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KN

12 December 1950

## MEMORANDUM FOR RECORD

*Prof file*

SUBJECT: Field Trip, Ibaraki Prefecture, 27-29 November 1950:  
Trade Agreements

1. At the request of Ibaraki LP officials, approximately ten management and workers' conferences were held in Tsuchiura, Hitachi, and Mito. Itinerary was arranged by prefectural and local labor officials, who accompanied KACAR personnel and Mr. Doherty, SOAF CAS Labor Officer. Emphasis was placed upon the problem of union organization in small and medium-sized industries.
2. Conference with Management Personnel, Tsuchiura City: Ten representatives of the Ami Agricultural Food Processing Co. and the New Japan Food Mfg. Co. were present. They admitted that they have had no opportunity to study labor legislation because their main concern has been the improvement of the financial status of their enterprises. They also confessed ignorance in regard to matters of union organization. Mr. Doherty discussed the status of union organization in small plants in the U.S., pointing out that although individual enterprises might not have unions, workers in similar industries organize for the purpose of negotiating a master contract. He mentioned the recent tendency for Japanese management to employ temporary workers (*rinji*) on the basis of the fact that unions do not include this type of worker in their membership. Management's attitude during this meeting was receptive.
3. Conference with Workers, Tsuchiura City: Approximately 35 workers representing three companies were present. KACAR personnel stressed the importance of union organization and called attention to the various labor laws which were inaugurated at the beginning of the Occupation. Several of the workers knew of the existence of the laws, but only two professed to know their content.
4. Conference with Employers, Tsuchiura City: Employers from nine enterprises (ranging from 29 to 78 workers) participated. To this group, KACAR personnel pointed out that the three principal obstacles to sound union organization are (a) opposition on the part of the employer, (b) indifference of the rank and file, (c) Communist infiltration. Management representatives, judging by the conduct of unions in larger enterprises, were dubious concerning the necessity of union organization in small and medium industries. Explanation was given regarding the strong and sound union and its activities.
5. Conference with workers, Tsuchiura City: Meeting was held with approximately 20 workers, and fairly active audience participation was achieved. Mr. Doherty pointed out that visiting Occupation personnel were not labor organizers, and stressed the fact that free discussion of labor



matters would be welcomed. The importance and advantages of union organization were emphasized, and the significance of postwar labor legislation was pointed out. Stress was placed upon the role of strong and sound trade unionism in a free, democratic society. Following questions were asked by the workers:

- Can the so-called "friendly Association" substitute for the union?
- In case we wish to organize a union, what assistance can we get?

6. Akatsu Iron Works, Hitachi City: Number of employees: 24. There has never been a union at this plant. During inspection of the plant, it was discovered that one of the female workers received ¥1,500/month while a male worker doing the same type of work received ¥7,500. Questioned concerning this wide difference in wages, the male worker replied that he sometimes felt it unfair, but that there was nothing he could do about it. He pointed out that the female worker was capable of less production (piece-work) and that she was unable to repair the machinery by herself. But his reply did not furnish satisfactory explanation of the too-wide difference. In a 30-minute conference with the workers, it was found that only three out of 24 knew of the existence of the important postwar labor laws. These three had not read the laws.

7. Kamigata Motor Repair Works, Hitachi City: Number of employees: 57. No union has ever existed at the plant, and management is not favorably inclined toward unionization. The president stated that if workers ever reach the stage at which they can deal fairly with management, union organization will no longer be opposed.

8. Conference with Management, Hitachi City: Contrary to schedule set up by LP officials, management refused workers permission to attend the meeting. Approximately 25 management personnel, representing 17 industries, were present. It was pointed out that good evidence of the development of the Japanese labor movement is to be found in the number of unions and the number of signed agreements. It was emphasized that various postwar labor laws inaugurated in Japan were practically given to the workers, whereas in Western democracies the same things were attained only after a century or more of bitter struggle. To maintain and preserve these laws and their rights, the workers' efforts are urgently needed. Evidence was produced to prove that U.S. management, through such organizations as the U.S. Chamber of Commerce, recognizes the value of trade unionism. The need for management and labor to co-operate in the development of the trade union movement in Japan was stressed. Management brought up the problem of unionization of construction workers and day laborers.

9. Conference with Management and Workers, Mito City: Twenty-three workers, representing eleven industries, were present. Meeting was conducted with active audience participation. Majority of the workers present had never read the labor laws and were dubious about union organization after their observation of other organized labor unions. The following opinions were expressed by the workers:

- Organized labor unions, as far as I can see, are powerless. As a worker in a small industry, I cannot see any reason why we should have a union.



b. In small industry, management does not welcome active participation of workers for the organization of a union.

c. There is definite lack of understanding in regard to union organization and the real activities of the labor movement.

After a brief address by Mr. Boherty, KACAR personnel discussed the progress of the Japanese labor movement after the war and stressed the necessity of union organization as a contribution to human progress. Opinions expressed by management representatives were as follows:

a. Construction works: Since this enterprise engages in seasonal work, it is well nigh impossible to organize a union.

b. Fishery: The busy fishing season extends only from three to four months a year, and the fishermen rotate from one working place to another. Therefore, it is difficult to organize a union among fishermen.

c. Gravel operator: The situation in this field is similar to that of construction, and the employment situation is also very unstable. Union organization would be difficult.

d. Sake manufacturer: So far, this enterprise has not felt any need to organize a union, and we do not see how it could be of value.

10. Showa Sengyo Co., Ltd., Akatsuka: Number of employees: 145. Number of union members: 141. The company has five branch plants in the Kanto area, with total of 852 workers. New federated contract is to be signed during November, after conclusion of negotiations over the year-end allowance. The new contract contains grievance machinery, with arbitration, but union and management are dubious about how to select an arbitrator. Contract also provides for a central labor council, to consist of one representative from each workshop and two management representatives. Management was acquainted with the seniority principle; the union was not. In lieu of the central labor council, three committees, each with distinct functions, were recommended: (a) negotiations committee for development of trade agreement, (b) grievance committee, (c) production and research committee. In view of present economic conditions in Japan, the six-months reopening provision with regard to wages was recommended as preferable.

11. Summary: Ten conferences were held with management and workers in small and medium-sized industries in Ibaraki. KACAR personnel were accompanied by SCAP CAS Labor Officer and prefectural and local Japanese labor officials. Emphasis was placed upon the problem of union organization and concomitant problems of labor relations in small enterprises.

MARTIN T. CAMACHO  
Labor Relations Division



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7 December 1950

## MEMORANDUM FOR RECORD

*Prof. file*

SUBJECT: Field Trip, Ibaraki Prefecture, 30 November-1 December 1950:  
Trade Unions

1. Six meetings were held with management and workers' representatives in three communities of Ibaraki Prefecture for the purpose of discussing the problems of union organization and related problems in small and medium-sized industries. Mr. Doherty, SCAP CAS Labor Officer, accompanied KaGAR personnel. Schedule of meetings was set up by Ibaraki LP officials in response to an offer of KaGAR assistance in those areas where help is most needed.

2. Inata-mura Stone-cutting Industry:

a. Meeting with workers: Although a union previously existed, it was short-lived. It was organized by Communists for purely political motives, to serve as backing for CP candidates in the Diet election. Once the election was over, the organizers abandoned it, and it fell apart through lack of leadership. An obstacle to the formation of a union (or unions) in this industry is the fact that it is made up of independent small operators, and a paternalistic relationship of employers to workers exists. In other words, the workers feel that organization of a union would constitute a form of disloyalty to the employer. Future developments in the industry may force the adoption of trade unionism as an economic necessity. Mr. Doherty suggested that the only possibility for organization in this situation appears to be a federation with a master contract.

b. Meeting with operators: Purposes and advantages of unionization were outlined, and opinions of management were invited. Apparently the employers are not at all opposed to the idea of unionization. They stated that it is the workers, rather, who are reluctant to try again a venture of the sort that previously ended in failure and left them with a bitter taste regarding the type of unionization they experienced under the Communists. It was stated that most of the employers would be more than happy to see the formation of a union, since the skilled labor supply is being depleted. It was felt that the apprenticeship system (as outlined in the LSL) will be an effective measure to halt this depletion. One employer reported that his workers have approached him for assistance in forming a union. KaGAR personnel were asked to what degree, and in what ways, it is permissible for management to assist. The reply to this question included an explanation of the dangers of company unionism.



3. Shinodate-machi Employers and Workers:

a. Meeting with employers: Representatives from approximately 25 small and medium enterprises were present. Mr. Doherty pointed out that the visiting Occupation personnel were not labor organizers; stated that the discussion would not be limited to matters of union organization, but that any matters pertaining to problems of employers under the present labor set-up would be welcome subjects for discussion. Purposes and advantages of union organization were pointed out. Management was particularly concerned about the difficulty of adhering to provisions of the LSL in the face of present economic difficulties. A sampling of the enterprises represented at this meeting, together with the number of employees, follows:

<u>Industry</u>	<u>Employees</u>
Woodworking	23
Financing	50
Fireworks	35
Gravel contracting	35
Truck transport	55
Dyeing	50

Since interest was evidenced in the matter of unions among construction workers in the U.S., Mr. Doherty gave a brief outline of the system, adding that the problem of the day laborer in the construction industry is one of the most important ones facing Japanese labor today.

b. Meeting with workers: Agenda for this meeting was similar to that described above. It became evident during the meeting that the organization of unions in isolated small enterprises will have to wait upon the dispatch of organizers from national federations, since it is difficult to develop much bargaining strength in isolation. A sampling of the enterprises represented, average wages, and average working hours follows:

<u>Enterprise</u>	<u>Sex of worker</u>	<u>Average daily wage</u>	<u>Average hours</u>
Textiles	Female	¥120-150 (before taxes)	48 / week
Cement-bag mfg.	Female	¥100	48 / week
	Male	¥130	48 / week
Construction (skilled)	Male	¥180	8 / day
Construction (unskilled)	Male	¥170	8 / day

4. Koga City, Employers and Workers: Separate meetings were held with those groups along the lines described above. During question-and-answer periods, employers were interested largely in discussing the LSL as it applies to their enterprises. The following observations were made during discussion with the workers: Obstacles to unionization in small enterprises are lack of leadership, small number of workers, lack of enthusiasm, and isolation (no other industries of the same type in the district).



In textile and clothing industries, employing mostly female workers, management tends to be authoritarian and extremely dominant; wages are low; interest in unionization is discouraged by management, and those who show interest are threatened with discharge.

5. Maruki Spinning Co., Koga: A second visit was made to this plant to check on progress of the movement to organize. There have been no further developments. Management, however, appears to be slightly less adamant than previously. It was discovered that a 'friendship society' exists among the workers and that it is actually a primitive form of union, since it does have the right to 'negotiate' with the employer regarding working conditions. With this as a foundation, it may be possible for a full-fledged union to develop. The fact that the industry is expanding and requires increasing numbers of workers will no doubt also contribute to this development.

6. Mr. Doherty drew the following conclusions from this trip: Educationally, it was valuable, both to the Occupation personnel involved and to the Japanese. Organization of unions in small and medium enterprises is not the business of either Japanese or Occupation officials, although encouragement along these lines should continue to be offered.

7. Summary: Six meetings were held in three communities of Ibaraki Prefecture for the purpose of encouraging union organization and discussing labor problems in small and medium-sized enterprises. Mr. Doherty, SCAP G-3 Labor Officer, and Japanese labor officials accompanied KACAR personnel on the trip and participated in all meetings.

RALPH FRIEDRICH  
Labor Relations Division



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16 November 1960

## MEMORANDUM FOR RECORD

*Prof. file*

SUBJECT: Field Trip, Ibaraki Prefecture, 10 November 1960: Union Organization

1. At the request of Ibaraki LP officials, two unorganized plants in Tsuchiura City were visited for the purpose of conferring with management and addressing the rank and file workers with a view toward encouraging union organization. Prefectural and local LP officials participated in all meetings.
2. Kaho Silk Industry, Tsuchiura. Number of employees: 57 (majority female). There has never been a union at this plant. Management has expressed no opposition to formation of a union; in fact, appears to desire that one be organized. At meeting with management representatives and rank and file workers, KASAR personnel stressed the importance and advantages of union organization; recommended obtaining assistance of LP officials in carrying out the organization project.
3. Yoshii Syringe Mfg. Co., Tsuchiura. Number of employees: 300. Union had been organized previously but was voluntarily dissolved by its members on account of lack of effective leadership. The majority of the employees are young people, and the field appears to be fertile for the development of a good union. Management not only offers no opposition but also appears to be eager for the reorganization of a union.
4. LP officials will continue the campaign to bring about union organization at these two plants. It has been noted previously that the Ibaraki officials are unusually earnest in their efforts in this direction, and that cooperation among local labor agencies is excellent. KASAR personnel will make follow-up visits to both plants.
5. ~~SUMMARY~~: Two unorganized plants in Ibaraki Prefecture were visited for the purpose of encouraging union organization.

RALPH FRIMMICH  
Labor Relations Division



*Prof. file*

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18 October 1960

## MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Ibaraki Prefecture, 9-11 and 13 October 1960, to Visit Five Factories on Trade Agreement Matters

1. Preliminary conference with LP officials brought out following information:

a. Among reasons most frequently presented by management and/or union for non-conclusion of trade agreements are these:

"We are too busy to have a trade agreement."

"We see no need for a trade agreement."

"We have no grievances."

"What is a trade agreement?"

The statement by unions that they have no grievances appears to originate from indifference on the part of the rank and file toward unionism itself. Recent union losses in disputes have produced a lack of confidence in the idea of unionism. LP officials also expressed the opinion that unions, for fear that they stand no chance of obtaining redress, are reluctant to take up the cause of workers unjustly discharged under the Red purge.

b. A serious problem exists with regard to discharged Communists and fellow-travelers who remain in the union. Zentei (All Japan Communications Workers, which recently split) has many union members who are non-employees. In the Hitachi case, the union constitution states that this matter must be referred to a special council for deliberation. Among recent contracts, there are those which state, "All employees of the plant (except those ineligible for union membership) shall be members of the union, and all members of the union shall be employees of the plant," notwithstanding the fact that the latter half of this clause gives management a weapon with which to weaken the union.

c. Labor officials reported that if all Communists and fellow-travelers were to be discharged from the Takahagi coal mines, the industry would be paralyzed. In response to request from the operators for advice on this matter, LPS Chief suggested going along with Mr. Amie's advice to the effect that aggressive Reds be discharged. The problem of distinguishing among CP members, sympathizers, and non-sympathizers is not so simple as it might appear on the surface.

2. Hitachi Kōki (electric drills, switches, tools), Mito:

Number of employees: 600. Number of union members: 580. There is no trade agreement at present. Negotiations over new agreement have been going

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on since 1949. Chief obstacle is unpaid wage situation. Management wishes to negotiate new wage structure before clearing up unpaid wage problem. Union is opposed; has made strike declaration over unpaid wage issue. Union is affiliated with Zenkinsoku (All Japan Metal Workers). Executive board does not include any Communists. Union is preparing for election of new officers, and considerable change in the executive board is expected. One labor and one management representative from this plant serve on the Ibaraki LRC. Frequent disputes over personnel reduction and unpaid wages have seriously hampered production. Union claims mismanagement is at the root of the production problem and delinquent wage situation. There are reasonably clear evidences of this. Management has made negotiation of the new wage structure a condition for payment of deferred wages. Management representatives stated that union, despite agreement made last March to set up a wage committee, has not co-operated. Pointed out to management that delinquent wages constitute a debt that cannot be unshouldered by establishing a new wage structure and that it would be highly advisable to clean up the wage arrears first. Management feels that secession of the union from Zenkinsoku is imminent, and that trade agreement will go through after this has occurred. Management also claims that union has violated the 6-month peace clause in the above-mentioned March agreement by establishing a state of struggle over the unpaid wage issue. Union representative stated that union has not insisted on a production committee since this would constitute invasion of area of management prerogatives. So far, management has not entertained any suggestions from the union regarding improvement of production. In March, as part of the above-mentioned agreement, the union accepted a 25% wage cut. It feels that it cannot make any more concessions.

3. Shinkō Bōsen (fishing boats), Shimo-no-ura:

Number of employees: 95. Number of union members: 90. Previous trade agreement was due to expire 13 June 1950, but was automatically extended until July, when the union revoked it simultaneously with going on strike. Management stated that there were no items causing major dissatisfaction in the old agreement. Union has made preparations for new agreement, but has not submitted proposal to management. New proposal by management has no additions to or deletions from the old agreement. Old agreement did not have grievance machinery; provided for handling of grievances through management council. (Fallacies in concept of management council were pointed out.) Major obstacle to conclusion of agreement is unpaid wages. Union stated another obstacle is matter of working hours. Tradition in shipbuilding industry in this district is to work from sunrise to sunset. Union wants hours shortened and efficiency improved, but older carpenters disapprove. Union desires clear and specific agreement without such ambiguities as kyōgi (co-operative discussion).

4. Sakuragawa Spinning Co., Tsuchiura:

Number of employees: 160. Number of union members: 150. Union was organized 21 August 1950. Trade agreement is still to be negotiated. Management stated main issue of contention is union shop, which union wants and management opposes, but it became apparent in interview with union members that the main obstacle is management's opposition to the idea of unionism. Union members reported that such opposition was strong immediately after formation of the union, but that it has since died down. It appears that conclusion of the agreement will not be inordinately delayed, however.



#### 5. Maruki Spinning Co., Koga:

No union exists. Opposition of management to formation of a union is based upon the president's ingrained misconception that trade unionism is synonymous with Communism. Workers apparently desire to form a union; were on the verge of doing so under the tutelage of LP officials when management succeeded in suppressing the movement (apparently by threats of discharge). Of the 280 employees, 230 are young women, mostly from rural areas and lacking in formal education. It was pointed out to management that any further attempt to suppress movement toward formation of a union would be dealt with according to law and that the reactionary attitude of the employer was not only short-sighted but also dangerous. Company is in good financial condition, but wages are low, and there have been violations of LSL and ESL. The advantages of having a strong democratic union as a bulwark against Communist infiltration were brought out, but the president declared that his enterprise was safe from such infiltration. Nevertheless, according to local LP officials, there have already been several attempts by local Communists to lure employees of the plant into their orbit. Koga City is itself a Communist stronghold. As a bit of incidental intelligence, LP, PESO, and LSIO Chiefs informed KACAR personnel that there is a plant in Koga which is operated by a Communist who employs only Communists and fellow-travelers. The company is manufacturing uniforms for the NPR. (This information was given to Mr. Hedderman in a special memo.) Meeting with Maruki employees was held, and agreement was made between them and LP officials to make another attempt at organizing a union. Opposition of management to the union idea was still much in evidence at the end of the visit. LP officials will report progress they make.

#### 6. Kyosan Engineering Works, Koga:

Number of workers: 150. Number of union members: 130. Union is affiliated with Zenkinsoku; follows CP line; refuses peace clause and grievance machinery; insists on kyōgi, management council, and interference in area of management prerogatives. Management has stood firm against union demands. When KACAR personnel expressed opinion that the only solution here is to eliminate the subversive elements, and inquired if a purge was contemplated, the labor manager (Tokyo office) stated that he preferred not to answer at the moment. Later it was learned that a purge is to be carried out on 20 October. Meeting with the union was used for purposes of pointing out errors in union concept of a proper trade agreement. Questions from union representatives indicated close adherence to CP line. Labor officials feel that agreement will be successfully negotiated following elimination of the Red elements.

7. Schedule of visits was set up by prefectural and local LP officials, who accompanied KACAR personnel to each factory. In Koga, PESO and LSIO Chiefs also participated. The exemplary co-operation of LFO, PESO, and LSIO was particularly well illustrated at the Maruki Spinning Co., where violations of LSL and ESL had been discovered previously. This type of co-operation has been in evidence all too infrequently. Officials were commended for it. They will conduct follow-up visits and report degree of progress made at the plants visited.

#### 8. Summary:

Five plants in Ibaraki Prefecture were visited for the purpose of promoting establishment of trade agreements. Prefectural and local LP officials



accompanied KACAR personnel on all visits. At two of the plants, unpaid wages constitute the major obstacle to conclusion of agreement. At the third, union is new, and management opposition to idea of unionism has been a deterrent. At the fourth plant, management is vigorously opposed to formation of a union. The last of the five plants has a Communist-dominated union and will only be able to conclude an agreement after elimination of subversive elements, scheduled to take place this month.

RALPH FRIEDRICH  
Labor Relations Division



*Prof. file*

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1 August 1950

## MEMORANDUM FOR RECORD

**SUBJECT:** Field Trip to Mito (Ibaraki), 31 July 1950, for Purpose of Presenting Two Lectures at Summer Labor College

## 1. Two lectures were presented:

a. **Collective Bargaining and Trade Agreements:** This lecture was scheduled to be given by Mr. Eigar (SCAP RSE LABOR), but was presented by the undersigned at Mr. Eigar's request.

b. **Brief History of the Labor Movement in the United States.**

## 2. Attendance was as follows:

Management:	5 persons representing 6 companies
Union:	73 persons representing 41 unions
Total:	78

RALPH FRIEDRICH  
Labor Relations Division



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22 July 1950

## MEMORANDUM FOR RECORD

*ref. file*

**SUBJECT:** Field Trip to Ibaraki Prefecture, 18-21 July 1950, to Conduct Management-Union Education Conferences at Tsuchiura, Takahagi, Shimodate, and Koga

1. Four conferences, the first by Mr. Camacho, were conducted for management and union representatives on the subject of Trade Agreements. Agenda for the meetings was as follows:

- a. Techniques of Collective Bargaining
- b. Elements of a Sound Trade Agreement
- c. Functioning of Grievance Machinery and Seniority System
- d. Question-and-answer Period

2. Attendance at the conferences was as follows:

<u>Place</u>	<u>Management Officials</u>	<u>Union Officials</u>	<u>Total</u>
Tsuchiura	24	10	34
Takahagi	20	45	65
Shimodate	22	45	67
Koga	12	10	22

3. In general, audience reaction was good, as was indicated by quality of questions asked during discussion period. These included such matters as the problem of personnel retrenchment, definition of rights and prerogatives of management and union respectively, union shop or closed shop clause, determination of collective bargaining units. The impression was gained that both management and union representatives at the conferences were convinced of the urgency of establishing sound trade agreements and of overcoming the obstacles that have heretofore prevented their establishment. It was emphasized at each conference that both management and labor should avail themselves of the assistance of Labor Policy officials in this matter as well as in the solution of labor problems and disputes. It was recommended that full use be made of the information available in KACAR pamphlets on seniority and grievance machinery. LPS and LPO officials participated in the four meetings.

RALPH FRIEDRICH  
Labor Relations Division



*Prof file*

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27 June 1950

## MEMORANDUM FOR RECORD

**SUBJECT:** Field Trip to Ibaraki Prefecture, 19-21 June 1950, to Conduct Following Activities:

- (a) Conference with Chairman, Union and Management Representatives of Prefectural Labor Relations Commission
- (b) Conference with Assistant Mayor of Hitachi City regarding Labor Dispute at Hitachi Co.
- (c) Inspection Visit to Kasama PESO and Vocational Training Center
- (d) Visit to Two Vocational Training Centers in Mito
- (e) Visit to Mito PESO
- (f) Conference with Labor Policy Section Chief

1. Conference with LRC Members:

a. KAGAR Suggestions re LRC Reorganization: These were presented, and opinions of those present were solicited. The chairman concurred with all suggestions except those in Paragraph 4 (reduction of membership, establishment of competent staff, etc.), stating that these would require further study. The labor member felt that it would be necessary to obtain the highest possible quality of personnel if the membership is to be substantially reduced. He agreed that one of the most serious retarding factors in the present LRC is that the public interest members are unable to devote full time to their work on the Commission. He added that management and labor members, if they are genuinely interested in their work, need not perhaps be full-time members. The management representative expressed the following opinions: Unless attorneys, field examiners, and hearing officers were to have authority to make decisions now being made by the LRC itself, a great reduction in the membership of the LRC would present an obstacle rather than an improvement. The present management membership of five gives a fairly good representation of the various enterprises in the prefecture and provides a fairly all-around picture as far as the employer is concerned. The term of membership should be longer, and salaries of public interest members are too low. Requirement of three years' full-time service would, he felt, make it difficult to attract competent management personnel. He doubted that an employer who would be willing to serve at a sacrifice to his own enterprise would be the type wanted by the LRC. The labor member felt that the same would hold true for labor. Also, he said, if there were to be a labor member in the LRC, that person would have to have the backing of all the unions. He should not be a professional bargainer, but rather an amateur. He should be elected rather than appointed. The management member added that there would be considerable difficulty in assembling the type of staff envisioned



in the KeGAR proposals. The secretariat member who was present submitted the opinion that if the LRC is to become a quasi-judicial organ, the proposed membership should be supported by an advisory council representing management and labor.

b. Functioning of Present LRC's: Labor member stated that the element of time is always in favor of management when cases are prolonged, and that, although the Ibaraki LRC has not handed down decisions consistently in labor's disfavor, the CLRC and the courts have clearly shown themselves favorable to management. Furthermore, he stated, despite what the Trade Union Law has to say in their support, unions cannot believe that the LRC is for their protection and assistance. Therefore they are not showing confidence in the operation of the LRC's. The management member was of the opinion that the Prefectural LRC has proved its worth, since it has been instrumental in the satisfactory settlement of a number of disputes, but that considerable improvement in the quality of the public interest members is required. The union member stated that although it should be the objective of the LRC to afford opportunity for labor and management to bargain on equal status and to assure that labor is not the underdog, this has not been the case. In reply to inquiry regarding the attitude of the rank and file toward the LRC, the labor member stated that unions in smaller enterprises may rely on the Commission and place confidence in it, but that unions in larger enterprises show no such confidence, particularly with respect to mediation, conciliation, and arbitration functions. The management member took issue with this opinion, citing the Hitachi Co. case, in which workers had been discharged for union activities, and in which the union went all-out for LRC assistance.

c. Hitachi Co. Dispute: The LRC management member cited the Hitachi Co. difficulties as exemplary of disputes attended by out-and-out violence in which management has almost been driven out of business. The labor member protested that this was an exaggerated statement. He posed the question: "Is not a mass discharge such as that at Hitachi an example of violence on the part of management?" and added that if collective bargaining fails as a counter-measure, "other steps must be taken." At this point KeGAR personnel expressed the opinion that assault is assault, no matter in what circumstances it occurs, and pointed out that what appears to be a matter of life or death to the workers may quite well be a matter of life and death to the enterprise as well. The labor member stated that management at Hitachi has never clarified to the satisfaction of the workers why personnel reduction is necessary, adding that the minutes and balance-sheets presented at shareholders' meetings tell quite a different story from the one that management has told the union. Also, he said, management's attitude toward the union has been one of non-co-operation. The true facts are hidden from the union until suddenly an issue like the mass discharge arises. The Hitachi problem has not been presented to the Ibaraki LRC (since it involves Hitachi plants all over Japan) or to the CLRC. Recent developments in the dispute include the following: Despite the ban on demonstrations, there have been numerous acts of violence and near-violence in protest against the ban. It is feared that lifting of the



ban will result in an explosion. Management has gone into hiding, apparently because it was no longer able to endure the treatment it had been forced to take. The union is intact and is at work under a form of production control.

d. Activity of LP officials in Labor Disputes: LP officials do not serve on conciliation panels. Opinion of LMC labor and management members regarding intervention by LP officials was asked. Labor member stated that desirability of such intervention would depend upon type of case, but that in general he was opposed. Management member was largely of the same opinion; he felt that only in a very few cases would assistance of LP officials be valuable. Both member were of the opinion that labor and management are opposed to official intervention.

## 2. Conference with Assistant Mayor of Hitachi City:

Having learned that KASAR personnel were in Mito, the assistant mayor of Hitachi City made a special visit to report on several recent developments in the Hitachi Co. dispute and to request advice regarding several matters. His report was substantially as follows: In May, the Hitachi union presented the mayor with a letter opposing personnel retrenchment by the company and demanding that he ask the company to call it off. In response to this demand, and with city assembly approval, the mayor submitted a letter to the Hitachi Co. management on 1 June, along the lines laid out by the union. He also spoke with management and received the reply that personnel retrenchment is a matter of economic necessity and must go through. On 3 June, as part of a demonstration by 7,000 Hitachi Co. workers, 80 union representatives presented the mayor with a list of ten demands, preceded by a statement to the effect that the Hitachi Co. in no sense needs to reduce personnel, since its statement to share-holders (April 1950) shows a net profit of \$33,980,000. The statement of demands began with the following instruction: "The mayor will propose these to the city assembly, and the city assembly will pass them." The demands themselves show clearly the CP line and constitute an obvious attempt to use the mayor and the city assembly by involving them in the dispute. (Letter containing the demands is attached as appendix to this memorandum.) This was pointed out to the assistant mayor, and recommendation was made to the effect that the mayor and the city assembly refuse to allow themselves to be implicated. It was particularly with regard to the last of the ten demands that the assistant mayor requested advice. This was the demand that the mayor, with approval of the assembly, submit to General MacArthur a petition to the effect that the personnel retrenchment program be withdrawn. It was recommended that this, as well as the other demands, be firmly refused. The assistant mayor also furnished the interesting information that there are 5 union members in the 36-member city assembly, that these 5 (although not Communists themselves) are "answerable to the Communists in the Hitachi Union," and that they can easily sway the vote of the assembly. Therefore, if the assembly were to vote on the matter of the demands, it is quite likely that the decision would be to carry out the union's instructions as expressed therein. It was re-emphasized to the assistant mayor that the local government has already erred in becoming involved in the dispute and that further involvement should by all means be avoided.



### 3. Inspection of Kasama PESO and Vocational Training Center:

PESO has staff of 8, but chief feels that 10 would be minimum number for genuinely effective operation. There are no work relief projects, but a total of 309 day laborers are employed on public works projects. There is no day laborers' union, and no attempt has been made to form one. The selective placement system was begun in June and is working satisfactorily. Employer reaction is generally good. Employer-visitation program is also in effect, but job-openings are few, and lack of PESO personnel imposes an obstacle to effective conduct of the program. Of March junior high school graduates, approximately 60% of male applicants and 82% of female applicants were placed. Problems of the PESO include the following: Insufficient budget, particularly with regard to travel expenses; lack of personnel; lack of independence, since Kasama PESO is branch of Mito PESO and chief does not feel that it receives due consideration with regard to budget and personnel; failure of budget allotments to arrive on time. The chief mentioned that although the Ministry of Labor is reported to have a larger budget for the current fiscal year, the budget of the Kasama PESO has actually decreased. Prefectural Employment Security official who accompanied KACAR personnel on this visit could not offer explanation of this, but stated that it is true of other PESO's as well, and that his section has requested the Ministry of Labor to give attention to the matter. There is also the problem of inadequate budget for overtime. Each PESO employee puts in an average of 2 to 3 hours daily in overtime work, but the entire PESO allotment for overtime pay is only \$5,000 per month. Requests for building repairs are not answered unless a major construction problem is involved. It was the chief's opinion that the Prefectural Employment Security Section is insufficiently aware of actual conditions. When the official from this section was questioned concerning this, he stated that prefectural officials are seriously hampered by lack of budget and that their requests to the Ministry of Labor bring no results. The PESO chief was of the opinion that the Ministry places too much emphasis on the larger PESO's and ignores the smaller ones. There is also evidence that the position of the Labor Policy Section in Ibaraki (as a sub-section of Economics) puts it at a disadvantage, since the Economics Department chief shows no particular interest in labor. In this connection, it has been observed that the LPS is characterized by a certain lack of co-ordination. It was also observed that the LPS chief has no office of his own, and that overcrowding prevails in all sub-sections. The general impression is that the LPS is a stepchild and that it is receiving shabby treatment.

The Kasama Vocational Training Center has capacity for 25 students in pottery-making and 25 in stone-quarrying. It has new buildings, with dormitory accommodations for 20 students. It is also fortunate in having acquired new machinery and equipment. The head of the center reported that placement of graduates has been remarkably good. Pottery products are items of everyday use, for which there is considerable demand.



#### 4. Visit to Vocational Training Centers in Mito:

Two centers were visited, one in auto-engine repair, the other in carpentry, furniture, bamboo ware, and electrical appliance repair. Buildings and facilities are extremely inadequate at the former, although a new building is under construction. The latter has inadequate housing for its machinery. At the woodworking center, it was inquired how much it would cost to supply graduating students with sets of their own tools, in view of the fact that the cost is prohibitive to the individual student and that such assistance would be of great value in helping him to get started in business. Instructors estimated that prices would run as follows: woodworking, \$5,000; electrical repair, \$1,000; bamboo work, \$250. At both centers, increases in budget, staff, and facilities are needed. The woodworking center was able to accept 104 of the 173 who applied in April. The auto-repair center took 50 out of 145. At the latter, the course runs for 6 months and deals only with engine-repair. The chief would like to see the course extended to 1 year, so that training in body repair might also be included. Placement of 50% of last 38 graduates was achieved. Previously, placement ran to between 90 and 100%. The chief estimated that an additional \$3 million would be required to equip the center adequately. At both centers, the impression was that chiefs and their staffs are interested in their work, but that some discouragement results from inadequate facilities and budget.

#### 5. Visit to Mito FESO:

FESO is extremely overcrowded; requires considerably more space. Lighting is poor, and conditions in general are unattractive. Despite these hindrances, operations appear to be satisfactory. Selective placement and employer-visitation programs are in effect. Latter produces average of 50-60 job-openings each month out of 170 visits. Rotation system is in operation for day laborers, with each worker getting an average of 5 days' work per week. The day laborers' union, under CP and Korean leadership, conducted four or five demonstrations during May, but decrease in number of demonstrations has been noted since then. No anti-Communist union has been organized, but there appears to be a growing resentment against CP leaders. The FESO chief was advised that day laborers who neglect their assigned duties to engage in so-called negotiations should be discharged.

#### 6. Conference with LPS Chief:

Subject of discussion was situation at Hitachi Co. and status of ten 4-pole magnetic switches being manufactured under procurement order from Headquarters Eighth Army. (Latter information was requested of KACAN through SCAP CA Section.) Investigation by LPS showed that switches will be ready for shipment by promised date of 15 July. With regard to the Hitachi situation, the LPS chief was of the opinion that court decision will not solve the problem. It is apparent that solution must be reached at national level, since Hitachi enterprise is not limited to Ibaraki alone. His prediction is that the 3 Hitachi plants



in Ibaraki, exclusive of the Mito plant (which has a much larger number of discharges), may see a natural settlement of the difficulty. If the other 3 see settlement, the Mito plant may follow suit. LPS chief stated that Hitachi union membership is 60% anti-CP. He also predicted that on pay day, 25 June, when workers see how much the dispute has already cost them, there will be a further increase in resentment against the CP leaders.

SUMMARY:

1. KAGAR suggestions re reorganization of LRC were presented to representatives of Ibaraki LRC.
2. Unions are not showing confidence in LRC's.
3. Intervention of prefectural and local LP officials in disputes (for example, by serving on conciliation panels) is not favored either by management or labor.
4. Conference with assistant mayor of Hitachi City revealed obvious attempt of CP-led Hitachi Co. union to involve mayor and city assembly in current labor dispute.
5. Kasama PESO and vocational training center were inspected and found to be functioning effectively, despite stringent limitations of budget and personnel.
6. Two vocational training centers in Mito were visited. Although they are operating with reasonable effectiveness, increase in budget and staff would be advisable.
7. Mito PESO is practicing rotation system with day laborers; is able to provide average of 5 days' work per week per laborer.
8. Hitachi Co. dispute awaits solution on national level.

RALPH FRIEDRICH  
Labor Relations Division



**SUBJECT:** Petition

**TO:** Mayor of Mito and Mito City Assembly

As you know, our fellow workers have been dismissed for the reason that the company had long had a deficit. But the company announced at the 56th general meeting of shareholders held at the Japan Industry Club on 27 April 1950 that its net profit amounted to ¥33,980,000.

It is obvious, therefore, that the present personnel retrenchment program of the company was carried out, not because it had been suffering from a deficit, but because it tried to lay the foundation for the next personnel cut programs. Since we workers are fighting against the company with our utmost effort, the company management, which at first thought the program would easily be carried out, has been surprised at the unexpectedly strong and firm attitude of the workers. And it is now making every effort to carry out the program in a high-handed way. Dismissal is a serious problem which will directly destroy our livelihood.

Increase of the unemployed by dismissal will not only result in a drop in demand for commodities and other products, but will also aggravate the insecurity of the social order and worsen the present tight monetary situation, since unemployment counter-measures at the present time are not considered adequate by any means.

This is in no sense good for the citizens of Hitachi; so we wish to promote and increase productivity without dismissing any worker, - for the prosperity of Hitachi City.

For that purpose, we hereby petition you as follows:

(The mayor will propose these to the city assembly, and the city assembly will pass them.)

1. To submit anti-dismissal petitions to the governor and the prefectural assembly.
2. To announce the mayor's statement to the citizens that he is against the dismissal.
3. To permit sale of staple food on credit.
4. To appropriate money from the city budget for the purpose of supporting the present struggle.
5. To appropriate no money for the purpose of suppressing workers.
6. To demand that the head office and 4 plants located in Ibaraki Prefecture (of the Hitachi Works) to withdraw the personnel retrenchment program.



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7. To recommend to the Tokyo District Court and the Mito District Court that the present personnel retrenchment program is improper.

8. To recommend to the Mito Procurator's Office, Chief of Prefectural Headquarters of National Rural Police, and Prefectural Public Safety Commission that there is no need to suppress workers at all.

9. To recommend to the Hitachi City Police and City Public Safety Commission that no suppressive action be taken.

10. To send a petition to General MacArthur to the effect that the personnel retrenchment program be withdrawn.

Hitachi District Counter-attack  
for the Accomplishment of Demands

3 June 1950

- 2 -



Pk

19 May 1950

## MEMORANDUM FOR RECORD

*Prof file*

SUBJECT: Field Trip to Ibaraki Prefecture, 15-17 May 1950, to Conduct Following Activities:

- (1) Conference with Chiefs of Labor Policy Section, Trade Union Sub-section, and Labor Education Sub-section
- (2) Inspection Visit to Shimodate Public Employment Security Office
- (3) Inspection Visit to Shimodate Labor Standards Inspection Office

1. Conference with Chiefs of LPS, Trade Union and Labor Education Sub-sections:

a. Effects of Management Education Conferences: Inquiry was made concerning effects of management education conferences conducted by FACAR personnel in January. Although requests by employers for assistance from LPS or local LP Offices are extremely few, it has been noted that there is an increasing tendency for employers to conclude trade agreements and to give serious consideration to the institution of grievance machinery.

b. Employer Associations: Inquiry concerning status and functions of employer groups elicited the following information: Generally speaking, they are not very active. They have no specific programs of educational or general activities. In the northern section of the prefecture, the tendency is to support management associations, but in the southern area, centering in Koga, the opposite appears to be true. Apparently there is no really dynamic activity. Prefectural officials pointed out that there are difficulties both with regard to finances and to obtaining competent personnel to serve as leaders and to exhibit initiative in these organizations. Officials could not furnish examples of actual benefits to members through their association with management groups. They cited the tendency of employers to think on a small scale and individually rather than to act co-operatively. It was recommended that employer associations be constantly encouraged to engage in projects and programs for mutual assistance and to seek the aid of the LPS and local LPO's in solution of their problems. It was further suggested that one local employer group should be developed as a model. The need is for employer groups to prove that they can be valuable to their members. Some suggestions were made regarding subjects which such groups might study with profit, for example: job-analysis and job-descriptions, development of sound trade agreements, and promotion of good labor relations. It was emphasized that employer associations have an essential role in the industrial recovery of Japan.

c. Union Organization and Trade Agreements: It was mentioned to the officials that FACAR LED is still receiving from unions and employers the elementary type of question that indicates a need for more intensive and extensive education. Officials pointed out that after the war the labor



movement centered around struggle tactics and adopted a shortsighted view instead of giving attention to such constructive matters as good trade union organization, establishment of sound trade agreements, introduction of grievance machinery, and the like. Management, on its side, concentrated on countermeasures to employ against union struggle tactics. It was reported by the officials that many unions seek the advice of the LPS in the establishment of trade agreements, but that very few employers do. This would appear to indicate retardation of management's education as well as lack of realization that management may take the initiative in the establishment of trade agreements. Officials further pointed out that the Revised Trade Union Law, with its provision that, at its expiration, "no trade agreement shall continue in effect against the wish expressed by either one of the parties concerned", tended to decrease the number of trade agreements, since it permitted employers to refuse to renew agreements. Out of this developed the tendency for some employers, particularly in medium-sized industries, to take pride in the non-existence of agreements in their enterprises. Although personnel retrenchment has tended to limit union activity, this tendency appears to be on the wane. Union members appear to have begun to realize the potential of a sound trade union and to think in terms of services that the union can render to them rather than in terms of struggle tactics alone. KACAR program on nomination and election procedures for unions is reported to be penetrating, and the tendency to draw out these procedures over inordinate lengths of time is decreasing.

d. Problem of Personnel Retrenchment at Hitachi Manufacturing Co.: LPS Chief reported as follows: On 7 May, the union presented a demand for wage increases and planned a mass demonstration for 10 May. On 8 May, the company announced the discharge of 2093 out of its total of 13,446 employees. The mass demonstration was carried out, with the discharge issue added to the original wage-increase demand as a reason for demonstrating. No violence was reported. Announcement of the discharge was made without prior notice to the union. Trade agreement expired in July 1949 and has not been renewed. There is, consequently, no seniority system. It was reported by LPS officials that management has expressed willingness to conclude an agreement, but negotiations have always failed. Management states that a decline in orders for the company's products and the lack of prospects for increase of production in the future necessitate the personnel cut. The union, on the other hand, insists that the enterprise has been operating in the black during the past fiscal year. LPS Chief stated that he has warned management against unfair labor practices in carrying out the discharges. He added that management has feared to undertake personnel retrenchment until now because of Communist Party influence in Hitachi. It now appears, however, that the company is taking drastic measures against the CP leaders among its employees. The problem of discharges at Hitachi in Ibaraki is only part of a nation-wide problem involving the company. It brings up the problem of distinguishing between discharges and lay-offs and emphasizes the urgent need for a seniority system. The Ibaraki Prefectural Government is seriously concerned about the substantial increase that will be made in the rolls of the unemployed when these 2093 workers are discharged. KACAR advice was given along same lines as at Suzuki Loom Co., Shizuoka (reported in Memorandum for Record, 10 April 1950), emphasizing that workers must understand the need for personnel retrenchment, but at the same time management must follow a fair and just system in carrying it out.



## 2. Inspection Visit to Shimodate PESO:

a. Administration and Operation: Staff consists of 15, plus 5 at Shimotsuna Branch PESO. Number of applicants processed during April was as follows: for permanent employment (new), 145; for permanent employment (repeat), 1750; for day labor (on public works), 31. PESO Chief stated need for increase in personnel and budget. Budget allocations are slow in coming through. PESO itself requires improvement of facilities, particularly with regard to lighting arrangements.

b. Day Laborers: There are no relief work projects and no organizations of day laborers. There is indication, however, that the CP is attempting to organize a day laborers' union. It was advised that, even though the problem of the day laborers' union does not exist at present, whatever can be done to discourage CP manipulation of day laborers should be done. There is evidence that a good educational program is being carried on by the PESO. Liaison with LPS and police is good. Approximately one year ago, when two CP members came to the PESO to obtain a list of registered workers, they were firmly refused by the PESO Chief. Shimodate PESO is considerably better off than PESO's in other areas, since predominance of agricultural workers tends to relieve the situation. PESO policy is to distribute long-term employment to urban workers and to take agricultural and semi-agricultural workers after these. Allocation of public works jobs creates a fortunate condition for Shimodate PESO in that it has been able to supply employment for all day labor applicants. From 1 to 30 April, the PESO provided 4465 man-days of work out of an allotment of 4618. The public works projects average three months in length. It is not anticipated that relief work projects will have to be instituted.

c. Employer-visitation Program: Relative degree of success is indicated by following figures:

<u>Month</u>	<u>Number of Visits</u>	<u>Number of Placements</u>
March 1950	75	52
April 1950	60	48

Operation of selective placement system has begun. Employers are reacting favorably to the visitation program and are showing increased interest in the PESO and its functions. Emphasis has been placed on visits to smaller enterprises. Officials were commended on the success of the program.

d. Labor Boss Situation: Between March 1948 and the end of April 1950, 56 cases were discovered. Of these, 34 were completely eliminated and 12 given individual guidance. A total of 1265 workers were released from the system. Policy for dealing with offenders has been to impose severe punishment on prominent construction outfits in order to make examples of them. Larger enterprises, feeling it necessary to consider public opinion, tend to adhere to the law, but medium-sized and small enterprises do not feel this necessity. A recent tendency noted by officials is that the labor boss system has been shifting to smaller outfits as a result of the fact that larger enterprises have been punished and made examples of. PESO Chief stated opinion that the present law is satisfactory, but that attention must be concentrated on smaller enterprises to insure enforcement.



### 3. Inspection visit to Shimodate LSIO:

a. Unpaid Wages: Improvement achieved at end of 1949 and again in March 1950 (in connection with celebration of old-style New Year and concomitant effort to pay debts) has been offset by another decline in the situation since then. The number of cases appears to be increasing, although the yen total has decreased. More of the smaller enterprises are falling into arrears. The total number of workers involved also appears to be on the increase. Average length of arrears is one to two months. There is evidence that undiscovered cases exist. LSIO Chief reported that employers tend to try to conceal the situation when wages go into arrears. In enterprises where there are unions, the nonpayment of wages is reported, but in small unionless enterprises workers tend to co-operate with employers in concealing the facts. There is also a tendency, both among employers and workers, to feel that the Labor Standards Law, particularly with regard to its provisions on overtime and holiday work, is detrimental to their interests under the present economic conditions. In other words, workers would be willing to put in overtime without pay in order to hold on to their jobs, and employers, of course, would not be reluctant to have them do so. LSIO policy has been to point out to employers and workers the long-range advantages of the Labor Standards Law. Another difficulty faced by LS inspectors in dealing with unpaid wages is constituted by those cases in which employers have retained surplus personnel to the detriment of their enterprises. The inspectors, although they know that personnel retrenchment offers one solution to the problem of wage arrears, and that failure to dispose of excess workers may lead to bankruptcy, are hesitant to recommend such retrenchment for fear of antagonizing the unions. It was suggested that LS inspectors would be within their area of authority if they were to recommend that employers and unions study the seniority system and that they seek LPS assistance in solution of their problems. In this connection, the LSIO Chief reported good liaison with other labor organs in the prefecture. The Chief also follows the policy of advising employers regarding their role in the economic recovery of Japan.

b. Safety and Sanitation: Four model workshops have been established in the district. Safety studies and accident surveys have been undertaken with a view toward illustrating graphically to employers the dividends that will accrue to them through promotion of safe and healthful working conditions. LSIO Chief, when asked for his suggestions regarding improvement of LSIO functions, expressed the following opinions: There is need for an in-service training course for inspectors. The fact that the majority of inspectors are in the field and away from the large cities makes it necessary that they be more frequently and more rapidly informed of the latest techniques developed in enforcement of the LSL. In this connection, more printed materials for study and training are needed. A selected group of local inspectors should be given the opportunity to visit the United States for study purposes.

#### SUMMARY:

1. Conference with Chiefs of Ibaraki LPS, Trade Union and Labor Education Sub-sections brought out the following information:

a. Increasing tendency for employers to conclude trade agreements has been noted.

b. Employer associations in general, because of tight financial



situation and difficulty of obtaining dynamic leadership, are not active and have not convinced their members of the value of participating in these organizations.

c. Although personnel retrenchment (under industrial rationalization program) has tended to limit union activity during the past year, this tendency appears to be on the wane. Union members appear to have begun to realize the potential of a sound trade union.

2. Proposed personnel cut at Hitachi Manufacturing Co., where 2093 out of 13,445 employees are slated for discharge, is basis for major dispute. Lack of trade agreement and seniority system complicates the issue, Prefectural Government is gravely concerned about possible addition of these 2093 to the rolls of the unemployed.

3. Shimodate PRSO presents an exception to the current rule in that it has no relief work projects, no organizations of day laborers, and sufficient man-hours on public works projects to provide full employment for day laborers. It is not anticipated that relief work projects will have to be instituted. Employer-visitation program is meeting with success. Labor bosses have shifted to smaller enterprises, since larger outfits have been severely dealt with.

4. Shimodate LSIO is functioning effectively despite budget and personnel limitations. Wage arrears situation shows no improvement. Inspectors hesitate to recommend personnel cuts to employers for fear of antagonizing unions. District has four model workshops. Safety studies have been undertaken for purpose of illustrating to employers the value of safety promotion. Need for further training of inspectors is indicated.

RALPH FRIEDRICH  
Labor Relations Division



HW

28 March 1950

## MEMORANDUM FOR RECORD

*Prof file*

SUBJECT: Field Trip to Ibaraki Prefecture, 23-25 March 1950, for

- (a) Conference with Chief of Prefectural Employment Security Section and Sub-section Heads
- (b) Visit to Mito Labor Standards Inspection Office
- (c) Visit to Tsuchiura Public Employment Security Office
- (d) Visit to Tsuchiura Labor Standards Inspection Office.

1. Conference with Officials of Prefectural Employment Security Section:

a. Organizations of the unemployed:

Although the former prefectural federation of organizations of the unemployed appears to have been dissolved, local organizations continue to exist. So far, there is none in Mito City, but it is reported that one is being planned. The Hitachi City Free Laborers' Union has a membership of 100 men and 80 women. The chairman and vice-chairman are believed to be members of the CP. The Tsuchiura District Free Laborers' Union has a membership of 129 men and 21 women. The political affiliations of its nominal officers are unknown, but the actual leadership is Communistic, and the vice-chairman is a Korean. Members of these organizations frequently approach prefectural officials with demands for wage increases, year-end bonuses, and full employment. Officials reported that each local PESO has been thoroughly instructed regarding the manner in which these groups are to be met, even down to the seating arrangement to be used during the meeting. These instructions were developed out of a conference with National Rural Police officials. Prefectural officials have consistently refused all demands made by these groups, on the grounds that the PESO's are not empowered under the law to grant any demands of this sort. At a recent meeting with representatives of one of these organizations, a CP member who had taken notes of the proceedings requested the Employment Security Section Chief to sign the document in certification of the fact that he had turned down the group's demands. This he refused to do, stating that he was in no way obligated to make such certification. There has been no demand, so far, that the prefecture or local governments set up relief projects on their own. KaCAR personnel spent some time in citing instances of such projects instituted in Tochigi, apparently under CP pressure exerted through these groups upon local government authorities, and

Annex 3a, page 1.



pointed out the dangers inherent in acceding to demands of this sort: (1) The danger that local communities may bring financial crisis upon themselves by undertaking relief projects on their own, and (2) The danger that government funds will be used to further the aims of the CP, since CP leaders, acting as contractors for such relief work, use the jobs as premiums for workers who will join the CP. Instances were also cited to show how the weakness of local government authorities, acting independently of the PESO, may result in direct gains in prestige for the CP. It was emphasized that both PESO officials and local government authorities, even though they cannot refuse to listen to demands made by unions of the unemployed, must exhibit firmness in dealing with these groups; must make clear to workers that the PESO is a service agency of the Government and that there is no employer-employee relationship between the PESO and the day laborers; and must continue in their effort to educate workers regarding the true facts of their position. The "explanation" meetings being conducted for day laborers in Tochigi were mentioned as an example of effective educational technique.

The Employment Security Section Chief stated that both the Labor Policy Bureau and the PESO Bureau of the Ministry of Labor, when questioned regarding the legal status of unions of the unemployed, answered that although these groups have the right to organize, they do not have the right to bargain collectively. The Chief asked what opinion KaCAR has on the subject. It was pointed out to him that since there is no employer-employee relationship between the PESO and these groups, there can be no collective bargaining or consummation of a trade agreement,-- the chief purposes for which a union exists. Therefore it would appear that these organizations of the unemployed cannot actually be construed as unions.

b. Difficulties at Hitachi and Takahagi (Branch) PESO's:

In view of the fact that the Hitachi PESO experienced extreme difficulties with day laborers during January (reported in Memorandum for Record, 26 February 1950), inquiry was made concerning present status of affairs there and at the Takahagi Branch PESO. The following information was obtained: On 28 February and 1 March, 300 unemployed persons appeared at the Takahagi PESO with the usual demands for wage increases, full employment, and the like. The Hitachi PESO, in anticipation of difficulty, dispatched 15 of its personnel to Takahagi. The 300 unemployed formed a picket line around the PESO, and prevented entrance and egress until the police appeared (upon request of PESO officials) and broke up the line. It was suspected that at least one of the pickets carried a weapon, but he was able to get away without being searched. Despite their demand for that day's wages, the workers were not paid, and their other demands were refused. They then gave up and disbanded, but since that time they have frequently approached the PESO in smaller groups to restate their demands. It appears that in Hitachi members of the union of the unemployed have been paying ¥5 per day out of their wages to their leaders. It was brought out that in the



Hitachi incident of 18 January, when the city authorities gave in and paid each worker ¥100 as "lunch" money instead of the whole day's wages they had demanded, the leaders of the group took ¥30 of this from each worker, explaining that this money was necessary to cover expense of future negotiations with city and prefectural officials. It was reported that about 40 of the day laborers, fed up with this sort of trickery, left the organization. The remainder appear to be continuing their ¥5 per day payments to the leaders. Officials pointed out that CP members are extremely clever in their dealings with workers and exhibit a fairly thorough knowledge of workers' psychology,-- much more so than Japanese officials, who are thus not well prepared to talk persuasively to the workers. At this point, advantage was taken of the opportunity to make suggestions to ESS officials regarding ways and means of educating workers to the true facts of their situation and informing them effectively concerning the type of trickery to which their CP leaders are subjecting them. PESO officials were encouraged to go out and speak with groups of day laborers with the objective of giving them an honest and understandable appraisal of the current situation.

c. Issuing of work booklets and use of rotation system:

Work booklets are being issued only to those for whom the PESO can safely guarantee work. The rotation system is in practice at almost all PESO's. With regard to the relationship between the rotation system and the collection of unemployment insurance benefits, ESS officials explained that in Ibaraki the issuing of work booklets is being limited to the extent that each registered day laborer may get in at least 16 days' work per month and thus be eligible for the benefits.

2. Visit to Mito Labor Standards Inspection Office:

a. Administration and operation:

There is a staff of 14. Five inspectors (including the Chief) are responsible for the 2,250 establishments in the district. They average 250 inspections per month. Although transportation facilities in the district are reasonably good, much time is consumed in travel, and the transportation budget is inadequate. Violations of the Labor Standards Law are found in the following order of frequency: failure to maintain wage ledgers and workers rosters; safety violations; failure to conduct physical examinations; violations regarding working hours; unpaid wages; failure to register working minors. The great majority of violations are discovered during routine inspections, with the exception of delinquency in wage payments (about 50% reported by workers). In large-scale enterprises, compliance is almost always obtained immediately. In smaller establishments, employers tend to show indifference which can only be overcome through repeated follow-up inspections. Frequency of inspections is the important issue in these cases. The LSIC Chief stated that if the number of inspectors cannot be increased, certainly some of the paper work should be eliminated.



b. Unpaid wages:

The present trend is toward a slight increase in the number of cases. As of 28 February, 21 establishments were delinquent. Three of these are large-scale; eight, medium; and ten, small. Six of the enterprises have closed down. Of the two cases brought to court, one has been settled, but with no benefit to the workers, since the firm was insolvent. LSIO Chief stated that he expects a limit to be reached in that most firms now delinquent will go into bankruptcy. Inspectors have found that persuasive techniques work best with employers in the attempt to obtain payment of wage arrears, but they make a practice of checking carefully the reasons which employers offer for being delinquent. (E.G., if the employer reports that he has been unable to obtain a loan from a bank, the inspector checks with the bank.) If employers have accounts receivable, debtors are visited and urged to pay up. In the case of the Hitachi Koki Co., where wage arrears reached a total of ¥9,000,000, payment of ¥4,100,000 has been obtained, with the result that the workers involved were much impressed with the effectiveness of the LSIO. The officials of the Mito LSIO pointed out that there is a limit to the amount of investigating that inspectors can do, as well as to the amount of threatening employers with legal action that can be done, since there is always the chance that employers may in desperation go into bankruptcy.

About 50% of the cases are discovered by inspectors. The remainder are reported either by individual workers or by unions. One method that the LSIO uses in its effort to uncover cases is to ask workers, at the time they receive their rice ration, to fill out a form stating whether or not wages are being paid on time. Although this is not a foolproof method, workers usually make an honest report.

In those cases where employers simply walk out on their enterprises, leaving such assets as they have, there appears to be no way in which workers can benefit except to file a civil suit, with a view toward getting what they can out of liquidation of these assets. But workers cannot afford the cost of such action. If the LSIO knows for sure that the enterprise is solvent, every effort is made to obtain payment of back wages. The LSIO Chief expressed the opinion that if the conditions under which banks make loans to employers could be made less rigid, there might be some relaxation of the situation.

3. Visit to Tsuchiura Public Employment Security Office:

a. Administration and operation:

The staff of 16 represents full strength. Applicants processed per day average as follows: day labor, 146; new applicants, 20-23; repeating applicants, 120. The building is comparatively new, unusually attractive and well-arranged, reasonably spacious, and well-lighted. There was good evidence that the Chief has made a positive effort to provide a hospitable environment for applicants. During February, the Chief attended a training course



at the Urawa (Saitama) PESO. He found particular value in the following subjects which were taken up during the course: scientific training of PESO personnel; methods of receiving applicants at the PESO; the PESO's function as a service agency in locating job-openings through the employer-visitation program; selective placement. As result of his training, the Chief effected the following improvements at the Tauchiura PESO: interviewers are now trained in the proper method of receiving applicants; information desk functions have been improved; three new sections have been set up: employer-interview (at PESO), employer visitation, and industrial service (advice to employers regarding employment); the card system has been put to more effective use. The Chief stated the opinion that the unemployment situation has not yet reached the degree of seriousness at which applicants frequently return to check on their applications. When it was suggested that this may be due to insufficient education on the part of the workers, as well as the employers, regarding the functions of the PESO, the Chief stated that this is particularly true in the case of employers. He mentioned that he was impressed at the Urawa PESO by the excellent degree of co-operation between the PESO and employers. This type of co-operation has not heretofore existed in the Tauchiura district. In an effort to acquaint employers with the services of the PESO, the Chief invited 60 employers to a meeting on 23 March. Only 20 appeared. The Chief felt that this lack of interest might be due to the fact that the PESO had not previously satisfied the requirements of employers with regard to the qualifications of the workers that were placed with them. He stated his intention to satisfy employers' requirements 100% from now on.

b. Employer-visitation program:

Comparative success of the program is shown by the following figures:

	<u>NUMBER OF VISITS</u>	<u>NUMBER OF PLACEMENTS</u>
December 1949	76	61
January 1950	30	51
February 1950	42	41
March 1950 (as of 24th)	60	35

In general, the visits are proving effective. Although at first some employers did not favor the idea, there has been a gradual improvement in their attitude. Especially in small establishments, employers welcome the visits and the opportunity that is thus given them to learn of the services of the PESO. Kinship is still a strong factor in employment, but the visitation program appears to be helping to overcome it. There seems to be a preference on the part of the employers to hire junior high school graduates. The approaching end of the fiscal year has produced a demand for extra help in Government offices.

c. Unemployment situation and problems involving day laborers:

Annex Ja, page 5.



As of 23 March, there were 1,181 unemployed. 310 of these were day laborers and 583 were persons desiring regular employment. 288 were drawing unemployment insurance benefits. Relief project instituted 4 January provided jobs for 100 day laborers per day. Prior to institution of the relief project, the number of unemployed was small, and it was believed that the 100 available jobs would provide work for all day labor applicants. But by the end of the first week of the project, the number of applicants had risen to 130, and shortly thereafter to 180. On 18 January, a union of the unemployed was formed under Communist leadership. The PESO Chief attributed the rapid increase in the number of day labor applicants to the machinations of the Communists, who had apparently gone out to round up numbers of farmers to swell the rolls. The Chief was prepared to deal with the situation by initiating the rotation system, with the objective of permitting day laborers to work every other day in order that they might get in at least 16 days' work per month and thus be eligible for unemployment insurance benefits.

Late in January, all 180 of the day labor applicants appeared at the PESO under the leadership of Communists Oyama and Yanagihara, district instructors in Tsuchiura. The group included 23 Koreans, over half of whom were reported to be CP members. Nine persons presented themselves as representatives of the group and announced that they had come to conduct collective bargaining. They demanded that the PESO Chief receive them. This he offered to do, in his office, but the so-called representatives (including the two Communist leaders) insisted that he carry on the meeting with them in the presence of the entire assemblage. When he refused, Communist Yanagihara taunted him with lack of courage to face the day laborers, whereupon he went outside and asked the group to choose its own representatives. They did as he requested, and one of their choices was Yanagihara. The PESO Chief pointed out to them that Yanagihara was not actually unemployed and refused to accept him as a representative. Yanagihara then withdrew, but a group of the workers insisted that he must speak for them, since he had the talent to do so. Apparently it was the Korean element that insisted upon this. Yanagihara was then chosen as their spokesman. The PESO Chief again pointed out that Yanagihara was not unemployed and asked him if he thought he really represented the will of the entire group. His answer was yes. The group of representatives then met with the Chief in his office. He opened the meeting with the statement that the purpose of the meeting was not to dispute, but to reach an understanding that would be satisfactory both to himself and to the day laborers. The group presented its demands, which included the following: full employment for all 180 day labor applicants; payment for heavy labor instead of light labor; provision of working equipment (clothing, shoes, gloves, etc.). To these demands, the Chief replied as follows: There are no funds to guarantee work for more than 100. The work being performed is not actually heavy labor and cannot be regarded as such by the PESO. Present rationing regulations require a worker to be employed more than 100 days in order to be eligible for extra rations of clothing,



etc. The Chief further announced that he would take steps to see that the 100 workers for whom jobs could be provided would be rotated with a view toward giving each of them at least 16 days' work per month, and that he would make every effort to find jobs for the remaining 80. The representatives then insisted that the Chief accompany them to the city hall for the purpose of conferring with city officials, since the relief work project in Tsuchiura is the construction of city grounds. The Chief pointed out to them that the PESO had nothing to do with the city hall and refused to go with the workers. They proceeded to the city hall to repeat their demands. At this meeting, the mayor gave way to the Korean element and made the statement that he would employ more day laborers, thus failing to give support to the PESO Chief in his firm stand. Having committed himself, the mayor called the PESO Chief and asked if something could not be done to enable him to fulfill his promise. It was decided that the available 7,500 man-days for the project would be used to include all 180 applicants, on the condition that the PESO would accept no more applications and that all present applicants would be screened under the provisions of the relief law. A number were screened out, and the total was brought down to 130. But on 1 February, the PESO found it necessary to reduce the number of day laborers to 80. The next day, there was another meeting with the so-called representatives of the day laborers, Communists Yanagihara and Oyama, who protested the reduction to 80 and demanded return to 180, but the PESO Chief stood firm and requested that the city officials do likewise. The Communists brought with them all 80 of the workers who had been employed for that day, stating that these workers had come to the PESO of their own will. When the Chief asked the group of 80 if this were true or not, they answered that it was not, and added that their leaders had promised them their wages for that day and for the next, even if they did not work. The next move on the part of the leaders was to complain about the 23 surplus applicants who had been turned down that day. The PESO Chief advised the 80 workers to return to their jobs, but they spent the day traveling back and forth between the PESO and the city offices. At the end of the day they demanded their wages and were refused. The PESO Chief reported that each worker has been paying ¥10 out of each day's wages to the Communist leaders. The present situation is quiet, and the union of the unemployed appears to be in the process of dissolution. It is interesting to note that the local police and the NRP commended the PESO Chief on his firm handling of the situation. He was further commended by KaGAR personnel, not only for his firmness, but also for his patience. Some time was spent in suggesting means by which day laborers might be further educated regarding the true fact of their position and the trickery to which their Communist leaders are subjecting them.

#### 4. Visit to Tsuchiura Labor Standards Inspection Office:

##### a. Administration and operation:

The staff numbers 13. There are 5 inspectors, including the Chief. The district has 2,537 establishments. Average



number of inspections per month is 150. Transportation facilities are good in all areas but two, where distances of as much as 25-30 miles have to be covered by bicycle. Budget for transportation is extremely low; it runs to ¥7,000 per month for the entire LSIO staff. Insufficiency of this amount can be better understood in light of the fact that a round-trip from Tsuchiura to Mito, for instance, costs ¥600. The two chief problems of the LSIO are inadequate travel funds and insufficient personnel. Often in emergency cases (such as industrial accidents), it is impossible for the LSIO to send an inspector. Double the present travel allotment is needed. The LSIO Chief also mentioned that the LSIO has not been able to pay its electric bill for two months and that the paper shortage imposes a serious obstacle to his work.

b. Unpaid wages:

At present there are four cases involving a total of 31 workers, with a total of ¥145,039 unpaid. Degree of success in bringing down the total during the past few months has been good. Highest total figure was ¥1,670,000. Greatest number of enterprises in arrears was 21. There have been no court cases, nor any cases of willful refusal to pay. Employers appear to have a high regard for the LSIO and its work, and workers have expressed their gratitude for its success in achieving substantial reduction in amount of wage arrears. The LSIO Chief expects an increase in the number of cases during March and April because of tax collection.

c. Factory inspections:

Greatest number of violations of the Labor Standards Law are in the area of working hours and holidays. Most establishments in the district are small, and it is difficult to curb these violations. Safety and sanitation violations stand second on the list. Most follow-up inspections show that the employer has complied with the requirements of the inspectors. The LSIO is firm in its insistence on compliance. Practically all violations are uncovered by inspectors, with the exception of non-payment of wages, many cases of which are reported by workers themselves. There are two model shops in the district which are to be used as basis for safety research. The Chief pointed out that the greatest obstacle in safety education is that the LSIO does not have concrete results of safety studies to present to employers and workers in order to make graphic to them the need and value of promoting safety. The stage has not yet been reached, he said, at which the employer thinks in terms of lowering production costs through accident prevention.

SUMMARY:

1. Communist-dominated organizations of the unemployed continue to present serious problems, both to Prefectural Employment Security Section and local PESO's. Firmness of PESO officials in meeting their demands is not always matched by equal firmness on



the part of local government authorities. Incidents at Takahagi and Tsuchiura give evidence of the fact that day laborers are effectively duped by Communist leaders. Issuing of work booklets and use of rotation system are carried out to extent that workers will be able to get in 16 days' work per month and thus be eligible for unemployment insurance benefits.

2. Situation regarding wage arrears remains serious, but local LSIO's have achieved some success in obtaining payment, with the result that workers and employers have been impressed with their effectiveness.

3. Local LSIO's are seriously hampered by low budget and lack of personnel. Those at Mito and Tsuchiura maintain a good record of inspections despite these difficulties.

4. Employ er-visitation program of Tsuchiura FESO is proving effective.

RALPH FRIEDRICH  
Labor Relations Division



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23 February 1950

## MEMORANDUM FOR RECORD

*Prof file*

SUBJECT: Field Trip to Ibaraki Prefecture, 16-17 February 1950, for:

- (a) Inspection of Mito Public Employment Security Office.
- (b) Conference with Officials of Labor Standards Bureau and Women's and Minors' Bureau.
- (c) Inspection of Hitachi Public Employment Security Office.
- (d) Inspection of Hitachi Labor Standards Inspection Office.

## 1. Inspection of Mito PESO:

a. Administration and operation - The PESO has a staff of 42, of whom 6 are on detached service in the prefectural Employment Security Office. Average number of applicants processed per day is as follows: for day labor, 150-160; for regular employment (first time), 30-35; for regular employment (repeat), 150-160. Quality of staff and of PESO functions has improved since shake-up in September 1949, when a considerable number of transfers and replacements were effected. Prior to this reorganization, the PESO, although it was the largest in the prefecture, did not reach a standard of performance commensurate with its size and its responsibilities. Particular improvement has been achieved in the manner of receiving applicants and in the use of survey information. Previously, the chief stated, surveys were made only for the purpose of preparing reports. At present, survey information is analyzed and actually put to use in the operation of the PESO. The chief recently attended the training course at the Kandabashi PESO in Tokyo. He reported that he found the following to be the most valuable aspects of the course: selective placement methods, techniques of PESO administration, utilization of survey data, intersectional co-ordination, and scientific work-flow. Three PESO officials were dispatched to the Urawa (Saitama) PESO to study the work being done there. The chief stated that it is his prime interest to remedy conditions previously existing at the Mito PESO. He feels that his staff is enthusiastic and that it is possible for him to forecast continued improvement.

b. Employer-visitation program - It was the opinion of PESO officials that most employers are not greatly interested in the social problems posed by unemployment. Furthermore, job openings are extremely few. The chief felt that attention should be concentrated on Class C and D enterprises in this program. The tendency for employers to hire their relatives is prevalent. But with the increasing services of the PESO to employers, it is expected that its prestige will increase. The officials stated that the use of the card system is proving most effective, and that they have come to realize the importance of being prepared with pertinent data when employers are approached. The effective operation



of the selective placement system has begun to gain the attention of employers. PESO officials were encouraged to continue their efforts in the employer-visitation program.

c. Labor boss situation - Since a year and a half ago, when a fairly clean sweep of labor bosses was made, there have been no full-fledged cases. 229 labor bosses were eliminated during this drive. One court case, involving 565 workers, was thrown out by the procurator on grounds of insufficient evidence.

d. Problem of job-openings for junior high school graduates - The situation in the Mito district is typical of that found in the other Kanto prefectures. Of 7234 prospective graduates (March 1950), 1152 desire jobs. Estimated openings for girls are 13; for boys, 56. In addition, there are 73 openings outside the prefecture for girls (textile industries). Officials stated that the maximum amount of placements will be about 10% of the number of applicants. There are seven vocational training centers throughout the prefecture, but their total capacity is only 500. On 18 February, an all-prefectural meeting is to be conducted in Mito for the purpose of discussing the matter of creating job-openings for these graduates. Delegates will include employers, teachers, parents, public-minded citizens, and PESO officials. In view of the fact that ROAR personnel will be unable to attend this meeting, some time was spent in offering concrete suggestions to PESO officials regarding ways in which individual communities can deal with the problem, with the recommendation that these suggestions be brought out at the meeting.

e. Public work relief projects - Officials stated that inability to provide full employment is a problem of increasing seriousness. Although the rotation system is in use, it is not proving effective because every day laborer needs employment every day in order to subsist. The problem is one of insufficient funds rather than one of insufficient projects. The Ministry of Labor is being petitioned for more funds. It is definitely Communist Party influence which prompts demonstrations against the PESO and produces the type of outrageous demands made during the Hitachi incident, which is reported below. On 10 February, all PESO chiefs were instructed regarding employment standards for day labor. These include the exclusion from day labor of the physically unfit and of those who are already receiving unemployment relief. With regard to demands made upon the PESO by organized groups of the unemployed, PESO officials have been placed in the position of having to decide whether or not they are obliged to negotiate with the representatives of such organized groups. PESO officials stated that some of these groups are what might be called "illegal unions". Others are Communist-dominated "leagues of the unemployed". The Labor Policy Section in Ibaraki has expressed the opinion that PESO officials are under obligation to listen to the appeals and demands of these groups, but that it is for the PESO chief to decide whether or not he will grant their requests. Obviously, he cannot. The question remains in the mind of PESO chiefs, however, concerning whether such a group has the right to bargain collectively. PESO officials have been instructed to deal firmly with day laborers, but to take every precaution not to violate the Relief Law. They have not yet inquired of the Ministry of



Labor concerning a policy for dealing with organized groups of the unemployed. The Relief Law makes no provision for dealing with these groups. (See account of Hitachi incident below).

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

a. Unpaid wages - Officials expressed opinion that the situation has become stabilized. At the end of January, it was as follows: of 84 establishments in arrears, 14 had paid in full, 32 partially, and 38 not at all. 3033 workers were involved. Of the total of ¥31,700,000 owing at the beginning of 1950, ¥12,600,000 had been paid by the end of January. There are instances in which it appears that enterprises close down, by mutual agreement of management and labor, in order that workers may collect unemployment insurance benefits in lieu of their unpaid wages. It is believed that these instances will increase, and inspectors have been instructed to be on the lookout for them, and to check closely to determine whether workers are of their own free will becoming parties to such agreements, or whether they are being forced into such agreement by union leaders or by management. Usually when such an understanding is reached employees are forced to forfeit at least part of their unpaid wages. The plant is closed with the understanding that such forfeit will be made. Even though such a decision may be reached by collective bargaining, a certain percentage of union members will be forced, against their will, to forfeit unpaid wages. LSB officials feel that there is a legal question involved, namely: Is the union authorized to require this forfeit of wages on the part of all workers, regardless of the fact that such an agreement is reached through a majority vote of union members? Interestingly enough, even if workers sacrifice the amounts due them in unpaid wages, the amounts accruing to them in unemployment benefits will exceed the amounts of unpaid wages, provided workers remain on unemployment relief for a sufficient length of time.

An interesting unpaid wage case involves the Tsukamoto Electric Appliance Company. On 19 January 1950, the company closed, dismissing all 108 of its workers. At the time of closure, the company owed ¥1,100,000 in unpaid wages. It was also liable for the discharge allowance, since it had not given the workers 30 days' notice prior to closing. It had no funds, but it offered the workers its entire assets in substitute for unpaid wages and discharge allowances. On 24 January, an agreement was reached between union and management that management would turn over its entire property to the union for its disposal. Labor Standards inspectors, however, are of the opinion that the case must be subjected to further investigation as to whether or not the agreement expressed the free will of all the workers involved. Ordinarily, it is the duty of the inspector, they explained, to see that management disposes of its own assets to complete wage payments to workers. Yet, the inspectors feel that they must respect the agreement made between management and the union. Investigation is being conducted at present, but it has not yet been determined whether or not liquidation of these assets will fully reimburse workers for the amounts owing to them. The LSB chief stated that he does not support the idea of such agreements, but added that the tendency to make them is increasing. At this point, advantage was taken of the opportunity to discuss the matter of defeatism



on the part of employers. It was recommended that LSB officials give all possible encouragement to employers to continue their enterprises. They stated that the new annual for LSB inspectors authorizes them to give this type of guidance and assistance, but that they are dubious of their qualifications (background and experience) to give such guidance. It was recommended to them that they not be over-modest in this respect, and that whatever they can do to assist in the economic rehabilitation of Japan, they should do.

b. Factory inspections - Officials reported that when violations of the Labor Standards Law are discovered, the employers' degree of compliance with recommendations of inspectors is good, but that in uninspected enterprises employers are not voluntarily carrying out the requirements of the law. They reported that there has been a marked increase in the number of safety and sanitation violations. Although lack of funds and materials is at the root of this, officials pointed out that this "increase" is partially due to the fact that inspectors are gaining in experience and are able to discover more deficiencies and violations. For the year 1949, the number of safety and sanitation violations discovered was 7017, constituting 30% of all violations. In 183 of these cases, correction of deficiencies was considered infeasible because of insufficient funds and materials. Heading the list of violations under sanitation is the failure to conduct physical examinations. The number of establishments inspected during 1949 was 8097; the actual number of inspections, 25,654.

c. The Women's and Minors' Bureau chief reported that one meeting has already been held in connection with plans for Women's Week in April, and that another is to be held on 21 February. The co-operation of all community groups is being enlisted. The chief also reported a great insufficiency of printed materials for use during Women's Week. The pamphlet, FUJIN TO KODŌ KIJUNHO (Women and the Labor Standards Law), is the one most in demand. There are also far too few copies of posters. Good co-operation has been obtained from the Labor Education Sub-section in the various educational activities of the W&MB.

### 3. Inspection of Hitachi PESO:

a. Administration and operation - The staff of 21 is too small for the increasing amount of work required of the PESO. The chief stated that an increase of eight or ten members would relieve the situation, but he realizes that such an increase will be impossible to obtain. Average number of applicants processed monthly is as follows: Day labor, 971; regular employment (first time), 433; regular employment (repeat), 468. With regard to the PESO Manual, he felt that the types of surveys could be simplified. Other PESO officials agreed with him in his opinion that, ideally, there should be separate manuals for PESO's in large cities, medium-sized towns, and rural districts. He also felt that there should be closer cooperation between the Ministry of Labor and the front-line PESO's. The "roving" PESO provided for in the manual has had to be discontinued because of lack of funds. The lack of job-openings has hampered the progress of the employer-visitation program. Selective placement, however, has resulted in a tendency for employers to place greater reliance on the PESO.



b. Incident at Hitachi PESO: Between 18 and 25 January 1950, workers employed on unemployment relief work projects in the Hitachi area filed repeated demands with the Hitachi PESO, Hitachi Municipal Office, Takahagi Reconstruction Office, and Isewara Town Office with regard to full employment, payment of wages on authorized holidays, increase in wages, payment of year-end allowance, physiological leave with pay for women, payment of family allowance, establishment of health insurance program, and exemption of day laborers from any form of taxation. These demands were made through Communist leaders of the so-called Unemployment Elimination League. When the impossibility of granting these demands was pointed out to the workers, the leaders ordered all day laborers to stay away from their jobs until the PESO could supply jobs for all applicants. Negotiations involving PESO officials, municipal authorities, and committees representing day laborers did not result in success. Although no physical violence was used against PESO officials, the day laborers committed such acts as tearing down the fence around the PESO to build a fire to warm themselves, tearing down posters put up by PESO officials advising them to disband and go to work, breaking into the PESO and interrupting its functions, and carrying away the windows from the chief's office. The chief reported that it was only with considerable difficulty that he obtained police co-operation in disbanding the workers. When he requested that a policeman be placed on duty at the PESO each morning to stand by in case of trouble, he was informed by the municipal police chief that unless he could supply charcoal to keep the policeman warm, none would be dispatched. With regard to the destruction of the fence at the PESO, the police chief flippantly suggested that he construct a metal fence or a concrete wall. On 25 January, the situation was resolved and all day laborers for whom there were jobs returned to work. The firmness with which the PESO chief and other officials dealt with the laborers was to a large extent responsible for the settlement. It is interesting to note, however, that certain public-minded citizens (mostly business men) have undertaken to arouse public opinion on the subject, and through use of public address systems, newspaper articles and other media have called upon the people of Hitachi to ask if it was fair of the day laborers to engage in agitation at the PESO, which, after all, has been established as a service to the unemployed. It was pointed out to the laborers that their behavior has forced the prefectural government to place restrictions upon the type of person eligible for day labor. PESO officials, upon learning that the day laborers were paying a certain amount out of each day's wages to their Communist Leaders, effectively pointed out to the workers the impossibility of their achieving fulfillment of the promises made to them by these leaders. It was stated by the PESO chief that the laborers involved in the incident have had time for reflection and are coming to realize that they have been misled. He did not feel, however, that this is an assurance against trouble which may be instigated by the Communists in the future. The Communists, having lost ground in the unions, are concentrating their efforts on the unemployed.

In connection with the above-reported incident, the following opinions and observations were brought out: The PESO chief stated emphatically that the system of rotating jobs among day laborers is not the solution to the problem. He pointed out that regardless of how much appropriation the government makes in its attempt to provide jobs for all,



there will not be enough jobs. Furthermore, even if there were enough jobs for all, the next demand would be for wage increases, paid holidays, and the like. When his opinion was asked regarding his obligation to deal with representatives of organizations of the unemployed, he answered that, since it is impossible for him to hear the complaints of each day laborer individually, he considers it necessary to listen to their representatives. In his role as the chief of a service organ, he considers this an obligation. He added that the Ministry of Labor has not expressed an opinion regarding this, but he feels that it must do so before long, since the problem is increasing in seriousness every day. As stated earlier in this report, the Labor Policy Section in Ibaraki (there is no Labor Department per se) is of the opinion that the PESO chief is obligated to listen to the appeals and demands of the day laborers. With regard to the lack of co-operation from the police, the PESO chief stated that one basic cause is the bitter experiences the police have had in dealing with labor troubles in the Hitachi area. Another is that they are lax and require stimulation. He added that although the municipal police may call for assistance of the National Rural Police, they are reluctant to lose face by asking for such assistance.

#### 4. Visit to Hitachi Labor Standards Inspection Office:

a. Unpaid wages: The officials forecast an increase in the number of cases, despite temporary improvement which resulted from concerted efforts to achieve payment of wage arrears by the end of 1949. As of the end of January 1950, there were 16 cases involving 411 workers, with the amount of ¥1,397,577 unpaid. There have been no court cases, since settlement through the court brings no benefit to the workers. The method of publishing (in the press) the names of delinquent firms has been used, but not with success. Officials explained that the publication of long lists of delinquents only encourages employers to adopt the attitude that if so many firms are in arrears, it will not matter greatly if they too are delinquent.

b. Factory inspections: Safety violations stand first on the list. Despite increased effort on the part of inspectors, there has been no appreciable decrease in the number of violations. Safety violations are rarely reported by workers themselves; almost all are discovered by inspectors. Once employers have had deficiencies pointed out to them, their degree of co-operation is good. They appear to be gradually awakening to the fact that it pays good dividends to promote safety. Inspectors reported that the Hitachi Co. is making a minute survey of losses resulting from accidents to workers in six plants. There are 1440 establishments in the Hitachi district. The LSIO has four regular inspectors. Number of inspections conducted during January was 71.

c. The problem of job-openings for junior high school graduates is no less serious in the Hitachi district than it is elsewhere. There will be a minimum of 1300 seeking jobs; present estimate is that there will be 86 openings.

#### SUMMARY:

Success of PESO employer visitation program is hampered by lack of job-openings and tendency of employers to hire their relatives.

Annex 3a, page 6.



Communist-inspired agitation against FESCO's by day laborers is on the increase. Rotation system in handing out relief work jobs does not allay the difficulty. Day laborers pay CP leaders of their Unemployment Elimination League a certain sum out of each day's wages. In an incident at Hitachi, laborers were effectively brought around to understanding how ridiculous their demands were. FESCO officials consider themselves obligated to listen to these demands.

Unpaid wage situation shows no improvement, although for the prefecture (according to officials) it appears to be stabilized. Instances have begun to appear in which enterprises are closed through mutual consent of management and workers, so that workers may collect unemployment insurance benefits in lieu of unpaid wages.

Labor standards inspectors are discovering more deficiencies and violations. When employers are apprised of deficiencies, their degree of compliance is good, but they do not voluntarily seek to comply with the law prior to the time their establishments are inspected.

RALPH FRIEDRICH  
Labor Relations Division



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23 December 1949

## MEMORANDUM FOR RECORD

*Prof file*

SUBJECT: Field Trip to Ibaraki Prefecture, 19-21 December 1949  
for Following Conferences:

- (a) With Chiefs of Labor Policy Section and Labor Education Sub-Section; Chairman, Secretariat Chief, Management and Labor Members of Labor Relations Committee.
- (b) With Officials of Five Labor Unions.
- (c) With Chief and Section Heads of Labor Standards Bureau and Chief of Women's and Minors' Bureau.

1. Conference with officials of Labor Policy Section and Labor Relations Committee:

a. Officials reported that rationalization is at its peak in Ibaraki. Three cases charging unfair labor practices are before the Labor Relations Committee at present. The first of these involves a prefectural government employee (CP member) who alleges that he was discharged because of union activities. Five others were discharged and eleven resigned during personnel reduction. Case is still under investigation. The second case involves the Takahagi Coal Mining Co., where 60 workers were discharged under rationalization, with the additional reason given by management that their discharge was in the interest of "preserving law and order." All 60 protested to the Labor Relations Committee, which decided that only four of these should be retained. Labor officials stated that all of the 60 were active in the union, and that 46 were CP members. The four retained did not have union posts of prominence, but they are supposed to have Communist affiliations, although they are not party members. The union had been completely under CP domination. At present, the company has two unions: (1) The Dai Ichi Kumiai, which has approximately 700 members and is under CP control and (2) the Dai Ni Kumiai, which has 700 members, includes a staff union, and is anti-Communist. The third charge of unfair labor practices has been made against a private railway company (Hitachi Dentetsu) which discharged 57 workers, after reaching agreement with the union, of which all 57 were members. The appeal to the LRC was made not by the company union, but by the Ibaraki-ken Federation of Private Railway Workers' Unions, which charged (1) that the meeting at which the union agreed to the discharge was not fairly conducted, (2) that the amount of retirement allowance was too small, and (3) that there was a deliberate attempt on the part of management to dispose of union leadership. Investigation revealed that the union itself was not demanding an increase in the retirement allowance, but was, on the other hand, surprised at the amount the company was able to pay. It was also brought out that the union did not demand a greater amount because it knew that the payment of such an increase would break the company financially. The investigation further revealed that there had been no attempt by management to get rid of union leadership.

Annex 3a, page 1.



b. Current trends in labor-management relations:

Labor officials stated that there is a definite tendency for management to use industrial rationalization as a weapon against union leadership. Management representative on the Labor Relations Committee, who is considered to be one of the most progressive employers in the prefecture, verified this statement and pointed out that the need for management education is urgent. Management opposition to the union movement is most prevalent in smaller companies. In larger firms, management cannot ignore the unions, but in smaller firms it is possible for it to eliminate unions entirely. The LRC management representative added that this tendency is not due solely to management's desire to oppress or to suppress the unions, but is motivated also by the desire of employers to retain the paternalistic system. He cited the example of small industries in which the employer works side by side with his employees and thus represents both management and labor. When he was asked whether, on this basis, management sees no need at all for unions in such small industries, he stated that this is true, and added that the great differences in size and type of industries in Japan and in America prevent the outright application of American union principles except in Japan's larger industries. The LRC Secretariat Chief expressed the opinion that the paternalistic system works well enough if employers are ethical, but that in instances where the employer is unethical the existence of a union would be of great benefit to the workers. Labor officials added the interesting opinion that the current economic situation in Japan cannot tolerate loafing on the part of workers; that the workers, although they may be willing to work harder and put in longer hours, are actually discouraged from doing so by the Labor Standards Law; and that, therefore, the Law itself is having an adverse effect upon the industry of workers as well as upon the current economic status of Japan. This appeared to be the consensus of opinion among the officials present.

c. Labor education:

(1) The LRC management representative voiced the opinion that the best result of the labor education program so far has been in its reassurance to management of its rights, its definition of management's responsibilities, and its instruction to workers regarding their rights and responsibilities, particularly in connection with collective bargaining.

(2) The labor representative on the LRC inquired concerning the establishment and operation of grievance machinery. A brief explanation was given, and announcement was made concerning the forthcoming KGBR program on this subject. The labor representative described the grievance procedures now in effect at his plant. It was requested that he submit a copy of that section of the contract which deals with this matter, so that it may be studied. This request was made in view of the fact that it is not usual to find grievance procedures well set up in Japanese companies.



(3) The greatest obstacle to effective labor education is the smallness of budget allocations. Future budget prospects are somewhat brighter than those of the present, but the Labor Policy Section Chief stated his determination not to depend hereafter upon subsidies from the National Government, since the amount expected through subsidies in 1949 was by no means comparable to what was actually granted.

(4) Status of labor education programs in individual unions: The larger unions are carrying on programs and most of them have installed an education officer, but as far as the whole union picture is concerned, there is little activity. In reply to inquiry as to whether the standstill of educational activity in small unions is due to management's disapproval, the following information was obtained: Labor education, as carried on by government officials, was aimed largely at union leaders. At the same time, CP propaganda was also aimed at union leaders. The result was a clash. For some time, any educational material sent to unions for distribution to individual members was screened by leftist union leaders and not all permitted to reach the rank-and-file. It was also the policy of union leaders to keep the rank-and-file ignorant in order to preserve their own supremacy. Recently, however, union leaders have taken to approaching prefectural labor officials with requests for materials to distribute to individual workers. There is enough printed material for this purpose, according to the officials, but visual aids (chiefly films) are expensive and not very plentiful.

(5) Educational films: It was the opinion of the Labor Education Sub-section Chief (and others present) that American films dealing with labor subjects frequently present situations and conditions too far removed from the actualities of Japan's labor situation, and that it would be most beneficial to have more Japanese films on these subjects. It was suggested by the officials that the Ministry of Labor should supervise the filming of a full-length dramatic picture with a labor theme, along the lines of the commercial film, NIBORI MAKI SHIMA (Island without Green), made last year. Inquiry into the possibilities of renting such commercial films for exhibit to labor groups apparently has not been attempted by labor education officials. It was suggested that a visit by the LE Sub-section Chief to the Ministry of Labor to inquire into this matter might be profitable.

(6) Current programs of labor education as carried on by government officials: The KCAR program on nomination and election procedures for unions has been presented at 10 places, with a number of local unions represented at each meeting. Approximately 1,000 printed copies of the program were distributed in connection with these 10 demonstrations. The majority of the 400-odd unions in the prefecture were reached through these demonstrations. Beginning in January, the Labor Policy Section will publish the IBARAKI LABOR POLICY MONTHLY in 5,000 copies for distribution free of charge to union members. In mid-January, six management education conferences will be conducted in



co-operation with KCAH personnel.

(7) All officials present agreed that the time has arrived to stress management education above workers' education, in view of the strain in labor-management relations imposed by management's shortsighted use of industrial rationalization to weaken the union movement.

(8) Another problem of great seriousness at present is the difficulty of getting union members to attend meetings and to participate in union activities and educational programs. When suggestions for solutions to this problem were requested, the following recommendations were made: First, the causes of non-attendance should be determined. (One of these is the fear on the part of workers that management will disapprove of their participation and that their jobs may be thus imperilled.) Second, it is necessary to conduct meetings and present programs in a manner that will inspire interest and enlist participation by all members. Third, there should be wide use of interest-arousing devices in conjunction with business meetings. Basic to all of these, however, is the enlistment of management's co-operation. At present, as the officials pointed out, this is difficult to obtain. It was further suggested that a joint union-management committee might be set up to study the problem, particularly if the assistance of progressive employers could be obtained.

3. Conference with officials of five unions (Hitachi, Teachers' New Japan Food Products, Fuji Communications, Ibataki Branch of All-Japan Metal Workers' Union):

a. Teachers' Union officials reported the discharge of 15 teachers under a set of separation standards which deal substantially with conditions under which teachers are considered undesirable for further employment. A teacher may be discharged for coming under any one of these criteria. One of the separation standards deals with violation of the Board of Education's policy on political activities in the schools. Teachers' Union officials stated that this policy has been misinterpreted by education authorities to the extent that teachers now fear even to carry on political education as specified in the Fundamental Law of Education. Although, on the surface, no teachers have been discharged for political activities, there are evidences that injustice has been done in certain cases. For example, it has been proved that a principal's word may be sufficient to get a teacher discharged. In some cases, gun education officials have designated discharges without conferring with the principal, and in others, police have acted as informers against teachers. Of the 15 teachers mentioned above, six have appealed to the Board of Education for public hearing of their cases. Since this is the first case of its kind to come before the Board of Education, it is proceeding with extreme caution. Eight of the teachers, including the six who appealed to the Board for hearings, have appealed to the Labor Relations Committee, which accepted the appeal and is now investigating the case. The Union has issued a statement to the effect that it understood all dismissals



would be executed according to law, but that these dismissals are based upon vague charges and are actually unfair. Although the Board did not announce the names of the discharges, they appeared numerous times in the local press, which probably obtained the list through some leak in the Board's Secretariat.

b. Union views on current union-management relations:

(1) Effects of industrial rationalization: It was the consensus of opinion among union officials that there is definite evidence that management is using rationalization as a pretext for disposing of union leadership. Examples in support of this opinion were cited. It further appears that there is a reluctance on the part of members to engage in union activities or to run for union office because they fear for their jobs. When it was inquired whether this is more true of small plants than it is of large ones, union officials voiced the opinion that it is true of both. Another trend, according to the officials, is management's increasing disregard for labor agreements.

(2) Attitude of unions and workers toward the Labor Relations Committee: There appears to be a lack of confidence on the part of workers in the LRC's ability to be of assistance to them, with the result that few cases charging unfair labor practices are brought before the Committee. The union people pointed out that in 1948 the prefectural governor refused to accept any of the five persons recommended by the All-Ibaraki Federation of Labor Unions for membership as labor representatives on the LRC, and that because of this a lack of confidence in the LRC has developed, since workers were unable to get their chosen representatives appointed. Of the five recommendations made in 1949, three "happened by coincidence" to meet with the governor's approval. Of the other two appointed by the governor, one, although he was a labor representative, consistently sided with management. A protest was made to the governor regarding this appointment, but he would not concede. At a conference with this LRC member, union representatives obtained his promise henceforth to support the view-point of labor and not that of management. The LRC seems to have fallen somewhat below the workers' expectations. An urgent need for much more extensive education of workers and unions regarding the functions of the LRC is indicated. It was further stated by one of the union officials that management representatives on the LRC display a surprising ignorance of the labor laws and that therefore LRC labor representatives have lost respect for them.

(3) Need for management education: It was the consensus of opinion that this is a matter of extreme importance at present, in view of the facts cited in the two paragraphs immediately preceding. The union officials named the paternalistic system (particularly in small factories) as the basic cause of failure to organize unions and establish contracts, with the implication that management has failed to assume leadership in this field.



c. Labor education in unions: Contrary to the prefectural labor officials' statement that there are sufficient materials for distribution to individual workers, the union officials stated that the lack of such materials is a serious obstacle to the progress of union educational programs. Another obstacle is the difficulty of obtaining workers' attendance at meetings. With regard to the showing of labor films, officials stated that very little appears to have been done. There are several reasons for this: First, misunderstanding exists between the Labor Education Sub-section and the Social Education Section (Board of Education Secretariat) regarding the use of projectors. Second, there is the problem of where to exhibit the films. Rental of theaters would be prohibitive. Third it seems that unions have not requested film service to any great degree. As possible solutions to these problems, the following suggestions were made to the LE Sub-section Chief and union officials: A planning committee might be formed to discuss the problem, such committee to have representation from unions and management, together with labor education and social education officials. The LE Sub-section, working in co-operation with the Social Education Section, should prepare a prospectus regarding available film services and distribute this to management and unions, with invitations to them to make use of the service. With regard to places for showing the films, it was suggested that the possibility of using public school buildings should be investigated. Apparently this possibility has not been explored because of a fear that such film showings would constitute a misuse of school buildings. It was pointed out that the school is a community institution and that there is no prohibition against proper use of its facilities, provided permission of local authorities is obtained. Suggestion was also made to union leaders that the possibility of using commercial films with labor themes ought to be looked into.

3. Conference with officials of Labor Standards Bureau and Women's and Minors' Bureau:

a. Women's and Minors' Bureau:

(1) Personnel and budget: The Chief and her one assistant handle all the work. There are no clerical or other workers in the Bureau. With 32,074 women workers and 10,680 minor workers in Ibaraki Prefecture, it is apparent that the Bureau is understaffed. The 35,000 per quarter travel budget is approximately one-third of the amount which the Chief considers adequate. She frequently has to go into her own funds to carry out work that requires travel. The budget for postage is also insufficient.

(2) The large number of surveys required by the Ministry of Labor has increasingly imposed difficulty upon the Chief and her assistant. All Labor Standards Bureau officials agree that these surveys ought to be speeded, so that too much work along these lines will not be expected at one time. The Chief stated that out of 17 invitations received from individual women's groups during December, she could accept none. She added that if WMSB personnel could be increased to five, her problems would be solved.



(3) The Bureau has made use of the services of various women's groups (other than unions) in the dissemination of educational materials for working women. Women's clubs, of late, have been exhibiting greater interest in the problems of the working woman. Women's sections in various unions have invited women's club representatives to their meetings for the purpose of showing them how such meetings are conducted. Invariably, these women's club representatives have expressed surprise at the degree of progress shown by union women. The Chief feels that this is having the effect of breaking down the barrier between working women and non-working women. Women's activities in unions, however, are largely "cultural." Recent opinion surveys conducted by the Bureau have produced a disillusioning result as far as working women's knowledge of the labor laws is concerned. Contrary to statements made by WAMB chiefs in other Kanto prefectures, the Ibaraki WAMB Chief stated that union activity among women has increased of late. As the reason for this increased activity, she stated that women are at present eager to protect their jobs and that they rely on the strength of the union to assist them, and therefore feel obliged to participate in its activities.

(4) Working minors: During Working Minors' Protection Week, numerous cases of violation were exposed. These are at present under investigation by LSB inspection offices. The interesting statement was made by the Chief that the ayakata system has almost disappeared from Ibaraki. The LSB Chief supported this statement by adding that on-the-spot surveys have indicated this is true. The reason given was that last year's campaign against child-selling and violations of law involving minor workers had extremely favorable results. There have been no recent instances of child-selling brought to the attention of the Bureau.

b. Labor Standards Bureau:

(1) Unpaid wages: As of the end of October, there were 84 known cases of unpaid wages. November figures were not yet available. Average of arrears is two months. Tendency is for workers to continue in their jobs despite non-payment of wages, since they realize the difficulty of finding new jobs. LSB Wage Section Chief stated that there are few cases of back wages unreported because of workers' "loyalty" to their employers. He expressed the opinion that workers are more likely to report the facts than to conceal them. There is indication in this that the prestige of the LSB among workers is good. Methods of encouraging payment of back wages include the following: More and more frequent inspections, inspection of company's books, recommendations regarding liquidation of sufficient assets to pay wage arrears. Officials of LSB stated that it is difficult to decide which cases warrant legal action, since employers can get off by merely paying a nominal fine, and once a case is prosecuted, it cannot be brought to law again. Thus, to protect the workers, the LSB has kept to a minimum the number of cases brought to court. There have been no cases of property attachment for unpaid wages. Figures cited by the officials indicate that the majority of employers can be persuaded at least to make partial payments.



(2) **Workmen's Compensation Insurance:** Goal for collection of additional premiums as set in November was \$17 million, but of this, only \$7½ million was collected. This represents a drop from the good results obtained in the campaign between 10 October and 10 November. LSB and Labor Administration Office personnel have worked in the field during collection campaigns. There are 10 cases of attachment at present. It is expected that these employers will pay before sales can actually be conducted, since this is the usual tendency.

(3) **Safety inspections:** Safety Section Chief stated that coal mines, being under Mine Safety Law, do not come under his section's jurisdiction, but that he could give statistics regarding accidents in coal and metal mines. These figures indicate that, of all industries, coal mining has the greatest number of accidents, and that the number of accidents in Ibaraki is greater than that in any other Kanto prefecture. Accidents in coal and metal mines make up 52% of all industrial accidents in the prefecture. Chief causes are flying and falling materials (exclusive of landslides and cave-ins) and loading and unloading. Continued carelessness on the part of workers indicates need for increased safety education. This type of education is being carried out through designation of a safety officer for each work gang. Safety campaigns are conducted. Monthly meetings on safety research are attended by LSB officials and safety inspectors. Their findings are passed on to the work gang safety committees. In some companies a graph of accidents by type is maintained for information of the workers. Safety Section Chief pointed out that the spirit of competition may be overencouraged in some instances, with the result that accidents may be concealed by gang safety officers in their efforts to maintain a good record. The Chief also stated that approximately 70% of dangerous machinery in the industries of Ibaraki has been properly covered or provided with safety guards. The problem of the accident-prone worker was discussed. Apparently this problem has been given little study, if any, in most Japanese industries. It was suggested that this would be a worthwhile matter for study by employers, supervisory officials, safety officers, and safety committees.

SUMMARY:

Labor officials reported that industrial rationalization is at its peak in Ibaraki Prefecture. Exigencies of the program, together with management's tendency to use it as a weapon against union leadership, have imposed a serious strain upon labor-management relations. Concomitant with this, union activity has waned, and labor education programs have felt the effect. Budget and personnel restrictions continue to hamper all labor administrative organs. It is the consensus of opinion among both prefectural labor officials and union officials that the time has arrived for a positive program of management education. Lack of confidence in the Prefectural Labor Relations Committee is being manifested on the part of unions and workers. Injustices in the discharge of teachers were reported. Labor education among women appears to be retarded, but it was reported that there is an increasing interest on the part of non-working women in the problems of the working woman.



Strong measures against violators of laws protecting minor workers have produced unusually favorable results. Unpaid wages still constitute a serious problem. There has been a notable drop in the collection of premiums for Workmen's Accident Compensation Insurance. Considerable progress has been made in the field of industrial safety, but coal and metal mines still present serious difficulties, chiefly because of carelessness on the part of workers, indicating the need for increased emphasis on safety education.

RALPH FRIEDRICH  
Labor Relations Division



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HEADQUARTERS  
TOKYO CIVIL AFFAIRS TEAM  
Labor Division

25 November 1949

## MEMORANDUM FOR RECORD

SUBJECT: Report of Field Surveillance Trip to Ibaraki Prefecture,  
22-23 November 1949

1. Mr. Camacho and Mr. Friedrich made surveillance trip to Ibaraki for purpose of:

- a. Establishing formal contact with labor officials on the prefectural level.
- b. Obtaining information concerning current trends, activities, and problems in the labor field.
- c. Requesting reports from labor officials and to explain the type of reports desired.
- d. Inquiring concerning the ways in which CA Labor Division personnel can be of assistance to the Japanese in the field.
- e. Providing opportunity for presentation and discussion of current problems.

2. The following reports were requested from prefectural labor officials:

- a. Breakdown of structure of all administrative organs having to do with labor (prefectural level), with names, present duties, and former duties of all key personnel (one time report).
- b. Monthly report to contain information regarding current activities, trends, and problems in the field of labor, with statistical information sufficient to clarify or qualify matters reported. Report to leave the prefectural office on the 25th of each month.
- c. Immediate report of all disputes, strikes, lockouts, and production stoppages.

For the monthly report, a list of specific types of information wanted will be submitted to prefectural officials, along with a model report for their guidance. Method of reporting disputes, etc. will be explained to officials in further detail after conferring with higher headquarters.

Annex 2 b, page 1.



Labor officials were informed that KCAR Labor Division personnel will welcome invitations to participate in local labor programs and conferences of major importance.

3. Main subjects discussed at conferences were the following:

a. Labor-management relations: It was emphasized that unless employers as a whole in Japan become interested in labor-management relations and show a sincere desire for their improvement, the labor movement in Japan will not be the type that will permit labor and management to live together in harmony and with profit to both. Management groups must be made aware of the opportunities presented to them and of the danger of not taking advantage of these opportunities. Management now has the chance to demonstrate leadership and to utilize the great reservoir of energy and brains that it possesses in the workers. If it fails to avail itself of these resources and shows indifference or opposition, unions will continue to exist, but the leadership and type of movement will not be the best for Japan. One of the most unfortunate of recent occurrences has been the use to which industrial rationalization has been put in getting rid of union leadership, both good and bad. Some Employers have used the industrial rationalization program as a pretext for disposing indiscriminately of union leadership and have thus registered their opposition to the union movement in general. (The Minde leadership was cited as an example.) This is not the way in which the respect and confidence of workers can be inspired. Management must recognize its present opportunity to help itself, the workers, and all of Japan. By virtue of its experience and training, it is in a position to do this.

It was pointed out that in countries where a free labor movement is permitted to exist, two types of provisions are substantially prevalent in labor-management agreements: grievance machinery, inclusive of arbitration, and seniority clauses. This has not been characteristic of the situation in Japan, where employers, even though they recognize the merit of these provisions are unwilling to grant them because they would thereby be fostering the union movement. It is management that should take the initiative in the establishment of such provisions.

A plan was discussed whereby some 30 employers who are willing to accept the idea of trade unionism and to try out principles that have proved effective in other countries will be assembled for the purpose of seeing if they cannot be used as a spearhead in the attempt to get management to assume leadership in the improvement of union-management relations. One of the officials inquired whether all 30 of the employers would be from the Tokyo area and expressed the desire that two or three be chosen from Ibaraki Prefecture or other outside prefectures. It was explained that since Tokyo is nearer it would be easier to work with a group of employers from that area, but that requests from Ibaraki will not be turned down. Ibaraki officials will be notified concerning the possibility of sending two or three representatives. It is interesting to note that the request that the representatives from Ibaraki be allowed to attend was an urgent one. It was suggested to the labor officials that Labor Division personnel would appreciate being invited to meetings of employers' associations in Ibaraki for the purpose of discussing matters of grievance machinery



and management-union research and planning committees.

When labor officials' opinions regarding union-management relations were requested, the Labor Policy Section Chief expressed himself as follows: It has come to the point where the union movement is weakening. Management is pushing labor back and will continue to do so. It is feared that this pushback will continue until the point of explosion is reached. Management seems not to be aware of this danger and persists in its opposition. The program on nomination and election procedures inaugurated by the Kanto Civil Affairs Region has proved very beneficial in the sense that it has made it possible for the union membership to attain more responsible and accountable leadership. Now it is desired that a similar program for management be instituted in order to educate management regarding its responsibilities and its duty to assume leadership in the improvement of union-management relations. It is felt that this program should come from KCAH in order to give it more weight and prestige with management.

It was explained that this type of program (grievance machinery and research and planning committees) is in preparation.

It was pointed out that misconceptions regarding grievance committees, collective bargaining committees, and production combination of the functions of all three types of committee into one. An example of the structure of a research and planning committee was given, with emphasis on consulting the average worker regarding his suggestions for the improvement of production. The idea of the production committee in Japan has been abused. It was suggested that once the material regarding grievance committees and research and planning committees has been sent out to the KR prefectures, the labor officials may wish assistance in presenting these materials at meetings and conferences.

An example of the proper use of grievance machinery was given. The following reasons for the failure of grievance procedures to take hold in Japan were pointed out: (1) complete misunderstanding regarding what constitutes a grievance, (2) Failure of top management to delegate clear and distinct authority to foremen and supervisors. It was pointed out that grievance machinery requires a set of procedural steps. At each of these steps, representatives of management and the union must each be clothed with definite and distinct authority which is commensurate with their positions. This being the case, buck-passing and by-passing in the matter of settling grievances and disputes will be avoided. Example was given of a Japanese firm of 3,500 employees where management stated that there were no grievances and where later there was an explosion of labor trouble.

It was emphasized that it is not a matter of making an American type of labor movement out of the movement in Japan, but that the adoption of good basic principles is essential, since these principles characterize successful labor movements in all countries and will of necessity have to form the basis for a successful labor movement in Japan. More and more,



it is becoming evident that Japan will evolve a labor movement that is distinctively Japanese, but which will reflect the basic principles of all good labor movements.

At this point, it was recommended that, from time to time, the labor officials put down in writing their opinions and reactions regarding the progress of the labor movement in Japan, and submit these written statements to the Labor Division. The disciplinary value of setting down reactions and stating problems in writing was emphasized.

The LPS General Affairs Sub-section Chief expressed the following opinion: Information on grievance machinery has come down through the Labor Ministry. It is believed that this material has originated from occupation channels. Management and labor still do not understand the problem of grievance machinery, and this is believed to be principally due to the approach which has been made in the introduction of such matters. One of the chief reasons for this appears to be that the concept of foreman is wrong. Most of these programs for the introduction of grievance machinery have assumed that the supervisory channels in industry in Japan are the same in content and in form as those in countries like America - and this is wrong. Managerial structure must be altered or grievance procedures as now being propagandized in Japan cannot be instituted.

b. Adoption of union constitution: In the adoption of a union constitution, the question arose: Is it done item by item, clause by clause, or is the entire constitution adopted at one time? An actual example of the procedure in an American union was cited. It was pointed out that in Japan the union can adopt a constitution at the outset without a written vote, but that when it comes to the problem of subsequent amendment, the written vote of all members must be obtained. This brought up the problem of how to deal with a union membership (e.g. the Hitachi Plant Union in Ibaraki, with approximately 6,000 members) that is too large to assemble under one roof for a general meeting. The unit system was explained in detail, whereby a local union may be so subdivided that units may have their own officers and their own monthly meetings, with representatives from each unit to serve on the local union executive board. Composition and functions of the units and the local union executive board were discussed. Suggestion was made that after amendment has been proposed, discussed, and passed, it be placed on a ballot for the vote of all members. said ballot to be given publicity via bulletin board, etc.

c. Other problems and opinions presented by labor officials: There is some difficulty regarding the use of Natco projectors in the labor education program. The main problem is a lack of properly trained operators and technicians. There was a course given for trainees from each section of the Prefectural Office, but licenses were not issued for fear that projectors might be damaged. It was suggested that if the Social Education Section does not wish to assume responsibility for the projectors, it may be possible to work out a re-allocation, so that the Labor Policy Section may have its own projector (or projectors) and technicians. The whole



problem indicates a need for coordination with XCAR Civil Information Section.

The LPS Labor Education sub-section Chief stated that slide films are excellent as visual aids, but the ones currently in use are old. It is desired that the Ministry of Labor supply new slide films in a continuous flow. The Ministry knows the type of films required.

Labor Relations Committee: The national convention of LRC was held recently, and Ibaraki-ken labor officials presented their problems, among which was that of unfair labor practices. It is claimed that the prefectural neutral LRC members are not sufficiently experienced and therefore during inspections should be accompanied by union and management representatives. The LRC feels that sub-committees should be formed for the purpose of conducting investigations. Interpretations given by the Ministry of Labor and the Central Labor Relations Committee regarding certification of unions have differed. It appears to be CLRC opinion that the Ministry of Labor ordinance appears too soon, and that unions are not to be certified until services of LRC are required. The importance of having unions certified before occasion for seeking LRC service arises was pointed out. Every union should be encouraged to comply with the law. If unions are encouraged to seek certification, it will insure their compliance with the law. Then, at a later date, if the services of LRC are required by certified unions, and any question arises concerning a union's status under the law, the LRC can at that time make re-investigation of the case concurrently with inquiry into the matter which has been presented for its attention.

The question arose regarding the status of the Labor Policy Section in Ibaraki Prefecture. All other prefectures in the old Kanto Region, except Chiba, have Labor Departments which are on the same level as the Economics Department, the Public Health and Welfare Department, etc. In Ibaraki and Chiba, there is a Labor Policy Section under the Economics Section. The Ibaraki LPS Chief stated that this matter has given considerable concern to labor officials in his prefecture, and was the subject of a conference at which it was decided that it would be advisable to have a separate Labor Department. But, although it is legally possible for the governor and the prefectural assembly to set up a separate Labor Department, they are unwilling to do so. Thus, since all avenues of recourse in the prefecture have been exhausted, LPS Chief is of opinion that it is legally possible for the governor and the prefectural assembly to set up a separate Labor Department, they are unwilling to do so. Thus, since all avenues of recourse in the prefecture have been exhausted, LPS Chief is of opinion that it is necessary to amend the Local Autonomy Law so that it will require the establishment in all prefectures of Labor Departments on a par with other departments of the prefectural government. When he was questioned concerning what advantages he sees in the establishment of a separate Labor Department, he replied as follows: If there is a Labor Department Chief, he can devote full time and energy to labor matters, whereas the present economics Department Chief must divide his time among natural resources, commerce and industry, and labor, which are relatively different fields. In response to inquiry



whether the present situation stifles his initiative, LPS Chief replied that when a section chief voices an opinion, it carries less weight than that of the Economics Department Chief cannot assume an outright labor viewpoint. LPS Chief does not attend weekly meeting of department chiefs. Prefectural assembly has an Economics Committee but no Labor Committee, and no member of the Economics Committee is an outright labor man. When asked whether LPS receives a fair share of the prefectural budget, his reply was, "Of course not."

d. Matters concerning the Labor Standards Bureau:

Monthly report was requested along lines suggested for LPS report.

LSB Chief stated that there are no pressing problems.

Inquiry concerning Workmen's Compensation Insurance elicited following information: Between 10 October and 10 November 1949, 95% of the premiums were collected in a special campaign in which the prefecture was divided into 12 districts, with 3 LSB officials and 9 inspectors working in the field. In some cases of non-payment of premiums, assets of firms have been attached, with public auction to be held 29 November.

Matter of unpaid wages is handled by Inspection Section. At present there are 180 cases. Problem is being handled as follows: Each firm is being investigated with regard to its internal situation, with suggestions from LSB regarding means of making payments. Other cases (those of wilful refusal) are referred to the procurator. Of three recent cases, one has been suspended, one has been found guilty, and one is pending. In most cases, wages are one to two months behind; in five or six cases, they are as far as four months behind. The number of employees concerned in these 180 cases is between five and six thousand. Most cases involve small factories. Cases are reported by unions, inspectors, employers themselves (after previous findings), and individuals.

Inquiry concerning safety inspections of plants brought forth following information: The majority of recommendations are made regarding dangerous machinery. In cases where the machinery exposes workers to great danger, the inspector recommends installation of safety guards within a certain period of time. Companies usually comply. When there are cases where such installation involves large amount of money or special materials, the company may make application for permission to dispense with the recommended safety device. In extremely hazardous cases, companies are forced to comply. It was pointed out to LSB officials that companies will profit in the long run by installing such devices, since a better type of worker will be obtained and the psychological situation of all workers will be conducive to more effective production. Inspection Section Chief agreed that carelessness and indifference to danger constitute a serious problem, and that it is not so much a matter of obtaining new equipment as it is of maintaining the equipment and construction (e.g. in mines) that are already on hand.



The two Women's and Minors' Bureau field representatives are very active. Mrs. Nizuma, of the Ministry of Labor, is conducting a conference in Mito on the subject of conditions among girls employed as waitresses are also expected to serve as companions and mistresses for male customers. The complaint was registered that, in many cases, an extraordinary number of performances have been required. This information was obtained when the girls brought their problems to the LSB.

e. Problems of administration and appointment and transfer of personnel in prefectural labor offices were discussed.

f. Advantage was taken of the opportunity to bring before the officials the continuing importance of crop collection, particularly of rice and potatoes. It was pointed out that General Shepard considers this matter to be of number one priority.

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