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HEADQUARTERS
CHUGOKU CIVIL AFFAIRS REGION
ECONOMICS, LABOR DIVISION

← 65
L-521

7 November 1950

MEMORANDUM FOR: Record

SUBJECT: Non-payment of Wages at Kwansai Iron Works.

There are 40 workers in this company of which 32 are union members. The union did not enter no strike as reported in the newspaper.

The company is in arrear of 130,000 yen - two third of July wage for 40 workers - as of 5 November 50. Agreement was reached between both parties under the condition that the pay for July will be completed during November, (2) The pay for October will be paid by 8 November 1950, (3) Temporary wage increase will be enforced during the month of December.

The non-payment of the wage was due to the financial situation of the company.

This case was referred to the Kure Labor Standards Inspection Office by the union. The KLSIO advise the union to settle this problem in a most peaceful way.

Joe Nakabayashi

DR
File
or
include
in hSB
memo

PRESS TRANSLATION
(Chugoku Press)

27 October 1950

On October 24 the labor union of the Kwansai Steel Manufacturing Company in Ni^{GH}tata, Kure City, demanded the management to reply by 1700 hours same day to the union's demand for full payment of July wages by the morning of October 28 and for advancement of the pay day. The union also notified that it will enter into a strike from October 28 if the demand is not met.

The management replied that it would pay ¥30,000 out of delayed July wages totaling 270,000 yen by October 28 and the reply to the union's demand would be postponed because of the president's absence. Dissatisfied with the reply, the union went on strike at 0800 hours on October 25.

Call LPO and get information on matter.
Call LS10 and get information.
Contact Mgt and Union and possibly visit plant.

HI/ 27 October 1950

Check Joe details

HIROSHIMA

PETITION

LABOR STANDARDS OF WAGE

L-521

SUBJECT: NON-PAYMENT OF WAGE

FROM : Mr. Hanatate, Yoshitake
Hiroshima city, Niho cho, Okawa

Mr. Yasui, Toshinobu
Hiroshima city, Danbara cho

We were discharged from Taiyo Ship Company located at Hiroshima city, Ujina cho, Umetatecho where we were working as a regular employee at the end of January this year.

We requested the management for immediate payment of the unpaid wage soon after we were discharged but no payment took place whatsoever.

The amount of wage in arrear as of the date of discharge is; some 14 thousand add yen to Mr. Hanatate, and some 20 thousand add yen to Mr. Yasui.

Again, recently, we visited the president of the Company and demanded strongly, however, resulted in vain.

We searlymen are living on sarly and we cannot live a day without the payment. It has past 5 month since we were dicharged from the above mentioned Company and we sincerly wish that your office take proper action for the payment of the wage.

Moreover, we thought that it may be better to ask you for your kind consideration because this ship company is using reparation ship. (Authorize use)

JN/11 JULY 50

L-521

PETITION

30 March 1950

TO : Mr. Churchill Murray
Chief, Labor Section, CCAR

FROM: Ex-employees of Nagato Anthracite Mine Co.

Last year around June, Mr. Wada, Superintendent of the coal mine proposed to the union that the company wanted to carry out either 40% personnel cut or overall 25% reduction of wages. The union agreed upon to 25% reduction in wages. At that juncture, Wada said that in order to overcome the company's financial crisis, there may come time when the employee have to get along with 60% of the total wages. To this, the employee replied that it could not agree upon such proposal. Hence, 25% cut in wages was carried out and about eight employees were discharged, Wada told the employee that if they will trust and cooperate with him, he will guarantee the employee at least the minimum standard of living.

The employee started working hard again in spite of various difficulties but since September, the company failed to pay the wages to the employees, the living of each miner's family become more and more desperate that we finally had to go into indefinite strike from 22 December, but the strike was settled on 24 January of this year when both parties signed an agreement. (copy inclosed)

Wada became the managing director and we expected that out delayed payment of wages since September last year will be paid back to us but in spite of the agreement, the company has not paid the back wages to us who were discharged. Many of us wanted to move out of this coal village and find a job and a house in some other locality but without any money,

we cannot even move or look for a job. We have frequently negotiated with Wada but in vain.

Not only do we have no money to move, we are living in a dire state because the unemployment insurance is not suffice to make a living. There is nobody to lend us a money and no possibility for payment of wages. We are intending to go and visit the Shimonoseki Labor Supervisor's Office but we also seek your assistance.

As you have read in the paper, a family in our branch mine committed a suicide during the strike due to difficulty of living. Also some of our employees were arrested for stealing food. Many of the employee and the dishcarged ex-employee do not have money to pay for the compulsory diphteria vaccine for their children. That shows how dire the ex-employee's living condition is in.

Signed by 38 ex-employees

Agreement (wage part.)

1. Non-paid wages will be paid to the discharged employee within one month after discharge.
2. Discharge allowance will be paid as above.

Maney paid to pay for the staple food: 10 Dec. 1949, ¥700 to each family.

30 Dec. 1949: 1,000 yen for low wage bracket
 2,050 yen for middle wage bracket.
 3,000 yen for middle wage bracket.

This money was used to pay for October, November, extra rice ration to the miner.

Economic Section

T

L-521

HEADQUARTERS
CHUGOKU CIVIL AFFAIRS REGION
APO 248 (Kure, Honshu)

23 January 1950

MEMORANDUM FOR COLONEL KOWALSKI

SUBJECT: Investigation of Delayed Payment of Wages at
Nagato Anthracite Coal Mine, Shimonoseki

1. Investigation opened, at the Governor's Office, Yamaguchi City, at 1330 hours, 21 January, with Governor Tanaka, Chief of Prefectural Labor Section, Chief of Prefectural Liaison Section, interpreters Sakai and Hayashi and the undersigned present.

2. Representatives of the Company were called first. They were Mr. Wada, Director and Superintendent, Mr. Hisatomi, Chief of Accounting Section and Mr. Fukami of the Ration Distribution Section. In response to questions they gave the following information concerning wages. All employees were paid in full to include 31 August in November. From then on the position of the Company became difficult and payment was made as follows, with part of the payment made up of basic and supplemental rations to insure employees did not go hungry. Company owes nothing to ration point.

September

<u>Office</u>	<u>Miners</u>
Owed: ¥ 326,303	Owed: ¥ 445,537
Paid: <u>239,689</u> (Includes food)	Paid: <u>445,537</u> (Includes food)
Short: 86,614	Short: 0

October

Owed: ¥ 327,677	Owed: ¥ 446,035
Paid: <u>97,458</u> (In food only)	Paid: <u>206,703</u> (In food only)
Short: 230,219	239,332

November

Owed: ¥ 330,451	Owed: ¥ 444,621
Paid: <u>101,130</u> (In food only)	Paid: <u>212,847</u> (In food only)
Short: 229,321	Short: 231,774

Memorandum for Colonel Kowalski
Investigation of Delayed Payment of Wages at
Nagato Anthracite Coal Mine, Shimonoseki

23 January 1950

December

Owed: ¥ 304,145	Owed: ¥ 239,574
Paid: 90,508 (In food only)	Paid: 180,156 (In food only)
Short: 213,637	Short: 59,418

The management made a retrenchment in office staff on 20 November and the miners went on strike for non-payment of wages on 21 December. Employees total 113, with 34 office workers and 79 miners.

Accounts receivable of the Company amount to ¥1,165,000. This is owed chiefly by TAIKEI KOGYO and TISEI KOGYO, both of Osaka and both briquette manufacturers. The Central Government or Kodan owe them no money. The Company has a stockpile of 1,832 tons of coal of 3,300 calorie content on hand. It is worth ¥1,500,000 or roughly ¥800 per ton.

The Superintendent stated that this mine was one of five owned by the same company and that to the best of his knowledge the other four were in the same condition or worse.

Accounts payable represent a very dark picture. They are as follows:

¥ 60,000 for steel
1,900,000 for lumber
120,000 for tools
370,000 for electric equipment
350,000 for POL
1,100,000 for dynamite
350,000 for repairs
600,000 for miscellaneous
8,000,000 for Reconstruction Bank Loans *
1,290,318 for wages
400,000 for taxes
<u>¥14,540,318 TOTAL</u>

* ¥5,000,000 spent for housing
3,000,000 spent for improvement of facilities

The Governor next stated that of a total of 73 coal mines, in the Prefecture, 30 were out of business and of the remaining 43, at least 20 were in as bad shape as this company.

Economic Section
T

23 January 1950

Memorandum for Colonel Kowalski
Investigation of Delayed Payment of Wages at
Nagato Anthracite Coal Mine, Shimonoseki

3. Representatives of the employees were called next. They were Mr. Motokawa, who came to Civil Affairs Headquarters, Mr. Nishida and Mr. Fujioka. All three are office workers. Nine miners had accompanied them, but the undersigned explained that he was not in Yamaguchi to take up the labor dispute, but to investigate the delayed payment of wages. The miners were not permitted to remain. The three office workers agreed that in November they had received pay in full through 31 August, but had received nothing for September, October and the portion of November, during which they had worked. This latter statement on further questioning proved to be false. As the individual cases differ, they are shown separately below:

<u>Mr. Motokawa</u>	<u>Mr. Nishida</u>	<u>Mr. Fujioka</u>
7 in family	3 in family	6 in family
¥8,300 pay after taxes	¥7,400 pay after taxes	¥8,102 pay after taxes
Resigned 20/11	Resigned 12/11	Discharged 12/11
4 years service	2 yrs and 2 months	6 years service
<u>September</u>		
¥ 700 Cash	¥ 700 Cash	¥ 700 Cash
<u>5,193</u> Food	<u>2,200</u> Food	<u>4,557</u> Food
5,893	2,900	5,257
<u>October</u>		
5,173 Food	2,205 Food	3,538 Food
<u>November</u>		
4,877 Food	2,380 Food	3,069 Food
<u>Retirement Allowance Due</u>		
¥98,784	¥ 38,000	¥ 217,968

Retirement allowances are based on the following table:

- 2 months' pay per year up to 3 years' service
- 3 months' pay per year up to 5 years' service
- 4 months' pay per year up to 10 years' service

DECLASSIFIED E.O. 12958 SECTION 5 4027 UNDS NO.

Memorandum for Colonel Kowalski
Investigation of Delayed Payment of Wages at
Nagato Anthracite Coal Mine, Shimonoseki

23 January 1950

Mr. Motokawa and Mr. Fujioka went to the Labor Standards Office, in Shimonoseki, some time after their discharge. To the best of their knowledge it was about December 1. They saw Mr. Mitsui, a supervisor, concerning wages and retirement allowances due them. The supervisor did not seem to understand their case. A week later, they returned and saw Mr. Takagi, another supervisor, who took a statement from them to be turned over to the Office Chief for handling. Again a week later they returned and saw Mr. Takagi again, who assured over to the Office Chief. (See latter's statement in paragraph 4.) Mr. Motokawa returned a fourth time, a week later, about the end of December and was taken by Mr. Takagi to see Mr. Suzuki, Office Chief. Mr. Suzuki, is alleged to have said he could tell the company to pay, but could not make them. Mr. Motokawa said that he had thought of seeing a lawyer or Civil Affairs. After this there was some general talk on world conditions and then the Office Chief is alleged to have said, "You would get better results, maybe, if you went to see the Communist Party." Mr. Motokawa explained that coming from a government official he was inclined to regard the statement as a joke.

The three office workers stated that they did not believe the company was sincere in its statement that it would pay off gradually when it got on its feet. They feel that they are entitled to extra rations for October and November and also the payment that was made at the end of the year (¥500-¥3,000) towards unpaid wages. The company refused both to them on the grounds that they had retired. Five days ago they retained their own lawyers and instructed them to file civil suit against the company. All three of these gentlemen are receiving unemployment insurance.

4. Mr. Suzuki, Shimonoseki Office Chief and Mr. Shigeru, Yamaguchi Bureau Chief were called next.

Mr. Suzuki stated that he had sent Supervisor Mitsui to Yamaguchi Bureau to make a verbal report on this case and ask instructions as the owners of Nagato Mine had other mines outside of his jurisdiction which union officials had told him were in the same condition. He denied that he ever made the alleged remark about the Communists, in fact had never met Mr. Motokawa. After some questioning, remembered he did meet him, but thought he was an employee and they discussed nothing, but the Labor Standards Law.

Memorandum for Colonel Kowalski
Investigation of Delayed Payment of Wages at
Nagato Anthracite Coal Mine, Shimonoseki

23 January 1950

Mr. Shigeru, began by making a statement that out of 316 wage cases since April 1949, a total of 277 had been settled and 24 sent to the Procurator. Further, that of 20 million yen due in delayed wages, 18.8 million had been paid.

He pointed out that at the time the report reached his office the New Year's holidays were just about to begin. After the holidays, he sent his own representative to the Shimonoseki Office to check. Mr. Shigeru, then had to go off to take the government officials' examination and has not seen his representative since his return. The examinations were held on 15 January, so this is a plausible statement.

5. Conclusions:

a. The Nagato Anthracite Coal Mine is a sub-marginal producer. It existed during the war, when the demand for coal was great and continued in operation as long as government subsidies were available. In a free market it cannot compete due to the poor quality of its product.

b. The Nagato Mine is a typical example of the condition of many other sub-marginal mines in Yamaguchi Prefecture, particularly of the other four mines belonging to the same owner.

c. Analyses of the Accounts Payable of this mine show clearly what is happening in Japanese industry. As an example, the single account of ¥1,100,000 for dynamite, multiplied by the 20 mines reported to be in similar condition, is bound in a short time to have an extremely adverse effect on the explosive producers. (Reference previous report on condition of Nippon Dynamite Company, Asa City, Yamaguchi).

d. That the Labor Standards Bureau is not as active or efficient as it might be. They wait for complaints to come to them rather than making inspections. Friendship with or bribes from owners may play a part in keeping them away in certain cases.

e. That loans from the Reconstruction Bank are made without much investigation as to economic future of the borrower.

Memorandum for Colonel Kowalski
Investigation of Delayed Payment of Wages at
Nagato Anthracite Coal Mine, Shimonoseki

23 January 1950

6. Recommendations:

a. A complete study be made of the coal mines in Yamaguchi Prefecture, with a view to liquidating those that are sub-marginal producers. This will serve to prevent future straining of credit and wasting of funds available of rehabilitation and expansion of industry.

b. That the Labor Section, Chugoku Civil Affairs, devote more time to investigation of Labor Standards Offices and industrial concerns that are behind in wage payments and less to firms that are on a going basis.

c. That the requirements for and methods of obtaining loans from the Reconstruction Bank be investigated.

d. That the political backgrounds of Mr. Motokawa and Mr. Suzuki, Chief of Shimonoseki Labor Standards Office, be thoroughly investigated.

James R. Truden
JAMES R. TRUDEN
Lt Col TC
Deputy Chief

Unpaid Wages

4-521
YAMA

Cases of Violation & Summarized Disposition

No. C-10

Enterprise

Description: Transportation business

Name: Tokichi Hiraoka

Location: Takezaki-cho, Shimonoseki City.

Number of workers: Minor ----- 0

 Male ----- 9

 Female ----- 0

 Total ----- 9

Violation of rules: Labor Standard Law, Art. 20 and 24.

Complained by:

Name & occupation: Jinkuro Okudani, laborer.

Date of occurrence: October 30, 1949

Date of investigation: November 5, 1949

Date of settlement: Unsettled.

Name of office who made investigation: Shimonoseki

Summary of case:

Tokichi Hiraoka employed 2 laborers last August. He did not pay to them ¥14,520, a part of wages for Aug. and Oct., in spite of promises made again and again. Moreover, he dismissed them on October 26 without any pre-notice dismissal allowance.

Disposition:

See A-12

referred to procurator on 18 May 1950

Unpaid Wages

L-521

YAMA

Cases of Violation & Summarized Disposition

No. C-7

Enterprise

Description: Forestry.

Name: Kiyoshi Yoshidomi

Location: Akago-mura, Mine-gun.

No. of workers: Male 5 and female 2, totalling 7.

Violation of rules: Labor Standard Law, Art. 24.

Date of occurrence: August 11, 1949

Date of investigation: Oct. 28, 1949

Name of office who made investigation: Yamaguchi.

Summary of case:

Upon investigation following a complaint it was confirmed that ¥58,930, the wages for 7 workers, was in arrears and so we made him promise to pay it right away. Whereupon he paid ¥30,642, but the balance, i.e. ¥28,288, is still outstanding in spite of his repeated promise to pay it.

Disposition:

~~See No. C-9.~~

The amount of money paid by the employer in accordance with our advice = ¥30,642

referred to procurator on 3/may/1950

Unpaid Wages

L-521 C

YAMA

Cases of Violation & Summarized Disposition

No. C-9

Enterprise

Description: Coal mining

Name: Nagato Anthracite Coal Mine

Location: Toyota-mae Village, Toyora County

Number of workers:

Minor	-----	5
Male	-----	158
Female	-----	29
<hr/>		
Total	-----	192

Violation of rules: Labor Standard Law, Art. 20, 23 and 24.

Complained by:

Name & occupation: Katsuyoshi Fujioka, under ground miner.

Date of occurrence: September 30, 1949

Date of investigation: December 7, 1949

Date of settlement: Unsettled.

Name of office who made investigation: Shimonoseki

Summary of case:

For 8 months extending from last September up to this April, the company did not pay the wages to 106 workers (¥1,407,882), retirement allowance to 28 laborers (¥173,914) and pre-notice dismissal allowance to 15 workers (¥80,552), in spite of promises made again and again, although there had not been any dispute between management and labor.

Disposition:

~~See A-11~~
referred to procurator on 16 may 1950

DECLASSIFIED E.O. 12958 SECTION 3-402/MSDS NS.
NOTIFICATION
re.
DISPOSITION OF NON-PAYMENT OR
DELAY OF PAYMENT OF WAGES

LSD

TO: Chief of Prefectural Labor Standards Office

From: Chief of Labor Standards Bureau, Labor Ministry

Subject: In regard to the Disposition of Non-payment or Delay
of Payment of Wages.

Cases of non-payment or dilatory payment of wages are occurring throughout the country. Whether these cases violate Article 24 of the Labor Standards Law or not will be determined, as has been made clear in our previous notifications, by investigating the actual situation of the management, - that is to say, whether or not payment was impossible, in spite of the fact that the employer from his common responsibility as a manager, acceptable in the light of public conception, has endeavored his best to do so.

But actually, according to the past instances, it is very difficult to judge whether or not the employer truthfully has the ability to pay and it will require some length of time for investigation to verify the fact.

Many employers are likely to delay the payment under the pretense of not being able to pay the wage, which actually will make the workers unable to maintain their minimum living.

Therefore, governmental authorities will take action in accordance with the statement made by the Minister of Labor and instructions of the Public Procurator-General, and expose vicious violators in order to improve such existing situation. Labor Standards Bureau has consulted with the Attorney-General's Office in regard to the disposition of the cases in question. It is desirable that the dispositions will be made along the following policy.

1. The undermentioned cases will be regarded as being extremely suspicious of violating Article 24, Labor Standards Law, and shall be dealt with accordingly:
 - a. In case the employer pays or attempts to pay liabilities which are not compelled to be paid by criminal punishment, and the employer is then unable to pay wages on the fixed pay day.
 - b. In case when the employer did not make effort to borrow funds and consequently the payment of wages could not be met on a fixed date.
 - c. If employer purposely avoided response to the summons of Labor Standards Bureau or Inspector's Office, or failed to make required report.
 - d. And other cases where the employer fails in making maximum efforts acceptable to general public concept.

2. In the above various cases, the inspectors must indicate the earliest possible date for the payment of wages and urge the employers to make a firm promise for its materialization on or before the due date. If the employer does not agree or in case he has promised but failed to materialize the payment on the due date, despite the fact that there had been no serious changes in the situation, the case must be submitted to the Local Procurator's Office.