1944 the average number of working hours per day for industrial workers between 20 and 30 years of age was 11.1 for ^{men} ~~males~~ and 10.7 for ^{women} ~~females~~. The average number of working days per month for industrial workers between the ages of 20 and 30 years in February 1944 was 24.6 for males and 24.1 for females. The figures for workers under 20 years were 24.4 for males and 23.4 for females.^{2/}

36. The law provided for other labor standards such as ~~re-~~ ~~quiring~~ minimum sanitary conditions in dormitories and in factories, and ~~requiring~~ compensations in accordance with imperial ordinances, to be paid by employers for illness, injury and death resulting from the job. (For ^{disabilities} cases not resulting from the job, compensation ↑) was provided under the Health Insurance Law, which covered all

-
- 1/ Factory Act No. 46 of 29 March 1911, effective 1 July 1926, as amended four times up to February 1944, including regulations for the administration of the Factory Act and amendments to these regulations, regulations concerning accident prevention and hygiene, regulations for dormitories attached to factories, and amendments to these regulations.
- 2/ Ministry of Welfare, Labor Bureau, "Wage Statistics in Important Industries," February 1944.

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enterprises under both the Factory and Mining Laws and in addition all offices with more than (5) regular employees, excluding executives. In establishments with more than 300 workers, managers formed health insurance unions. All workers who were not members of these health insurance unions could be insured by the Government. Employers and workers made equal contributions to the insurance funds. The maximum contribution was (3) percent per month for workers. The Government could require that employers contribute more than one half if hazardous occupations were involved. The Government was also authorized to subsidize the insurance funds if necessary. The benefits included all medical care and 60 percent of the monthly rate of pay for laborers and 50 percent for clerks for a maximum period of (6) months. ^{1/}

37. Compensation ^{similar to that} ~~was~~ provided for workers ~~not~~ covered by the Factory and Mining Laws ^{was authorized} by the Employees' Compensation Law ^{FOR} ~~which applied to~~ nonmanufacturing, such as, public utilities, and transportation. Compensation was required for ^{illness} ~~cases~~ resulting from the job in accordance ^{with} imperial ordinances. The law also provided for safety and sanitation precautions. ^{2/}

-
- 1/ Health Insurance Law, Law No. 70, 22 April 1922, amended several times between March 1926 and February 1942. Not to be confused with the National Health Insurance Law No. 60 of 1 April 1938 as amended in 1941 and 1942 authorizing the establishment of mutual health associations in districts and firms providing medical services for its members, who joined because they were ^{not} covered by the other laws.
- 2/ Employees' Compensation Law, Law No. 54, 2 April 1931 amended in 1935 and 1944. Ministry of Home Affairs Ordinance No. 41, 30 September 1937 amended by Ministry of Welfare Ordinance No. 29, October 1938, provided for safety precautions in construction and engineering under the compensation law.

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38. The Seamen Law ^{1/} and Mining Law ^{2/} had parallel features to those in the Factory Law. Other important labor standards were the minimum age for minors in industry ^{3/} and the prevention of ill-treatment of children in general. ^{4/} Finally, there were laws which while not establishing labor standards in the strict sense did provide some measure of relief and compensation for the families of workers who were not covered sufficiently by other laws. Finally, there were also laws, which required ~~that~~ ^{the headman or} the mayor of each village ^{to} arrange ^{for} the support by the village of a family which could not be supported by its head ^{5/} or for the support of other persons too young, too old or ^{6/} too ill to work.

-
- ^{1/} Seamen Law, Law No. 79 of 13 August 1937 and amendments.
 - ^{2/} The Mining Law, Law No. 45 of 7 March 1905, effective 1 July 1905, as amended twelve times up to February 1944, including the regulation of 1 September 1928 for the employment and relief of miners and its amendment.
 - ^{3/} Minimum Age for Industrial Employment Law, Law No. 34, 29 March 1923, effective 1 July 1926.
 - ^{4/} The prevention of Ill-treatment of Children Law, Law No. 40, 31 March 1933, effective 1 October 1933.
 - ^{5/} Mother and Child Law, Law No. 19, 31 March 1937 as amended in 1941.
 - ^{6/} Aid Law (Poor Law), Law No. 39, 2 April 1929 as amended in 1937 and in 1941.

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LABOR RELATIONS

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The Growth of Unions

39. ~~The Industrial revolution had only begun during the Meiji Era, 1865-1912, and had progressed only towards the end of it to the point where large numbers of workers found themselves employed in factory enterprises. It was during the latter part of this period that the conditions usually associated with the early stages of industrial development caused the beginning of sporadic strikes, such as the strike of 1888 in the Takashima Coal Field, the strike of 1894 in the Temma Spinning Mill, and the strike of 1907 in the Ashio Copper Mine. The idea of unions was beginning to take hold under the teachings of political idealists, but it suffered a setback in 1910 when a Communist by the name of Kotoku Shusui attempted to assassinate the Emperor.~~

Not until the latter part of the Meiji period (1865-1912) did the industrial revolution progress to the point where large numbers of workers found themselves employed in factory enterprises. It was during the latter part of this period that the ^{poor} conditions usually associated with the early stages of industrial development caused the beginning of sporadic strikes, such as the strike of 1888 in the Takashima Coal Field, the strike of 1894 in the Temma Spinning Mill, and the strike of 1907 in the Ashio Copper Mine. The idea of unions was beginning to take hold under the teachings of political idealists, but it suffered a setback in 1910 when a Communist by the name of Kotoku Shusui attempted to assassinate the Emperor.

40. The first union federation similar to those in ~~the~~ Western ^{Countries} ~~World~~ was formed in 1912 and ^{was} called the Laborers' Friendly Society (Yuaikwai) headed by Bunji Suzuki, who went to America in 1916 to

1/ Kono, M., "Short History of Labor Movement in Japan," All Japan Iron and Steel Association, (Tokyo, 15 October 1947) *(in Japanese)*

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attend the America Labor Conference, ~~in the hope of relieving the~~
~~tension which arose out of the Anti-Japanese Immigration Act.~~ As
 a result of ^{Suzuki's trip} ~~this~~ the society gained fame as well as some 10,000
 members that year. ^{as a result of} ~~With~~ the Russian Revolution, ^{in 1917} the Japa-
 nese labor movement turned to the left. The left took control of
 the Laborers' Friendly Society and changed its name ^{in 1919} to the Japa-
 nese Federation of Labor Friendly Society, ^U ~~in 1919.~~ ^D

Another reason for the shift to the left was the sharp rise in
 prices relative to wages during the latter part of the First World
 War and after the Armistice. This resulted in the first large-
 scale labor unrest in the history of Japan. There were riots in
 Tokyo, Osaka and Kobe. Warehouses and other property of the firms
 who were considered responsible for the food shortage were burned.
 The Japanese worker was willing to work long hours for low wages;
 but it was dangerous to let the price of his staple foodstuff get
 beyond the reach of his ^{income} ~~income~~ ^{2/}

41. The society was inclined to syndicalism. It changed its
 program from harmonization of capital and labor to war on capital.
 There were a series of destructive strikes in 1920 and 1921 and to
 a lesser extent in 1922. A reaction to this was the expression by
 the rank and file of a desire for a realistic and not a syndicalistic
 approach. In 1923 the society became the Japanese Federation of Labor
 and elected Bunji Suzuki as Japan's representative to the International

1/ Kono, M., op. cit.,

2/ ~~The Encyclopedia Britannica, op. cit.~~ Ibid

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Labor Conference after prevailing upon the Government to send trade union representatives and not government spokesmen. The pro-communists opposed the shift from syndicalism to the more orthodox type of trade unionism. They split off from the federation and formed in 1925 the Council of Japanese Labor Unions. This was dissolved by government order in 1928. It went underground and called itself the Labor Council. The Federation of Labor split into two factions in 1926; the Federation of Labor Union and the Federation of Labor.^{1/}

Unions on the Defensive

42. With the emergence of the great depression in 1929 and the resulting pressure ^{on business firms costs, including} to reduce wages, labor unions found themselves on the defensive. Strikes ^{of this period} were not aimed at raising wages and improving labor conditions but against cuts in wages and in employment. The strikes were not very effective because ^{firms which had} reduced costs were able to increase output. Workers were ^{able to see the alternative of} lower wages and more employment or higher wages and less employment. ^{2/} The unions as a result, began to revive political programs ^{in which} They argued that capital was attacking labor and labor's only defense was in political agitation. Many unions consolidated in order to increase their strength. In 1932 the radical unions revived the old Japanese Council of Labor Unions. In 1936 the All Japan Federation of Labor was formed by a consolidation of the Federation of Labor Union and the Federation of Labor. The Council

^{1/} Kono, M. op. cit.

^{2/} E. B. Schumpeter, *The Industrialization of Japan and Manchukuo, 1930-1940*, (New York, The Macmillan Co, 1940) p. 5.

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was headed for some years by Kanju Kato, a member of the Diet, *but*
~~This was suppressed and Kato arrested~~ after the outbreak of war
 with China in 1937, *it was suppressed, Kato was arrested and*
~~when there was a tightening of police sur-~~
~~veillance of all organizations of subversive activities.~~ *was intensified.*
 The all
 Japan Federation of Labor was moderate and included at the begin-
 ning of the China War 270,000 members, or two thirds of all union
 members. ^{1/} It stood for industrial cooperation and support of
 the ^{2/} (ILO).

43. The number of union members increased relatively slowly
~~during the pre World War II Showa Era~~ *from* 1926-1939, *of to* ~~when~~ *reviewed or compared with*
 of industrialization and urbanization, ~~is taken into account.~~
^{Union} Membership ^{was} rose from 284,739 in 1926, to 368,975 in 1931, to 395,290
 in 1937, ^{and} to 314,737 in June 1939. The composition of the working
 population was changing during the 30's as a result of the growth
 of heavy industry. The importance of minor industries and of
 women in industry declined. ~~relative to heavy industry, with pre-~~
~~dominantly male operatives.~~ This change in the composition of the
 working population ^{did not result} was not reflected in a large increase in the
 membership of unions because of the appeals to patriotism and the
 repression of union activities following the outbreak of war with
 China *and because of the increase in prosperity,*
~~optimism and progress in general.~~ *optinism and progress in general.* →

1/ Ministry of Welfare.

2/ Kono, M., op. cit.

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China. Even the discontent resulting from the ^{increase} rise in prices relative to wages was not reflected in a sharp increase in union membership for the same reason;

44. ^{From the figures below it can be seen that} The number of disputes declined steadily from the peak reached in 1931 until 1936 and 1937, when they increased as a result of wage demands to offset price increases. Then the China War had the effect of reducing the total number of disputes, and finally eliminating those which ended in work stoppages. The extent of union participation in disputes also declined steadily. The relatively low average of persons per dispute was partly due to the fact that enterprises in transportation, communications and public utilities were prevented from striking, ^{and also the large firms} _{were often Zaibatsu controlled and were able to prevent the growth of unions in their firms.}

Selected Dispute Statistics ^{2/}

	<u>1931</u>	<u>1935</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>
Number of disputes	2,456	1,872	1,975	2,126	701
Number of persons per dispute	63	56	47	100	123
Number of disputes ending in stoppages	998	590	547	628	0
Percent of union participation in stoppages	70	43	44	38	0
Number of disputes caused by wage demands	-	-	501	1,002	-

45. The number of union members was never a high proportion of the number of workers from which union members were recruited. Based on the total number of nonagricultural workers, the proportion

 [3/4] Social Policy Journal, March 1940. (Japanese)
 [4/4] Labor Trouble Mediation Law, Law No. 57, 9 April 1916.

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of union members reached a peak of 7.9 percent in 1931 and then declined steadily to 3.9 in June 1939.^{1/} The reasons for these low percentages were:^{2/}

- (1) The lack of experience of labor unions due to their relatively recent origin.
- (2) The schisms due to radical social doctrines.
- (3) Employers' welfare work (paternalism or remnants of feudalism).
- (4) ~~The~~ ^{The absence of a} trade union law guaranteeing the right to organize, and the existence of hindrances such as the Public Peace Police Law.^{Preservation}
- (5) The preponderance of young women whose expected working years were few and whose interest in trade unions was ~~equally short~~ ^{slight} or nonexistent.

Another reason for the lack of interest in unions on the part of women was their subordinate position in society, wherein they submitted naturally to the paternalistic authority ^{exercised} experienced by management. The relatively low level of union organization was in part due also to the survival of a large number of cottage industries which were not susceptible to organization.

The Abolition of Unions

46. The statutory basis for the suppression of unions existed prior to the war. The Police Crimes Punishment Law of 29 September 1908 and, revived in September 1919, subjected any person to imprisonment or a fine who went where he did not work or live or who

S T E P

- 1/ ~~Social Policy Journal, March 1940.~~ ^(Japanese)
- 2/ Dr. Ayusawa, Iwao, Executive Director of the Central Labor Relations Committee, "Organized Labor in Four Continents," pp. 489 and 490.

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tried to obstruct another person's business or forcibly tried to talk to another. ^{1/}

47. The Public Peace Police Law enacted in 1900 and revised in 1922 and ~~in~~ 1926 required the registration of practically all organizations and the ^{is} scheduled meetings, ~~of these organizations~~. Any meeting could be dispersed in the interest of law and order. In 1941 the law was revised to require the permission of the Minister of Home Affairs ~~before forming~~ ^{for the establishment of} any organization or ~~having~~ ^{the conduct of} any mass meeting. ^{2/}

more details would be available to handle.

48. ~~Any~~ ^{5/} person who violated the above laws, even though punished for the violation, could be subjected to additional punishment in the form of protective surveillance for an indefinite period according to the Protective Surveillance for Thought Offense Law. The surveillance consisted of the designation of ~~any~~ guardian for the offender and the imposition of restrictions as to friends, contacts and communications. ^{3/}

49. Other governmental acts obviated the purposes of unions. Wage controls and ^{the} direction of labor, as indicated above, ruled out effective bargaining. When the China War began in July 1937, it was an easy matter for the Government to order the dissolution of the left-wing National Council of Japanese Labor Unions.

((a))

- 1/ Ministry of Home Affairs Ordinance No.16, 29 September 1908, revised by Ministry of Home Affairs Ordinance No. 17, September 1919.
- 2/ Public Peace Law, Law No. 36, 10 March 1900, revised three times up to December 1941.
- 3/ Protective Surveillance for Thought Offense Law, Law No. 29, 29 May 1936.

((a)) Report, FEA, "Trade Unions and Collective Bargaining in Japan," July 1945.

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50. The Peace Preservation Law of 1941 was ostensibly for political offenders but provided a basis for anti-union action. The severe penalties ^{reduced the probability of} assured the Government against most types of agitation. It provided the death penalty or life imprisonment for ~~any~~ leaders of any group ^{aiming} designed to change the national polity or ~~Emperor~~ ^{system} structure, and provided imprisonment of not less than seven years for anyone joining such a group. Lesser punishment was provided for persons who joined other groups which were ^{although} legal ~~groups~~ but which ^{aided} contributed ~~an act aiding~~ the illegal groups. ^{1/}

*apparently
correctly
linked
with
par. 47.*

51. The government encouraged the replacement of labor unions with "unions" which had as their primary purpose the promotion of production. These "unions" began to be formed in factories, mines and offices ^{throughout} ~~all over~~ the country in 1938 upon the recommendation of the Kyocho-kai, a private organization of government officials, professors, businessmen and social workers created in 1919 for the harmonization of labor and capital. These "unions" were called Patriotic Industrial Associations (Sangyo Hokoku-kai or Sampo). In July 1938 a national headquarters was established and in April 1939 the Minister of Welfare assumed actual leadership, ^{over it.} ~~It was the controlling agent for industrial labor.~~ The controlling agent for casual and day laborers was the Patriotic Labor Associations (Komo Hokoku-kai) ^{which organization} and had a structure similar to

1/ Peace Preservation Law, Law No. 54, 10 March 1941.

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those of
 1 the Patriotic Industrial Associations. It was mainly a consolidation
 ((a)) of labor bosses. The Japanese Federation of Labor disbanded on 8 July
 1940.

52. By March 1941 some 70,000 Sampo associations had been es-
 tablished with a membership of over 5,000,000. All persons in a
 particular plant or ~~organizations~~ ^{Firm} joined the Sampo. The proprietor
 or manager was the president of the unit. The prefectural governors
 were responsible for seeing that all firms with 50 or more workers
 had a unit. The Central Committee of the national organization was
 composed of heads of big business concerns. In 1942 the Imperial
 Rule Assistance Association, a totalitarian political party, took
 over the direction of the Sampo from the Ministry of Welfare. Work-
 ers in these industries were given ranks similar to the military and
 workers ~~with~~ ^{the lower ranks} saluted workers with ~~the~~ higher ranks, who had
 disciplinary power over the lower ranking workers. The president of
 the company or manager of the plant was called the production leader
 ((b)) and was given full control of all labor questions in the plant.

LATES

((a)) 1 Kampinsky, Capt. William, "Survey of Japanese Labor,"
 7 March 1945.

((b)) Report, FEA, "Trade Unions and Collective Bargaining in
 Japan," July 1945.

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III. 2 SEPTEMBER 1945 - 1 SEPTEMBER 1946

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Lack of Industrial Activity

1. The destruction of industrial capacity resulting from the war and the confusion resulting from the loss of the war created a condition of inadequate demand for labor in general. The demobilization of troops in Japan, the repatriation of Japanese nationals abroad and the necessity to shift from war to nonwar production on the part of millions created a ~~condition of~~ ^{an} excessive supply of labor. ~~in general~~. The primary task was to provide jobs in order to meet the immediate demands of the workers and at the same time to meet the requirements of the country at large.

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The over-all index of industrial production, including all mining, oil production, manufacturing and timbering, and excluding shipbuilding, aircraft and munitions, reached a serious low soon after the Surrender. The figure in January 1946 was 18.2 percent of the average level during the prewar period 1930-1934. This figure increased steadily and reached 36.6 in August 1946. Compared with the peak of 201.5 reached in 1941 and even with the figure of 154.8 reached in 1944, the last full presurrender year, the volume of industrial activity in Japan during the early postsurrender

((a)) period was virtually at a standstill.

2. This low level of industrial output did not result in an equally low level of industrial employment because many workers were only ^{partially} ~~practically~~ utilized. Many workers were also kept on the payrolls although they had nothing to do and often did not ^{even} appear at the place of employment. It was not known how many other workers were unattached to any enterprise and were available for work. There must have been large numbers during the first year of the Occupation, ^{if} for no other reason than ^{that} ~~because~~ the number of Japanese nationals repatriated to Japan was 4,388,672 as against only 1,003,863

((b)) foreign nationals repatriated from Japan. It was largely as a result of this net inflow of people that the population of Japan Proper

((a)) Monthly Bulletin No. 21, ESS, "Japanese Economic Statistics," May 1948.

((b)) Weekly Report, G-3, "Status of Repatriation."

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increased from 72,409,011 ^{ON} ~~as of~~ 1 October 1945 to 75,904,563 ~~as of~~ ^{ON}

^{1/} 1 September 1946. A rough estimate of the number of unemployed was given by a census on 26 April 1946, when the total labor force was put at 29,720,000 of which 5,600,000 or 18.8 percent were partially or wholly unemployed and of which 1,600,000 were wholly unemployed during the 30-day period prior to 26 April 1946.

((a))

3. The social effects of unemployment were ameliorated by the extent to which families supported unemployed relatives, employers kept idle workers on the payroll, and the participation of the idle in the black market, acting as middlemen in the distribution of foodstuffs and other scarce but available items to those who had the money. The principal factor was the capacity for the farms to absorb temporarily urban refugees. As a result of the bombings millions of houses and factories were destroyed. Almost every large city with a population of more than 100,000 was largely destroyed. The farms absorbed most of the young women who had been evacuated from the cities toward the end of the war and all the people who were forced to leave ^{urban centers} because of being without ^{quarters} ~~places to live~~ or ~~to~~ ^{without} ~~employment.~~ ^{found accommodations with} ~~relatives.~~ Practically all these people were able to go to close relatives on ~~the~~ farms.

 1/ Cabinet Bureau of Statistics.

((a)) Report, ~~Labor Division~~, LA/ESS, "Labor Force in Japan on 26 April 1946 and Percentage Distribution of Employment during Previous Thirty Days," 29 July 1946.

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The amelioration of the social effects of unemployment could only be ~~short-term~~ ^{temporary}. In the longer run goods had to be produced and people put to work. The supply of food, clothing and fuel resulting from the discriminate selection of work projects for the unemployed was considered of more importance to the economy than the prevention of the deficit financing which the projects would require, particularly since private industry was not prepared to undertake these projects. Accordingly the Japanese Government ^{ON 19 May 1946} was advised to ^{include} ~~provide~~ in its 1946/1947 budget ~~¥~~ ¥ 6,000,000,000, ^{a sum} estimated to provide 1,000,000 - 1,250,000 man-years of employment. ^{1/}

General Recruitment Practices

4. The Ministry of Welfare continued to have jurisdiction over labor matters at the national level and labor problems of government workers were handled by the appropriate ministry. Jurisdiction over labor was not to include restrictions on the liberties of labor. Accordingly, the Government was advised ^{in October 1945} to remove all restrictions on political, civil and religious liberties and to release all political prisoners and slave labor. ^{2/} The Government re-pealed all ~~the appropriate~~ restrictive legislation. It divorced

1/ SCAPIN 967, ¹⁸ 19 May 1946.

2/ SCAPIN 93, 4 October 1945. APPENDIX I.

((a)) Detailed discussion of the Government's action in repeal of restrictive legislation found in the monographs "Police Reform" and "Legal Reform."

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when? → labor administration from the Ministry of Home Affairs, and on 6 October 1945 ~~was~~ changed the name of the presurrender National Labor Mobilization Offices to Employment Offices. U

5. A program for these offices was adopted and progressively implemented to accomplish the following objectives:

- (1) Recruitment of Japanese labor for the Occupation Forces.
- (2) Recruitment and placement of labor required for ^{the} revival and maintenance of Japanese industry, commerce and services *by*
 - (a) Filling permanent labor requirements of Japanese employers.
 - (b) Mobilizing casual labor for day-to-day employment, and
 - (c) Conducting special nationwide recruitment for specific ~~industries~~ programs such as coal mining and textile ^{the} industries.
- (3) Selection and placement of unemployed for public works.
- (4) Labor market analysis of postwar geographical, industrial and occupational patterns of employment and unemployment, and participation in planning the use of *the* labor supply accordingly.
- (5) Development of a vocational training program based on the needs of the Japanese labor market.

1/ Ministry of Labor, "A Short History of Public Employment Security Office," 27 September 1948.

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(6) Development of counseling and placement services for special classes ^{which} need ^{ed} special attention (such as school graduates and ^{the} physically handicapped).

(7) Provision of services which ^{would} eliminate the need for, and consequently the use of, labor bosses and other uneconomic and archaic forms of recruitment.

((a)) (8) Administration of unemployment compensation.

6. The progress of the labor offices during the first year of the Occupation was small in terms of actual achievement but was noteworthy in relation to the extraordinary ^{and} difficult circumstances under which they were operating. Many of their buildings ^{had been} destroyed and others ^{had been} ~~badly~~ damaged. ~~Many~~ millions of people were virtually homeless, and a large part of the labor supply was scattered beyond the reach of overburdened transport and uncertain communications. The aftermath of the war and inflation disrupted production, wages and prices and thus conspired against re-employment:

Special Recruitment Programs

7. The first recruitment program originated when SCAP directed the Government on 3 September 1945 to supply the labor requested by Occupation Force ~~Commanders~~. ^{1/} The Minister of Welfare directed the

1/ SCAPIN 2, 3 September 1945.

((a)) SCAP, Advisory Committee on Labor, "Labor Policies and Programs in Japan," 29 July 1946.
 ((b)) Ibid.

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prefectural governments to supply the necessary labor and gave them the authority to conscript labor for this purpose if necessary. ^{1/}

Because conscription would have been inconsistent with free labor, it was advisable to avoid conscription. This was done by offering Occupation Force workers the same wages and working conditions as other workers. Accordingly, the Government instructed prefectural governments to obey the directive and to fix wages for Occupation

Force labor on the basis of local rates and the previous incomes of the workers. This order also provided that contractors ~~do not take~~ ^{were not to obtain} their fees at the expense of labor by ~~deducting their out~~ ^{making deductions} from the wages of labor. The contractors themselves were required to pay

the workers the prevailing wages. ^{They complied with this} ~~This they did easily and in~~ ^{regulation and} addition charged the Japanese Government ~~exorbitant~~ ^{exorbitant} prices for the work performed. ^{2/}

8. The early recruitment of labor for the Occupation Forces required temporary labor ~~allocations~~ ^{associations} composed of representatives of the presurrender labor fronts, labor offices and police. These associations procured and paid Japanese labor for the Occupation Forces. ~~Non-Japanese labor was recruited and paid directly by the Allied employing unit with funds advanced by the Japanese Government.~~ They were replaced on 1 January 1946 by day laborer offices under

((a)) the prefectural governments.

^{1/} Ministry of Welfare Ordinance No. 41, 16 October 1945.

^{2/} Ministry of Welfare, Labor Order No. 199, 7 September 1945 and Labor Order No. 950, 15 September 1945.

((a)) Report, LA/ESS, "Labor Division Activities and Labor Development in Japan," 29 January 1946.

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~~In order to reduce discrimination against non-Japanese for work with the Occupation Forces and to further the practice of democratic principles in the field of labor, the Government was instructed on 28 November 1945~~ ^{*the Government was directed*} ~~to prevent discrimination against workers on account of nationality, creed, ^{or} social status. This included prohibition of restrictions against the Koreans, Formosans and Chinese awaiting repatriation. The ~~same~~ directive ^{also} ordered the elimination of all employment preferences on account of military service.~~ ^{1/} ~~Compliance was achieved without the issuance of a formal government order.~~ *det*

9. The number of workers furnished by the Japanese Government for the Occupation Forces rose from an average of 27,450 in September 1945 to a peak of 207,902 in July 1946 and fell to 184,792 in August. In March 1946 the supply of workers for many Occupation projects began to exceed the number required.

10. Another special recruitment program, which was highly successful was that for seamen in order to carry out the repatriation objectives. SCAP provided the ships and the Government ~~was to~~ ^{provided} the seamen. ~~Although~~ ^{but} ~~the~~ program began on 28 December 1945, it made little initial progress. Seamen were deserting their ships because of dissatisfaction over wages and ~~other~~ working conditions. ~~The~~ ^{These} seamen ~~who were being~~ recruited by the ~~Japanese~~ Government

^{1/} SCAPIN 360, 28 November 1945.

((a)) Monthly Summary, LA/ESS, April 1946, para. 32.
((b)) Ibid., January 1946, para. 33

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were often incompetent and untrained.

The Civilian Merchant Marine Committee coordinated ^{the} recruitment activities of the Ministry of Transportation, the seamen's unions, and the shipping companies. A satisfactory program was worked out embodying higher wages, supplementary rations, improved working and living conditions and rules of employment. ^{On 12 March 1946} The Civilian Merchant Marine Committee announced on ~~13 March 1946~~ that the manning of the repatriation ships was completed as a result of the successful recruitment of 11,050 trained seamen. ~~and the small number of~~ ~~seamen who left the service.~~

((a))

11. The most important and difficult recruitment program was for the coal mines. In addition to the general dislocations resulting from the war, there were special dislocations in the mining industry. ~~The forced labor of~~ Koreans, Formosans, Chinese and prisoners of war ^{who were compelled to work} in the coal mines were liberated and repatriated early in the Occupation. The coal mines became dependent on voluntary Japanese labor, which was reluctant to go into this ^{highly} ~~heavy~~ hazardous work. Pools of available labor were in the cities and these workers had to be induced to go into the isolated coal mining areas.

12. In order to ^{promote the rapid} ~~lose no time in the~~ recovery of the coal industry, the Government was directed on 15 September 1945 to use all means at its disposal to encourage coal production. ^{1/} The recovery

1/ SCAPIN 29, 15 September 1945.

((a)) Memorandum to Chief, ESS, from LA/ESS, "Successful Completion of Recruitment Program of Seamen for Repatriation Service," 14 March 1946.

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did not materialize and on 5 December 1945 the Government was ordered to take immediate steps to increase coal production and to report to SCAP within 48 hours ^{all} ~~the~~ action taken ^{1/} ~~in accordance with the order.~~ ^{2/}

13. The Government response was inadequate because it merely related what ^{had been} ~~was~~ done during the preceding three months. This was especially unsatisfactory because of the then existing strikes in the Hokkaido coal fields as a result of the Government's inability to fulfill its promises to new recruits in the way of housing, increased rations, wages and improved conditions. The Government was directed on 11 December 1945 to take steps to mediate the coal strike and further stimulate the production of coal. ^{2/}

14. After the settlement of the Hokkaido strike new recruits were slow in coming into the coal mines and many were quitting the mines. SCAP representatives inspected ^{the} Kyushu and Hokkaido coal fields and found that the Government was still unable to fulfill many of ^{the} ~~its~~ promises made to miners. As a result, a directive was issued on 17 January 1946 instructing the Government to submit data showing the status of fulfillment in each mining district of the increased housing, food, pay and clothing program and to specify the dates when it was proposed to make the program fully effective. ^{3/}

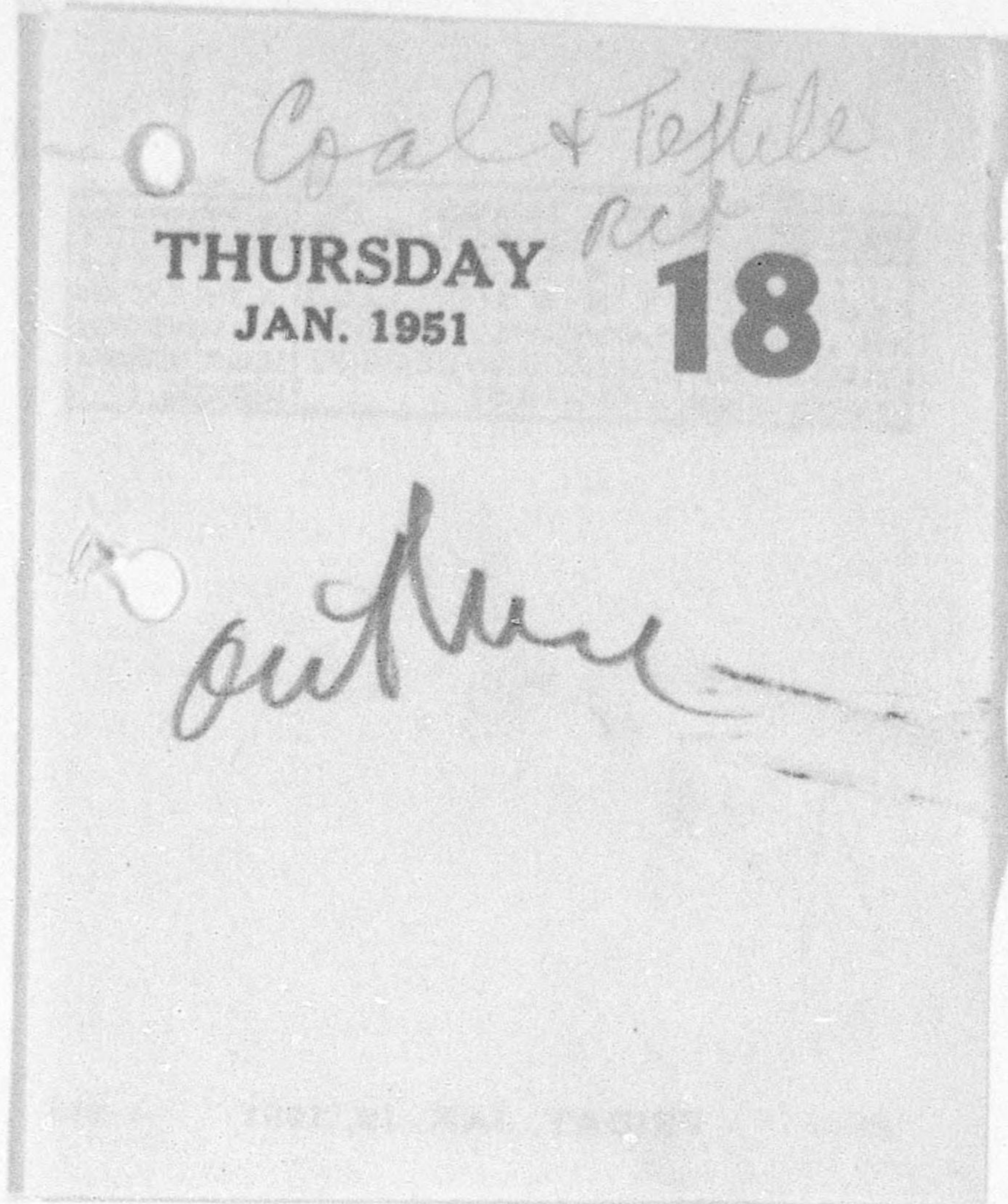
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- ^{1/} SCAPIN 398, 6 December 1945.
 - ^{2/} SCAPIN 424, 11 December 1945.
 - ^{3/} SCAPIN 613, 17 January 1946.

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15. The recruitment quotas set by the Ministry of Welfare
- ((a)) were reached in January and February and ~~by~~ ^{by} March ¹⁹⁴⁶ the principal
- ((b)) limitations on production ^{and fuller employment} were considered to be ^{shortages in} equipment and supplies, ~~which it was necessary to expand if new workers were not to be employed inefficiently.~~ The number of employees in the mining
- ((c)) industry increased from an average of 156,730 for the 10-day period ending 20 December 1945 to 199,083 for the corresponding period in January and 228,748 for the corresponding period in February.

16. The last major recruitment program was for textile workers in order to resume the production of ^{textiles, which were among} ~~one of~~ Japan's most important exportable commodities. A special effort beginning in March ¹⁹⁴⁶
- ((d)) met with indifferent success. The Ministry of Welfare subsequently organized a semiofficial Textile Recruitment Committee, composed of representatives of the textile companies, public officials, businessmen and educators, to facilitate recruitment in the cotton textile field without the use of the traditional recruitment agents. In May this committee initiated a ¥ 2,700,000 program which included movies, posters, newspaper advertisements and pamphlets. It was announced that the normal daily rice and rice substitute ration of

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- ((a)) Monthly Summary, LA/ESS, February 1946, para. 28.
 ((b)) Ibid., March 1946, para. 31.
 ((c)) Ibid., January 1946, para 28; and February 1946, para. 29.
 ((d)) Ibid., May 1946, paras. 33 and 34.

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2.1 ~~per~~ would be increased to 3.1 ~~per~~ for all male mill hands and to 2.8 ~~per~~ for women. A comparable program was undertaken by the Raw Silk Association to ~~secure~~ ^{no} silk filature workers.

((a))

17. ~~The partial success achieved during May, June and July was diminished by the large number of workers leaving the industry and the high rate of absenteeism.~~ During the first three months of the recruitment drive 18,475 women and 2,580 men were hired for the cotton textile mills while 18,309 women and 3,117 men left the industry. In the silk industry 18,265 women and 1,933 men were recruited while 6,225 women and 941 men left the industry. The chief factors hindering recruitment efforts throughout the summer were scarcity of food, low wages and discontent with the dormitory system

((b))

of housing employees.

WORKING CONDITIONS

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The Continued Complexity of the Wage Structure

18. The average gross wage included regular and irregular

- ((a)) Monthly Summary, LA/ESS, May 1946, paras. 33 and 34.
- ((b)) Monthly Report, LA/ESS, July 1946, paras. 25 and 26; and August 1946, paras. 32 and 33.

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bonuses, plus one-time payments, plus payments in kind plus the regular pay, which included the base pay and numerous allowances. The base pay reflected the worker's age, experience and education and took some of the following forms:

- (1) ¥ 450 per month for a 17-year-old plus ¥ 20 per month for each additional year up to 40.
- (2) ¥ 21.7 per day for a 16-year-old increasing to ¥ 43.3 per day for a 50 year old.
- (3) Beginning salaries were ¥ 950 per month for a primary school graduate, ¥ 1,150 for a middle school graduate, ¥ 1,450 for a college graduate and ¥ 1,650 for a university graduate.

((a))

19. Allowances consisted of the following:

- (1) Family allowances: e.g. ¥ 200 per month for a wife, ¥ 200 for a first child, and ¥ 50 for each additional person; ¥ 500 per month for the first dependent and ¥ 200 for the next dependent, up to five; ¥ 250 per month for each dependent with a 30-percent differential in high cost areas, a 20-percent differential in the six major cities and a 10-percent differential ~~everywhere else~~ *in all other locations*.

- (a) Longevity allowances: ¥ 50 per month for 3 years of service with ¥ 20 for each additional year up to a

((a)) LA/ESS, Military Government Manual for Labor Officers, (forthcoming publication). (check approximate dates to which these illustrations apply).

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maximum of ¥ 390 for 20 years; ¥ 50 per month for each six months; ¥ 20 to ¥ 40 per month per six months depending on the base pay and type of work.

- (3) Age allowances: This was practically universal and was often included in the base pay.
- (4) Attendance allowances: This was found necessary because regardless of attendance the monthly pay was constant.
- (5) Job allowances: This varied with the efficiency of the individual and ranged in many cases from ¥ 126 to ¥ 380 per month.
- (6) Cost of living allowances: This varied with the movement of retail prices of staple foods.
- (7) Regional allowances: One firm paid a 30-percent differential to those of its employees who were located in the Kobe plant.
- (8) Transportation allowances: Most firms reimbursed workers for the cost of commuting.
- (9) Special work allowances: This was prevalent in the construction industry for hazardous or unpleasant work.
- (10) Miscellaneous allowances: This took the form of *in lieu of food board slips* payments to seamen on ~~ships~~ *in lieu of food or and*

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((a)) payments to certain groups of war sufferers whose homes were destroyed during the war.

20. Regular bonuses consisted of:

- (1) Year-end allowances: These were universal and were granted to meet expenses of the New Year celebration and to pay off debts traditionally cleared at ^{the} end of ^{the} year. These bonuses were generally equal to one or two month(s) base pay.
- (2) Harvest bonus in the fall.
- (b) (3) Production bonuses on a group basis.

21. Irregular bonuses and "one-time allowances" consisted of the following:

- (1) Lump sum payments to adjust for increases in the cost of living, as for example / two to eight months salary to all government employees to offset their 1947 "family budget deficits."
- (2) Payment of "ration delay" allowances by many firms to compensate for the purchase of food through non-ration channels.
- (3) Marriage bonuses: ¥ 5,900 for the first marriage; an amount varying with the years of service, such as ¥ 5000 per year; "nonrepayable loan" wherein the

((a)) LA/ESS, Military Government Manual for Labor Officers, (forthcoming publication).

((b)) Ibid.

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was not required to
 employee ~~must~~ repay a given loan if he remained
 with the firm for a certain period, such as one year
 or ~~more~~.

- (4) Birth bonuses varying with first, second, etc., child.
- (5) Death payment varying with the degree of relation to the deceased, such as, ¥ 2,000 for the first degree relation, ¥ 1,000 for second degree and ¥ 500 for third degree.

((a))

22. Dismissal allowances were often quite substantial with the result that employers hesitated to discharge older employees.

((b)) For example, an employee with 20 years' service could receive two years' pay. For ~~this reason and because other~~ ^{order} employees were paid ~~at higher rates than younger employees and also because it was customary to retire employees as early as possible averaging about 50 years old, employers hesitated to hire older employees.~~ ¶ Payments in kind became increasingly important with the declining value of the yen and ~~with~~ ^{widespread} the postwar economic distress. Employers were less hesitant to increase such payments than to increase the wage base.

((c)) These payments were at least 5 to 10 percent of total earnings.

23. The collective bargaining agreements had only begun to

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- ((a)) LA/ESS, Military Government Manual for Labor Officers, (forthcoming publication).
- ((b)) Ibid.
- ((c)) Ibid.

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achieve greater specificity in statements of wages and in identifying a given wage with a given job rather than with a given person. Most agreements provided for the payment of equal wages to men and women for the same job. These agreements had also only begun to provide for the regularizing of the irregular bonuses in order that ~~workers did not have to lose a bonus if they left an undesirable job or that workers did not have to accept lower pay on the implied~~ *to prevent workers leaving an undesirable job from being deprived of a bonus or being compelled* ~~promise of a bonus.~~ *were*

The Sharp Decline in Real Wages

24. The virtual standstill ~~of~~ ^{the} industrial production and ~~complete lack~~ ^{absence} of imports after the Surrender resulted in a severe scarcity of goods. The ~~cut in the supply of~~ ^{scarcity of} goods was ~~aggravated~~ ^{further} by a sharp increase in the purchasing power of labor resulting from large dismissal payments by war plants, war-damage settlements made by the Government and a general wave of payments made possible by bank loans and the use of monetary savings which many anticipated would lose their value. Many workers though idle were nevertheless paid. Those who had goods to sell, ~~as did the farmers,~~ ^{like} ~~realized~~ ^{asked} ~~quickly enough that they could ask ever~~ ^{increasing} prices for their goods. The Government itself was in a state of transition and controls were ineffective.

25. Under such conditions it was inevitable that labor lost a major portion of its share of the national product to other groups, such as the farmers, fishermen and others who had goods to sell.

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~~either currently produced or out of previously accumulated stocks.~~
small amount
 The ~~lack~~ of goods received by labor in this early period reflected the fact that labor was producing little, not entirely for reasons beyond its own control but partly because of ^{the} lack of effort resulting from ^{the postwar and} general confusion, apathy, and ~~a desire to relax after the war.~~ The Government, however, was able through its rationing and price controls, which were severely weakened compared with presurrender controls, to maintain a larger share of food for workers than would otherwise have been the case.

26. The Government was aided considerably in this effort by the release of Occupation Forces', as well as its own surplus goods for distribution to the strategic groups in return for their output. As a result of this device the rice and other grain collection programs were sufficiently successful to assure at least minimum rations to urban dwellers. The program was not wholly successful because the official price paid to the producer by the Government was too low relative to what the producer could get by selling his produce in the black market.

((a))

27. Retail prices, including black-market prices, rose relative to wages, ^{since} before the war, reflecting the decline in both real wages and in the share of labor of the national product. The sharp decline

((a)) See monographs on Agriculture and Price Control and Rationing.

between January and August 1946 resulted from the ~~using up~~ ^{exhaustion} of rice stocks and the consequent failure to provide the rice ration.

	Average Regular Daily Wages of Male Laborers in Manufacturing Industries (yen) a/ (1)	Bank of Japan Retail Price Index in Tokyo July 1914-100 b/ (2)	Wages Relative to Prices c/ (3)
1938	2.49	115	100
First 6 months 1945	5.22	420	54
January 1946	10.78	878	57
August 1946	26.42	2,899	42

SOURCE: a/ Ministry of Labor.
 b/ 1938 figure as published in ILO Year Book of Labor Statistics 1945-1946. Montreal, Canada 1947; figure for 1st 6 months 1945 from interpolation of the 1944 and 1945 figures (i.e. 321 and 440 respectively) as published in Mitsubishi Monthly Circular, Economic Conditions in Japan, June 1947; 1946 figures from the Monthly Circular.
 c/ Column (1) expressed as index numbers on 1938 base divided by column (2) similarly expressed.

The Inability to Control Wages

28. The sharp decline in real wages, caused ~~pressures~~ ^{increased} pressures for labor to ~~increase its pressure for higher wages in order~~ ^{labor to increase its pressure for higher wages in order} wages ~~to increase in an effort by labor to regain its lost~~ ^{to increase in an effort by labor to regain its lost} real income. It was for this reason that the Wartime Wage Control Regulation was allowed to remain ~~on the books~~ ^{in effect} although it was not being enforced. It was recognized that wage control could not succeed unless it was closely integrated with a broader program in

((a)) SCAP, Advisory Committee in Labor, "Labor Policies and Programs in Japan," 29 July 1946.

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which effective price control was especially important.

29. By February 1946 the Government ~~decided~~ ^{attempted} to lessen the steadily rising inflationary pressure in the form of an expanding volume of money in circulation ^{by} checking deposits resulting from bank loans to the Government and to individuals and the accelerated turnover rate of such funds resulting from the expectation of further price increases and the consequent desire to convert cash into goods at the earliest possible opportunity. ~~a~~ monetary reform, including ~~a~~ currency conversion, was instituted as one of the first steps before price control could be made effective.

30. Without establishing a formal wage stabilization program, indirect wage controls were instituted as part of the Government's emergency financial program. Under this program employers were at first prohibited from paying more than ¥ 500 per month to any worker. ~~The rest~~ ^{remainder} of the worker's wage was put in a blocked account from which withdrawals could be made of ¥ 300 per month per ~~master~~ ^{head} of the family, plus ¥ 100 per month per each member of the family. Withdrawals could be made also for the payment of debts or taxes, rent, medical fees, utilities and educational expenses. ^{1/}

((a))

1/ Imperial Ordinance No. 83, 17 February 1946 and enforcement ordinance. Ministry of Finance Ordinance No. 12, 17 February 1946 and amendments of 1 and 27 April and 11 August 1946.

((a)) Monthly Summary, LA/ESS, February 1946, pars. 22.

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31. Workers received wage increases even though they could not receive more than ¥ 500 in cash ^{monthly} from the employer. The employer ~~was required~~ ^{was required} to deposit the rest to the worker's account. Prices ^{rose} increased because of the wage ~~increases~~ ^{rise} and this made for demands for further wage increases and withdrawals from the blocked accounts. These blocked accounts were gradually being unblocked in order to provide ~~ever rising amounts~~ ^{funds} for essential expenditures, which were ((a)) often considered emergency expenditures. Approved capital and investment expenditures were ^{also} permitted from the restricted accounts. The provisions for the release of funds from these accounts were rather general or were liberalized by amendment.

~~The~~ Reinstatement of Prewar Protective Legislation

32. The field of protective legislation, perhaps more than any other, was considered one in which it would have been unwise to prescribe details by directive ~~or to establish protective legislation~~ ^{audit} which included some measures which could not be applied uniformly in all industries. Certain types of standards affected production costs to such an extent that production would have been curtailed. Enough time for the consideration of the effects of new laws on workers, employers and the general public had to be allowed. ((b))

33. At the same time, wage earners had to be protected against

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- ((a)) See monograph "Money and Banking."
 ((b)) SCAP, Labor Advisory Committee, Labor Policies and Programs in Japan, 29 July 1946.

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- industrial accidents and disease, excessive working hours, and other undesirable conditions or abuses connected with employment. Minimum standards fixed by law were needed to protect and support the gains made by collective bargaining, since there were many groups of workers whose bargaining power was not sufficient to win suitable employment conditions. Legal standards were also needed to protect the more progressive employer, who was willing to improve employment conditions voluntarily, against the ~~competition~~ competition of less progressive employers.
- ((a))
- ((b)) 34. Soon after the Surrender SCAP suggested that the prewar protective legislation be revived. The Ministry of Welfare on 1 November 1945 ordered the abrogation of the wartime suspensions of these protective standards, ^{which} applied to factories. Action with respect to mines was deferred, for fear that it might aggravate the critical coal shortage.
- ((c))
- ((d)) In late February Japanese authorities were urged to extend the revival of protective legislation to the coal industry.
- ((e)) Accordingly, on 13 March 1946 the Ministry of Welfare restored the pertinent prewar standards and made them effective on 31 August 1946,

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- ((a)) SCAP, Labor Advisory Committee, Labor Policies and Programs in Japan, 29 July 1946.
- ((b)) (Check form of this suggestion).
- ((c)) Memorandum, LA/BSS to Chief, BSS, "Re-establishment of Protective Standards in Mines," 25 March 1946.
- ((d)) (Check).
- ((e)) (Check).

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except for some specified thin-seam mines in Kyushu for which the effective date was postponed for six months. The coal mine operators, however, voluntarily agreed to grant women who worked in the pits after 1 April three days' menstrual leave per month and 60 days' pregnancy leave with full pay.

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35. The revived standards covered factories with 10 or more workers, seamen, miners, certain small factories in which work was especially hazardous and some retail establishments. With minor exceptions they did not apply to small work shops, the transportation and communication industries, most trade and service enterprises, agriculture and forestry, fishing and stock raising. The administrative machinery was able to do only a fraction of the job of enforcement. Labor's traditionally subordinate status, the long decay of enforcement machinery, and the previous dependence on police officials combined to produce a shortage of experienced and competent personnel. The administrative machinery was rusty from disuse; budgetary resources were far below the minimum needed for regular inspections and enforcement; the channels of supervision were more

((a)) consistent with tradition than with efficiency.

A general revision of protective legislation was, therefore, undertaken ^{late} in the summer of 1946. The Government Labor Legislation Committee representing employers, labor unions and the public drafted a bill which was made public on 25 August.

((b))

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- ((a)) SCAP, Advisory Committee on Labor, "Labor Policies and Programs in Japan," 29 July 1946.
 ((b)) Monthly Report, LA/ESS, August 1946, para. 3.

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LABOR RELATIONS

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The Abrogation of Restrictive Practices

36. The Industrial Patriotic Society (Sampo) and the Labor Patriotic Society disbanded voluntarily on 30 September 1945 shortly after the White House release of the Initial Post-Surrender Policy that "encouragement shall be given and favor shown to the development of organizations in labor. . . organized on a democratic basis."^{1/}

37. Unions and union members were given the freedom to organize by a series of actions. On 4 October 1945 SCAP issued its basic directive to the Japanese Government on the removal of restrictions on political, civil and religious liberties.^{2/} This was carried out by the Ministry of Welfare in October and November. The "Special Higher Police" was abolished by Ministerial Ordinance of 13 October 1945.^{3/} The "Thought Police" was abolished by Ministerial Ordinance of 15 October 1945.^{4/} The Public Peace Police Law was

^{1/} JCS Serial No. 10, 22 September 1945, Part IV, 2.
^{2/} SCAPIN 93, 4 October 1945. APPENDIX I
^{3/} Imperial Ordinance No. 508, 13 October 1945.
^{4/} Ministry of Justice Ordinance No. 52, 15 October 1945.

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abrogated on 21 November 1945.^{1/} Finally, the enabling National General Mobilization Act of 1938 was abrogated by the 89th Diet on 19 December 1945.^{2/}

(a) 38. In order to further provide for the protection of labor activities, SCAP ~~issued instructions~~ ^{informed the Government} on 22 January 1946 that police were not to interfere in labor disputes unless it was necessary to preserve public order. On 8 February 1946 the Government issued instructions to the local police that they were not ~~supposed~~ to assume that slight offenses, such as the breaking of a windowpane, were justification for intervention.^{3/} In order to assure that the administration of labor ordinances would not be prejudicial to labor, ~~it was forbidden that~~ ^{the Government forbade} any official of the defunct police organizations ~~hold~~ ^{know} any public office in labor administration.^{4/}

39. Finally, the Home Ministry issued instructions to the prefectural governors on 21 and 22 June ~~ordering an end to attendance~~ ^{abolishing attendance} of police at union meetings or collective bargaining conferences. Such attendance was to take place only when labor meetings were held in public places by numbers of persons large enough to create a problem of maintaining order, or when violence, breach of

 1/ Imperial Ordinance No. 638, 21 November 1945.
 2/ Law No. 44 passed by the 89th Diet, 19 December 1945.
 3/ Letter, Minister of Home Affairs, "Prevention and Control of Illegal Actions Accompanying Labor Disputes," 8 February 1946, to Governors of Provinces, Municipalities and Prefectures.
 4/ Cabinet Announcement, 10 March 1946.

(a) Letter, GHQ, SCAP, AG 230, "Labor Relations," 22 January 1946, to Commanding General, EIGHTH Army.

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peace, actual or attempted bodily harm or other definitely unlawful
 ((a)) acts were involved?

The Trade Union Law

40. In addition to the abrogation of restrictive legislation,
 it was necessary to take ^{were also required} positive steps to encourage trade union
 organization. The Supreme Commander on 11 October 1945 instructed
 Prime Minister Baron Kujiro Shidehara to provide "encouragement of
 the unionization of labor--that it may be clothed with such dignity
 as will permit it an influential voice in safeguarding the working-
 man from exploitation and abuse and in raising his living standard
 ((b)) to a higher level."

41. A committee composed of officials of the Ministry of Wel-
 fare, unions, Diet members, industrialists and distinguished laymen
 completed a draft of the bill on 26 November. It was passed with
 minor revisions by the Diet on 21 December 1945 and included: ^{1/}

- (1) Guarantee of the right to organize.
- (2) Encouragement of collective bargaining.
- (3) Prohibition of ~~employee discrimination on account of~~ ^{against employees because of}
 union membership.
- (4) Registration of unions and their voluntary incor-
 poration and exemption from taxes.

1/ Trade Union Law, Law No. 51, 21 December 1945. APPENDIX IV

((a)) Monthly Report, LA/ESS, July 1946, para. 15.
 ((b)) GHQ, AFPAC, PR, 11 October 1945.

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- (5) Prohibition of regulations infringing on proper union activities.
- (6) The enforceability of collective bargaining agreements.
- (7) The establishment of Labor Relations Committees to adjudicate labor disputes. These committees were composed of equal numbers of delegates representing employers, unions and the public. They replaced the interim mediation committees established by order of the Ministry of Welfare on 2 November 1945. There was a Central Labor Relations Committee and a Labor Relations Committee in each prefecture.

42. The procedural regulations were established on 27 February ^{the law became} effective on 1 March 1946. The committees at the prefectural and national levels ^{were concerned} busied themselves mainly with the achievement of conformity ^{to the procedures} of trade unions and collective bargaining procedures and agreements to the provisions of the new law and to a lesser degree with settling disputes, although the latter function was to become primary.

43. The Trade Union Law had several technical ^{defects,} faults, which SCAP did not consider sufficiently serious ^{to require correction during} the initial period, ~~to have corrected,~~ particularly since refraining from interfering in the legislative process was consistent with the principle that

1/ Imperial Ordinance No. 108, 27 February 1946.

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legislation in this field should express the democratic process.

((a)) The major weaknesses of the law were:

- (1) The law provided that a union ^{was to} ~~must~~ not depend on the employer's aid "for the major expenses" of the organization. This still permitted substantial financial aid which might impair the unions independence ^{of the union.}
- (2) The law did not directly place any obligation on the employer to negotiate, although the obligation was implied.
- (3) ~~The law did not require that~~ ^{In instances} when a majority of the employees chose a particular union to represent them, ^{the law did not require} the employer ~~had~~ to forego his former privilege of dealing directly with any individual employee or group of employees with respect to the basic conditions of employment.
- (4) The law provided that a union was to be dissolved if it became bankrupt or if it frequently violated laws and ordinances, and disturbed peace and order, or if its principal aim was to carry on "political or social movements." These provisions made possible a disproportionate emphasis on government supervision and controls over trade unions, and permitted governmental interference to an extent not paralleled

((a)) SCAP, Advisory Committee on Labor, "Labor Policies and Programs in Japan," 29 July 1946.

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Democratic
in most other countries. An unfriendly administration was able to interpret "social movements" very broadly and hamper unions considerably. Actual civil and criminal laws on the statute books, and the authority of the police in preserving public order, were adequate to punish offenders without empowering the Government to dissolve unions.

- (5) The enforcement procedures were inadequate insofar as they did not provide for orders to be issued directing employers to cease and desist ~~in~~ *from* certain practices immediately, or to perform certain positive actions such as the reinstatement of illegally discharged employees in their former positions with back wages. The violating employers could only be fined (or imprisoned) a relatively small sum *or given a light imprisonment*.

The Growth of Unions

44. The initial effect of the Trade Union Law was to accelerate the drives for union membership throughout Japan. ~~While there were 855 unions with 602,706 members~~ *The* ~~by~~ *at* the end of December 1945 ~~there were 10,361 unions with 3,404,353 members~~ *increased to* by the end of June 1946, excluding the Seamen's Union. ^{1/} Despite this rapid growth in the number of unions, the number of disputes declined sharply in March and April largely as a result of the Trade Union Law because

^{1/} Ministry of Labor, Survey of Labor Unions, 31 December 1947.

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it was no longer necessary to strike for the right to bargain collectively or ^{to secure} ~~for the~~ protection against ^{the} discharge of workers on account of union membership. The number of disputes increased in May and June because of the increased number of unions and the necessity ^{of} ~~of~~ demand ⁱⁿ increases to offset rising prices. ^{1/}

45. The two principal prewar federations were revived and formally inaugurated in August 1946: the General Federation of Japanese Trade Unions and the National Congress of Industrial Unions. ~~In addition,~~ ^{also} independent federations were ^{also} formed such as the Council of Kanto District Labor Unions, the Hokkaido Federation of Coal Miners' Unions, ^{and} the National Government Railway Labor Unions, ~~etc.~~ These federations were loosely knit and the affiliated unions enjoyed a high degree of autonomy.

((a))

The two principal federations, which by the end of August 1946 had reached a claimed membership of 2,500,000, ~~served to~~ ^{exerted} political pressure on officials and ~~to~~ ^{ed} establish the general policy with regard to political activities as well as labor union activities for their members. An inevitable result of the federating of unions was the federating of employers and employers' associations, of which there were 25 in August 1946. The Federation of Economic Organizations was the principal employer federation.

((b))

1/ Trend of disputes shown in APPENDIX III

((a)) Annual Report, LA/ESS, September 1946.
((b)) Ibid.

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The
Development of Collective Bargaining

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46. As a result of the Trade Union Law collective bargaining agreements were negotiated between unions and management at an accelerated rate--even faster than the rate at which workers were becoming organized. While only 10 percent of the organized workers were covered by collective bargaining agreements by the end of December ¹⁹⁴⁵, the figure had risen to 26 percent by the end of June 1946. ^{1/}

47. Collective bargaining agreements were often lacking in the provisions which ~~could~~ ^{might} have reduced the need for strikes. The

((a)) agreements often excluded one or more of the following:

- (1) Recognition that management was to control the company insofar as workers' interests were not involved.
- (2) Grievance machinery and a peace clause.
- (3) Extent ^{to which} ~~that~~ management could take disciplinary actions for breach of rules.
- (4) Time and place of union meetings if they were to be held on company property and rules concerning the activities of union officials on company property.

48. Many disputes involved "production control" or union management of production during the period of a strike, as was the case in the strikes of the Mitsubishi Bibai Coal Mine, the Yomiuri-Hochi Newspaper Company and the Keisei Electric Railway Company. In each of these cases the facilities of the concern were seized by its

 1/ Ministry of Labor, Survey of Labor Unions, 31 December 1947.

((a)) LA/ESS, Manual for Military Government Labor Officers, (forthcoming publication).

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workers who actually carried on the operation of the firm until a settlement had been reached on the points in ~~the~~ dispute. ^{These were 12 of} ~~These~~

~~these~~ disputes ~~numbered 18~~ in January, 20 in February, 23 in March, 29 in April and 25 in May. The Central Labor Relations Committee encouraged the establishment of labor-management councils under collective bargaining agreements, with the degree of union participation in management carefully determined, taking into account the nature of the enterprise concerned. By the end of the first Occupation year

((a)) the number of cases of production control had dropped sharply.

49. Although collective bargaining procedures were crude and many strikes could have been averted with proper agreements, the total number of man-days lost in strikes was only one tenth of one percent during the first Occupation year. ^{Furthermore} ~~In addition~~, no strike was deemed by SCAP to ~~have been~~ inimical to the objectives of the Occupation, so that the Occupation Forces did not find it necessary

((b)) to interfere in ^{a single} ~~a~~ labor dispute.

The growth of collective bargaining agreements and bona fide trade unions was against a background of confusion. The Government's labor education program was not yet under way. The Trade Union Law was the first such law and the Japanese had to be taught how to use it. The confused ~~and poor~~ workers had to be shown that collective bargaining, supplemented by a system of protective labor

((a)) Annual Report, LA/ESS, September 1946.

((b)) *Ibid.*

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laws, could do more to improve their working conditions than continual strikes and demonstrations.

50. The Japanese worker was only beginning to be ^{come familiar} ~~told of labor~~ ^{with labor} ~~box~~ policies and procedures as practiced in democratic countries.

(a) ~~It was only in August 1946 that two conferences were held of union educational directors~~ ^{in order} ~~in order~~ ^{were held} to initiate a comprehensive labor education program to stress:

- (1) Democratic trade unionism via regular meetings, election ^{of officials} by secret ballot, payment of union salaries by the membership and democratic constitutions.
- (2) Orderly procedures in collective bargaining via bargaining in good faith, use of Labor Relations Committees, signing and observing good contracts which include ^d machinery for settling grievances.
- (3) Understanding labor laws and cooperating with their administration.

(b) Annual Report, ZA/ESI, September 1946.

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IV. 2 SEPTEMBER 1946 - 1 SEPTEMBER 1947

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MANPOWER

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Nature of Unemployment

((a))

1. The index of industrial production rose from 36.6 in August 1946 to only 41.2 in August 1947 relative to 1930-34=100. During this period the population increased from 75,683,324 at the beginning of August 1946 to 78,220,840 at the beginning of August 1947. ^{1/} Of this

((b))

increase in population 1,125,670 were repatriates. While the increase in population relative to industrial activity suggested an increase in the number of unemployed, it was difficult to locate the unemployed. Applications for work at public employment exchanges were only between

 1/ Cabinet Bureau of Statistics

The reduction in the number of working hours to eight explained part of this problem.

((a)) Monthly Bulletin No. 21, ESS, "Japanese Economic Statistics," May 1948.

((b)) Weekly Letter, G-3, Status of Repatriation.

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200,000 and 300,000 per month during the later part of the second Occupation year. In addition, placements were running only ^{at} about 100,000 per month,

Although job offers were about 500,000, ^{1/} this phenomenon was explained by the fact that many were engaged in marginal self-employment, and by the fact that the jobs offered were usually at *less than* ~~the~~ actual prevailing wages and were highly restrictive in ^{the} specification of workers wanted. The most important explanation was in the nature of the economy. Because of ^{the} recency of urbanization, most workers had close relatives on the farm and they could return to the farms for extended periods, particularly since it was customary for close relatives to support each other. ~~In addition,~~ ^{Moreover,} many unemployed were technically retired. Older workers were retired on annuities built up prior to the inflation. It was cheaper to retire them ~~than~~ to pay them the prevailing wage. This explained the fact that most industries with retirement schemes had mainly young workers.

2. The unemployed had nevertheless to be provided with jobs in order to increase the ^{utilization} ~~utilitatum~~ of the manpower resources and to enable each family to purchase the minimum amount of food for its sustenance. The public works ^{projects,} ~~which were provided for during,~~ ^{had been inaugurated} the previous year, did not absorb the unemployed. Less than one-third of the peak figure of 1,000,000 ^{ON} ~~ON~~ public works were recruited from the unemployed.

1/ Ministry of Welfare

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Part of the difficulties in recruiting the unemployed arose from the nature of the public works. Most of the projects were land reclamation, flood control and irrigation, and the workers were mostly part-time or off-season farmers. ^{It was difficult to induce the} ~~The effort to get city unemployed~~ to go out to rural areas to work, ~~was unsuccessful~~, partly because of the lack of housing, and partly because the city people were looking for clerical or commercial work. The projects were supposed to pay wages prevailing in the area of the project, but often did not include the additional inducements offered in private industry over and above the base wage.

((a))

3. Due to the nature of the public works, the relief of unemployment was secondary to the productive value of the particular project. The Cabinet on 3 September 1946 issued Regulations Concerning Public Works ^{which made} making the Economic Stabilization Board, formed in August, responsible for the selection and continuation of approved projects, which had to be reviewed every three months. Seven classes of priority were established, ranging from those which would ^{immediately} increase the production of essentials, ~~immediately~~ to those which would be valuable for the country in the longer run. Because of limited materials only projects in the first three of the seven priorities were authorized.

((b))

1/ Regulations Concerning Public Works, 3 September 1946.

- ((a)) Memorandum, LA/ESS to Chief/ESS, "Progress in Meeting Recommendations of the Labor Advisory Committee with Respect to Employment Exchanges and Related Manpower programs," 9 October 1947.
- ((b)) SCAP, Minutes of Meeting held 21 March 1947 on Japanese Public Works Program for 1947 and 1948.

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4. ^A ~~The~~ principal reason for the ^{small number} lack of fully unemployed persons

was the hoarding of surplus labor by firms whose level of operations had declined considerably. Many estimates were made of this surplus labor. Some were based on the fallacious assumption that the percentage decline in employment was supposed to be equal to the percentage decline in industrial activity in order for there not to be surplus labor. Accordingly the estimate of surplus labor as of June 1947

((a))

was put at five to eight million. This estimate was refuted after a detailed analysis was made of an industry, ^{the sheet glass industry,} which was supposed to have had much surplus labor. ~~This industry was the sheet glass industry.~~

((b))

The study revealed that:

- (1) Capacity during the first nine months of 1947 was 75 percent of the capacity during the 1930-34 base period.
- (2) The corresponding production figure was 30 percent, largely due to the lack of coal.
- (3) The employment level was about the same as in the base period, and the absentee rate was low.
- (4) Thus, productivity was only about one third of the performance during the base period.

5. The low level of productivity made it necessary to employ more workers than would otherwise have been the case. Thus, it could ~~not~~ hardly be said that these workers were "surplus" even though they were

((a)) Report, LA/ESS, "Draft Staff Study on Surplus Labor," 27 September 1947.

((b)) Report, LA/ESS, "Manpower Requirements in the Sheet Glass Industry," 23 December 1947.

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not as fully utilized as during the base period. The factors responsible for the low level of productivity were:

- (1) The necessity for increased repair and maintenance due to the general deterioration of machinery and equipment.
- (2) Additional handling and preparing of materials due to reduced quality.
- (3) ^{The} Necessity for providing replacements for workers granted holidays and the shorter working day.
- (4) ^A General decrease in worker efficiency due to lack of food, clothing and housing compared with base period.
- (5) ~~Finally~~, because of the indivisibility of a single worker and the high degree of specialization of jobs in a factory, a reduced level of operations in a firm necessitated only partial utilization of each worker rather than full utilization of only part of the workers.

((a))

Democratic Recruitment

6. The Government was instructed on 20 November 1946 to exclude all persons who before 2 September 1945 were officials or influential members of the Industrial ~~P~~atriotic Societies or the Labor Patriotic Societies from holding any post as an officer or influential member of any organization concerned with labor, including organizations engaged in recruiting or supplying labor and direct supervision of workers. The government sent a "purge" letter to each former official of the ~~prescribed~~ ^{prescribed} organizations informing him of his ineligibility

((a)) Report, LA/ESS, "Manpower Requirements in the Sheet Glass Industry," 23 December 1947.

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for posts in organizations concerned with labor. ^{Government} ~~The~~ instruction ^{to the Gov-} ~~of~~ ^{ernment}
 20 November 1946 also excluded ^{former} ~~ex-~~ police officials and former
 ultra-nationalists from employment in any labor agencies of local, pre-

((a))

fectural or national governments. The Government accordingly issued
 an appropriate ordinance on 10 December 1946. ^{1/} The labor purge

((b))

continued until 1 July 1947 when it was considered completed. ^{2/} The
 Employment Bureau was transferred from the Home Ministry to the
 Welfare Ministry on 8 April 1947 and the name of the employment offices
 was ^{changed} ~~changed from diligent labor offices~~ to public employment security
~~offices, in order to make a complete break with the past.~~ There were
 455 such offices and 89 day labor offices, used mainly for ^{the} re-
 cruitment of labor for the Occupation Forces, ^{and} ~~in order~~ to displace
 recruitment by labor bosses. ^{2/}

7. The type of bondage which existed in the textile industry
 was outlawed by the Labor Standards Law, promulgated on 5 April 1947
 and effective in major part on 1 September 1947. This act made it
 illegal for two persons to contract for the services of a third. Thus,
 a girl's parents could not sign a contract for her services. It pro-
 hibited recruiting agents ^{from} ~~to advance~~ ^{wage payments or lending money to} ~~payment of wages or to loan~~ workers
 or their families. ~~money~~. It prohibited the forcing of anyone to remain

^{1/} Ministries of Welfare, Transportation and Home Affairs, Ordinance
 No. 1, 10 December 1946.

^{2/} Ministry of Labor, "A Short History of the Public Employment Security
 Office, 27 September 1948.

((a)) Report, LA/ESS, Manual for Military Government Labor Officers,
 (Forthcoming publication).

((b)) Report, LA/ESS, "Progress in Meeting Recommendations of the Labor
 Advisory Committee with Respect to Employment Exchanges and Re-
 lated Manpower Programs," 9 October 1947.

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at work against his will. Contracts for more than one year were declared illegal and any contract could be broken. Girls were allowed to leave the factory premises at will. ^{1/} In spite of this legislation many abuses ~~still~~ ^{persisted} existed because of the newness of the laws, because they were not well administered by national and local government officials, and because many ^{Japanese} ~~Japanese~~ people were not aware of their new rights.

((a))

8. The new constitution, promulgated on 3 November 1946 and made effective on 3 May 1947, provided in its "Bill of Rights" section that "no person shall be held in bondage of any kind" and "every person shall have freedom to choose his occupation to the extent that it does not interfere with the public welfare." ^{2/} The day after the promulgation of the new constitution, the Cabinet proclaimed six "fundamental policies" designed to effect the "realization of democracy." The sixth policy referred specifically to labor and in addition an implementation was suggested in terms of establishing an efficient labor administration. ^{3/}

9. Recruitment of labor for the Occupation Forces was carried out successfully without the ^{extensive} use of the labor boss system, which was the traditional pattern of recruitment for the types of labor ^{required} ~~needed~~ by the Occupation Forces. In order to ^{forestall the obligation employment} ~~control the use of~~ labor

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- ^{1/} ^{De} Labor Standard Law, Law No. 49, ⁷ April 1947. APPENDIX IV
^{2/} The Constitution, 3 November 1946, Arts. 18 and 22.
^{3/} Cabinet Proclamation, 4 November 1946.

((a)) Report, LA/ESS, "Progress in Meeting Recommendations of the Labor Advisory Committee with Respect to Employment Exchanges and Related Manpower Programs," 9 October 1947.

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bosses, the Employment Security Bureau ^{utilized} established day labor offices at strategic locations. ~~This had the effect of eliminating labor bosses from practically all prefectures in supplying labor to Occupation Forces.~~ There were some cases where workers still maintained a de facto connection with their bosses, although ostensibly processed through the employment exchange. ~~The proportion of the daily average number of workers for the Occupation Forces supplied in this manner to the Occupation Forces was small.~~ ~~Out of the total daily average which in May 1947 was~~ 155,000. ✓

((a))

10. Forced labor was used in some instances in the coal mines, because the housing, staple food and other perquisites ^{for inducing} ~~in order to~~ induce workers to enter the mines were not sufficiently available. ~~and it was difficult to retain some workers in the mines without resorting to forced labor.~~ During the fall of 1946 a group of labor supply agents recruited workers from Honshu for coal mining and construction in Hokkaido. Most of the workers were placed in gangs, assigned to certain mines and physically restrained from leaving. This practice ^{ceased} ~~was broken up by~~ ^{after} establishing transportation and housing facilities ^{were established} for the workers recruited from Honshu. The Labor Standards Law, effective 1 September, prohibited forced labor and provided penalties of up to ¹⁰ ~~ten~~ years for violations of this provision.

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- ((a)) Report, LA/ESS, "Progress in Meeting Recommendations of the Labor Advisory Committee with Respect to Employment Exchanges and Related Manpower Programs," 9 October 1947.
- ((b)) Ibid.

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The Labor Ministry Law

11. The most important single step in the program to allocate manpower resources efficiently, and at the same time democratically, ^{the establishment of} was ~~to establish~~ a single agency to handle all labor problems. Administrative machinery had to be provided for a comprehensive labor program which would include all the instruments for the effective allocation of manpower in line with the sweeping postwar changes, which involved:

- (1) The rapid growth of substantially ~~new~~ labor functions, particularly as related to newly legalized labor unions, the development of machinery for settling disputes and the largely unmet need for extensive labor and employer education.
- (2) The rapid expansion or alteration of programs which existed only in rudimentary or weak forms. The reinstatement of protective legislation, virtually suspended during the war, created governmental responsibilities far beyond the resources available for enforcement.
- (3) The need for reshaping policies and procedures to fit peacetime conditions rather than wartime needs, ~~in-~~ ⁱⁿ ~~cluding~~ the labor exchange system, vocational training, wage stabilization and wage structure.
- (4) The need for new activities which were neglected, such as fact finding in order to make for intelligent participation by workers, employers and the general public.

((a))

((a)) SCAP, Advisory Committee on Labor, Labor Policies and Programs in Japan, 29 July 1946.

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12. The Ministry of Labor was established on 1 September 1947, ^{1/}
~~raising the status and performance of labor administrations.~~ It gave
labor cabinet status through a full-time Minister who no longer had
to share his efforts with public health, sanitation and special in-
surance. The Cabinet Minister was able to be fully conversant with
labor problems without the distraction of other unrelated duties.
The Labor Ministry included five bureaus, three of which were
transferred from the Welfare Ministry:

- (1) The Labor Administration Bureau, concerned with labor unions, labor relations and labor education.
- (2) The Labor Standards Bureau, concerned with administration of the new Labor Standards Law.
- (3) The Employment Security Bureau, concerned with the operation of labor exchanges, ^{the} development of unemployment policies, ^{the} prevention of undesirable recruitment practices, and ^{the} administration of unemployment compensation.
- (4) The newly created Women's and Mineral Bureau

WORKING CONDITIONS

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The Rise in Real Wages

1/ The Labor Ministry Law, Law No. 11, 1 September 1947. APPENDIX V

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12. The Ministry of Labor was established on 1 September 1947,^{1/} raising the status and performance of labor administrations. It gave labor cabinet status through a full-time Minister who no longer had to share his efforts with public health, sanitation and special insurance. The Cabinet Minister was able to be fully conversant with labor problems without the distraction of other unrelated duties. The labor Ministry included five bureaus, three of which were transferred from the Welfare Ministry:

- (1) The Labor Administration Bureau, concerned with labor unions, labor relations and labor education.
- (2) The Labor Standards Bureau, concerned with administration of the new Labor Standards Law.
- (3) The Employment Security Bureau, concerned with the operation of labor exchanges,^{the} development of unemployment policies,^{the} prevention of undesirable recruitment practices, and^{the} administration of unemployment compensation.
- (4) The newly created Women's and Minors' Bureau, responsible for protective legislation applying to women and child labor.
- (5) The new Labor Statistics and Research Bureau, the key fact-finding agency in the labor field.

Invert
The Rise in Real Wages

13. The average monthly wage for all employees in manufacturing ^{rose} was from ¥ 583 in August 1946 to ¥ 1,959 in August 1947 or 236 percent.

^{1/} The Labor Ministry Law, Law No. 97, ^{31 August} 1 September 1947. APPENDIX

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~~Legal~~
 1/ Consumer prices rose over this period by 151 percent. Thus, wages relative to ~~prices~~ prices rose by 56 percent. ^{1/} This increase reflected an improvement from a very low standard of living, which was maintained only by extensive liquidation of savings and assets on the part of workers. The necessity for workers to live out of their current incomes required that they receive substantial wage increases ^{50 23/} in order to retain their level of subsistence. The wage increases relative to price increases were made possible by the slight increase in both agricultural and industrial production and in imports during the year. The increase in the supply of goods and in worker productivity was slight with the result that wages ^{tended} were ~~tending~~ to force prices upward.

14. The limitations on ^{free} pre yen payments were not alleviating the inflationary pressures because the flow of yen into restricted accounts was exceeded by the flow out of these accounts. The ceilings provided by the February 1946 emergency financial program, were indirectly raised by the provision of a ^{free} pre yen payment to workers of year-end bonuses up to ¥ 600 for the payee and ¥ 100 per dependent. ^{2/} The ¥ 500 limitation ^{or} on ceiling for free payment of regular pay to workers was raised to ¥ 700 on 24 January 1947 ^{3/} and was finally abolished on 1 May 1947. ^{4/} ^{Other} Funds continued to be restricted, depending on the nature of the income or the payment.

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- 1/ Cabinet Bureau of Statistics.
 - 2/ Ministry of Finance Ordinance 27 December 1946 amending Imperial Ordinance No. 83, 17 February 1946.
 - 3/ Ibid. 24 January 1947.
 - 4/ Ibid. 1 May 1947.

This was especially true when account was taken of the reduced working hours, since it resulted in a sharp increase in labor costs per unit of output.

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15. The Government not only permitted wages to rise but also exerted every effort to ration staple foods, charcoal, firewood and coal. In order to induce farmer; fishermen and miners to deliver their goods at below free-market prices, the Government expanded its incentive goods programs. In 1947 there were five such programs, including dozens of items for incentives. The ^{object} importance of these programs was ^{to achieve} ~~in the achievement~~ of the distribution of the national product in such a way as to avoid ^{excessive competition} a wild chaotic scramble for goods, a curtailment of industrial production, and a cut in agricultural production once farmers found that there were no goods for which they could exchange their produce.

The Labor Standards Law

16. One of the most important and far-reaching pieces of democratic legislation, and the result of a year's intensive preparation in which public hearings were ^{held,} ~~used for~~ ~~virtually the first time in~~ Japanese history, ^{was} ~~the enactment of~~ the Labor Standards Law, ^{enacted} in March 1947. ^{1/} It was the first adequate body of protective legislation. The law was comprehensive and covered wages, hours, overtime, rest days, vacations, safety, hygiene, employment contracts, compensation for accidents and disease, child labor, special protection for women and the prohibition of involuntary servitude. Enforcement included stringent penalties sufficient to deter violators.

^{The} 1/ Labor Standard~~s~~ Law, Law No. 49, 5 April 1947. APPENDIX ~~IV~~

((a)) ^{see} See monographs on Price Control and Rationing and Agriculture.

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17. To insure uniformity in benefits and equal responsibilities for all employers the administration of the law was centralized in the Labor Standards Bureau in the Welfare Ministry which supervised more than 300 local labor standards offices. The key principle was to insure to workers "a life worthy of a human being"^{1/} and thus permit Japan to take its place with the more progressive nations of the world and to eliminate the association of "made in Japan" with sweatshop labor. The Labor Standards Law became effective in major part on 1 September 1947. Those articles of the law which did not go into effect on 1 September were to become effective on 1 November 1947.

18. The Labor Standards Law provided for a system of accident compensation on an employer-liability basis. This covered all employers and required compensation according to a schedule for all workers injured or becoming ill in line of duty. This provision served to provide protection for the worker, whether or not the employer joined any insurance scheme.

19. In order to provide an insurance scheme, the Diet in March enacted the Laborer's Accident Compensation Insurance Law.^{2/} Under this law the employer contributed to an insurance fund administered by the Labor Standards Office. The worker could receive benefits from the fund, in which case the employer was relieved of his liability

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- ^{The} 1/ Labor Standards Law, Law No. 49, 5 April 1947. APPENDIX IV
Article 1.
- 2/ Laborer's Accident Compensation Insurance Law, Law No. 50,
5 April 1947. APPENDIX VI

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under the Labor Standards Law. The benefits under the two laws were substantially the same and consisted of 60 percent of the average wage plus full medical aid and disability settlements. It also provided for lump sum payments in the event of death as a result of the job. The insurance law was made compulsory for all employers in hazardous undertakings, construction, stevedoring and forestry, and ~~only~~ ^{of} these employers with five or more workers in manufacturing, mining, transportation and communication and other nonagricultural fields. The premiums paid by employers varied with the degree of hazard. A system of appeals was provided for workers who were dissatisfied with the amount of compensation. This law was promulgated on 5 April and became effective on 1 September, ~~as did the Labor Standards Law.~~

20. Protective legislation affecting maritime workers, revising the old legislation, was embodied in a new Mariner's Law ^{enacted} ~~passed by the~~ Diet in March 1947, which, in general, equaled or surpassed the standards recommended by the International Labor Office in 1936, as was also the case for the Labor Standards Law. The law regulated manning, discipline, termination of contract and other conditions peculiar to the maritime industry, and applied to seamen, the general principles of the Labor Standards Law. Other provisions included establishment of basic hours, overtime, vacations, special protection for women and children and minimum wages. Administration of the law was retained in the Seamen's Bureau of the Ministry of Transportation.

This law was promulgated on 5 April 1947 and became effective on 1 September. ^{1/} The law for seamen corresponding to the Laborer's

^{1/} ^{the} Mariner's Law, Law No. 100, 1 September 1947. Appendix VII

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Accident Insurance Law was in process of enactment by the close of the second year of the Occupation.

LABOR RELATIONS

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<u>Labor Relations Adjustment Law</u>	

21. The Labor Relations Adjustment Law ^{*was promulgated on 20 September 1946*} ^{*(121)*} was originally intended to be an integral part of the Trade Union Law, but it was found necessary to defer action on this part in order to prepare the other part in time for passage at the December 1945 Diet session. For the first time in Japanese history public hearings were held in the preparation of a law. The Labor Relations Adjustment Law was really the logical supplement to the Trade Union Law. The latter gave legal protection to unions and provided for Labor Relations Committees; the former provided the procedures for extensive conciliation, mediation and arbitration of labor disputes by the Labor Relations Committees. This law was promulgated on 13 October and required the use of certain procedures prior to a strike in the so-called welfare industries such as transportation, communication, public utilities and public health, *without*

((a))

1/ Labor Relations Adjustment Law, Law No. 25, ^{*13 October*} ~~20~~ September 1946.
 APPENDIX VIII

((a)) Advisory Committee on Labor, "Labor Policies and Programs in Japan," 29 July 1946. p.38.

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preventing the negotiating parties from determining for themselves their labor relations.

22. The law provided for the appointment of a conciliator for a particular dispute by the chairman of the competent Labor Relations Committee. When conciliation failed, mediation was provided for, if the parties agreed, or if the dispute was in a welfare industry. A mediation committee was set up within the competent Labor Relations Committee to handle the particular disputes. Selections from outside the committee, ^{where} was permissible under certain conditions. The mediation committee had the power to draft proposals for settlement and publicize the proposals and the reasons for them. Arbitration was provided for when the disputing parties requested it or when it was required by the particular trade union agreement. The Labor Relations Committees, in accordance with the provisions of the Trade Union Law, ^{1/} were empowered to determine the award of the arbitration which was to have the same effect as a trade agreement.

23. The national and prefectural Labor Relation Committees made striking progress in perfecting their procedures for administration of the Trade Union Law and the Labor Relations Adjustment Law, and developing qualified conciliators and other personnel. The committees were reorganized with new elections of union and employer representatives and appointment of neutral members by the Government. Budgetary provision was made for a total staff of some 1,300 persons, including a

1/ Trade Union Law, Law No. 51, ~~Art. 27~~, 21 December 1945.
Appendix II. 26 February 1946.

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((a)) competent executive director and a panel of conciliators in every prefecture. Training of the committees' personnel was intensified through conferences and other means.

Continued Growth of Unionism

24. After the promulgation of the Labor Relations Adjustment Law on 13 October 1946, ^{7 days} while the number of unions and union members continued to ^{increase} ~~grow~~, the number of workers involved in disputes un- accompanied by acts of dispute rose sharply ~~and~~ ^{idle} the number of ~~man-~~ days ~~lost~~ due to strikes and lockouts declined considerably. The number of union members rose steadily from 3,068,557 in September to 4,894,234 in December ^{1946.} The January figure increased slightly to 4,894,234 and then continued to rise steadily to reach the figure of 5,772,073 in August 1947. The number of workers in- volved in disputes accompanied by acts of dispute declined from 201,862 in October to 88,410 in November, 94,762 in December, 26,767 in January, to a low of 7,437 in June and then began to rise again, ~~to~~ ^{in August} and in August stood at 32,258. The number of workers involved in disputes not accompanied by acts of dispute rose from 91,597 in October and 87,909 in November to 1,521,820 in December, 1,436,780 in January, 1,444,381 in February and then declined to 34,700 in August 1947. The number of man-days lost through strikes and lock- outs declined from the peak figure of 2,412,972 in October to 1,508,957 in November, 268,458 in December, 275,458 in January and

((a)) Annual Report, LA/ESS, August 1947.

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then fluctuating^{ed} thereafter, to 274,991 in August 1947.^{1/}

22. ^{can} ^{For} ^{col} ^{cent} ^{year} 25. By the end of June 1947 there were 22,051 unions with 5,477,777 members, and 9,317 collective bargaining agreements affecting 3,248,836 union members. Organized workers covered by these agreements increased to 59 percent, compared to only 26 percent the year before and 49 percent by the end of December 1946.^{2/}

26. The collective bargaining agreements to a great extent still lacked ~~the~~ provisions for grievance machinery. Generally the contracts provided for the establishment of a labor-management committee with provisions that all disputes should be referred to it, but no provision was made for the solution of a dispute on which no agreement could be ^{reached} ~~had~~ in this committee. Very few contracts provided for the reference of unresolved disputes to the conciliation or mediation of the Labor Relations Committees. No contract of any importance provided for arbitration of grievances.

27. Collective bargaining agreements continued to improve. The Railroad and Communications contracts, signed in March 1947 were two of the most specific contracts ever negotiated in Japan. The coal labor agreements and some ^{other} labor agreements in private industry were also ~~very~~ specific. In addition to increased specificity there was

^{1/} Ministry of Labor, APPENDIX ^{Table!}

^{2/} Ministry of Labor, Survey of Labor Unions, 31 December 1947.

((a)) Annual Report 1947, LA/ESS, "Labor Relations," 13 January 1948.

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then fluctuating thereafter, to 274,991 in August 1947. ^{1/}

25. ~~The cumulative numbers of unions and union membership were 22,051, and 5,477,777, respectively by the end of June 1947. The corresponding figures for unions and union membership covered by collective bargaining agreements were 9,517 and 3,248,836. The per-cent of organized workers covered rose to 59, compared to only 26 the year before and 49 percent by the end of December 1946.~~
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percent, percent
2/

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^{Table?}
 1/ Ministry of Labor, APPENDIX
 2/ Ministry of Labor, Survey of Labor Unions, 31 December 1947.

((a)) Annual Report 1947, LA/ESS, "Labor Relations," 13 January 1948.

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increased recognition of the general sanctity of trade agreements. In two ^{contracts} cases of importance ^{affecting} the Teachers and Communications Workers unions, the Central Labor Relations Committee recognized the sanctity of the agreement by finding ~~that~~ ^{that} in one instance the union and ^{that} another instance ^{that} the Government had violated the agreement by resorting to dispute tactics or instituting changes without having first referred the matter to the labor-management committee.

((a))

The Averted General Strike

28. In the latter part of 1946 the labor unions of the Government railroad workers, communications workers, teachers and other government workers had ^{cooperated to form} ~~formed themselves into~~ an All-Japan Struggle Committee. Although their demands were economic, their actions were characterized by accentuated political activities, the labor unions being in the forefront of a "down with the Yoshida cabinet" movement. Centering around wage increases for government employees, the committee ~~had the~~ ^{was} supported by ~~from~~ the Federation of Labor Unions (Sodomei), the National Congress of Industrial Unions (Sanbetsu), and the Socialist and Communist Parties. Many independent unions proclaimed their sympathy with, and threatened sympathy strikes on behalf of, the demands of the government employees. In all, 4,000,000 workers were directly or indirectly involved. The matters at issue ~~having been~~ ^{were} submitted ^{toward the end of 1946} to the Central Labor Relations Committee, ~~toward the end of 1946,~~ ^{which} ~~that committee~~ rendered its mediation proposal in January 1947. ^{when}

((a)) Annual Report, "LA/ESS, Labor Relations", 1947, 13 January 1948.
 ((b)) Ibid.

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29. Subsequent to this compromise recommendation, the Federation of Labor Unions, the Socialist Party and Independent Unions withdrew their endorsement of the threatened general strike which left the National Congress of Industrial Unions and the Communist Party in the forefront of strike preparations. Of the five labor representatives in the

30. Preparations for a general strike to begin on 1 February 1947 were continued as the Central Labor Relations Committee, the Government and the trade unions sought a formula for the settlement of their differences. On the eve of the proposed general strike, after it was apparent that settlement was no longer possible, the Supreme Commander prohibited the scheduled strike ~~with great reluctance~~ because of the "fatal impact a general strike would have upon the gravely threatened public welfare." The Supreme Commander specifically made it clear that ^{there was no intention} ~~it was not intended~~ otherwise to restrict the freedom of action heretofore enjoyed by labor in the achievement of its ^{legitimate} objectives.

((b))

that it was not intended otherwise to restrict the freedom of action heretofore enjoyed by labor in the achievement of their legitimate objectives.

((b))

31. On 6 February the All-Japan Tax Collectors Union with 30,000 members ^{was} the first to settle with the Government. Settlement was also reached and a contract signed between the Government and the

((a)) Annual Report 1947, LA/ESS, "Labor Relations," 13 January 1948.
 ((b)) ^{C.H.G. FCC} ~~INT~~ APIO Press Release, 31 January 1947

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((a)) Railroad Workers Union with 450,000 members on 25 February, and the Teachers Union with 500,000 members on 8 March, and the Communications Union with 350,000 members on 14 March.

((b)) 32. The new average wage scale established for government workers was ¥ 1,200 per month. The General Struggle Committee was disbanded as were the dispute committees of the teachers, railroad, and communications workers unions. An Investigation Committee for the Improvement of the Treatment of Government Employees was constituted as a permanent organization in order to help reduce the lag between rising prices in general and rising wages in private industry and the lagging wages of government workers.

((c)) 33. In July 1947 the Government raised ^{the} wages of its employees from ¥ 1,200 to ¥ 1,800 per month in order to keep wages in line with the rising price level. The unions of government workers demanded a wage scale sufficient to purchase 2,400 calories of food per person per day. They also demanded a bonus to cover the debts incurred since 1 January due to the inadequacy of the pay scale. In August the unions claimed this amount to be equal to ¥ 2,000 per worker plus ¥ 1,000 per dependent. Negotiations on this demand ^{ended} resulted in total failure.

34. The fixing of the basic monthly pay of government employees at ¥ 1,800 meant a general upward revision in other prices and wages which had been lagging behind. The Government's action

-
- ((a)) Annual Report 1947. LA/ESS, "Labor Relations," 13 January 1948.
 ((b)) Ibid.
 ((c)) Ibid.

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was equivalent to the recognition of a generally higher price structure.

This effect of government wage fixing was a major reason for the ^{Government's} ~~delaying~~ ^{by the Government} in granting wage increases to its employees. Price ceilings were set at about 65 times the 1934-1936 level and wages were recommended to be set at 30 times the ^{same} 1934-1936 level because, as was explained by the Economic Stabilization Board, productivity of industrial labor was only one half or one third the 1934-1936 level. ^{1/}

35. ~~The effects of the~~ prevention of the general strike ^{had a favourable effect} on labor-management relations in general, ~~was favorable~~. Labor disputes were ^{subsequently} settled without resort to strike, as both labor and management proceeded cautiously, questioning the scope of the prohibition by the Supreme Commander. Important settlements were made without actions of disputes: On 19 February the All-Japan Motor Express Workers Union, with 120,000 members, reached an agreement with their employers through the Central Labor Relations Committee; on 7 March a settlement was made for the 360,000 coal miners and on 14 May for the 70,000 metal miners.

((a))

36. The attempted 1 February strike resulted in a ^{intensive} groundswell of union criticism of the leadership of the National Congress of Industrial Union. This criticism found expressions in the All-Japan Newspaper and Radio Workers Unions when the Mainichi Chapter withdrew from that union because of its affiliation with the National Congress of Industrial Unions. Unions exerted greater efforts to reach peaceful

^{1/} Economic Stabilization Board.

 ((a)) Annual Report 1947, LA/ESS, "Labor Relations," 13 January 1948.

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settlements. Important contracts for the first time included clauses providing for referral of disputes to the Labor Relations Committees Unions, ^{and} ~~gave attention to the problems of maintaining democracy and~~ both government and labor organizations put increased emphasis on labor education. ^{As a result of} ~~The criticism of~~ ^{levelled against it,} the National Congress of Industrial Unions forced it to urge its membership to resort to extensive collective bargaining before ^{employing} ~~using~~ the strike weapon. The Japanese ^{tendency} ~~trait~~ of desiring agreement rather than public exposure of differences encouraged many peaceful settlements. Incompetent workers were beginning to be discharged ^{in increasing numbers of instances} ~~in more and more cases~~ with the sanction of the worker-management committees.

((a))

37. Progress in peaceful settlement was slow primarily due to the influence of a class conscious concept in labor relations, whereby the leaders of class warfare believed cooperation could not exist between capital and labor. ~~In order~~ ^{to} counteract this belief it was necessary to expand the education of both workers and employees in the purpose of unions and labor relations. It was necessary to show Japanese labor that unions had three principal purposes:

- (1) To oppose militaristic domination.
- (2) To oppose sweat-shop conditions and the endangering of living standards at home and also abroad by ^{the} ~~dumping~~ of exports.
- (3) To serve as a balance between capital and labor. ✓

((b))

The last purpose was precisely the opposite of class warfare and was the essence of cooperation. The labor education program was greatly

((a)) Annual Report, 1947, "Labor Relations," LA/ESS, 13 January 1948.

((b)) LA/ESS, Manual for Military Government Labor Officers (Forthcoming publication)

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expanded on this basis. The following immediate objectives of the labor education program were: ~~Precisely for the achievement of operation:~~

- (1) To provide union officials and members with an understanding of trade union practices and aims 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 ^{would the} promote peaceful settlement of future disputes.
- (4) To discourage undemocratic tendencies or control of unions by employers or outside minority groups.

((a))

38. ^{Such accomplishments involved numerous small} ~~The labor education program involved numerous small accomplish-~~
^{ments.} Representatives of American labor organizations and labor re-
 lations agencies came to Japan during the second year as consultants
 on labor relations and held extensive conferences with labor leaders and
 employers in the major industrial areas. A series of 25 pamphlets on
 various subjects were prepared and distributed to trade union leaders, re-
 published in Japanese newspapers and later republished by various unions
 and employers in pamphlet form. Additional material from American gov-
 ernment ^{of} agencies and private associations was similarly distributed. Be-
 ginning in September 1946 over 120 pamphlets, booklets and other printed
 items on labor education were distributed during the year. An educational
 program was developed by radio ^{and the press,} ~~press and magazine,~~ conferences, lectures,
 mass meetings and educational rallies in key cities throughout Japan.

((a)) LA/ESS, Manual for Military Government Labor Officers (Forthcoming Publication).

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((a)) Labor libraries in Tokyo, Kyoto and Fukuoka were stocked with some American labor material.

A workers' education section was set up in the Welfare Ministry. With the cooperation of an Advisory Committee of Japanese Labor

leaders. A weekly labor publication was initiated, and an expansion ~~of the~~ labor education program was carried out within the new

Labor Ministry. Labor schools operated by trade unions were established

in Tokyo, Osaka, Kyoto, Kobe and other cities and summer schools for

workers were ^{promoted} held by the General Federation of Labor and the Welfare

Ministry. The most effective labor education was planned to be done

along the lines of securing educational committees

by, for and in the labor unions themselves, with the objective of

securing educational committees in every Japanese local union and an

((b)) educational department in every national union.

((a)) Annual Report, LA/ESS, "Labor Relations," 13 January 1948.

((b)) Annual Report, LA/ESS, "Labor Relations," 13 January 1948. *Ibid.*

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MANPOWER

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INCREASED UTILIZATION OF MANPOWER

1. ^{the} ~~The~~ third year of the Occupation ^{there was a} ~~was~~ significant rise in the level of industrial output. The index on the 1930-1934 base rose from 41.2 in August 1947 to 55.1 in August 1948 or an *increase* rise of 33.7 percent. At the same time the level of employment remained fairly stable at 34,880,000 in October 1947 and 35,690,000 in July 1948. The increase in industrial production relative to employment reflected an increase in productivity which made possible an increase in wages relative to prices for industrial workers. The number of non-agricultural workers also remained fairly stable over the October 1947-July 1948 period at figures of 17,310,000

((a)) and 17,850,000 respectively.

((a)) Bulletin No. 25, ESS, "Japanese Economic Statistics" September 1948.

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2. The increase in productivity reflected a more efficient utilization of manpower. This resulted ~~inevitably~~ from the progress made in the rationalization of industry, the effects of strategic public works and the systematic recruitment of labor by the Employment Security Offices. Recruitment of labor was successful in absorbing into employment the net figure of repatriates between 28 August 1947 and 2 September 1948, numbering 333,034.

3. Recruitment of labor for the Occupation Forces continued successfully. To some extent this was due to the high prices the Government paid to labor contractors for the services of the labor working directly for the contractors who were able to pay even more than the prevailing wage to their workers in many cases. Since the charging of high prices meant an ~~inordinate~~ ^{heavy} drain on the finances of the Government, the Government was advised to forbid contractors to charge more for the labor which they supplied than the actual amount that was paid to the workers and also forbid them from paying more than the prevailing wages to their workers.

The Employment Security Offices acted as the employer of Occupation Force labor, which ~~were~~ ^{was} recruited by the day labor offices. On 1 April 1948 the Special Procurement Board took over the employer responsibility from the Employment Security Offices. The day labor offices continued to refer day laborers until 1 July 1948 when they

 1/ SCAPIN 1775, 12 September 1947.

 ((a)) Weekly Letter, ~~SCAP~~ ^{A-3}, Status of Repatriation.

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were discontinued, and the Employment Security Offices recruited
 ((a)) for the Special Procurement Board the same as for any other employer.

4. The utilization of labor for public works was not always of otherwise unemployed labor. ^{as} The priority system for the approval of public works projects made for a great ~~emphasis on rehabilitation of the economy.~~ ^{emphasis} ~~on rehabilitation of the economy.~~ ^{indicated the stress placed on the} rehabilitation of the economy. In order to complete a project, labor had often to be recruited from the ranks of the employed and even through labor contractors. Only the most essential projects were approved because the initial appropriation for the 1947-1948 year of \$ ~~40,500,000,000~~ ^{40,500,000,000} became insufficient as a result of sharply rising prices. Since the original figure was based on prices in December 1946, its value was reduced to 44 percent by September

((b)) 1947.

5. This reduction was not considered ~~very~~ serious because it was estimated that ^{number of who were} the fully unemployed and in search of work was ^{1/} not very large - 672,000 according to the October 1947 census. The local Public Employment Security Offices had 403,952 unfilled jobs at the end of August 1948. Only 59,200 persons had claims for unemployment insurance benefits in August 1948. ~~The number of per-~~

((c))

1/ Ministry of Welfare.

- ((a)) LA/ESS, Manual for Labor Relations Office (Forthcoming Publication)
- ((b)) H. G. Ihrig, Memorandum to Chief ESS/LA "Public Works Appropriation," 22 September 1947.
- ((c)) LA/ESS, The Labor Letter, 21 April 1948.

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~~sons applying for jobs~~ ^{persons applied for jobs} during August ~~was~~ 489,760 as new applicants and only 148,429 as renewals. The number of job openings during the month were 2,608,275 of which 875,314 were on public works. Only 319,083 of the total and 18,444 of the public works were regular job openings. The rest were for temporary or casual labor. Of these openings, placements amounted to 2,120,768 of which 738,165 were for the openings in public works. There were only 1,521 referrals to vocational training projects during August of which only 668 were placed. ^{1/}

6. The Economic Stabilization Board was eager to have as many unemployed used in public works projects as possible, ^{and} it required ~~that~~ 65 percent of the workers on city planning projects, ^{to} be drawn from the unemployed. ~~It did recognize~~ ^{was} the essentially different problem in rural areas where most of the land reclamation and flood control projects existed. ^{to} It required ~~that~~ only five percent of the labor ^{to} be drawn from the ranks of the unemployed for these projects. Altogether about 500,000 man-years of employment were provided by public works during the year.
- ((a))
 - ((b))

^{fn. 108}
 1/ Ministry of Labor, "Prompt Report for the Local PESO Employment Activities for August 1948," 1 November 1948.

- ((a)) LA/ESS, Manual for Labor Relations Officers (Forthcoming Publication).
- ((b)) Annual Report, LA/ESS, August 1948.

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7. The principal problem in manpower utilization was that of partially utilized labor attached to jobs. The extent of this labor was reduced considerably as a result of ^arise in industrial production. Much surplus labor still existed, and in the case of industries which were subsidized by the Government it meant that the surplus labor itself was being subsidized. The Government began to place increasing importance on efficient manpower utilization in an effort to cut costs not only to itself but also to the employe^r, especially since improved working conditions as well as reduced labor productivity resulted in an increase in costs.

8. In the case of the coal mines, after surveys revealed that the recruiting programs had reached adequate levels, the Government ordered a ~~freeze~~ on 22 June of the employment level reached on 30 April 1948 for six months unless special permission was received from the regional offices of the Coal Board. Workers hired between 30 April and 22 June were to be reduced by attrition. Excluding contract labor there were 516,769 workers in the coal mines, of which ((a)) 264,771 were underground and 251,998 were surface on 30 April.

9. The Government also encouraged a reduction in the ratio of the number of surface workers to underground workers. An investigation revealed that large numbers of surface workers were engaged in repairing and even in making machinery. Although the same quantity of work could have been accomplished on the surface by 20 percent

((a)) Weekly Activities Report, LA/ESS, 30 August 1948.

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PRISON LABOR

1950 December 1950							1951 JANUARY 1951							1951 February 1951									
S	S	W	T	F	S	S	S	W	T	F	S	S	S	S	W	T	F	S					
					1	2					1	2	3	4	5	6				1	2	3	
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30	31				25	26	27	28						

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workers, in comparison with Western standards, it would have necessitated considerable reorganization of work methods and better

((a)) supervision of the work force.

10. About 14 to 25 percent of the total number of workers were contract workers in December 1947. These workers were not members of the unions, received lower wages than other labor, were in most instances denied special rations and other incentives, ^{and} lived in special dormitories under inferior conditions. They performed

special jobs including housing construction, maintenance work,

^{the} laying ^{of} pipelines, and ^{the} loading and unloading ^{of} timbers. A few of the

((b)) contractors were legitimate and performed temporary jobs, going from mine to mine. About 25 percent of the contract labor in the coal mines were in the process of leaving with the labor boss for other jobs. The rest were in the process of being taken onto the payroll by the mining companies. Workers who were too old to be put on the regular payroll were being placed on temporary payrolls. Many mines required retirement ^{at} about 50 and the hiring of regular workers who were beyond about 40 was avoided.

11. The use of prison labor by private firms was not prohibited because the prisons had inadequate housing and facilities. Since shipbuilding, charcoal manufacturing, coal mining, and other firms

((a)) ^{report} LA/ESS, "Report on Investigation of Surface Workers and Manpower Utilization in Coal Mines," 15 March 1945.

((b)) ^{report} LA/ESS, "Report on Field Trip with Hokkaido Coal Team, 26 November-18 December 1947."

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Employment Rec Card

1950 December 1950							1951 JANUARY 1951							1951 February 1951						
S	M	T	W	T	F	S	Sun	Mon	Tue	Wed	Thu	Fri	Sat	S	M	T	W	T	F	S
					1	2	7	8	9	10	11	12	13	4	5	6	7	8	9	10
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24
25	26	27	28	29	30		28	29	30	31				25	26	27	28			

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had special facilities for housing and feeding of prison labor.

In order ^{not to handicap} ~~to help enable free~~ unemployed ^{free in its effort to obtain} labor ~~to achieve~~ employment

the Government required all users of prison labor to pay prevailing rates to the prisons. The Cabinet stated on 20 August 1948

((a)) labor ^{gradually} by making prison facilities adequate. ~~to gradually~~ eliminate this type of

The Employment Security Law

12. The development of an efficient public employment exchange system with facilities for job analysis, classification and vocational guidance was considered essential for the efficient utilization of labor and the reduction ~~of~~ the number of unemployed.

Such a system could increase the mobility of labor ^{and} direct it to where it ^{could be} more efficient ^{by employing}, thereby ^{benefitting the economy} by a greater output and the worker by a ^{higher} greater wage.

13. On ³⁰ November 1947 the Diet enacted the Employment Security Law, ^{1/} which ~~became~~ effective on 1 December, ^{which established} ~~giving~~ a firm legal basis for a national network of exchanges administered in prefectures by the governors in accordance with standards and directives issued by the Ministry of Labor. This law ~~(s)~~ struck at the heart of feudalistic and undemocratic recruiting and employment practices; ~~it~~ provided for the voluntary direction of labor into the most productive pursuits through the public employment security offices;

1/ Employment Security Law, Law No. 141, ^{December} ~~30 November~~ 1947. APPENDIX IX

((a)) LA/ESS, Manual for Military Government Labor Officers (Forthcoming publication).

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^{and}
 (a) established guidance and training facilities to bring about the maximum development of the individuals in careers for which they were best suited.

14. All employees at the employment offices were urged to think in terms of public service and ^{abandon} ~~forget~~ their old autocratic ideas. Employer requests were to be filled the same day if there were available workers. Employers were to be contacted to find jobs for employee applicants. Counselling and guidance were to be offered to workers who had no skills and preferences. Workers were to be referred to vocational training centers if training was found to be necessary and after the training, jobs were to be found ^{requiring} ~~using~~ the newly acquired training. ^{in short,} The employment offices were to be employment clinics where the workers and employers brought their job
 ((a)) problems.

15. With the establishment of the Labor Ministry in September 1947, a reorganized Employment Security Bureau was ^{established} ~~set up~~ to administer the Employment Security Law, the Unemployment Allowance Law and the Unemployment Insurance Law. In order to improve the administration on prefectural and local levels, a manual of instructions covering all phases of the program was issued. Training conferences were held to instruct prefectural and local officials in their new duties. A system of staff and line supervision on national and prefectural levels was ^{begun} ~~started~~. A new integrated system of operating and labor-market reports ^{was} ~~was~~ introduced to meet the requirements of
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((a)) LA/ESS, Memorandum, Chester W. Hepler, "Principle, Purpose and Nature of the Employment Security Law," 30 March 1948.

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((a)) the new legislation and administrative program. Obsolete reports and procedures were eliminated.

16. ^{So 25/} In order to instruct prefectures in the proper administration of employment offices, a model was established. The Saitama prefecture demonstration project, ^{designed} designed to develop the best possible procedures for ^{the} supervision of local employment security offices, ^{provided} provided an intensive training course for key prefectural officials, conducted by Employment Security Bureau officials. In addition on 1 August the remodelled Kandabashi Public Employment Security Office in Tokyo was formally reopened as an ^{additional} experimental office to be used by national officials to try out new policies and procedures. Five main points for improving ^{the operation of} the Employment

((b)) Security Office ~~operation~~ were adopted:

- (1) All workers and employers in the area served by the office, ^{were to} ~~should~~ be fully informed of the location and services of the office.
- (2) The largest possible number of employers ~~should~~ ^{come to} notify the office of their job openings.
- (3) The largest possible number of job applicants ^{were to seek jobs at the office.} ~~should come to the office for jobs.~~

((a)) Annual Report, LA/ESS, August 1948.

((b)) ~~Annual Report, LA/ESS, August 1948 I b. d.~~

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- (4) Job openings filed with the office ^{were to} ~~should~~ be filled promptly and with the best available candidates.
- (5) Job applicants ^{were to} ~~should~~ be referred promptly to suitable jobs.

17. The vocational training program had been developing since the latter part of 1946 but with the enactment of the Employment Security Law, a new program was ^{inaugurated} ~~set up~~ and the Ministry of Labor took over the financial responsibility for the program from the prefectural governments, which continued to carry out the program under the principles laid down by the ministry. There were three types of training:

- (a) (1) Public vocational training centers giving six-month ^{courses} ~~months~~ courses free;
- (2) Training in government-operated workshops where trainees earned while learning and producing; and
- (3) A few special centers for the handicapped.

(b) On 1 May 1948, ^{there were} 12,660 trainees in 427 vocational training centers and 100 in two centers for the handicapped.

18. The Employment Security Law prohibited the operation of labor supply projects after 1 March 1948, ^{so as} in order to eliminate the labor boss system. ^{Prior to this prohibition} ~~Before this~~ hundreds of thousands of Japanese workers were still victims of ^{labor boss} ~~this type of~~ exploitation, ^{which was}

- (a) Scheduled to start 1 October 1948 in 30 shops on experimental basis.
- (b) LA/ESS, Manual for Military Government Labor Officers, (Forthcoming publication).

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- ~~This~~ was estimated at ^{from} 15 to 25 percent of all laborers at most mining and manufacturing establishments, ^{comprising mostly} ~~and were mainly~~ the temporary and indirect day labor. The law also prohibited the type of recruiting traditional in the textile industry, ^{which} ~~By~~ the end of March there ^{had} ~~were~~ 108,360 openings in the textile industry for ^{130,000} ~~young~~ girls who were finishing their compulsory schooling, ~~of which there were~~ ^{130,000} ~~130,000~~ at this time. Many of the ^{employees} ~~girls~~ were told falsely that they could not leave their jobs even though the ~~law~~ prohibited labor contracts and permitted employees to leave at any time. During the six months ended 30 September 1948 approximately 600,000 workers were freed from control by labor bosses. About 15,028 recognized illegal labor supply projects, employing 309,185 workers, were detected and 290,000 workers freed. An additional 300,000 workers were estimated ^{to have been} freed voluntarily by their bosses without being officially designated.
19. The Mariners' Employment Security Law, passed by the Diet in July 1948, provided for special Mariners' Employment Security Offices operated by the Maritime Bureau at the principal ports according to policies similar to those in the Employment Security Law.

- ((a)) Memorandum, LA/ESS, Sterling D. Collett, "Elimination of Labor Supply Projects," 11 February 1948.
- ((b)) Memorandum, LA/ESS, Alice W. Churchliff, "Employment of Girls Leaving School This Spring, 22 March 1948.
- ((c)) The Ministry of Labor (as reported in Stars and Stripes, 2 November 1948).
- ((d)) La/Ess, Manual For Labor Relations Officers, (Forthcoming publication). This law was not made effective during the year. The law was not published as of 15 November 1948.

|| Mariners' Employment Security Law, Law No. 130, 10 July 1948.
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Unemployment Insurance and Allowances

20. Another measure which increased the mobility and therefore improved the allocation of labor was the provision of unemployment benefits. A worker was able to change jobs in order to better his employment more readily than when lack of employment meant no income for the worker and when employer protection during slack production periods was valued ~~very~~ highly in terms of being willing to accept low wages on that account.

21. On 21 November 1947 the Unemployment Allowance ^{1/} and ^{2/} Unemployment Insurance laws were enacted. These were administered by the Employment Security Bureau of the Ministry of Labor. *Under the Unemployment Insurance Law* The insurance premiums ~~for the unemployment insurance law~~ began 1 November 1947 and ~~under the Unemployment Insurance Law,~~ the insurance benefits 30 April 1948. During this period payments to the unemployed were made exclusively by the government, under the Allowance Law, which established a temporary system of benefits. The Unemployment Insurance Law provided for a permanent system financed jointly by employers, employees and the Government. Eligibles were the unemployed who had six months of employment during the preceding year with an employer of five or more workers. The benefits were 60 percent of the previous wages, payable for a maximum of six months, unless the workers were temporarily disqualified by quitting without cause, were discharged for misconduct or refused suitable work.

 1/ Unemployment Allowance Law, Law No. 145, 21 November 1947. *1 December Appendix XI*
 2/ Unemployment Insurance Law, Law No. 146, 21 November 1947. *1 December Appendix XII*

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22. The collection of unemployment insurance premiums was very unsatisfactory at first. In general, premiums were being collected from less than half of the employers who were theoretically liable under the law. It was the common practice even among the large employers, to deduct the worker's share of the premium from his pay, but to refuse to pay it to the government. Prefectural Employment Security Bureaus sent out a limited number of notices of demand for payment containing threats of legal action with time limits, but they were not followed up, and legal action was not actually carried through. As with tax collections, employers were simply invited to pay. As the year progressed the collections im-

((a))

proved considerably ~~when employers realized they were violating the law.~~

23. Originally premiums ~~were~~ ^{paid} collected by the local Public Employment Security Office. ~~When it was felt~~ ^{duly after it was realized} that vigorous prosecution of their tax collection responsibility was inconsistent with their employment service role based on close, friendly relations with employers, ^{was} the collection function ~~was~~ transferred to the Prefectural Employment Security Bureau. ~~To assist the prefectural offices, field auditors were appointed, whose duty was intended to be checking em-~~ ^{to} ~~ployers' books in order to establish liability for coverage under the law.~~ ~~Thus,~~ ^{Unemployment Laws} the ~~acts~~ ^{laws} were administered by the ^{National} Employment Security Bureau; the premiums were collected by the Prefectural Employment Security Bureaus; and the benefits were paid by local Public Employment Security Offices.

((b))

((a)) The Labor Letter, August 1948, LA/ESS.
 ((b)) Ibid.

((U))

WORKING CONDITIONS

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The Rise In Real Wages

24. Average monthly wages for all employees in manufacturing industries rose from ¥ 1,959 in August 1947 to ¥ 4,760 in July 1948 or 143 percent. During this period consumer prices rose 82 percent so that wages relative to prices rose 33 percent. This increase

was made possible by the increase in industrial production; ^{which also resulted} ~~also~~ ^{this} increase made possible ~~more~~ ^{more} effective distribution of staple foods

because farmers released more of their goods to the government in return for incentive goods, ^{and manufactured articles} ~~in addition to goods~~ which they could buy in the market. The 1947 incentive goods program was expanded in

1948 with fairly good results, ^{and} ~~The~~ ^{increased} deliveries to the official market, ^{resulted in a decline in black market prices and} ~~involved also a narrowing of the spread between of-~~

^{relative to a rise in official prices; this} ~~official and black market prices.~~ ^{and} Divergent movement was particularly significant in view of the large proportion of expenditures by the average household on free and blackmarket goods. In July 1948 the figure was 75 percent, ^{of} when the basic caloric value of the individ-

^(b) Nippon Times, Monthly Journal of Finance and Commerce 15 August 1948.

^(a) Monthly Bulletin No. 25, ESS, "Japanese Economic Statistics" September 1948.

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(a) ual ration was 1,300 daily.

25. The increase in the production of consumer goods was greater than the increase in the production of producer goods.

(b) From April 1947 to April 1948 the former rose 41 percent while the latter rose only 5 percent. This made possible a temporary

(c) increase in goods available for consumption, since exports failed to increase. This latter fact, while making for a temporary re-

tention of goods for the home market, set back the time-table of *over all* recovery ~~to becoming~~ *which aimed to make the country* self-supporting. ~~This short-sighted thinking~~ *crossed out of*

which in turn was the result in part of the drive to alleviate the existing ex-

It resulted largely from the extreme shortages of goods. ~~At~~ *extreme shortages of goods.* Supplementary ^{goods} and incentives were *especially miners.*

necessary for practically all groups of workers. In August 1948

alone the employment security offices distributed 9,594,047 sup-

plementary rations to the day laborers *who had been* recruited.

~~26. Incentive goods were granted to various types of indus-~~
~~trial workers, notably the miners.~~ The incentive goods system was *short supply*

constantly revised to relate it to the encouragement of *the essentials in* output.

Previously the increased rations were *originally* granted to miners *simply* because

they were miners, *but they were later linked with* it was later required that they put in full-time employment

~~time~~ on the job. The distribution system of incentive goods *were distributed* was de-

(e) 1 The Oriental Economist, October 23, 1948, p. 888
 (b) 2 Nippon Times, op. cit.
 (c) 3 The Oriental Economist, op. cit. p. 887. *see for p 97*
 4 Ministry of Labor, "Prompt Report for the Local ESO Employment Activities for August 1948," 1 November 1948.

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in a manner to prevent their diversion on the black market
~~signed against the black-marketing of the goods~~ and, ^{to} insured equal
 treatment. An underground digger received a set of work clothes
 when he had worked 66 full days, a pair of cotton gloves for 33
 days, a towel for 66 days. Luxury goods were awarded on the

((a)) basis of ration points earned.

27. No points were earned if the worker put in less than 10
 days per month. An underground worker received 4 points per day
 for each day up to 20 days and 7 points per day for each additional
 day. The points were turned in for goods varying in value. One
 shu of sake equaled 25 points, one package of U.S. cigarettes equaled

((b)) 12 points, 50 grams of cooking oil equaled 6 points.

28. To get more workers underground the awards were made larg-
 er for diggers than for surface workers. Diggers received 4 points
 per day, surface workers received 2 points per day, and office work-
 ers received no points. In addition to the point system, some ~~U.S.~~ *American*
 cigarettes and sugar, for over-quota production were given to indi-
 vidual mines, for distribution to the miners. For the first half
 of the 1948 fiscal year, March to September, the principal goods al-
 located to the coal miners were: 680,000 pieces of work clothes,

((c))

((a)) Memorandum, PCR/ESS, H.F. Alber, "Coal Miners Incentive Goods
 System," 4 April 1948.

((b)) Ibid.

((c)) ~~PCR/ESS, H.F. Alber, "Coal Miners Incentive Goods System,"
 4 April 1948. Ibid.~~

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(a) 780,350 pairs of cotton work gloves, 1,162,400 ^{pairs of rubber solid soles} jikatobi, 6,150,000
 bars of soap, ^{6,050,000 packages of American} ~~121,000,000~~ cigarettes, ^{and} 2,430,000 sho of sake.

Administration of the Labor Standard Law

29. On 1 November 1947, the provisions of the Labor Standards Law dealing with employment of women and minors, dormitories, and safety and sanitation, which ^{had been} ~~were~~ held in abeyance pending the issuance of implementing ordinances, became effective. ^{1/} Actual enforcement of most of these ordinances was extended to 1 May 1948, the end of the six months' grace period provided in the Law itself. ^{2/}

30. The budget for the Labor Standards Bureau and its prefectural and local offices provided for a total staff of 11,144, ^{persons} of whom 2,622 were inspectors. Of the inspectors 56 were women, in contrast ^{to} ~~with~~ one woman inspector employed before the Occupation. In June 1948, the first examination for labor standard inspectors was held, ^{and} ~~with~~ more than 2,000 candidates ^{took} ~~taking~~ the examination. ~~Because~~

^{Since most of} the ~~newly appointed~~ newly appointed inspectors had no previous inspection experience, comprehensive training courses were instituted both by the Central Labor Standards Bureau and by the ~~Chiefs~~ ^{Chiefs} of the prefectural labor standards offices. ~~Inspection and reporting systems were developed, and the preparation of the manual for inspections~~

(b) ~~tions was begun.~~

- (a) PCR/ESS, Manual of Incentive Goods and Food Distribution to Coal Miners, 25 September 1948.
- (b) Annual Report, IA/ESS, August 1948.

^{1/} Ministry of Labor Ordinances 6, 7, 8 and 9, 31 October 1947.
^{2/} Labor Standards Law, Law No. 49, 5 April 1947. ^{Appendix IV}

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31. The period from September 1947 to February 1948 was marked by educational drives to familiarize employers, workers, and the public with the provisions of the law. Hundreds of lectures were given. Leaflets and pamphlets were distributed. Other information media included newspaper publicity, radio and film strips. By 1 May 1948, when the Law became fully effective, the inspection program was well under way. In the four months' period *from* February through May, 37,439 establishments were inspected. In May alone 15,322 inspections were made *of* firms employing 1,021,336 workers. A total of 77,158 violations were found of 74 articles of the Law in the four-month period. Of these ~~approximately~~ *about* half involved violations of record keeping *or* ~~reporting~~ *the* regulations. The remaining violations included failure to comply with regulations relating to overtime payments, rest days, annual vacations, safety and sanitation, and ~~special provisions relating to~~ *the* employment of women and minors. ^{1/}

((a))

32. In this early period of enforcement employers were given verbal or written notice to correct the violations and, in general, employers readily complied. Although figures on the amount of restitution made to workers during this four-months' period were not available, it was significant that in May, when complete enforce-

^{1/} Ministry of Labor.

((a)) Annual Report, LA/ESS, August 1948.

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ment was instituted, \$ 31,519,250 ^{was} were paid to workers in connection with wage violations. In an effort to eliminate wilful violation of the law, the Labor Standards Bureau on 30 April issued instructions clarifying the judicial police powers of labor inspectors and prescribing the types of violations for which court action should be instituted. By 31 July, 12 cases had been referred to the procurators' office for court action. ^{1/}

((a))

33. Some progress was made in ^{improving} the field of safety and sanitation although in many cases it was necessary to grant an extension of time to effect the necessary changes because of the employers' inability to obtain the required ^{material for the improvements.} material. From July 1 to 7, which was proclaimed National Safety Week, the Labor Standards Bureau and its local offices carried on an intensive safety publicity campaign in an effort to improve working conditions ^{with the aim of} in order to protect the workers' life and health and to increase ^{2/} production..

34. In accordance with ^{a provision of} the law, the Committee for the Training of Skilled Workers ^{was established on 18 October 1947} with equal representation of employers, workers, and the public, ^{By 30 June, on} ~~was established on 18 October 1947. By 30 June on~~ the basis of recommendations made by this Committee, the Labor Standards Bureau ^{in June} established a course of study for 12 apprenticeable occupations and issued regulations permitting the employment of minors

1/ Ministry of Labor.
2/ Ibid.

((a)) Annual Report, LA/ESS, August 1948.

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between the ages of 15 and 18 as apprentices in hazardous occupations under specified safeguards. ^{1/}

35. ~~Since the formation of the Central Labor Standards Advisory Committee on 8 March 1947, consisting of 21 members with equal representation from employers, workers and the public, by 1 August 1948, 18 prefectural labor standards advisory committees had been established, and they were being formed in the remaining prefectures.~~ ^{After return 8 March 1947, when} ~~was formed, and~~ ^{others} ~~by 1 August~~ ^{shift to 1948} ~~1948, 18 prefectural labor standards advisory committees had been established, and they were being formed in the remaining prefectures.~~ ^{2/}

36. The Labor Standards Law applicable to seamen, called the Mariners' Law, ^{3/ promulgated 1 September 1947,} was administered by the Seamen's Bureau of the Transportation Ministry. In order to carry on its functions more effectively the Seamen's Bureau was reorganized in December with a Labor Standards Section established in the Central Office and in all but two of the 10 regional offices. As of 1 August 1948, 127 inspectors had been appointed. A series of personnel training courses were instituted to familiarize inspectors with the Law and its interpretations and to train them in inspection procedures. Both the central office and the regional offices ~~have~~ held meetings with ship owners and union representatives to instruct them with regard to the basic provisions of the law. ^{by the middle of July} ~~it was believed that~~ ^{the Government issued instructions to all regional offices to the effect that} ~~the~~ inspectors were sufficiently trained and ship owners and seamen were familiar enough with the Law to begin actual inspections, ~~and~~

1/ Ministry of Labor.
2/ Ibid.
3/ ^{the} Mariners' Law, Law No. 100, 1 September 1947. *Appendix VII*

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