Blaine 5/25

Maybe I'm wrong but this seems to me to be getting into too much operating detail for our CSD staff to even be worrying about. I would have a tendency to let the Japanese work these details out now and concentrate on getting the classification survey completed then, it seems to me, that whatever was done would be straightened out by the installation of the class. system. WPM

URGENT!

~~1) Mr. ...~~
2) Mr. Hoover.
BH
5-26-49

CIVIL SERVICE DIVISION
Government Section

24 May 1949

WBm
5/25

MEMORANDUM FOR THE RECORD

SUBJECT: Elimination of "Official" Classification

During a conversation this afternoon among Messrs. Salter and Shirven of CSD and Messrs. Onogi and Nakagawa of the Administrative Management Agency, the question was raised as to whether action was to be taken by NPA eliminating the classification of Officials, Koin, Yoin, etc. by June 1.

Since the bill controlling maximum employment for government agencies goes into effect June 1 (and does not provide specifically for any breakdown by Officials, Koin, Yoin, etc.,) action will have to be taken by the government agencies breaking down their maximum employment according to bureaus, etc. If the classification of officials etc. is continued, this number will have to be further broken down to provide for such classification; otherwise all employees will be treated on the same basis. Control with respect to level of employment is presently established on the basis of Cabinet Order 401, which states that no promotion from one grade to a higher grade may be made unless a vacancy has occurred in the higher grade. Exceptions, of course, are provided where duties and responsibilities indicate the need for establishment of positions.

Messrs. Onogi and Nakagawa were informed that this matter was under consideration but that no decision had as yet been reached. They felt that there would be no major obstacle to the elimination of this classification of officials, etc. In fact they indicated that the officials themselves did not object and that the employees would consider it a good move, to their advantage and more in accord with democratic principles. There would be the problem of course of assuring that those persons now participating in the pension plan who were there by virtue primarily of being "officials" would continue to participate and receive the benefits therefrom.

This is a decision that requires immediate attention in view of the administrative actions that must be taken.

MacDonald Salter

MacDONALD SALTER
Chief, Classification
& Compensation Branch

MS:jd

Refer to Gen. Whitney for his information
Record with W-5/29/49

CONFIDENTIAL

CIVIL SERVICE DIVISION
Government Section

24 May 1949

Omitted as additional reference material discovered after preparation of a G-2 special report on JCP infiltration of Proc. Office which Hotsukata has received and says he plans to discuss with you. He wants to abolish the union in Proc.'s Offices.
T.E. 5-24

BH 5/25/49 Mrs Hoover

2- files

WPN 5/24/49

MEMORANDUM FOR THE RECORD

SUBJECT: Tokyo District Public Procurators Office Secret Cell, Control Committee, JCP

The below listed items represent some of the decisions reached 4 May '49 at a meeting of subject cell:

a. Intend to expose social partying of procurator's office officials at a signal from the Central Committee of JCP.

b. Intend to place a cell member at the head of the Legal Office Workers Union's Youth Department and have other cell members become officials of the Youth Department.

c. Commencing on May 11 it has been decided that a research in reference to NPSL will be conducted. The research will be conducted to decide what measures will be taken in regard to the degree of oppression applied.

The following is quoted from a verbal order released to all members of subject cell pursuant to a directive issued by the Central Committee of JCP on 3 May:

> "The general plan of the Central Committee, JCP, is that it is determined to execute a struggle greater than a general strike sometime in July of this year. Method to be used will be the 'piecemeal tactics'. Therefore we will carry out a research program on the National Public Service Law for that moment. Also since the importance of our cell will be extremely great, it is important that we prepare plans for that occasion now."

TE.

THOMAS L. ELIOT
Personnel Specialist

TLE:jd

Reader

CIVIL SERVICE DIVISION
Government Section

23 May 1949

MEMORANDUM FOR: Mr. Blaine Hoover, Chief, Civil Service Division

SUBJECT : Amendment to the Bill for Partial Amendment of the National Public Service Law

Attached is the Amendment to the Bill for Partial Amendment of the National Public Service Law presented to the Parliamentary and Political Division of Government Section by the Legislative Bureau of the House of Representatives on 20 May 1949. It was referred to Civil Service Division by Parliamentary and Political Division at 1000 hours on 21 May. At 1130 hours Mr. Irie, Chief of the Legislative Bureau, House of Representatives, called at my office at the request of Major Harris, Parliamentary and Political Division, to discuss the proposed amendment. I indicated that we would have no disagreement with the first part of the proposed amendment; however, we would seriously object to the second part which reads, "In Article 2, Paragraph 3, Item 14, 'on July 1, 1949' shall be amended as 'on and after April 1, 1950'."

Mr. Irie based his arguments for the proposed amendment on the fact that originally it had been expected that all kodans would be dissolved as of July 1, 1949, but that subsequently it had been found necessary to continue the life of these kodans and, therefore, the Diet was considering an amendment to the Kodan Law which would extend the possible life of all kodans to April 1, 1950. The reasoning of the House of Representatives was that if the Kodan Law was so extended, the provision in the National Public Service Law which permitted kodans to be placed in the special service by rule of NPA must necessarily also be extended to coincide with the date of the Kodan Law.

I pointed out to Mr. Irie that this was not legally true and that the date used in the National Public Service Law had no legal bearing nor connection with the date covering the life of the kodans established in the Kodan Law. I pointed out to Mr. Irie that since this applied particularly to the Foodstuff Distribution Kodan since it was the only one designated by rule of NPA to be in the special service that the Diet was actually endangering the lifeline of the nation by permitting this particular kodan to continue in the special service. To bulwark my argument I pointed out the following facts:

(a) It was a known fact that the employee unionis operation in the Agriculture and Forestry Ministry were Communist-controlled and possibly the strongest so-controlled union in the entire National Japanese government service.

(b) This labor union in the Agriculture and Forestry Ministry due to the alignment with the kodan exerted great influence on the labor union of employees in the Foodstuff Distribution Kodan and, therefore, it could be expected that the Communists would exert great pressure through this means on the operation of the Foodstuff Distribution Kodan.

(c) The Communists could afford to relinquish their pressure hold on all other unions if they could insure the control of the labor union in the Foodstuff Distribution Kodan, and by this means they could so thoroughly disrupt the adequate and proper distribution of food throughout the entire Japanese nation that it could bring extreme discredit on Mr. Yoshida and his entire party administration, which might result in sufficient pressure from the country to cause the Yoshida government to fall.

(d) I pointed out that it was to the advantage of the Diet members looking to the good of the entire nation to assure that the Foodstuff Distribution Kodan was placed in such a position that adequate government safeguards and controls could be exercised on both the operation of the kodan and the activities of its employees in relation to the operation of the kodan, and that the placing of this kodan in the special service entirely eliminated all government controls over the activities of the employees by placing it outside the purview of the National Public Service Law.

(e) I warned Mr. Irie that it was decidedly unfair to place stringent controls upon the employees without at the same time giving them adequate protection and assurance of necessary redress of wrongs perpetrated by over-zealous supervisors and that it was therefore seriously suggested by this Division that all employees of this important kodan be given the protection of the equity processes assured by the National Public Service Law if they were denied the right to bargain collectively and to strike.

(f) Due to the peculiar operation necessary of all kodans, it was suggested that if the Foodstuff Distribution Kodan were placed under the purview of the National Public Service Law that certain exemptions should be granted to the administration of the kodan. This would involve an exemption to Article 101 and Article 103 as well as the Articles covering the process of competitive examination and certification.

(g) It was suggested that because the life of the kodan is expected to be relatively short as compared with regular Japanese National government service that special provisions should be made for such kodan employees in the pay law. This would assure that the employees were at least paid the same amount as similar National government employees of like grade and responsibility while permitting them to continue an additional percentage of increase to cover the recompense for short-term employment without the normal benefits of retirement, pension, etc.

Mr. Irie agreed to this reasoning and stated that he would immediately so inform the Joint Committee then considering the bill in the House of Representatives. This Joint Committee is composed of the Agriculture and Forestry Committee and the Personnel Committee. In closing, he wanted assurance that if the bill had chanced to be passed while he was discussing the matter with me that the NPA would issue an amendment to Rule 1-5 taking the Foodstuff Distribution Kodan out of the special service and placing it immediately under the regular service. I advised Mr. Irie that this matter would be discussed with the NPA.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb
Attachment
cc. Mr. Peterson

CIVIL SERVICE DIVISION
Government Section

23 May 1949

MEMORANDUM FOR : Miss Helen Loeb
Parliamentary and Political Division
Government Section

SUBJECT : Draft Resolution Regarding Anti-Tubercular Measures for National Public Service Personnel.

Replying to your inquiry of 20 May 1949:

1. Strictly speaking, the proposed resolution is an exception to merit system administration except to the extent that such tubercular cases may have developed in the course of duty and in the service. From the standpoint of promoting efficiency in the public service, the resolution may work more against merit and efficiency than for them.

2. Public policy sometimes makes such exceptions in the interest of the broad and general public good. Accordingly, the resolution does not necessarily represent bad policy.

3. We see little need for extending the one-year paid service suspension term to three years. The retention of the one-year service suspension term and elimination of tubercular patients from the administrative adjustment would seem to be a liberal handling of the situation and one that resolves all doubts in favor of lenient treatment of the employee as against considerations of efficient management.

4. To pass final opinion on the wisdom of the policy requires more information than is supplied here. Basically, the question is whether the employee could not be adequately protected through recourse to other programs which would not put the burden on the public payroll.

BH:mw

BLAINE HOOVER
Chief
Civil Service Division

Reader

CIVIL SERVICE DIVISION
Government Section

23 May 1949

MEMORANDUM FOR: Mr. MacDonald Salter, Chief, Classification and Compensation Branch

SUBJECT : Bill for Partial Amendments to the Provisional Special Instances of the Pension Law

Attached is a copy of the Bill for Partial Amendments to the Provisional Special Instances of the Pension Law which has been submitted by the Legislative Bureau of the House of Representatives to the Parliamentary and Political Division, Government Section, on 20 May and referred to this office at 1155 hours on 21 May.

We were warned by Captain Guida that Civil Service Division must have its reply in to the Parliamentary and Political Division as early as possible on Monday, 23 May. He stated that it was his understanding that ESS intended to object rather seriously to this proposed amendment.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb
Attachment
cc. Mr. Peterson

NPA - Bur. of Comp

CIVIL SERVICE DIVISION
Government Section

18 May 1949

MEMORANDUM FOR : Mr. W. Pierce MacCoy
Deputy Chief, Civil Service Division

SUBJECT : Compensation Hearings Section - NPA

Replying to your inquiry 17 May 1949.

1. The compensation hearing section of the Bureau of Compensation is to be incorporated in the Compensation Research Section of the Bureau of Compensation.

2. The Compensation Research Section will have a well defined subdivision which will, whenever necessary - and presumably most of the time - conduct hearings bearing on the construction of salary, wage and allowance schedules. Such hearings may be initiated by government employees individually or collectively, or by the Compensation Research Section itself.

3. Appeals based on alleged misapplication of duly enacted compensation schedules will be referred to the Equity Bureau.

BH:mw

BLAINE HOOVER
Chief
Civil Service Division

CIVIL SERVICE DIVISION
Government Section

17 May 1949

MEMORANDUM FOR: Mr. Blaine Hoover, Chief, Civil Service Division

SUBJECT : Compensation Hearings Section--NPA

Mr. Salter has raised a question concerning the Compensation Hearings Section under the Bureau of Compensation in NPA. He states that it was his understanding that an agreement was reached with you to eliminate this Section and make it a part of the Compensation Research Section of the same Bureau. This understanding was reached, according to Mr. Salter, on the basis that all cases of appeals from either compensation or classification were to be addressed to the Bureau of Equity and that that Bureau would call upon the Bureau of Compensation for such experts as demand needed to either sit upon the panel or advise it.

It was further the understanding that compensation hearings would be conducted on a mass basis only in relation to compensation research and would not handle individual appeal cases; therefore, such compensation hearings should only be a unit or a part of the organizational structure of the Compensation Research Section.

The thing that brought this matter up for discussion was that Mr. Salter discovered that NPA was apparently still operating on the basis that the Compensation Hearings Section was to be activated and was seeking a chief for this Section. If our understanding of the organizational change is correct, I will advise Mr. Roser to so inform Mr. Sato.

W. Pierce MacCoy

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb

Mrs MacCoy

Mrs Hoover

WBr
5/17/49

Some time ago I raised the question as to whether NPA had been informed of our understanding that all equity actors would be in Equity Bureau. The question was raised since I understood NPA was recruiting a section chief for the compensation Hearings Section which is non-existent in our thinking now. What compensation hearings are held will be part of compensation research. Appeals go to Equity.

1) Has the NPA been informed?
2) Are they still recruiting under the old concept?

Mr Salle
5/14

File

CIVIL SERVICE DIVISION
Government Section

18 May 1949

MEMORANDUM FOR: Mr. Blaine Hoover, Chief,
Civil Service Division

SUBJECT : Appointment of Baron Dan Ino to National Museum Council

1. The NPA has received a request for approval of the appointment of Baron Dan Ino, member of the House of Councillors, as member of the National Museum Council; the two positions to be held concurrently. It is the general opinion of the NPA staff that this appointment is contrary to Article 102 of the NPSL and to Article 2 of the Supplementary Provisions of the Law. Furthermore, we have been informed that there is no difference of opinion on this matter and that even the Minister of Education recognizes that a special exception would be necessary in this case.

2. There is attached a translation of a communication to the Vice-Minister of Education which was prepared at my request by the Recruitment Division of NPA informing the Ministry of the opinion of NPA. There are also attached other pertinent papers in the case.

MAYNARD SHIRVEN
Chief, Examination Branch

MS:jd

Att.

Pls. see file on this case.
WRH
5/24/49

To Vice-Minister of Education

Director-General of N.P.A.

The case that Dan Ino, a member of House of Councillors holds concurrently a position of a councillor of the National Museum, is not equivalent to the Concurrent appointment of Rule No.8-2 of National Personnel Authority, but he falls under Paragraph 2 of Article 102 of the Law and Article 2 of Supplementary Provision of the Law.

The said articles of the Law prohibit any public personnel to hold concurrently a position of elective public office, so N.P.A. can not approve the case of Mr. Dan.

CIVIL SERVICE DIVISION
Government Section

Files

17 May 1949

MEMORANDUM FOR: Mr. MacDonald Salter, Chief, Classification and Compensation Branch

SUBJECT : Chief of the Bureau of Compensation

I recently discussed the selection of various bureau and section chiefs with Mr. Sato, and he advised me that they apparently had an excellently qualified individual selected for the Chief of the Bureau of Compensation. This man was to be interviewed by the three Commissioners, and Mr. Sato this week.

It is my understanding that Mr. Yamashita has recommended him. I again urged that they expedite the selection of an individual to fill this position, recognizing the handicap that the lack of a chief in this bureau is causing in your group.

W. Pierce MacCoy

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb
cc. Mr. Roser

NPA Organization & Functions

CIVIL SERVICE DIVISION
Government Section

17 May 1949

MEMORANDUM FOR: Mr. Blaine Hoover, Chief, Civil Service Division

SUBJECT : Compensation Hearings Section--NPA

Mr. Salter has raised a question concerning the Compensation Hearings Section under the Bureau of Compensation in NPA. He states that it was his understanding that an agreement was reached with you to eliminate this Section and make it a part of the Compensation Research Section of the same Bureau. This understanding was reached, according to Mr. Salter, on the basis that all cases of appeals from either compensation or classification were to be addressed to the Bureau of Equity and that that Bureau would call upon the Bureau of Compensation for such experts as demand needed to either sit upon the panel or advise it.

It was further the understanding that compensation hearings would be conducted on a mass basis only in relation to compensation research and would not handle individual appeal cases; therefore, such compensation hearings should only be a unit or a part of the organizational structure of the Compensation Research Section.

The thing that brought this matter up for discussion was that Mr. Salter discovered that NPA was apparently still operating on the basis that the Compensation Hearings Section was to be activated and was seeking a chief for this Section. If our understanding of the organizational change is correct, I will advise Mr. Roser to so inform Mr. Sato.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb

CONFIDENTIAL

CIVIL SERVICE DIVISION
Government Section

Submitted in view of indication that Gov't Sdet. approval of names will be requested - See attachment.
T.E.

File
T.E. 5-17-49

noted
WPR
5/17/49

May 16, 1949

noted
WPR
5/16/49

MEMORANDUM FOR: THE RECORD

SUBJECT : Japanese Delegates Selected for WFTU Convention.

1. Reference is made to the attached "Spot-Intelligence" report of the same subject and to the list therein of proposed delegates for the WFTU convention to be held at Milan, Italy, late in June.

2. The following persons whose names appear on referenced list are or have been officials of government employee unions.

DOBASHI, Kazuyoshi	JCP Diet member. ~~He is~~ Ex- Chairman of Zentei.
ARAKI, Shozaburo	(Neutral) Chairman Japan~~ese~~ Teachers' Union.
SATO, Yasumasa	(Probable member JCP) Chairman, National Council of Government and Public Office Workers' Unions) Chairman of the National Meteorological Observatory Workers' Unions.
KATO, Etsuo	(Social Democrat, Democratization League) Chairman of Government Railway Workers' Union.
HISHI, Nobuyoshi	Official of Zenkanko and Local Autonomi~~cal~~ Government Employees Union. (Tokyo)
SHIGEMORI, Yoshiharu	Official of Local Autonomi~~cal~~ Government Employees Union (Tokyo)

3. With respect to the statement in the referenced report that the list of names does not correspond exactly to persons who received most votes in the election, a check has been made which shows that the last five names on the list do not appear on any list of candidates presented to the unions for election.

T.E.

THOMAS ELIOT
Personnel Specialist

TE:rr
Attchment

C
O
P
Y

CONFIDENTIAL

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED FORCES
Military Intelligence Section General Staff

CAW/RSB/MOT/mll

SPOT INTELLIGENCE

Hour: 1345
Date: 12 May 1949

SUBJECT: Japanese Delegates Selected for WFTU Convention

TO : Chief of Staff

1. Information:

a. CIC reports that the "Standing Committee for Dispatching Delegates to the Third World Federation of Trade Unions (WFTU) Convention" has selected twenty (20) Japanese delegates to attend the WFTU convention scheduled for late June 1949 at Milan, Italy. The committee reportedly decided to submit the following names to Government Section GHQ, for approval:

✓Dobashi, Jazuyoshi	Takayama Keitaro
Kan, Makoto	Kawazoe Takayuki
✓Araki Shozaburo	Takano Shoji
Kameda Togo	Haraguchi Yakitaka
✓Sato Yasumasa	Fujita Fujitaro
✓Kato Etsuo	Nakumura Ibeya
Kawaguchi Koji	Katsuta Minoru (alternate)
Watanabe Michio	Saruwate Sumiye (alternate)
✓Hishi Nobuyoshi	Ito Takeo (alternate)
✓Shigemori Yoshiharu	Kageyama Toshiji (alternate)

b. Above names were selected after repeated delays following nationwide elections for candidates, conducted by the major Communist-influenced labor unions since December 1948. However, above listed names do not correspond exactly to persons who received most votes in the elections.

2. G-2 Comment: File check reveals that practically all of the labor leaders listed above are known members or sympathizers of the Japan Communist Party. The organization which has been working for two years to promote active Japanese participation in the WFTU is the Communist-controlled National Liaison Council of Labor Unions (Zenroren), officially recognized by the WFTU as a member organization as of 1 Jan. 49. Reports from reliable sources indicate that during the past few months the Zenroren has greatly intensified its propaganda for participation in the WFTU, and has been actively supported by the Japan Communist Party in this movement.

3. Action:

a. Following agencies notified: ADC, Deputy Chiefs of Staff SCAP and FEC, G-1, GS, DS, and ESS.

C. A. W.

CONFIDENTIAL

Con Fidential WDF

CIVIL SERVICE DIVISION
Government Section

13 May 1949

MEMORANDUM FOR THE RECORD

SUBJECT : Personnel Readjustment Law.

A conference was held on 12 May 1949 in Mr. Hoover's office with Dr. Asai and Mr. Kanazashi of NPA, and Mr. MacCoy, CSD. The conference was held at Dr. Asai's request to discuss the elimination of the appeal provision in the above bill which had been sent to the Diet. This final form of this bill deletes Articles 89-92 of NPSL, the same form of the bill seen by Mr. Hoover. The Cabinet deleted Art. 4 and 6 and retained Art. 5 of above law.

Dr. Asai pointed out that if the proposed bill is passed by the Diet, no appeals will be made to NPA. NPA is receiving a considerable number of complaints concerning the clause excluding appeals - a number of which are being received from labor union groups in the government. Mr. Hoover stated those groups were protesting in the wrong place and that they should protest to the Diet. Dr. Asai said these groups were also presenting their case to the Diet. When the Diet deliberates on the bill they are certain to ask the advice of NPA on the exclusion of the appeal clause and NPA will have to express their opinion. NPA is glad of the exclusion of appeals because of the tremendous task it would involve in hearing the great number of cases which would result; however, they cannot say this to the Diet. The labor unions are basing their present arguments on those used by Mr. Hoover, i. e., equity processes thru NPA offset the employee's loss of right to strike and bargain collectively. If NPA does not agree with this stand, it admits that it does not protect the employees.

Mr. Hoover stated, as previously, that Prime Minister Yoshida was running a risk of severe attack by taking out the appeal clause and that the government was running more of a risk than NPA was. It seems to Mr. Hoover that if the unions do not attack NPA on this ground, they would soon attack them when appeals came to NPA. This way the Diet takes responsibility for the decision. It seemed to him that a perfectly proper answer to the Diet would be: Normally the matter of superintending a staff reduction in terms of deciding who should be eliminated is definitely a NPA function; that in principle NPA believes that this matter should be superintended by the personnel agency - - NPA; that in this case, however, we have an unusual situation in that they are going to eliminate a considerable number of employees immediately; the NPSL provides that NPA must take over jurisdiction progressively and on a practical basis - but in order to administer such a staff reduction as this NPA would have to have exact criteria; that as NPA

has gotten into the field of administration it has discovered that the records existing in the ministries and agencies of government are not sufficiently complete and accurate to permit the application of exact criteria in this situation; NPA is working on the development of a system of personnel records that will soon remedy this effect but that such a system is not now in force and could not reasonably be expected to be in force. Therefore, the administration of the staff reduction on this basis, properly subjected to such general suggestions as NPA can make through the rules, will probably be as satisfactory a system of reduction in force as can be done now on the basis of existing records.

Dr. Asai asked Mr. Hoover's opinion on the idea of NPA objecting to this as a "gesture". Mr. Hoover stated he was interested in NPA winning any controversies they became involved in in order to maintain the prestige of NPA. Mr. MacCoy asked Dr. Asai what his personal opinion was relative to the reaction of the Diet if NPA objected as a "gesture". Dr. Asai thinks the Diet would respect NPA's opinion on this, pointing out that Mr. Hoover's recent lectures to the Diet personnel committees had resulted in increased legislative support to NPA program. This is based mostly on reaction of House of Councillors Personnel Committee.

When question was raised about what would be involved if Diet accepted NPA's objection, Dr. Asai thought that the previous NPA suggestion of using group hearings would assist in solving part of the problem. Mr. Hoover pointed out that the public attitudes at this early date are not so important -- the important thing is the attitudes after NPA is really established. The public, including employees, will know if equity cases are being handled justly and courageously by NPA. At this point NPA cannot handle 150 cases on this basis because of lack of adequate criteria. This could only have been done on just basis if seniority alone had been used as a criteria since it could be enforced on basis of date of entry into service. By handling 150 cases by group hearings in a situation like this they would be putting an NPA seal of approval on something they would not be able to determine as just. Their critics would say it was an NPA "white wash" of a lot of bureaucratic actions. Between these two choices NPA would rather have Diet take responsibility.

Dr. Asai pointed out that it would be illogical to issue a rule quoting elements of criteria since appeals would not be coming to NPA. If appeals are to be ruled out, NPA contends it is not necessary for them to issue a rule on the subject. Mr. Hoover stated proposed rule was an advisory one and not an enforceable one. The fact that NPA is not entertaining appeals does not mean it is not vitally interested in what is done in the personnel field. Dr. Asai agrees with this but felt objecting to Diet as "gesture" would pave the way for issuing the proposed rule.

Mr. Hoover questioned wisdom of NPA getting themselves reversed. In such a case NPA would lose prestige. Unions could then say NPA not strong enough to protect itself. The recent pay situation and NPA's gain in prestige because of their part in it was cited as an example. In relations with Diet, members should be able to expect the truth in NPA's answering of questions.

The truth in this is: (1) reduction in force procedures are properly the function of NPA: (2) normally NPA will assume that responsibility; (3) NPA regrets that they are not in a position to provide their action at this time because in principle you believe it should be otherwise; (4) NPA cannot provide it because records in government are in such condition that real equity in this situation at this early date probably could not be enforced. NPA is doing everything possible to build up a system of records as quickly as possible and when that system is set up and a similar reduction in force occurs would oppose it with all of your efforts. Mr. Hoover in lecturing to House of Councillors Personnel Committee stated that NPA was a modern scientific institution but we would not advise NPA to participate or approve anything which would not be a scientific approach. Dr. Asai agreed the above position with Diet would be both truthful and satisfactory.

Opponents to ceiling control bill which Government party wants to pass as quickly as possible, are contending it should wait until classification law is passed by the Diet - thus the classification plan is becoming political football. Dr. Asai felt that with this situation there might be serious repercussions if classification law was put in the Diet now. Mr. Hoover said he did not want to put one in this session. If we could have had a classification law ready all right, but does not want it to become a political football. Next normal session of Diet, according to Dr. Asai, would be next December but looks as if another session will be held in August or September to discuss budget matters.

Mr. Hoover felt NPA should tell Prime Minister that classification act is a necessary act in the program; that it requires a great deal of technical work and that this work is being pushed as quickly as possible; that if plan were ready NPA would recommend it but if not NPA will present it as soon as it is.

Finished conference by briefly discussing (1) the urgent need for NPA to fill bureau positions in NPA with efficient heads; (2) SCAPIN issued 5/11/49 re Separation Pay; and (3) need for approval of equity procedures in order that NPA may process pending cases . In regard to the latter (3) Mr. Hoover stated he hoped to have these ready for NPA by Monday.

GP

G. Pierson

GP;mw

CSD Speeches - Mr. Hoover

file

CIVIL SERVICE DIVISION
Government Section

May 12, 1949

MEMORANDUM FOR: The Record

SUBJECT : Mr. Hoover's Lectures to the Personnel Committees

1. This afternoon, at Mr. Hoover's request, I called on Mr. Nakai, Chairman of the Personnel Committee of the House of Councilors and gave him a copy of the notes from which Mr. Hoover lectured during his meetings with the Committee in April. I explained in the presence of Mr. Inagawa that the copy was being presented to the Chairman for use in correcting the Japanese transcript of Mr. Hoover's remarks. I then informed Mr. Nakai that Mr. Hoover had just completed delivering a similar series of lectures to the Personnel Committee of the House of Representatives at their request and that I was delivering an identical copy of the notes to Mr. Hoshijima, Chairman of the Committee. Mr. Nakai suggested that any use made of the notes should therefore be coordinated with the other Committee and I asked him to inform us when their plans were formulated.

2. I then proceeded to the House of Representatives but Mr. Hoshijima could not be located. In his absence, I gave a copy of the notes to Mr. Shima of the Liaison Section and made the same explanation.

John R. Shively
JOHN SHIVELY
Training Specialist

JS:vr

LECTURE I

I hope that out of these meetings will come better understanding of and a scientific approach to the personnel problems of the Japanese Government.

The day has come when a scientific approach to our problems is important. The modern world moves rapidly. In our own lifetime many things we knew as boys have given way to scientific advancement. The horse and carriage have been replaced by the automobile and the airplane. The foot messenger has given way to the telephone, the telegraph and the radio and we are on the threshold of an atomic age in which much of man's work may be done by the release of atomic energy. Just so, in government, scientific management has increasingly displaced old-fashioned methods of "trial and error". Nowhere is this more true than in the field of public personnel administration. If during the years ahead, Japan is to assume her place with the great modern nations, she must adopt a modern, scientific approach to her problems of public personnel administration.

Your invitation to discuss this subject with you is more than a polite gesture. I regard it as an evidence of your earrestness of purpose, your progressiveness, and your patriotism.

In the brief time that we shall have together I shall discuss the personnel problem under 3 topics:

1. The objectives of public personnel administration in the democratic state.
2. Evaluation of the Japanese bureaucracy in terms of these objectives.
3. Actions necessary to the scientific reconstruction of the Japanese bureaucracy.

The study of this subject engaged the United States Personnel Advisory Mission to Japan for many months and full explanation of it would make volumes for reading and many days of discussion. Unfortunately, our time together is limited. Accordingly, I have reduced this discussion to the barest skeleton and have tried as far as possible to eliminate technical terms and technical references.

Let us now turn our attention to the first question - What are the objectives of public personnel administration in a democracy? Back of the answer to this question lies interesting historical reference. The western world, like the eastern world, has sprung from a feudalistic base. Feudalism, of course, has always by its very nature provided its own personnel system. As feudalism crumbled in western Europe, the construction and control of the bureaucracy became increasingly the concern of the leaders of states, including such men as Richelieu and The Great Elector. Over the last three hundred years in the occidental world, men have wrestled with the problem, in one form or another, of creating and controlling an efficient bureaucracy. In this period the problem itself has undergone an evolution.

Directed at first to the successful operation of the great national states wherein the monarch was to be served, it has proceeded around the dial to the successful operation of the great modern democracies wherein the people are to be served. At each step the problems of developing a bureaucracy efficient in performing in manner consistent with the basic theory of the state have undergone change.

The first great problem in the democracies was that of making the bureaucracy responsible to the people rather than the monarch. England attempted to solve this problem by shifting control of the bureaucracy to Parliament. Parliament exploited the public service politically. Its efficiency and prestige declined, and efforts at reform were futile until the historian Macauley, with the aid of Gladstone, induced Parliament in 1855 to abandon personal nomination of members of the dominant political party and adopt the principle, as applied to certain services, that men should qualify for public office on the basis of their ability - objectively measured. Later the application of this principle was extended to all higher civil servants. Thus, in England the civil servants have been in turn the servants of the monarch, then of the dominant political party, and finally of the people as a whole.

In the United States reaction against the inefficiencies of the spoils system, sparked by the emotional reaction to the assassination of a President of the United States by a disappointed office seeker, produced in 1883 the Pendleton Act which was the real beginning of our civil service system. In the United States the civil servants have been in turn the servants of the dominant political party and finally, to the extent that civil service laws have been enacted and administered, of the people as a whole.

It is interesting to note in this connection that there are in the United States today at the national, state, and municipal levels, nearly 300 civil service commissions controlling the activities of millions of public employees. The national civil service is not the most recent in design nor is it the most modern in some respects.

Whatever improvements may be made on the bureaucratic performance as we have known it, the fact remains that in concept the formal civil service as developed in the United States is essentially an instrument of democracy. It recognizes the right of the people through political process to determine public policy. At the same time it demands that public policy, so determined and known as law, shall be administered efficiently and economically in the interest of the public as a whole rather than any single political party and that every citizen shall have opportunity to participate in public administration on the basis of merit.

And so we come to the first great objective of modern civil service in the democratic state - <u>it must promote democracy and utilize democratic methods.</u>

Briefly stated this means several things: (1) the civil service must faithfully administer the law as enacted by the legislative body, which is the supreme body of the democratic state; (2) it must be democratic in that it permits all citizens to serve in public office to the extent that they demonstrate ability and to the extent that their services are needed; (3) it must be democratic in that it provides for the promotion of men in the service on the basis of their ability as demonstrated; (4) it must be democratic in assuring the employees of government equitable treatment; (5) it must be democratic in that it regards itself as serving the people and that always with the courtesy which is appropriate under these circumstances.

Now let us come to the second objective of the civil service in the democratic state.

Conceived originally in the United States as a means of defeating the spoils system, largely by enforcing examinations as a basis for admittance to the public service, Civil Service, or as it has been more recently designated, "Merit System Administration", has enlarged its vision and come to think in positive rather than negative terms. Utilizing some of the thinking of America's more progressive industrial organizations, as well as leaders in public administration, government has come to be recognized as an employer who must do certain things if men and women of superior ability are to be brought into and retained in the government, there to perform an efficient public service over a long period of years.

In the modern world government is usually the largest single employer of labor in the country. The implications of administration in a modern government are tremendous. Not only does government these days concern itself with the collection of taxes, the maintenance of police and the routines of government business, but additionally, it controls and directs the disposition of the national resources, the promotion of trade and commerce, and the whole economy of the country. To the extent that administration is efficient, the nation will in a sense prosper - and to the extent that it is inefficient, the nation will suffer.

Accordingly, the second great objective of the civil service in the modern state is - <u>efficiency of administration</u>.

So now we have the two great pillars on which civil service in the modern democratic state rests - (1) democracy, (2) efficiency.

To achieve these objectives there has been developed a modern science of public personnel administration which has received due attention on the part of many of our great western universities. This science concerns itself with the methods of evaluating the efficiency and democracy of public administration in any area under review and proposing methods for achieving maximum results in terms of these objectives.

LECTURE II

In Lecture I we pointed out that the two great pillars on which civil service in the modern democratic state rests are (1) efficiency, (2) democracy. We also pointed out that in order to achieve these objectives in public administration, the western democracies, and particularly those on the North American continent, had developed a science of public personnel administration for which our educational system provides special preparation and instruction.

My first contact with the Japanese civil service came in 1946 at which time I came to your beautiful country as Chairman of the United States Personnel Advisory Mission to Japan. We came on the invitation of the Government of Japan, with the approval of the Supreme Commander for the Allied Powers. The request made by your government and concurred in by ours was that we should study the civil service of the Japanese Government and make recommendations looking to its improvement. Even before our arrival the consensus of opinion of the occupation authorities and of the Japanese themselves was that the Japanese bureaucracy as then existing was not an effective system in a modern democracy and they wanted expert analysis of it.

As you know, the Mission spent many months aided by very able officials, both in the Japanese government and in GHQ in making investigations of conditions in the Japanese civil service. The report of these investigations has never been published. One reason that it has not been published is because the conditions found to exist were so very inconsistent with good public administration in a modern scientific world that we believed publication of the report would be very embarrassing to the Japanese people. We considered ourselves to be in a position of a doctor whose duty it is, not to publicize the symptoms of a patient, but to do everything possible to restore the patient promptly to good health. It is not our intention to publish that report at this time; however it is our intention to see the conditions remedied and I think that I can at this time discuss with this committee some of the conditions which were found to exist and which were unhealthy from the standpoint of good public administration. Let us name a few; they were:

(1) <u>Over-staffing</u>. Japan had a special problem due to lack of equipment. Japan had a special problem due to lack of modern management methods. Making due allowances for these conditions, there still existed large numbers of superfluous personnel. This was inefficient because it prevented the establishment and maintenance of standards of operations. It was undemocratic because it placed upon the shoulders of the people tax burdens which were inconsistent with the amount of work that was being done.

(2) <u>Lack of Discipline</u> - The Japanese people are naturally an orderly and disciplined people, yet no one of our experts had ever seen or read of any such disorder and lack of discipline in a responsible modern government as that which existed in 1946-47 and early 1948. In some ministries thousands of employees were giving their full time and undivided attention to work of employee unions. They were calling meetings of thousands of employees

during business hours while government work stood at a stand-still. They were occupying some of the best space in government offices for union purposes. They were keeping government officials at some points so busily engaged with negotiations that they could not superintend the government work. They were carrying on parades and strikes on government time, at government expense, and to the obstruction of government business. They had usurped the functions of management and few supervisors could issue an order with any assurance that it would be executed. They had entered into a variety of contracts which meant that government employees in one area were receiving certain compensation and working conditions while government employees in another area were receiving other compensation and other working conditions. They had usurped the management functions and even more generally were threatening to usurp the functions of the legislative body. Tax collectors would not collect taxes because they did not approve of the policy of the Diet in enacting the tax law. Supervisory officials had been threatened or otherwise coerced and had lost their courage, and almost everywhere in the Japanese public administration there existed disorder, insubordination and dissipation of government funds and properties which is without parallel in the history of responsible modern public administration. On three occasions this kind of irresponsibility brought Japan to the verge of a general strike which in view of her economic condition would have been ruinous and would have meant hunger, disease and extreme hardship for millions of her people.

That the condition was inefficient in the extreme needs no explanation.

That it was undemocratic is equally true. Democracy envisions the people of a country in possession of the sovereignty. They exercise that sovereignty through the legislative body - in this case the Diet. The right of government employees to associate together for purposes of improving their working conditions within lawful limits is conceded but it is not conceded that unions of government employees are a substitute for the duly instituted agencies of government; and when they undertake by sabotage, resistance or miscarriage of orders to substitute themselves for the agencies of government, they have assaulted the sovereignty of the people and have become undemocratic. Such is a manifestation of the attempt at minority control which is the opposite of our democratic concept.

(3) Improper Attitude of Public Officials. - This does not refer to all public officials. We found in the Government of Japan at all levels some competent, diligent and democratically inclined officials who were trying to do a good job for their country. We also found an attitude existing on the part of many public officials which was not subject to approval. This was particularly true in certain of the higher groups of officials, many of them having been raised, educated and promoted in a state which did not fully regard sovereignty as residing in the people, found it hard to absorb this idea and to make it a part of their working practice. Too many of them viewed the people as a whole with indifference or contempt and regarded public office as an opportunity to promote their own wealth or prestige rather than an opportunity to serve the people. We will omit to comment upon the lack of efficiency here for that will come out in another connection, but to the extent that such officials existed they were of course incapable

of serving as administrators in a democratic state and their permanent retention would be a menace to the freedom of the Japanese people.

(4) Improper Compensation Plans. - To begin with the employees of the Japanese Government were underpaid. You cannot develop efficiency, loyalty, or honesty in the public service where the employees are receiving less than a living wage. Indeed it is difficult to promote real efficiency until the employees of government are receiving on the average as much compensation as men receive for similar service in private enterprise. Internal to the compensation structure there were also many errors. There is no real equity or efficiency in a work situation until the employees are paid according to the duties they perform. The old feudalistic system of classifying officials as persons rather than strictly on the basis of duties performed was resulting in improper pay arrangements and strongly tended to create and favor a special class of officials. This was inefficient because it failed to promote good work - it was undemocratic because it did not represent equal pay for equal work.

(5) Lack of Equity Procedures. - There was in the Japanese system no provision for equity procedures under which the employees of government who felt that they had been unfairly dealt with could appeal to a neutral authority for impartial adjudication of their grievances. This was inefficient because it failed to give the employee a psychological reaction of loyalty to and faith in his employment situation. It was undemocratic because it constituted the supervisory officer a martinet not subject to review in terms of equity and fair dealing.

We have now spent much of our time and have covered only five points. From this point on I shall mention matters of importance but shall not take time to discuss them at length. They are:

(6) Faulty recruitment and promotion procedures.
(7) Ill-advised retirement arrangements.
(8) Doubtful injury compensation policies.
(9) Improper and inadequate training of employees.
(10) Inadequate safety programs for employees.
(11) Inadequate health programs for employees.
(12) Lack of recreation programs for employees.
(13) Loose employee evaluation practices.
(14) Lack of employee utilization procedures.
(15) Lack of standardization and control in personnel administration; in other words, lack of a central personnel agency.

Our purpose was to cooperate with the Japanese government in reorganizing the entire personnel system in such a way as to correct the faults which this study had revealed, and that leads us to our third topic, which is - "The Actions Necessary to the Scientific Reconstruction of the Japanese Bureaucracy."

LECTURE III

In our first lecture we observed that the objectives of public personnel administration in the democratic state are efficiency and democracy.

In our second lecture we measured certain conditions and practices in the Japanese bureaucracy in terms of these objectives and indicated certain respects in which the bureaucratic setup was critically weak.

In this lecture we will turn our attention to the program for the scientific reconstruction of the Japanese bureaucracy.

In approaching this subject I remind you that the Mission had adopted a policy of courteous cooperation. We desired as far as possible to avoid embarrassing anyone. To accomplish this we decided to avoid negative statements as far as possible and to concentrate on a constructive program. As an implementation of this decision we made little reference to what was wrong in the Japanese situation and cooperated with the Administrative Research Bureau of the Japanese Government in the development of a proposed law which was in fact a concentration of constructive recommendations to restudy the bad conditions which existed. This law came to be known as the National Public Service Law.

The National Public Service Law applied in the Japanese situation the principles of scientific public personnel administration as developed during the last hundred years in our democracies.

This Law, as originally drafted, did certain things: (1) It indicated the purpose of the law to be democratic and efficient administration of the public service; (2) It established the public service which included practically all positions which were paid from public funds except a certain few at the policy making level; (3) it established a National Personnel Authority. This Authority was constructed along the lines of the more modern civil service commissions in the democratic states with certain improvements based on their experience. The Law provided for the organization, duties, powers, financing, installation and perpetuation of the Authority; (4) The Law provided standards for the public service as follows:

1. Persons shall be appointed to and shall be promoted in the service on the basis of merit. Under this standard the law set up a modern recruitment and promotion system opening all of the administrative offices of government to the best qualified men on the basis of examination. A special examination program was also provided to review immediately the competence of public officials at top levels and replace the incompetent.

2. Persons in the service shall be compensated on the basis of duties and responsibilities of their positions. The Law in this case provided for development of a modern position classification plan, the grading of positions thereunder on the basis of duties and the maintenance of continuous studies of living costs and prevailing rates of pay and proper adjustment of salaries and wages of government employees.

3. Persons in the service shall have their efficiency maintained and increased. Under this standard the Law provided programs for training, health, safety, recreation, welfare and employee evaluation and employee utilization programs, all looking to the promotion of efficiency in the public service.

4. Persons in the service shall be treated equitably. In this connection the Law provided for the discipline of employees and provided for grievance procedures to assure justice to employees. It also provided for the construction of equitable programs compensating personnel for services and damaging results from injury or occupational disease acquired on duty.

5. Persons in the service shall conduct themselves in the interest of the public. In this connection it was provided that personnel of the service shall conduct themselves non-politically, that they could join or refrain from joining, employee associations, that they could not strike against the public of Japan represented by the national government, provided that men in the public service could not concurrently hold positions in private enterprise for profit, and set up certain provisions against false statements, fraud, criminal acts and membership in any political party which advocated the overthrow by force of the constitution of Japan or the government existing thereunder.

6. Persons in the service, while on duty, shall be solely employees of the national government. This provision demanded that government employees should give their full working time to the duties of their public position, provided for the transfer of personnel between agencies as necessary in the interests of efficiency, and provided that employees might not be assigned to duties which it was not the legal responsibility of the government to perform.

7. Persons in the service who served faithfully to the age of retirement shall be retired with honor and pension. This was a provision briefly for the construction and referral of the Diet of a modern retirement and pension law on a sound actuarial and financial basis.

(5) The Law further provided for its own enforcement and set up penalties for its violation.

The Law did not concernitself with technical objectives only. In drafting this law, numerous objectives were borne in mind. In the main these objectives are apparent, particularly to the experienced personnel administrator, as the text of the Law and the annotations were read. However, there are several such objectives of broad application and fundamental

character, which constitute background and are possibly less apparent than others in the text, to which at this point special attention should be directed.

1. Adequacy: Any system of personnel administration introduced at this time in Japan must envision the future of the nation and lay a foundation sufficiently broad, strong and progressive to support an efficient administration of a politically great government under conditions of modern operation in the years ahead.

2. Constitutionality: The Law, as an enactment of the Diet, requires only conformity to the Constitution of Japan to achieve basic legality. The only direct reference of the Constitution to the civil service is in Article 73, viz., "The Cabinet, in addition to other general administrative functions, shall perform the following functions:... Administer the civil service in accordance with standards established by law." The proposed Law defers literally to this constitutional reference by building the personnel structure on standards indicated as such. In general, the Law is designed to be completely consistent with the precepts announced by the Constitution and, as necessary, utilizes the institutions thereby created.

3. Simplicity of Standards: In constructing a basic civil service law, a high degree of specification is inescapable if adequate barriers are to be erected against avoidance and miscarriage. This is especially true in Japan due to the absence of a large body of trained and experienced public personnel administrators, and the lack of a body of precedent and procedure based on the application of merit principles in personnel administration. The standards announced by the Law, however, as far as possible are fundamental precepts of public personnel administration so simply stated as to lend themselves to ready introduction, quick comprehension and easy recollection by legislators, government employees and the public generally.

4. Recognition of the Individuality of Japan: The fundamental precepts and services necessary to the development of an efficient public service based on merit principles in Japan are not essentially different from those elsewhere necessary. Consequently the National Public Service Law has some resemblance to American civil service laws. This does not mean, however, that complete and detailed compliance with American practice is contemplated. Improvement thereon is at many points attempted. Moreover, the technical studies now in progress have revealed many areas in which the patterns of application of the Law must be characteristically Japanese if they are to be practical. The Law provides sufficient flexibility in its rule making power and technical programs operated thereunder to assure these adaptations in the hands of Japanese administrators.

5. Practicality in Introduction: Although the future of Japan commands a broad and progressive system of public personnel administration, the application of that system must be gradual; otherwise the personnel agency will be overloaded and the administrative agencies of Government confused, with the result that the personnel program will fail to acquire efficiency, momentum, and effectiveness in general.

The National Public Service Law as originally developed was a thoroughly modern scientific instrument adapted to the Japanese situation.

Such legislation was approved in principle by the Supreme Commander for the Allied Powers. In the late spring of 1947, it was thoroughly discussed with the Prime Minister and Cabinet and later introduced into the Diet.

A law by this same name was passed in October of 1947. There was, however, a tragic difference between the law as passed and the law which had been worked out by the Mission in cooperation with the Japanese authorities. The format of the law had been so changed as to lose the association of subject matter and destroy the significance of many provisions. Many provisions had been omitted, including the one against strikes in the government service. Altogether, there were approximately 100 significant variations or omissions in the law as passed. The effect on the Law was very much the same as the effect would be if one were to remove a number of important gears from a large machine. The machine would appear about the same in bulk, but its ability to function might be seriously retarded or destroyed. Whether these changes were products of ignorance, intrigue, or political pressures is unimportant. Their effect was to put a mortgage on the future of Japan, both in terms of efficiency and democracy.

Therefore, the first task to be undertaken on our return to Japan was the reconstruction of the National Public Service Law. This was accomplished in December 1948 just fourteen months later than it should have been.

On our return to Japan late in 1947, it was recognized that the welfare of eighty million people could not be held in abeyance while this legislation was being put through. Accordingly, at that time a program was initiated which would provide maximum preparation for administration of the Law as soon as the amendments were passed. To this end, a number of projects were initiated by the Temporary National Personnel Authority which was the predecessor of the National Personnel Authority.

At this point, a word of appreciation should be voiced for the efforts of the Commissioners. They are, as you know, Dr. Asai, an eminent student of constitutional law and a long-time student of bureaucratic problems; Mr. Yamashita, a civil engineer by profession and a long-time government servant who understood from the inside the problems of the bureaucracy; and Mr. Uyeno, a pioneer in efficiency engineering in Japan who provided the type of thinking which Japan much needed in this modern era. These men have worked hard and diligently to modernize the Japanese bureaucracy in a manner consistent with the national ideals and interests. They deserve the gratitude of their fellow countrymen.

To set up a huge machine of this sort, gear it into the government operations, and activate it effectively and without shock to the system, was no small problem. About seventy-five major projects were involved. Time does not permit us to consider them all here, but just to name a few, they were:

1. To train men in public personnel administration. This profession was new to Japan. It was, therefore, necessary to hold nation-wide examinations, select men for training, set up a college, and train men in the fundamentals of this work. It is anticipated with the end of this year there will be almost two thousand graduates of that college. They will constitute the staff of the National Personnel Authority and some of them will be available for referral as instructors to the local civil service agencies when they are set up at a later date.

2. It was necessary to secure a building and set up branch offices throughout Japan.

3. It was necessary to develop the internal organization of the National Personnel Authority, to appoint staff to each of its bureaus, to set up procedures for each of its bureaus, and to initiate its functions.

4. It was necessary to get the average salaries of government employees on a rational basis. This was accomplished through the amendments to the Law Administering the New Pay passed by the Diet in December.

We are now entering a phase of operations in which emphasis will be devoted to several projects:

1. The introduction of a scientifically sound classification plan. The present classification plan was never approved by us except as a transitional device. It is not a true positional classification plan. It has many faults which must be corrected. During all of the time since December 1946, the classification problems for the Japanese government have been under study, and it is expected that the National Personnel Authority will sometime this year propose to the Diet a classification plan which is a true application of the scientific principle. The amount of preliminary study necessary to the construction of such a plan is tremendous. On our arrival in Japan, experts said it would be difficult to develop a classification plan within five years. We hope that the National Personnel Authority may be able to present such a plan during 1949.

2. The development of the equity processes. Order and loyalty in the Japanese public service will be fully restored only as the Japanese government employees come to recognize that the equity processes of the National Personnel Authority assure them justice. At the same time, these processes will build confidence in the supervisors and executives of the government for they will come to learn that the public service expects discipline and proper conduct on the part of all its employees and that failure on their part so to perform will not be tolerated.

3. The time has come to review the qualifications of certain key officials in the government, to put the seal of approval on those who are qualified and to replace those who are not qualified with competent men.

4. The standardization of employment practices. This we have previously discussed and I shall not go into it further except to say that the National Personnel Council through its operations will produce the situation in which all employees of government will be treated on the same

basis, and the Diet can be sure that the laws it passes and the NPA can be assured that the rules it passes are applied fairly and in the same way throughout the government service. (See organization chart of National Personnel Authority)

5. The various kinds of compensation which come out of the National treasury, salary and wage, injury compensation, occupational disease compensation, retirement and other benefits, must all be coordinated to effect fairness and, at the same time, to put no illogical or ruinous burdens upon the economy of a country which is struggling to get on its feet economically.

When these things have been accomplished, much emphasis will be thrown on to the efficiency programs which are already being set up with proper personnel selected in the National Personnel Authority to superintend their administration in all ministries and agencies of government.

This, gentlemen, brings to a conclusion our somewhat sketchy review of the objectives, problems, programs and progress in the bureaucratic reform. I hope the discussions may be of service to you.

Reader

CIVIL SERVICE DIVISION
Government Section

12 May 1949

MEMORANDUM FOR: Mr. Blaine Hoover, Chief, Civil Service Division

SUBJECT : NPA Report for the Week Ending 7 May 1949

Attached is the first of a series of reports which I will receive from Mr. Sato, Director General of the NPA, relative to the workload over the period covered by the date of the report of NPA. This is in accordance with a discussion I had with Mr. Sato several weeks ago relative to supplying this office with some brief information concerning the various operations under his supervision.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb
Attachment

file
4-29-49

American Citizens Employees of the Japanese Government

Mr. B. Hoover
26-8925

GS (DS)
(Yokohama Division)

28 April 1949

3. 1. The Civil Service Division concurs in the opinion that steps must be taken at an early date to prevent the unintentional loss of citizenship of foreign nationals now employed, or to be employed in the future, by the Japanese National Government. To that end the Civil Service Division has brought the matter to the attention of the National Personnel Authority for the purpose of having an appropriate rule adopted and enforced by such agency.

2. It is the preliminary view of this division that such rule of the National Personnel Authority should include, among other things, the following particulars:

a. Who may be parties to an employment contract
b. Certain provisions essential to all such contracts
c. Stipulation that Japanese citizenship is not applicable to persons entering into such contracts and that no affirmation or declaration of allegiance to the Japanese Government shall be exacted
d. Provision that no foreign national shall be employed by the Japanese Government except by contract executed pursuant to the above conditions unless such foreign national has been presented with a standardized notice warning him of the effects upon his citizenship which such employment might have. Provision for assuring the receipt of such notice must be included.

3. The authority of the National Personnel Authority to issue and enforce such a rule is in process of verification and if, by any chance it is determined that the National Personnel Authority is lacking in authority, the Civil Service Division will place the matter before the agency which does have jurisdiction.

4. The procedures of the National Personnel Authority are being installed gradually and as yet, Oaths of Office, pursuant to Article 97 of the National Public Service Law, have not been exacted, nor so far as is known, have foreign nationals been affected by the requirement that persons who apply for examinations be citizens of Japan, pursuant to Article 36 of the National Public Service Law.

CSD File

- C. W. - - - - - - - - - - - - - - - - -

CIVIL SERVICE DIVISION
Government Section

15 April 1949

MEMORANDUM FOR: Mr. Gordon W. Peterson, Organization Specialist

SUBJECT : American Citizen Employees of the Japanese Government

Attached is a checksheet on the above subject under the date of 31 March 1949 and second indorsement of 8 April 1949, with which I believe you are familiar.

In view of Paragraph 7 of the first indorsement, it might be wise to prepare a reply to the Diplomatic Section (Yokohama Division) advising what steps the National Personnel Authority will take to safeguard the established nationality of the various foreign nationals who may be employed in the future by the Japanese Government. Kindly prepare such an answer for such a reply for Mr. Hoover's initials.

It would appear to me that the National Personnel Authority should issue a rule covering the methods to be followed in the present and future employment of foreign nationals. I should think this would require that a printed statement be issued to the foreign national contemplating employment by the Japanese National Government and that he should likewise be required to sign a statement, which will become a part of his personnel folder, indicating that he has been furnished with such a statement and is fully informed on his rights and prerogatives as well as being warned of the possible results of his actions.

I am somewhat perturbed by Mr. Johnson's statement in the fifth paragraph of the first indorsement to the effect that approximately 2000 Nisei are working " * * * for the Occupation on the Foreign National and Japanese National payrolls of the Japanese Government * * *".

Congress has gone to great lengths to clarify a rather serious situation surrounding many Nisei now in Japan and to legally reestablish their citizenship. If SCAP in the person of the Civil Service Division proceeds to upset the deliberations of Congress at this late date, I am afraid that it will bring serious censure down on the head of SCAP; therefore, it is very important that this matter be clarified and these Nisei fully protected at the earliest practical date.

W. Pierce MacCoy

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb
Att.

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W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb
Att.

SCAP-VIP

CIVIL SERVICE DIVISION
Government Section

28 April 1949

MEMORANDUM FOR : Brigadier General Courtney Whitney
Chief, Government Section

SUBJECT : Labor Mission to Japan

I have just received a letter from Mr. Luther Steward dated 22 April 1949 in which he states:

"From what I can learn as to the proposed labor mission, one of Bill Green's staff is collecting names for Green's consideration; nothing has been agreed upon either as to members of the mission or their program. There is also under discussion a proposal for the A. F. of L. to establish a permanent office in Japan. Anything I hear further on this subject, I shall pass on to you."

The foregoing is for your information.

BH:mw

BLAINE HOOVER
Chief
Civil Service Division

CIVIL SERVICE DIVISION
Government Section

27 April 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Guards of Prisons and Reformatories

Mr. Hasumi of the Salary & Wage Section, NPA, called at this office on 27 April 1949 and advised that he had been contacted by Mr. White of the Public Safety Division, G-2 in regard to the salaries of guards employed in prisons and reformatories. At the request of Mr. White, Mr. Hasumi visited his office to discuss the problem. Mr. Hasumi was advised by Mr. White that they were encountering difficulties in maintaining the staff of guards at the prison and that the turnover amounted to from 30 to 40 per cent annually. It was the opinion of Mr. White that if the grades or step rates could be raised for these employees the situation would be remedied. Mr. Hasumi stated that he would make an investigation and in connection therewith consult the Civil Service Division of Government Section in regard to the matter.

Mr. White is presently making a survey which is to be completed by 5 May, and requested Mr. Hasumi, on the basis of his investigation, to make recommendations not later than 16 May. Mr. Hasumi stated that he made no commitments in connection with the matter. However, he has dispatched one of his employees on a field trip to make an on-the-spot study so that he will have some basis upon which to make recommendations.

Mr. Hasumi stated that in his opinion to raise the grades or step rates of these employees would not correct the situation, but it was his belief that there were other factors involved besides salaries. He is to advise this office and submit a complete report covering his investigation.

see Mr. Takemoto

JESSE B. BETTIS
Compensation Specialist

JBB:jd

U.S. Gov. - Gov. Corps

file

CIVIL SERVICE DIVISION
Government Section

26 April 1949

MEMORANDUM FOR: Mr. Blaine Hoover, Chief, Civil Service Division

SUBJECT : Information on Government Corporations and Authorities in the United States

The attached listing of government corporations has been compiled from several sources:

U. S. Government Manual - 1948 (Current through June 30, 1948)
Task Force Report on Revolving Funds and Business Enterprises of the Government (Appendix J) prepared for the "Hoover Commission" January 1949 (Current through June 30, 1948)
Mr. MacCoy's memorandum to you dated March 8, 1949.
The "Government Corporation Control Act" (Public Law 248, 79th Congress)
The "Government Corporations Appropriation Act, 1949" (Public Law 860, 80th Congress)
Mr. Robert S. Hare's (USCSC) letter to you with undated dittoed enclosure setting forth pay provisions applicable to government corporations based on Bureau of the Budget information.

Unfortunately these various sources of information are not entirely in agreement as to which corporations are still in existence. Therefore, the attached list shows organizations on which there does exist substantial agreement between the various information sources. With respect to coverage of personnel of these organizations under the Civil Service and Classification Acts, complete information has not been obtained. Practically the sole source of information was the enclosure to Mr. Hare's letter which confined itself largely to compensation coverage and only incidentally and occasionally to coverage under the Civil Service Act.

It will be noted that Mr. Hare states in his letter that the Alaska railroad is not a government corporation. While this is so, Mr. Shirven of our staff tells me that it is a government-owned enterprise and it is referred to in the U. S. Government Manual as being sponsored by the government and managed by the Secretary of the Interior. No information was available as to the status of its personnel.

All available information regarding civil service status of corporation personnel has been entered in the "Remarks" column of the attached list.

There is also attached a listing of categories of the Japanese governmental service which is self-explanatory.

TE

THOMAS L. ELIOT
Personnel Specialist

TLE:jd

Att.

WHOLLY OWNED GOVERNMENT CORPORATIONS *

	Supervisory Organ	Remarks (A) Civil Service Act (B) Classification Act of 1923
The Commodity Credit Corporation	Dept. of Agriculture	Experts excepted (AB)
Federal Intermediate Credit Banks	Dept. of Agriculture	Excepted from (B)
Production Credit Corporations	Dept. of Agriculture	Excepted from (B)
Regional Agricultural Credit Corporation of Washington, D. C.	Dept. of Agriculture	Excepted from (AB)
Federal Crop Insurance Corporation	Dept. of Agriculture	Advisory Committee Members excepted from (B)
Federal Farm Mortgage Corporation	Dept. of Agriculture	Excepted from (AB) under (B) ceiling
Reconstruction Finance Corporation	President of U. S. A.	Excepted from (AB)
Federal National Mortgage Association	Reconstruction Finance Corp.	Excepted from (AB)
Inland Waterways Corporation	Dept. of Commerce	Excepted from (AB) Non-vessel employees under (B) ceiling
Warrior River Terminal Company	Inland Waterways Corporation	Wholly owned by Inland Waterways Corporation
The Virgin Islands Company	Dept. of Interior	Excepted from (B)
Federal Prison Industries, Inc.	Dept. of Justice	Exempted from (B)
Institute of Inter-American Affairs	Dept. of State	Extra-continental personnel excepted from (B), but under (B) ceiling. All personnel under (A)

Export-Import Bank of Washington	President of U. S. A.	Excepted from (B)
Home Loan Bank Board	Housing & Home Finance Agency	Follow (B) administratively
Panama Railroad Company	Secretary of the Army	Follow (B plus 25%) administratively
Tennessee Valley Authority	President of U. S. A.	Excepted from (AB)

MIXED-OWNERSHIP GOVERNMENT CORPORATIONS *

The Central Bank for Cooperatives & the Regional Banks for Cooperatives	Dept. of Agriculture	Excepted from (B)
Federal Land Banks	Dept. of Agriculture	Excepted from (B)
Federal Home Loan Banks	Home Loan Bank Board	Excepted from (B)
Federal Deposit Insurance Corp.	President of U. S. A.	Excepted from (B)

The Alaska Railroad	Dept. of Interior	"Sponsored" and "Managed" by Dept. of Interior

* Under the provisions of Public Law 860, 80th Congress, "Government Corporation Appropriations Act 1949" prohibited from engaging in strikes or belonging to any organization which asserts the right to strike against the Government of the United States or advocates the overthrow of the Government of the United States by force or violence, the standard statutory language with which you are well acquainted.

CATEGORIES OF THE
NATIONAL PUBLIC SERVICE OF JAPAN

Special Government Service

The Prime Minister

Ministers of State

Commissioners of the National Personnel Authority and Auditors of the Board of Audit

Director-General of the Cabinet Secretariat

Deputy Director-General of the Cabinet Secretariat

Parliamentary Vice-ministers

Director of the Liaison and Coordination Agency

Confidential Secretaries to the Prime Minister (not exceeding three in number) and other Confidential Secretaries (one for each Minister of State or head of agency included in the special government service)

Positions, the occupancy of which requires an election or the appointment to which requires a resolution or consent of one or both Houses of the Diet

Director of the Imperial House Office, Grand Chamberlain, Chamberlains and other personnel of the Imperial House Office as designed by law or rules of the National Personnel Authority

Ambassadors and Ministers

Judges and one Confidential Secretary to the Chief Justice of the Supreme Court and one Confidential Secretary to each Associate Justice.

Employees engaged in the service of the Allied Forces in compliance with the demands of the Allied Forces

Personnel of Kodan as designated by the National Personnel Authority (however the present item shall be void as from July 1, 1949)

Occupation Forces Workers (in special government service)

Regular Government Service

Public Corporations (Kodan)

(Foodstuffs Kodan in special service, all others in regular service)

Relief Projects and Public Works

Non-Descript

Holding Company Liquidation Commission

Closed Institutions Liquidation Commission

Securities Coordinating Liquidation Commission

Relief Projects and Public Works

Non-Descript

Holding Company Liquidation Commission

Closed Institutions Liquidation Commission

Securities Coordinating Liquidation Commission

Reader

CIVIL SERVICE DIVISION
Government Section

26 April 1949

MEMORANDUM FOR: Mr. Blaine Hoover, Chief, Civil Service Division

SUBJECT : The Proposed Law for Partial Amendment to the Public Procurator's Office Law and the Proposed Law for Judicial Examination

On Monday, 25 April, Mr. Shirven and I discussed the two proposed bills with our objections with Judge Oppler, Arthur McCormick, and Howard Meyers of the Legal Section. I specified the general things with which we agreed in the bill and the general points of disagreement while Mr. Shirven discussed the specifics of disagreement.

As might be expected, Judge Oppler was emphatic in his resistance to anything which would disturb or endanger the total independence of the entire judiciary system including both judges and procurators by permitting the encroachment of any form of bureaucratic control.

Mr. Shirven made a very able case for our stand in the matter; however, the Judge is adamant on the point of not permitting the National Personnel Authority or any other organization outside the judicial system to have a voice in the examination, selection, appointment, or discipline of any individual connected in any way, shape or form with the judiciary group.

The Judge finally offered to effect a compromise to the effect that a clause would be inserted stating that the Attorney General's Office in conducting the examinations for the procurators (and judges and lawyers) would consult the National Personnel Authority relative to the construction of the examination and the techniques. Mr. Shirven countered with a request that the word "consult" be removed and that it be stated emphatically that the Attorney General's Office would be required to seek such advice and direction from the National Personnel Authority. All three gentlemen from the Legal Section objected to making the provision as restricting as a requirement would indicate.

Mr. Meyers stated that if the Civil Service Division and the Government Section agreed that the apprentice system with its apprentice examination was good and should be continued and since such apprentice examinations were given by the Attorney General's Office, he felt that this started a circle of legal examining processes under the supervision of the Attorney General's Office and, therefore, could not be broken into later by injecting the National Personnel Authority into the examination process covering only one-third of the group of apprentices involved.

As established by the Court Organization Law and the Public Procurator's Office Law, the present system establishes an initial and secondary examination system. The initial examination covers those individuals who are graduates of law schools and other student groups. Upon the passage of this initial examination, they spend two years as apprentices under the auspices of the Supreme Court. At the end of the two-year apprentice period, they then present themselves for the second examination after the passage of which they decide whether they are to become lawyers in civil practice, judges or procurators. It is at this secondary point that we wish to inject the National Personnel Authority who under the National Public Service Law would have authority to examine and prepare certificates only on the public procurators.

Judge Oppler called our attention to the fact that the present Court Organization Law and Public Procurator's Office Law were prepared under the guidance and with many personal suggestions from Brigadier General Whitney and Colonel Kades. He also called our attention to a fact of which I was not aware, that the original National Public Service Law included public procurators as an example of exception under Article 13 of the first Supplementary Provisions and that such exception was placed on the public procurators at General Whitney's personal suggestion.

The conference ended with the agreement by Judge Oppler and Mr. Shirven that the Amendment to the Public Procurator's Office Law and the Law for Judicial Examination would be submitted with a rewrite of Article 32-2 of the Amendment to the Public Procurator's Office Law withdrawing the statement that this would be considered an exception under the National Public Service Law in accordance with Article 13 of the Supplementary Provisions of that Law. This would permit the Attorney General's Office to proceed with the necessary examinations while the Legal Section, the Civil Service Division, the Attorney General's Office, and the Supreme Court conferred to settle the basic point as to whether the public procurators should be under the National Public Service Law, and how that should be resolved in the Law.

I should like to add a personal comment. While I thoroughly believe that the public procurators should be under the National Public Service Law and should be examined and certified by the National Personnel Authority, and while I argued strongly for this point during the days of the Mission, I am afraid that this is another case where we have appeared too late on the scene to properly handle the matter to conform to good public administration. There are several factors which I think are pertinent and must be considered.

1. SCAP is definitely committed to the divorcement of judicial procedures, operation and organization, from any vestige of control or influence by the administrative part of the National Government.

2. General Whitney and Colonel Kades were both specifically interested in the protection of the judicial system including the courts, the Attorney General's Office, and the governmental legal system, mainly because they are both excellent lawyers themselves and, therefore, know that field more intimately.

3. The Japanese legal and judicial groups have good cause to be afraid of control by the administrative part of the National Government from many years of hard experience prior to our advent on the scene.

4. The Japanese legal and judicial groups have been further strengthened and consolidated in their opposition to any indication of administrative control by the GHQ Advisory Group which was originally the Legal Division of the Government Section and is now a part of the Legal Section.

5. A full expression was given to this backing of the Japanese legal and judicial groups by the old Legal Division of Government Section encouraged by the Chief and the Deputy Chief of the Government Section by writing specific laws declaring and bulwarking the independence of the legal and judicial system in Japan.

These factors were all fait accompli before the passage of the National Public Service Law and even before the establishment of the Civil Service Division; therefore, I am of the opinion that while I don't particularly like it, I think this is the point where discretion is the better part of valor and that we should probably give gracefully to permit the elimination of the procurators from the supervision of the National Personnel Authority. In this "giving" I should like to save as much face for the NPA and the Civil Service Division as is possible, and, therefore, I should like to suggest that consideration be given to permit the National Personnel Authority to issue a rule specifically establishing the procurators as an official exception under the authority of Article 13 of the first Supplementary Provisions of the National Public Service Law. This exception will have to be specific as to just what parts of the National Public Service Law will not apply to the procurators.

In making this suggestion I realize full well that we are establishing a delicately balanced precedent since without a doubt other special interest groups will attempt to utilize this as justification for their exemption. Notable in this group, of course, will be the educators; however, I am afraid this is inevitable and that unless we wish to wage a full scale all-out fight with the Legal Section, we are going to have to take this action, and I don't believe that it is wise to attempt to alienate the Legal Section at this particular time.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb

Leg. Laws Misc. 26 April 194

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A. Bills to which the Civil Service Division made objection based on conflicts with the National Public Service Law or laws enacted pursuant thereto, or based on possible misinterpretation of the bills, in conflict with such laws.

Name of Bill	Objectionable Feature	Date Referred To P&P Div.
Proposed Youth Guidance Law	Appointment Standards; possible complete evasion of NPSL by Committee.	22 March
The Mine Safety Bill	Evasion of current controls on allowances and concurrent appointments	12 April
Bill for the Partial Revision of Child Welfare Law	Possible complete evasion of the NPSL	15 April
The Industrial Standardization Law	Possible complete evasion of the NPSL	20 April
The Offenders Prevention and Rehabilitation Law	Appointment Standards	19 April
Temporary Bill concerning Collection of Iron Scraps	Evasion of current controls on allowances and possible complete evasion of the NPSL	19 April
Law Establishing the National Institutions for the Guidance on Rehabilitation of the Physically Handicapped	Appointment Standards and possible complete evasion of the NPSL	20 April
Law concerning the Government Housing for the National Public Service Personnels	Official residence might be regarded as part of compensation	19 April
Proposed Construction Contractors Law	Appointment provisions and possible complete evasion of the NPSL	20 April
Law for the Enforcement of the Public Corporation Labor Relations Law	Evasion of the NPSL by members of labor relations board	21 April

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Law concerning the Establishment of the Ministry of Construction	Possible complete evasion of the NPSL	21 April
Budget of Government Corporations for Fiscal Year 1949-50	Conflict with new law concerning separation pay for the Civil Merchant Marine Commission Employees	22 April
Local Autonomy Agency Establishment Law	Possible evasion of current controls on allowances including conflict with Law 268 of 1948	25 April
The Ministry of Finance Establishment Law	Possible evasion of controls imposed by the National Public Service Mutual Aid Association Law	25 April
Law concerning the Right of Publication, etc. of Text Books Compiled by the Ministry of Education	Possible complete evasion of the NPSL	25 April

B. Bills to which the Civil Service Division has made objection based on broad impairment of program and controls of the National Personnel Authority thereby defeating an Occupation objective

Name of Bill	Date Referred to P&P Div.
The Ministry of Foreign Affairs Establishment Law	21 April
The Ministry of Welfare Establishment Law	21 April
The Ministry of Education Establishment Law	21 April
Law for the Amendment of the Ministry of Labor Establishment Law	21 April
Law concerning the Establishment of the Ministry of Construction	21 April
The Ministry of Finance Establishment Law	25 April
The Prime Minister's Office Establishment Law	26 April

Conferences with Japanese

MEETING OF THE PERSONNEL COMMITTEE
HOUSE OF COUNCILLORS
22 April 1949

file

Members of the Personnel Committee who were present at the meeting:

NAKAI, MITSUJI, Chief
OGUSHI, SEIICHI, Vice-Chairman
UTSUNOMIYA, NOBORU, Vice-Chairman
AKAMATSU, Tsuneko
KOGURE, Sanshiro
SASAKI, Shikazo
OYAMA, Yasushi
HANI, Goro
IWAO, Nizo

Mr. Nakai: Thanks for the presence of the Civil Service Division staff in these conferences where we can consult with them. Mr. Nakai will be glad to start and he has a few questions to ask Mr.Hoover.

Mr. Hoover: MR. NAKAI AND GENTLEMEN: In response to what you have said, let me assure you again that it is a pleasure for the members of the Civil Service Division to be here with you. The meetings we have had, quite apart from their professional character, have been pleasant, specifically from the standpoint of personal relationships. I am at your service today and shall try to respond to your questions. There is one thing on which I am going to be very careful. I am of the opinion that many of the misunderstandings that have come to my observation during the time that I have been in Japan have been due, not so much to a failure of the minds to meet as a failure of the tongues to meet, misunderstandings with respect to language, so I am going to be very careful today to be sure to get the question just as you intend it and I will ask you to be patient with me.

Nakai: Says he appreciated the detailed explanations given by Mr. Hoover during the three installments of the conference to which he wholeheartedly agrees, but here he would like to get Mr. Hoover's view on the following matters in connection with the management of his Personnel Committee. The Local Public Employees Bureau is about to be introduced to the Diet. The jurisdiction of this bill is the Cabinet within the Japanese Government and Local Administration Committee in the Diet, but the Personnel Committee has great concerns with this problem and about what committee will take up this bill is now a moot question. Also, the following bills are to be introduced to the Diet in the near future. They are the Pension Law, Partial Amendment to Public Employees Mutual Association, Calamity Insurance for our public employees, dwellings for public employees established by the State, enforcement of pay laws to public employees, and pay laws of special government service employees.

The Personnel Committee is studying about these laws, but these laws were drafted by the Finance Ministry and it is almost sure that those laws will be examined by the Finance Committee in the House of Councillors. Therefore, he would like to ask for your views in connection with the treatment and examination of those bills. Each standing committee has matters under its jurisdiction and those matters are specified in the House of Councillors' rules and study committees are formed in accordance with ministerial department so, for instance, would the Finance Ministry draft men to the Finance Committee?

Hoover: Now, if I understand the question, it is this: Apropos of the following bills which are to be introduced or are under consideration, first, the Local Public Service, the National Government Pension, the Partial Revision of the Mutual Association Law, the Calamity and Insurance for Public Employees and the Enforcement of Pay Laws. Do I have them correct?

Interpreter: Wage Bill. Bill for Wages for Public Employees.

Hoover: The Revision of the Law Administering the New Pay. ... Now, the question is, should such bills receive the consideration of the Personnel Committee. Is that the question?

Interpreter: I understand that in the Personnel Committee, those bills were to be examined by the Committee.

Hoover: Should the Personnel Committee examine those bills? Is that the question? I am trying to crystallize the question for clarity.

Interpreter: Yes.

Hoover: Well, first, in justice to one of my colleagues, I wish very much that Dr. Justin Williams were here because this is a matter which technically would fall under his jurisdiction within GHQ: however, that fact will not deter me from replying to your inquiry.

The bills that you have named, as far as I recollect, all touch upon the pay, benefits, working conditions, or some other aspect of personnel administration affecting government employees; therefore, such bills are proper subject for consideration of a personnel committee. Now, it may be that many of the bills do have financial aspects also and should be reviewed by such committees from the standpoint of finance. But simply because there is a financial aspect to the bill would be no reason for subjecting the government employees to the decisions of a committee which was interested primarily in the financial aspects only. You have a much broader approach to the question than that and must function with respect to all of the personnel management items in legislation.

Indeed, I will go further. The Civil Service Division, GHQ, will cooperate with the Personnel Committee in every way that it can with propriety in establishing its jurisdiction in these matters and in assisting that committee to discharge its function to the extent that the committee desires.

I am revealing no secrets, I am sure, when I say that the civil service program was developed rather later than some programs in the history of the Occupation and that it is only a matter of record that the Civil Service Division had to teach many people that there were other considerations in personnel management than simply the financial ones.

Finally, I will request Mr. MacCoy who is present, and I will ask him in the presence of the Committee so that you may know what has been done, to approach Dr. Williams and to inform him fully of the position we have taken in answer to this question.

Nakai: He talked upon the administrative organization problem which is a very important problem at present and revealed the Personnel Committee's attitude. All the members of the Personnel Committee are greatly interested in this problem and called government authorities to the Committee meeting and asked them to reveal the outlines of the organization problem, but at that time the government reply was that the organization problem was still undecided. That was the government reply. However, the Personnel Committee is of the mind that this Committee should participate in the bill for fixing the number of personnel and asked, therefore, for the materials concerning the old administrative organization problem which, however, was not furnished by the government, so the chairman asks further whether it is appropriate for the Personnel Committee to participate in this matter more especially in the government for fixing the number of personnel.

Hoover: Reduced to its simplest terms, the question is, should this Committee have a voice in the administrative reorganization. Is that correct.

Interpreter: And more especially in regard to the fixing of the number of personnel.

Nakai: Re-adjustment.

Hoover: The answer to that question requires some very discriminating thought. Remember please that the NPA has been instituted as an agency of modern scientific management. In the National Public Service Law as originally passed, there was provision for the gradual assumption of the personnel functions by NPA. It was recognized by men who had spent their lives in personnel work that the reorganization of the bureaucratic situation here was so large a job that to be done best, it should be undertaken one section at a time; however, fate intervened. At the time that the National Personnel Authority came into its full legal stature, the situation in the bureaucracy was so very bad and so threatening to the well-being of Japan in a critical period that NPA stepped ahead and extended its authority faster and further than was originally intended and planned. To a considerable degree that has resulted in the restoration of order, and I believe that it represented the lesser of evils in a bad situation. However, as we approach the readjustment

we have these facts in mind. There does not presently exist in the Japanese Government the statistical information or the controls necessary to an immediate, scientific readjustment. The readjustment which is being undertaken is what might be called a next-best kind of operation; however, I have no doubt that it is necessary. I have no doubt that it will accomplish much good, but I would be the last to attempt to give it any character as a scientific operation. Now in that situation, first, with respect to the position of NPA, generally the idea has been to permit the Administrative Management Agency which carries two types of responsibility, first, the responsibility for determining the framework of government and the interrelationship of the various ministries and agencies. Let it perform that function and, second, permit it and the government as far as possible to make some advance on the quantative elements of the personnel problem specifically a primary or initial reduction in staff. I have been very reluctant to encourage NPA, which I hope the Japanese people will come to recognize as a scientific and completely fair and just institution, to engage itself in an operation which however necessary will inevitably be characterized by certain mistakes, inequities, and blunders. Accordingly, the present position of NPA as far as we are concerned is this: that we are not going to interfere with the government program in its initial steps because by and large it is necessary, but if at any time we observe a failure to function, a failure to implement or a degree of miscarriage which amounts to injustice or any other error which is preventable, we shall try to intervene and minimize the damage. Now, second, in respect to the position of the Committee in that matter, I would say that the position of this Committee is much broader in its jurisdiction than is the jurisdiction of NPA. NPA specifically has jurisdiction over the regular service created under the National Public Service Law, but this Committee just like the Civil Service Division has a somewhat broader responsibility which extends to a rather general supervision of personnel matters including the personnel in the special service. In other words, any matter relating to personnel administration within the government services would seem to be proper subject of a consideration of consideration of a personnel committee and on that basis, while I regard this readjustment as primarily quantitative and lacking in qualitative distinctions and while I regret that inevitable lack in the program, nevertheless I believe that in all aspects, quantitative and qualitative, this Committee is concerned because the management of personnel is involved. I want to emphasize what I said in reply to the very first question. I don't think it is a matter for this Committee of waiting for people to refer matters to you for consideration. I think you are the watchdogs in the House of Councillors. The whole personnel situation and any bill which affects the personnel of any service, whether it is referred to you or not, is your business and if it doesn't come to you I will try to help you if you want it. At least I am sure Dr. Williams will.

I think I should say that the Civil Service Division has for many weeks had members of its staff working with members of the staff from Jinji-In to try to determine what bases exist with recent statistical and other bases in the Japanese system and to the extent, if any, that we discover criteria on which scientific and fair action can be based. Jinji-In will be advised to participate. However, one of the things which we must do immediately to the Japanese civil service is to build a system of record-keeping on which actions can be taken with a sureness that we are acting on a basis of fact. It is unfortunate that this readjustment had to come before the system was fully developed.

Nakai: He would like to have a clear statement on the attitude of the Personnel Committee. He heard that the matters under the jurisdiction of the Personnel Committee are not only those pertaining to regular service, but also to special governmental posts. Therefore, over-all participation of the Personnel Committee in maters relating to personnel affairs is necessary. He said that the previous statement --Mr. Nakai understood that the personnel jurisdiction was not so extensive as later stated so he would like to have clarification on this.

Hoover: Let me ask, do you have in your law setting up your Committee a definition of the scope of your jurisdiction?

Nakai: In the House of Councillors' regulation, this is specified that matters under the jurisdiction of the NPA, those matters are under the jurisdiction of that personnel committee because ...

Hoover: It is made co-extensive with NPA. If these so indicate, they will have to be respected for the time being, but I am inclined to think that they may create a vacuum . . . . that the House of Councillors will give you personnel matters which strictly do not fall under Jinji-In and I would be inclined to say that the delegation of authority might be well reviewed from the standpoint of making it adequate. Now, I think that you probably would not want jurisdiction with respect to the personnel of the government corporations, the monopolies, because after they become government corporations the assumption is that they are going to operate as independent corporations but on the other hand there is need for legislative attention both in your House and in the House of Representatives to personnel matters involving the so-called special service. It is not large in numbers. It simply is necessary to round out complete control and coordination of the personnel situation.

In general, any persons in the bureaucracy drawing their pay from the public treasury which derives its money from taxes and exercising authority in the name of the Japanese government should be subject to review of a properly constituted legislative committee and in the absence of such provision I take it there would be no such review.

Akamatsu: This lack of material concerning personnel affairs, the personnel committee can do nothing at all because they cannot approach the problem and they have nothing about the personnel because of lack of material.

Hoover: I think that that is a matter which Mr. Nakai as your Chairman and as many members of your Committee as you wish should discuss with me and Dr. Williams because that is something that requires attention. It would be a very unfortunate legislative situation if the man who assigns proposed legislation for consideration could autocratically and arbitrarily route it around the appropriate committees and leave the matter standing; that would not be good legislation. You agree with that, don't you? That would defeat the purpose of special committees.

I suspect that this situation exists: the Personnel Committee is, I believe, the youngest committee on the calendar. --This is not a new experience.-- You will probably have to fight and we will help you all we can to establish your proper jurisdiction because the older committees will try to shoulder you away and disregard you at first. We will just have to bring them up short and sharp, that is all.

You are in something of the same position as NPA itself which being a new and young agency and particularly a type of agency which has not existed long in Japan--an independent agency--is very little understood and many of the men who have not worked with that kind of agency are inclined to disregard it or to pass it by or to laugh at it. They have a very sad awakening coming to them and I am sure that the men who would reduce the powers of the Committee have a very sad awakening coming. I would like to be present at the awakening.

We had a somewhat similar experience in the United States in 1873 when the first civil service law was introduced, and certain parties with interests to serve succeeded in ignoring it for some ten years, but in 1883 the sentiment came roaring back in the Pendleton Act and many of those men who had been laughing the hardest found themselves out in the parks without any jobs wondering what had hit them.

Nakai: Must the Personnel Committee go into joint session with the Finance Committee on all of these matters?

Hoover: Not necessarily. I would like to talk that over with Dr. Williams. I don't want to take the matter out of his hands, but I am satisfied that the Personnel Committee must have an independent opportunity to consider its opinion on any matters affecting the personnel within the area, that is, in its jurisdiction. No,

I am not going to concede that for a moment, but I believe possibly the most effective way would be to work it out with Dr. Williams since that is his function, and I should be very willing to sit in with any members of the Committee or all of you and Dr. Williams for that purpose.

Sasaki: I am a democrat...

Hoover: I don't want to know anybody's party. I am talking to you as friends and colleagues and without regard to politics whatsoever. We are all interested in one thing and that is the development of a strong government in Japan, a fair one, and a modern one. For the purpose of these meetings we all belong to one party. We are trying to build a good civil service.

Sasaki: The Cabinet Standing Committee has at present various ministerial laws and readjustment bills. Under the circumstances the Cabinet Committee will not be able to give complete treatment in examining those bills because of the time element and most of the bills as drafted by the government will be passed by the Cabinet Committee as they were drafted. This is an embarrassing situation for the Personnel Committee which comprises most efficient committee members. Therefore, the problem which Mr. Nakai stated was supplemented to some extent by Mr. Sasaki. About the Finance Committee, the Finance Committee handles bills concerning the pay laws and the administration of the adjustment bill is handled by the Cabinet Committee.

Hoover: Well, the payroll is not all there is to a readjustment involving personnel. There is much more than that to it. If that were not so, you could all go home and let the Ministry of Finance run the government.

I think there is a special problem in this situation which springs probably from two facts. The first one is that the government feels itself under pressure to bring about the readjustment quickly. The second one is that this Committee is amongst the newer committees and has not yet established itself so that even those men who are thinking conscientiously automatically think of it as a committee that should participate in these considerations. I am not sure that you will be able to get a satisfactory result in this readjustment, but I do think we should seize upon what this discussion has brought out, to confer with Dr. Williams.

Nakai: In connection with the report you made to SCAP Mr. Nakai states that the gist of this report which was delivered here at previous meetings would be desirable to be passed not only to the personnel but to anybody holding a governmental position for asking their reconciliation as propaganda of this spirit of our conference is most necessary at present, and upon their reconciliation it is to be hoped that those governmental employees should cooperate with the

National Personnel Authority. Otherwise, what happened in the United States during the years 1870's might happen here in Japan and it has already happened here so the more the people have access to this spirit of our conference, the more it will contribute to the establishment of modern democratic civil service system here in Japan.

Hoover: There is a great deal to what you say. The situation is this: First, as I have stated to you, the report was essentially a confidential report to the Supreme Commander and one portion of it only, and that was the proposed civil service law, was made available to the then Prime Minister, Mr. Katayama. What I said to you gentlemen here was consistent with the report and in part, but was not necessarily the entire report nor was it verbatim. I still am very reluctant to release anything that is sharply critical.

I do not believe that I am making any mistake in assuming that the Japanese are basically more interested in the proper reformation of their own bureaucracy than we are in the reformation of it and that to the extent that we are skillful in getting the facts to gentlemen such as you and the women who are participants in these decisions, we will accomplish more on a basis of justice than on a basis of criticism and contention. I do believe that the release of such matters as I discussed with this Committee is desirable. I believe that some of the sharpness of criticism should be dulled and I believe that the cooperative aspect of the whole situation should be made clear. I think that some of that will be attempted by Jinji-In through its public information program. I shall be very willing to go over the talks that I had with you here and try to get together a copy which you may have for your purposes. Frankly, I shall be obliged to eliminate a few things in order to protect the general confidential nature of the reports. I talk very freely with this Committee. ... I do not believe however that you are going to get the cooperation of the employees of the Japanese Government right away. That would be a miracle. I think that that is going to grow however very rapidly during the next year or two. They have had presented to them only one side of the case and that was a critical side based largely on disputes over Article 98. It is a strange thing that you can have a law containing over one hundred articles and have over one hundred of them lost sight of and one exaggerated to such an extent that it becomes the crystallization point for opinion. Now, that law is packed with good things both for the government and for the whole people of Japan in the protection of their sovereignty and at the same time good things for the employees themselves in the terms of equity, proper compensation, opportunity for promotion, and finally the development of the efficiencies. I believe that just general distribution, general acquaintance with the law itself during next year is going to change the attitude of the Japanese towards it and the day is not far ahead when they will come

to recognize it as one of the most fair pieces of legislation that has been enacted in this period and one that will do more than any single piece of legislation to put Japan in the forerank of modern scientific nations. You are not going to get that reaction right away, but what is going to happen, as cases go into the equity hearings and as the autocratic groups are called to accountability and made to give fair deals to the government employees, as time after time Jinji-In does as it did in 1948, late in 1948, come through without regard to any political considerations whatsoever and find that this is the proper rate of pay for government employees and the employees find that they get it, as the employees of government participate in examinations and find that those examinations are fair and that those men of the best ability are gradually raised to the highest posts in the bureaucracy, there is going to develop a wave of confidence and enthusiasm such as you would never have believed possible in these early days of misunderstanding and criticism. Now, there is no miracle that I can perform or that you can perform or that anyone can perform which is going to make it unnecessary to allow a little time to bring that about. Public opinion moves at about that rate. I will assist you; I agree with you that we must get this story to the Japanese people, to the members of the Diet and to the officials themselves because while there will be rough days ahead and probably 1949 will still be a year of misunderstanding, as the strength of that law which you have passed becomes evident and as Jinji-In justifies itself by proper and fair actions, the Japanese people and employees of government will realize that they have been given the most modern civil service system in the world and the day will come when they will not trade it for any other on the face of the earth. In fact, you would be surprised to know how much attention is being given to the National Public Service Law as amended by the other civil service systems of the world who are, many of them, laboring along under the handicaps of devices which are obsolete and have long since been outlived.

Nakai: The propagation of the spirit of confidence is most urgently needed. He does not say that the whole text of your report will be made public, and it is therefore necessary to implant in the minds of democratic officials the basis of the new system.

Hoover: I agree that we should do that although I don't look for early fruit on the tree. Now, how, specifically, would you suggest that that be done?

Nakai: He stated there are two ways, confidence and conference. About the confidence, Mr. Hoover takes every possible occasion to propagate the spirit of the report to government officials and other people, and the second way, record has been kept of the three conferences, and this may be printed in a pamphlet form and then distributed to the Diet members and other government officials concerned.

Hoover: Without any argument at all and in defense to this Committee I will agree with that. I do take every opportunity that I can to discuss these things with Japanese officials because I never have many things of this sort without learning something that I need to know. The pamphlet is entirely satisfactory. Mr. Tindale is in charge of public information in the Civil Service Division assisted by Mr. Shively and with your permission I will ask them to contact this Committee and to develop a proper pamphlet which I will release automatically on their approval and yours.

You will pardon me for being repetitious to this extent but I want to say again that good civil service walks on two legs. One is justice to the entire people and the other is justice to the employees. When you have set up such a system you have a good civil service. In the early days of establishing civil service you always have to fight misunderstanding. It has been my lot to set up several agencies and even in conditions in my part of the world there has always been a fight and misunderstandings, but eventually you have the gratitude of the public workers and also the public. That is the gratitude that your Committee will eventually have for your part.

I want to take this opportunity, Mr. Nakai, to thank you and the members of the Committee for your many courtesies. I want to say that my door will be open to any of you, to your Committee formally at any time and I hope to have the benefit of not only your advice but your criticism. I not only dislike to bring the meetings to a close because it means a termination of the exchanges of thought, but also because I am sure that I shall not for a long time enjoy such strawberries again.

Oyama: He says that in considering the establishment of a good civil service, it is not enough to take into consideration the elements that are on the civil service examination. You have to think about hidden elements and those hidden elements he terms as bad practices. Unless these bad practices are rectified, the administrative readjustment will not be enough, because he said that the high ranking government figures have bad practices and they are hampering the reconstruction of Japan.

Hoover: If that is your question I will answer it by saying that I agree with you. No readjustment such as is now being attempted will of itself correct all of the errors. There are two things which we must do from a personnel standpoint. First, we must get good men in the positions and, second, we must train them to perform properly in the interests of the country and establish controls so that if they do not perform honestly and in the interests of Japan, that they will be punished and thrown out of office. That is all provided for in the National Public Service Law.

Misc. Grl

CIVIL SERVICE DIVISION
Government Section

22 April 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Administration of Japanese National Employees.
(Mr. Buhler's Check Sheet for the attention of Lt. Col. Hayes 22 Mar '49).

In general I approve the recommendations of Mr. Buhler as setting up an improved and coordinated structure of personnel management for indigenous personnel which will reflect itself in increased efficiency and greater economy of operation. His recommendations, however, invite the following comments in qualification:

1. Many of the refinements of the program he suggests will probably prove impracticable in the light of our experience with Japanese personnel. In detail on this point I concur in the remarks made by Mr. MacCoy in his memorandum for the record 18 April 1949.

2. To the extent that this program increases the efficiency of personnel management in this area, it is apt to be unpopular with and production irritation on the part of American occupation personnel which has, in the main, been very comfortable under the system of loose administration of the indigenous personnel.

3. Further quantitative analyses desirable

BLAINE HOOVER
Chief
Civil Service Division

BH:mw

To interview
Dr Scarr, Col Hayes,
Mr Buhler & Mr Proffitt
4/27/49
BH

CIVIL SERVICE DIVISION
Government Section

SPECIAL NOTE
Mr Scarr is waiting for a phone call from you on this!!
WPB

18 April 1949

MEMORANDUM FOR THE RECORD:

SUBJECT: Administration of Japanese National Employees. (Mr. Buhler's Check Sheet for the attention of Lt. Col. Hayes, 22 Mar '49).

On Monday, 18 April 1949, Mr. Scarr, G-1 (phone 26-8993) called and left the attached file for our perusal. I read the memorandum and then called Mr. Scarr since I understood that he was quite anxious to have a conference with either you or me. It turns out that the check sheet was written by Mr. Buhler, CPS, to Lt. Col Hayes, Deputy Chief CPS and apparently placed in General Beiderlinden's hands by Colonel Conners. The General has requested Mr. Scarr to investigate the matter to ascertain whether G-1 should take any immediate action on the recommendation or whether the matter should be tabled for the time being. The General suggested to Mr. Scarr that an informal meeting be held to discuss this idea between CPS, G-1, G-4, and Government Section. Mr. Scarr states that he has had the memorandum from the General for a week and has been delayed in presenting the case to you for consideration. Therefore, he would like to hold the suggested informal meeting Tuesday if possible. I told him that you and I had discussed this matter previously on an informal basis and that I knew you had some definite ideas concerning the subject and therefore would like to be included in the meeting. It is my understanding that you will represent Government Section.

I don't know all of Mr. Buhler's background, but you will recall that you met him when we were discussing Grace Pierson's promotion. I believe that he is a government personnel officer with some years of Federal experience and was transferred from either Okinawa or Korea during their recent reductions to CPS in Tokyo. He is, I believe, grade CAF-13 serving as one of staff members under Lt. Col. Hayes in CPS.

The attached recommendations have some very definitely meritorious points. For example, his idea of eliminating the present hydra-headed organization that controls Japanese labor employees for the Occupation is certainly sound as both Mr. Peterson and I found in attempting to secure an answer on what can and can't be done with Japanese personnel employed by the Occupation is almost an impossibility because of the many points of contact that must be made - none of which seem to have final authority to secure any action on administration of such personnel.

The introduction of certain advanced personnel management ideas has

a definite two-fold advantage: (1) to decrease the cost of operation of this type of personnel to the Japanese government - and subsequently to the American government - is certainly commendable; and (2), the opportunity to teach even an additional small number of individuals advanced personnel methods is an opportunity that can't be overlooked. However, I am afraid Mr. Buhler has gone a little too far overboard in attempting to introduce all the refinements of a modern personnel program in the situation at hand. He has made the usual mistakes of an overly ambitious personnel officer trained in the federal personnel system and has evidently completely overlooked the Japanese mental approach to many of the problems which are involved which would be created by the introduction of some of these methods. I certainly would recommend the trimming of a great many of his points. Under paragraph (3), for example:

Item (c). The theory he expounds of assigning indigenous personnel to jobs for which they are best fitted by aptitude and experience will break down beautifully because the majority of young Japanese employed for these types of jobs are without any training or experience whatsoever. The fact is that in Grant Heights, Lt. Col. Lester has just issued a flat notice that there are no trained or experienced people available and that all indigenous personnel hereafter employed are to be understood by the householders as entirely without training or experience.

Item (d). There is not nor can there be much of an opportunity for advancement in indigenous personnel groups and you find yourself coming face to face with the Japanese custom in which the Japanese grade themselves on their own class standards which are deeply embedded in their social life. Where attempts have been made, by superimposing American thinking, the Japanese have just politely disappeared and never returned to work. This would not be true of course where the employees are Japanese utilized by the Occupation in offices or similar organizations.

Item (e). You might know that I would seriously object to this item and its inclusion here is not only stupid but indicates a particularly hide-bound thinking, which is borne out by several other items, to show Mr. Buhler is not thinking beyond the standard federally established pattern.

Para. 4, sub-para. (3). Item (i). This is one which should be definitely played down. We have had enough trouble with this particular item which should certainly warn the top echelons that a little bit of sane thinking should be injected into this picture rather than so much theory.

Item (n). This is really a dilly. It completely overlooks all of the known facts that those of us who have been working any length of time with the Japanese labor problem know to be bearing factors on employment with the Occupation force. The idea that you could do anything to encourage Japanese nationals to work with the Occupation force without expending ludicrous sums of yen or adopting such an outlandish paternalistic

program as to bring down censure on the heads of SCAP is blind in the extreme. The establishment of dispensaries and clinics is one that is widely needed and very possibly the existence of off-duty recreational facilities might be worth contemplating, as would also the coordination with the housing and transportation officials to provide maximum service, but certainly many of the other items would create such a problem from the standpoint of administration and policing as to make them entirely impractical. There is one fact which must always be borne in mind with this particular item and that is that many of the Japanese have a fear in the back of their minds that to be too closely associated with the Occupation force will have a tendency to be remembered to their detriment by their own nationals once the Occupation is withdrawn.

Some of his items are extremely good and should be stressed. Items (f),(g),(h),(j),(l),(m) and possibly (k) fall in this category. Item (b) of course is a nice broad statement with which we should all agree but I am afraid is a little too ambiguous to take much action upon. Interesting comment here has been made on this particular item and repeated to me many times among the Japanese to the effect that while we profess to be a deeply religious people and have a thorough belief in democracy to the extent that all citizens are equal, the Occupation force continues to work on the day which we have established as our religious day, while shrugging off our supposed responsibilities to our church, even to the extent that higher authorities have required underlings to perform work on these days against their will. It is interesting that this comment has come not only from the indigenous personnel class but also from the higher educated groups of Japanese who have a tendency to become a little sarcastic about the matter.

Mr. Scarr is awaiting word from this office to establish the time of the meeting.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM;mw
attach.

File
4-26-49

CIVIL SERVICE DIVISION
Government Section

21 April 1949

Mr. Tomoo Sato, Director General
National Personnel Authority

Dear Mr. Sato:

It has been brought to my attention that a considerable number of staff employees are now on official business outside of Tokyo, or plan to be in the near future. On this point I wish to emphasize that most units are working against time in performing installation operations, and it is absolutely necessary that such travel be held to a minimum if optimum utilization of personnel is to be realized.

Because the activities of the Authority are closely coordinated with immediate as well as long-range planning of the Civil Service Division, this Division must be informed of any contemplated travel and pass upon its propriety to determine if NPA personnel can be released from assigned duties for travel.

Accordingly, proposed travel for <u>any</u> employee of the Authority must be approved by you and then referred to me for final approval. Requests for travel should be submitted to this office either in the form of a letter or memorandum, stating the purpose of the trip, destination, and the estimated time which such travel will require. If more than one employee is to make the trip to the same destination, the names of all such persons may be included in the same request. Obviously, these requests should be submitted to this office as far in advance as possible.

I should like to have you submit to me, as soon as possible, the above information on all employees who either have been or are now on travel leave during the month of April.

Sincerely yours,

FOSTER ROSER
Examination Specialist

FR:rj

Reader

CIVIL SERVICE DIVISION
Government Section

21 April 1949

MEMORANDUM FOR: Mr. Gordon W. Peterson, Organization Specialist

SUBJECT : Rules Under Article 103

I have discussed the proposed rules with Mr. Hoover, and he concurs in the following recommendations:

1. These rules should be so constructed as to instruct the ministries and agencies as to how requests for exemptions should be submitted to NPA and the standards upon which the Authority would be willing to consider such a request for exemption.

2. The exemptions listed in these proposed rules should rather be listed as standards for consideration for exemption by NPA rather than as automatic exemptions.

3. All requests for exemptions must be submitted individually to NPA for considered action and eventual inclusion in the individual's personnel folder, requests for exemptions to be weighed against the standard list of exemptions which the Authority has published in the Rules.

4. Instructions to the ministries relative to forms of requests for exemptions should specifically state the items to be included in the request, i.e. name of individual, position held, length of time in such position, brief description of duties and responsibilities of such government position, specific title of position to which the individual is intending to return in industry, types of duties and responsibilities which the individual will be expected to assume in the industrial position, name of the company to which the individual is returning, previous commitments made to the individual when he was originally employed relative to the agreements that were made to him at that time relative to his return to his industrial position, and any other pertinent facts which might have a bearing on the case and influence the decision of NPA.

This is not intended to be an all-inclusive list, but certainly the items mentioned above should be included with any others that you may deem advisable in such an application to be presented to NPA for consideration.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb

Note:
See Cut Files For up To Date Material

Legis- Laws Misc

file

CIVIL SERVICE DIVISION
Government Section

21 April 1949

MEMORANDUM FOR: Parliamentary and Political Division

SUBJECT : Draft of Emergency Unemployment Counter-Measure Law

I. The Civil Service Division is of the opinion that the Emergency Unemployment Counter-Measures Law as revised 15 April 1949 is subject to criticism in the following respects:

1) It effects undue concentration of power in the Labor Ministry and the Economic Stabilization Board.

2) It fails specifically to protect the work relief program and funds against strike, sabotage and destandardization and extravagance resultant of collective bargaining under Japanese auspices.

3) It fails to provide sufficient specification with respect to salary and wage rates and to protect the program against assuming character as another operation of government on a salary and wage basis practically equivalent to that of other government work and in defeat of the objectives and economies of a work relief program.

4) In general, the Law is so vague with respect to many areas and problems of operation as to constitute essentially an enabling act under which the Labor Ministry and the Economic Stabilization Board may exercise a very wide degree of discretion, the results of which under Japanese administration,are wholly unpredictable.

5) It does not remove work relief personnel from the category of regular government service subject to full application of the National Public Service Law. On this point we are informed that Labor Division, ESS did not intend to have the National Public Service Law apply to work relief personnel secured through the Public Employment Security offices.

II. In view of the emergency character of this legislation, Civil Service Division does not file objections to the enactment of the legislation but directs attention to its defects as in our opinion they exist and will initiate legislation amending the National Public Service Law

to provide for the defect cited in Paragraph 5 above.

BLAINE HOOVER
Chief
Civil Service Division

BH:mw

P.S. The foregoing was communicated to Mr. Hepler by Mr. Hoover in a conversation on the afternoon of 21 April 1949.

Reader

CIVIL SERVICE DIVISION
Government Section

21 April 1949

MEMORANDUM FOR: Mr. Blaine Hoover, Chief, Civil Service Division

SUBJECT : Law for the Judicial Examination (Proposed)

Mr. Shirven and I have discussed the proposed law, and we are in accord that the passage of the law would create a rather serious confusion in the administration of examination processes to the procurators.

This discussion called to our attention the fact that several of the laws already on the books have created a confused condition surrounding the examination, appointment, and discipline of procurators under the National Public Service Law while exempting the judges from similar restrictions.

I am sure that we both realize that disapproval or objection to the proposed law will possibly precipitate a head-on clash with Judge Oppler and his group in the Legal Section; however, I feel that this matter must be clarified and we might as well do it now as later. It certainly should be done before a further confusing wedge is driven into the whole situation.

Both Mr. Shirven and I believe the situation can be clarified and handled rather simply, particularly at this time when the NPA is not ready to go into full operation on its examination and certification program; however, the difficulty is going to be in convincing Judge Oppler and the Japanese judiciary group that no harm will be occasioned to the independence of the entire judiciary.

I fully realize the well grounded fear which exists in the minds of the Japanese judiciary because of past abuses which they have suffered from the Japanese bureaucracy; however, in releasing them from past adverse restrictions the pendulum should not be allowed to swing too far in the other direction to where equal damage is caused to good public personnel administration.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb

Jap Gov. Personnel File

CIVIL SERVICE DIVISION
Government Section

18 April 1949

MEMORANDUM FOR THE RECORD:

SUBJECT: Administration of Japanese National Employees. (Mr. Buhler's Check Sheet for the attention of Lt. Col. Hayes, 22 Mar '49).

On Monday, 18 April 1949, Mr. Scarr, G-1 (phone 26-8993) called and left the attached file for our perusal. I read the memorandum and then called Mr. Scarr since I understood that he was quite anxious to have a conference with either you or me. It turns out that the check sheet was written by Mr. Buhler, CPS, to Lt. Col Hayes, Deputy Chief CPS and apparently placed in General Beiderlinden's hands by Colonel Conners. The General has requested Mr. Scarr to investigate the matter to ascertain whether G-1 should take any immediate action on the recommendation or whether the matter should be tabled for the time being. The General suggested to Mr. Scarr that an informal meeting be held to discuss this idea between CPS, G-1, G-4, and Government Section. Mr. Scarr states that he has had the memorandum from the General for a week and has been delayed in presenting the case to you for consideration. Therefore, he would like to hold the suggested informal meeting Tuesday if possible. I told him that you and I had discussed this matter previously on an informal basis and that I knew you had some definite ideas concerning the subject and therefore would like to be included in the meeting. It is my understanding that you will represent Government Section.

I don't know all of Mr. Buhler's background, but you will recall that you met him when we were discussing Grace Pierson's promotion. I believe that he is a government personnel officer with some years of Federal experience and was transferred from either Okinawa or Korea during their recent reductions to CPS in Tokyo. He is, I believe, grade CAF-13 serving as one of staff members under Lt. Col. Hayes in CPS.

The attached recommendations have some very definitely meritorious points. For example, his idea of eliminating the present hydra-headed organization that controls Japanese labor employees for the Occupation is certainly sound as both Mr. Peterson and I found attempting to secure an answer on what can and can't be done with Japanese personnel employed by the Occupation is almost an impossibility because of the many points of contact that must be made - one of which seem to have final authority to secure any action on administration of such personnel.

The introduction of certain advanced personnel management ideas has

a definite two-fold advantage: (1) to decrease the cost of operation of this type of personnel to the Japanese government - and subsequently to the American government - is certainly commendable; and (2), the opportunity to teach even an additional small number of individuals advanced personnel methods is an opportunity that can't be overlooked. However, I am afraid Mr. Buhler has gone a little too far overboard in attempting to introduce all the refinements of a modern personnel program in the situation at hand. He has made the usual mistakes of an overly ambitious personnel officer trained in the federal personnel system and has evidently completely overlooked the Japanese mental approach to many of the problems which are involved which would be created by the introduction of some of these methods. I certainly would recommend the trimming of a great many of his points. Under paragraph 3, for example:

Item (c). The theory he expounds of assigning indigenous personnel to jobs for which they are best fitted by aptitude and experience will break down beautifully because the majority of young Japanese employed for these types of jobs are without any training or experience whatsoever. The fact is that in Grand Heights, Lt. Col. Lester has just issued a flat notice that there are no trained or experienced people available and that all indigenous personnel hereafter employed are to be understood by the householders as entirely without training or experience.

Item (d). There is not nor can there be much of an opportunity for advancement in indigenous personnel groups and you find yourself coming face to face with the Japanese custom in which the Japanese grade themselves on their own class standards which are deeply embedded in their social life. Where attempts have been made by superimposing American thinking, the Japanese have just politely disappeared and never returned to work. This would not be true of course where the employees are Japanese utilized by the Occupation in offices or similar organizations.

Item (e). You might know that I would seriously object to this item and its inclusion here is not only stupid but indicates a particularly hide-bound thinking which is borne out by several other items to show Mr. Buhler is not thinking beyond the standard federally established pattern.

Para. 4, sub-para. (3). Item (i). This is one which should be definitely played down. We have had enough trouble with this particular item which should certainly warn the top echelons that a little bit of sane thinking should be injected into this picture rather than so much theory.

Item (n). This is really a dilly. It completely overlooks all of the known facts that those of us who have been working any length of time with the Japanese labor problem know to be bearing factors on employment with the Occupation force. The idea that you could do anything to encourage Japanese nationals to work with the Occupation force without expending ludicrous sums of yen or adopting such an outlandish paternalistic

program as to bring down censure on the heads of SCAP is blind in the extreme. The establishment of dispensaries and clinics is one that is widely needed and very possibly the existence of off-duty recreational facilities might be worth contemplating, as would also the coordination with the housing and transportation officials to provide maximum service, but certainly many of the other items would create such a problem from the standpoint of administration and policing as to make them entirely impractical. There is one fact which must always be borne in mind with this particular item and that is that many of the Japanese have a fear in the back of their minds that to be too closely associated with the Occupation forces will have a tendency to be remembered to their detriment by their own nationals once the Occupation is withdrawn.

Some of his items are extremely good and should be stressed. Items (f),(g),(h),(j),(l),(m) and possibly (k) fall in this category. Item (b) of course is a nice broad statement with which we should all agree but I am afraid is a little too ambiguous to take much action upon. Interesting comment here has been made on this particular item and repeated to me many times among the Japanese to the effect that while we profess to be a deeply religious people and have a thorough belief in democracy to the extent that all citizens are equal, the Occupation force continues to work on the day which we have established as our religious day, while shrugging off our supposed responsibilities to our church, even to the extent that higher authorities have required underlings to perform work on these days against their will. It is interesting that this comment has come not only from the indigenous personnel class but also from the higher educated groups of Japanese who have a tendency to become a little sarcastic about the matter.

Mr. Scarr is awaiting word from this office to establish the time of the meeting.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM;mw
attach.

File

CIVIL SERVICE DIVISION
Government Section

15 April 1949

MEMORANDUM FOR: Mr. Gordon W. Peterson, Organization Specialist

SUBJECT : American Citizen Employees of the Japanese Government

Attached is a checksheet on the above subject under the date of 31 March 1949 and second indorsement of 8 April 1949, with which I believe you are familiar.

In view of Paragraph 7 of the first indorsement, it might be wise to prepare a reply to the Diplomatic Section (Yokohama Division) advising what steps the National Personnel Authority will take to safeguard the established nationality of the various foreign nationals who may be employed in the future by the Japanese Government. Kindly prepare such an answer for such a reply for Mr. Hoover's initials.

It would appear to me that the National Personnel Authority should issue a rule covering the methods to be followed in the present and future employment of foreign nationals. I should think this would require that a printed statement be issued to the foreign national contemplating employment by the Japanese National Government and that he should likewise be required to sign a statement which will become a part of his personnel folder indicating that he has been furnished with such a statement and is fully informed on his rights and prerogatives as well as being warned of the possible results of his actions.

I am somewhat perturbed by Mr. Johnson's statement in the fifth paragraph of the first indorsement to the effect that approximately 2000 Nisei are working " * * * for the Occupation on the Foreign National and Japanese National payrolls of the Japanese Government * * *".

Congress has gone to great lengths to clarify a rather serious situation surrounding many Nisei now in Japan and to legally reestablish their citizenship. If SCAP in the person of the Civil Service Division proceeds to upset the deliberations of Congress at this late date, I am afraid that it will bring serious censure down on the head of SCAP; therefore, it is very important that this matter be clarified and these Nisei fully protected at the earliest practical date.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb
Att.

Reader File

CIVIL SERVICE DIVISION
Government Section

15 April 1949

MEMORANDUM FOR: Mr. MacDonald Salter, Chief, Classification and Compensation Branch

SUBJECT : NPA Classification Contacts with Japanese Agencies

Reference is made to your memorandum for the record of 14 April on the above subject. Your penned note in the upper corner stated that you needed an answer within the next ten days; however, your memorandum did not propound any question but merely stated the fact that the Classification Section of NPA had established some forty-five contacts within the Japanese Government in an attempt to secure information to assist the classification survey and that the National Personnel Council only had a membership of nineteen personnel directors.

As I see it, your classification analysts in NPA could and should contact anyone they deem desirable in the Japanese Government to secure necessary information. The fact that an organization which they may wish to contact does not have a representative on the Council would neither legally nor administratively bar them from making such contacts.

As you know, the Council is composed of personnel directors from each major component of the Japanese National Government, and only confusion would result from permitting personnel clerks or junior administrative personnel subordinate to the personnel directors to hold voting membership in the Council or to attend its meetings and enter into active discussions.

From some comments that have been dropped from members of CSD, I have become slightly concerned over the attitude that the Council is to be viewed as a training school rather than a segment of the administrative arm of the National personnel organization. While training at this particular point and during the next six to nine months is a necessity and is definitely indicated because these men have no previous knowledge of modern-day public administration, it is after all only an expedient and must be considered incidental to the operation of the Council. The Council will not be turned into a training school. That will be taken care of by personnel staffs, both at Nikko and, subsequently, by the Training Division of NPA and/or the training divisons established in the Ministries, guided by the training staff of NPA.

Originally I suggested ten more independent agencies for membership in the Council than were approved by the NPA. NPA's disapproval

of the suggested additional ten names was soundly based on the fact that many of the agencies named were being considered for dissolution under the revised reorganization bill and that, therefore, it would be rather embarrassing and cause needless confusion to request those agencies to assign personnel directors to the Council only to drop them from membership in the Council within a matter of thirty to sixty days, should the recommendations of the Administrative Management Agency be acted upon favorably by the Diet.

With the passage of the revised reorganization bill, those major agencies who are named in the bill and approved by the Diet will be requested to appoint personnel directors who will then become members of the Council. It is never to be assumed that the Council's membership is static or a closed corporation. Its membership will constantly reflect the major organizational structure of the National Government.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM:jb

CIVIL SERVICE DIVISION
Government Section

April 15, 1949

MEMORANDUM FOR THE RECORD

SUBJECT: NPA Investigation of KATO Taichi.

1. This date, Mr. Tonomi of NPA Investigation Section reported the result of his inquiries as to the activities and status of KATO as follows:

KATO is employed at the Ochiai Nagasaka Post Office in Tokyo. He is 48 years old, is in the 8th Pay Grade and receives ¥8000 salary. He is in charge of a unit reponsible for the distribution of telegrams and supervises some thirty employees.

2. KATO is a senior staff member of the local branch of Zentei at the Ochiai Post Office. Some two years ago he was a Vice-Chairman of Zentei at the National Headquarters of that Union at which time KAWADA Yoshiko worked for him as a clerk.

3. The Post Master of Ochiai Post Office has apparently taken a firm stand with respect to Union activities at his Post Office so that KATO and other union officials and members are said to confine their union activities, in large part, to the noon hour recess and to after working hours.

4. KATO is a Social Democratic member of the Toshima Ward Council. It is said that he has not yet made up his mind whether to resign his elective position or his position in the Post Office.

5. Mr. Tonomi did not discover any information which would be damaging to KATO. He stated that the officials whom he interviewed at the Ochiai Post Office were in his opinion perfectly frank in discussing KATO with him and that his inquiry was not apparently disturbing to them.

TE.

THOMAS ELIOT
Personnel Specialist

TE:rr

CIVIL SERVICE DIVISION
Government Section

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T.E.

THOMAS ELIOT
Personnel Specialist

TE:rr

CIVIL SERVICE DIVISION
Government Section

13 April 1949

MEMORANDUM FOR: Mr. W. Pierce MacCoy, Deputy Chief
Civil Service Division

SUBJECT : Informal Conference with ESS

In view of an apparent misunderstanding originating with Mr. Hutchinson of ESS in discussions with me concerning separation pay I think it might be advisable to record the following information:

On Friday, 8 April, I visited Mr. Hutchinson for the specific purpose of informing him concerning certain substantial and unpaid bills of Zentei which we felt would be of interest to ESS Finance, as an example should be brought to the attention of the Ministry of Communications. This conversation was conducted just prior to lunch and one subject led to another. These included:

(a) ESS Finance's interest in establishing the use of standard classification for pay purposes in all agencies regardless of whether they would fall in the regular service or not. For those cases falling outside the regular service where special treatment in respect to pay should be considered this would be clearly identified.

(b) The status of appropriations to cover the pay of CMMC personnel. Mr. Reed stated that the understanding he had was that land-based personnel were part of the regular service and that informally the seamen were not considered as such for the months of February and March but that they would be as of 1 April. The appropriations for CMMC were set up on this basis and provided for an average pay to seamen under CMMC as regular government employees approximately ¥10,100 per employee per month. The estimate of the average pay of these personnel if converted to the regular service under the seamen's schedule would be ¥9,600. The difference is to be covered by special treatment provided for by law and in a manner similar to the special allowances provided for Kodans, that is, a range not to exceed certain limitations depending upon the position, the total average not to exceed a certain percentage.

(c) Mr. Hutchinson brought up the question of whether Government Section was going to issue a statement with respect to the policy on separation pay. He stated that funds had been provided in the budget to cover separation demands that may occur under the retrenchment program against mutual aid associations and the pension fund. Sufficient money is provided to cover an average of three months' separation pay under the Cabinet Order. This is substantially below that which Mr. Shirven estimated was needed, which I believe was somewhere in the vicinity of 6-9 months. I told Messrs. Hutchinson and Reed that I had not been working on this problem, Mr. Shirven had been. They stated that he had been in conference

with Bureau. I told them that I would be glad to pass the information on since they did not feel any final decision as yet had been reached on handling separation pay. I was quite aware of the telephone conversation made by Mr. Hoover and therefore did not give the matter too serious thought.

(d) In generally discussing the effect of the proposed budget developed by the Dodge Mission, Mr. Reed estimated that the net effect of the rise in staple commodity prices might be as much as a 7 per cent increase. Mr. Reed further indicated that certain other policies were being seriously contemplated which he estimated might increase the cost of staple food as much as 15 per cent. This will all have a bearing on the cost of living and is something that we will have to observe carefully in the next 60 days to see whether the provisions of the NPSL with respect to the five point increase in the cost of living will be exceeded and require NPA to take immediate action.

MacDONALD SALTER
Chief, Classification
& Compensation Branch

MS:jd

cc: Mr. Bettis

Gov. Sec - Watch tower

Mr Hoover

CIVIL SERVICE DIVISION
Government Section

13 April 1949

MEMORANDUM FOR: Mr. W. Pierce MacCoy, Deputy Chief
Civil Service Division

SUBJECT : Action of Osaka Procurator's Office in connection with 2 April Demonstration

In a telephone conversation this morning with Mr. Eaton, Chief Police Administrator, PSD, he stated that he had discussed Mr. Suzuki's (Chief of Osaka police) report with Col. Pulliam last night. Col. Pulliam was apparently suspicious that the expedition with which the procurator's office on the morning of 3 April ordered the police to release the 16 persons who were arrested for their part in the 2 April demonstration, was caused by some pressure brought to bear on them such as was applied to Chief Suzuki the night before.

While the release to await trial of the 16 persons was superficially in accordance with customary procedure, it is believed by Col. Pulliam and Mr. Eaton that under ordinary circumstances more time would have been taken to investigate the charges before releasing the persons involved.

Col. Pulliam informally suggests to Government Section, through our office, that an inquiry be made through the Supreme Procurator's Office in Tokyo to discover if any pressure such as he suspects was brought to bear on the Osaka Procurator's Office. He fears that union, and other irresponsibly-behaving groups will regard the hasty release of the persons arrested for the Osaka demonstration as an evidence of weakness on the part of the procurator's office and the police.

T.E.

THOMAS ELIOT
Personnel Specialist

TE:jd

I think I would be very interesting to read this entire report. It proves how correct we were in insisting on certain provisions in the NPS+ activities. These boys learn fast.

WRR
4/19/49

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CIVIL SERVICE DIVISION
Government Section

12 April 1949

HLS
4/13/49

MEMORANDUM FOR THE RECORD

SUBJECT: Osaka Demonstrations - 27 March and 2 April, 1949

This date the undersigned attended a conference at the Public Safety Division, G-2, at which Mr. Eaton, Chief Police Administrator, PSD, Mr. Suzuki, Chief of Osaka Municipal Police, and Mr. Suzuki's interpreter Mr. Endo, were present. The undersigned was invited to attend this conference which had been arranged by Mr. Eaton for the purpose of hearing Mr. Suzuki's report on subject demonstrations. Mr. Eaton's interest was in the manner in which the police handled themselves and in whether or not pressure was brought to bear upon the police to release persons who were arrested in the course of the demonstrations. The expressed interest of the undersigned was in the apparent weakness of the police in releasing a number of those persons that had been arrested from the standpoint of their performance as public servants.

Despite the understanding on the part of the undersigned that the meeting was primarily Mr. Eaton's meeting, Mr. Eaton in opening the meeting yielded the questioning entirely and later on in the meeting when called to his desk, left the meeting entirely in the hands of the undersigned with a request to report to him what was said.

A summary of Mr. Suzuki's explanation of subject demonstrations follows:

Demonstrations and parades are subject to restrictions in Osaka according to a municipal ordinance which was passed in the early summer of last year. The Communist-led group which sponsored and conducted the 27 March demonstration applied to the Osaka police for a permit for their demonstration. In this permit they were, among other things, specifically restricted from obstructing traffic or from employing "zig zag" tactics in their line of march. (The "sit down" tactics which were employed in the course of the march were not specifically proscribed in the permit which was granted to them, but were illegal from the standpoint of municipal traffic ordinances - obstruction of traffic).

The demonstrators were warned by their leaders at the assembly point before the parade started that they were not to zig zag or otherwise violate the conditions of the permit which had been issued to them by the Osaka police. A police vehicle equipped with a public address unit followed the line of the parade and continued to instruct the marchers against disorderly actions of any sort.

CO CO

C O N F I D E N T I A L

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Investigations

CIVIL SERVICE DIVISION
Government Section

12 April 1949

WS
4/13/49

MEMORANDUM FOR THE RECORD

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The demonstrators were warned by their leaders at the assembly point before the parade started that they were not to zig zag or otherwise violate the conditions of the permit which had been issued to them by the Osaka police. A police vehicle equipped with a public address unit followed the line of the parade and continued to instruct the marchers against disorderly actions of any sort.

In the course of the march the leaders of the parade started a violent zig zag course covering the whole street. The police attempted to restore the ordinary progress of the parade but were unable to do so without resorting to physical force and began to use their batons, whereupon the demonstrators attacked the police with their placard staves and with stones. 131 police were injured in various degrees, the worst requiring three weeks treatment. 19 persons, none of whom were government employees and two of whom were women, were arrested by the police and taken to the police stations where witnesses preferred charges against them. Thereupon, according to Japanese police and procuratorial policy, they were released to their homes pending trial.

The demonstration of April 2 was also authorized by a similar permit specifying that the marchers were not to obstruct traffic nor to resort to "zig zag" tactics or oppose the police in the performance of their duty. This demonstration was sponsored and organized by the Japan Federation of Trade Unions (Sodomei).

According to Mr. Suzuki, the national leadership of the JFTU is politically Social Democratic, but exerts little influence on local branches and affiliated unions which tend to be radical and militant and subject to being influenced by internal Communist "fractions". Mr. Suzuki thus explained the apparent inconsistencies of such a Communist-like demonstration being staged under JFTU auspices.

The circumstances of the parade in the course of the April 2 demonstration are very similar to those of the March 27 incident, although the "zig zag" tactic was less violently and excitedly carried out. The only additional feature was the employment by the paraders of "sit down" tactics. From 30 to 50 of the paraders in resisting police efforts to control the "zig zag" tactic sat down on the pavement and refused to move. After unsuccessful attempts to persuade them to get up and continue their line of march, the local fire department was summoned and under the direction of the police fire hoses were trained on the "sit downers". This measure failed to budge them, whereupon the police arrested 8 persons. Evidently this action caused the "sit downers" to resume their course of march.

Twenty persons in all were arrested in the course of this demonstration and charged as in the case of the previous demonstration with obstructing traffic, interferring with police in their course of duty, and other related charges. Four of these persons were released when no witnesses could be found to bring charges against them. The remaining 16 were placed in the police detainment house over night pending investigation of the charges against them and instructions from the procurator's office as to disposition of the case.

That night at about midnight a delegation of several representatives of the Social Democratic Party, one member of the Public Safety Commission and one member of the Municipal Assembly concerned with police activities

approached Mr. Suzuki at his home and demanded the immediate release of the 16 arrested demonstrators, none of whom were government employees according to Mr. Suzuki's recollection. Mr. Suzuki refused their demand. Mr. Suzuki requested that this incident be kept confidential.

Next morning the police contacted the procurator's office and asked for their instructions regarding the arrested persons. The procurator's office requested the documents in each case and instructed the police to release the arrested persons from detention. All of this was in accordance with due procedure.

Speaking in general, Mr. Suzuki stated that the present mayor of Osaka, Mr. Kondo, is a Social Democrat and has not infrequently attempted to influence him in the administration of police affairs, urging "softness" to the Social Democratic Party members and sympathetic individuals and organizations.

According to Mr. Suzuki, the Osaka press is uniformly against the police administration in that city to the extent that interviews and the reporting of incidents are quite consistently unfavorable to the police. He attributes this to two major causes; the first cause is the infiltration of radicals and Communists into newspaper staffs at vantage points such as rewrite men where they can slant news stories and interviews to suit their own purposes. The second reason given is that the Social Democratic Party has joined forces locally with the Communist Party to discredit and obstruct police administration in Osaka and has carried the issue of police performance in connection with these two incidents to the Diet where it is apparently their objective to make political "hay".

Mr. Suzuki stated that he had been called upon by the Judiciary Committee of the Diet House of Representatives to appear before them today and answer questions regarding police tactics used in the 27 March and 2 April demonstrations in Osaka. He volunteered that he was not inclined to accede to the committee's request since he believed that their purpose was merely to create publicity favorable to left-wing political groups and to place him and the Osaka police force at a disadvantage before the public.

The March 27 demonstration carried among other slogans "Abolishment of the National Public Service Law". The April 2 demonstration had, among other slogans, opposition to the nine-point economic principles and was, in Mr. Suzuki's opinion, quite anti-occupational in tone.

Pressure is being brought on Mr. Suzuki through the press and petitions by JFTU, the Social Democratic Party and the Communist Party to resign his post as Chief of Police. Mr. Suzuki stated that he is not afraid of losing his position in view of the fact that he has full and enthusiastic support

of all of the military government offices having jurisdiction in the Osaka region and its environs. (In this connection Mr. Eaton stated privately that Mr. Suzuki is considered by his office to be the best police administrator in Japan from the standpoint of his attitude toward the performance of police duties and his success in conducting police training programs). Mr. Suzuki indicated, however, that he would welcome GHQ assistance to the point of educating local politicians and municipal government in the proper function of a municipal police force.

THOMAS ELIOT
Personnel Specialist

TE:jd

ESS - General

CIVIL SERVICE DIVISION
Government Section

8 April 1949

MEMORANDUM FOR: Mr. Blaine Hoover, Chief, Civil Service Division

SUBJECT : Letter from School Teacher, Chiba Prefecture

The letter which you turned over to me for investigation concerning a complaint by a school teacher of Chiba Prefecture has been turned over to Dr. Asai. It was suggested that at the convenience of this man an interview should be arranged with him to see if the situation could be explained and to determine whether there were any new facts in the situation that would have a bearing on the pay administration.

MacDONALD SALTER, Chief
Classification & Compensation Branch

MS:jb

Apr. 8. 1949

Mr. Nakai, Members of the Personnel Committee of the House of Councillors:

Gentlemen:

It is a pleasure and privilege to be with you

a. Personally
b. Also because I have the hope that out of these meetings will come better understanding and a scientific approach to the personnel problems of the Japanese Government.

The day has come when a scientific approach to our problems is important. The modern world moves rapidly. In our own lifetime many things we knew as boys have given way to scientific advancement. The horse and carriage have been replaced by the automobile and the airplane. The government messenger has given way to the telephone, the telegraph and the radio and we are on the threshold of an atomic age in which much of man's work may be done by the release of atomic energy. Just so, in government, scientific management has increasingly displaced old fashioned methods of "trial and error". Nowhere is this more true than in the field of public personnel administration. If during the years ahead, Japan is to assume her place with the great modern nations, she must adopt a scientific approach to her problems of public personnel administration.

Your invitation to discuss this subject with you is more than a polite gesture. I regard it as an evidence of your earnestness of purpose, your progressiveness, and your patriotism. I have so described your action in discussing the matter with the American press.

In the brief time that we shall have together I shall discuss the personnel problem under 3 topics:

1. The objectives of public personnel administration in a democracy.
2. Evaluation of the Japanese bureaucracy in terms of these objectives.
3. Actions necessary to the scientific reconstruction of the Japanese bureaucracy

The study of this subject engaged the United States Personnel Advisory Mission to Japan for many months and full explanation of it would make volumes for reading and many days of discussion. Unfortunately, our time together is limited. Accordingly, I have reduced this discussion to the barest skeleton and have tried as far as possible to eliminate technical terms and technical references.

Let us now turn our attention to the first question - What are the objectives of public personnel administration in a democracy? Back of the answer to this question lies interesting historical reference. The western world, like the eastern world, has sprung from a feudalistic base. Feudalism, of course, has always by its very nature provided its own personnel system. As feudalism crumbled in western Europe, the construction and control of the bureaucracy became increasingly the concern of the leaders of states, including such men as Richelieu and The Great Elector. Over the las t three hundred years in the occidental world, men have wrestled with the problem, in one form or another, of Creating and controlling an efficient bureaucracy.

In this period the problem itself has undergone an evolution. Directed at first to the successful operation of the great national states wherein the monarch was to be served, it has proceeded around the dial to the successful operation of the great modern democracies wherein the people are to be served. At each step the problems of developing a bureaucracy efficient in performing in manner consistent with the basic theory of the state have undergone change.

The first great problem in the democracies was that of making the bureaucracy responsible to the people rather than the monarch. England attempted to solve this problem by shifting control of the bureaucracy to Parliament. Parliament exploited the public service politically. Its efficiency and prestige declined, and efforts at reform were futile until the historian Macauley, with the aid of Gladstone, induced Parliament in 1855 to abandon personal nomination of members of the dominant political party and adopt the principle, as applied to certain services, that men should qualify for public office on the basis of their ability - objectively measured. Later the application of this principle was extended to all higher civil servants. Thus, in England the civil servants have been in turn the servants of the monarch, then of the dominant political party, and finally of the people as a whole.

In the United States reaction against the inefficiencies of the spoils system, sparked by the emotional reaction to the assassination of a President of the United States by a disappointed office seeker, produced in 1883 the Pendleton Act which was the real beginning of our civil service system. In the United States the civil servants have been in turn the servants of the dominant political party and finally, to the extent that civil service laws have been enacted and administered, of the people as a whole.

It is interesting to note in this connection that there are in the United States today at the national, state, and municipal levels nearly 300 civil service commissions controlling the activities of millions of public employees.

Whatever improvements may be made on the bureaucratic performance as we have known it, the fact remains that in concept the bureaucracy - or civil service - as developed in the United States is essentially an instrument of democracy. It recognizes the right of the people through political process to determine public policy. At the same time it demands that public policy, so determined and known as law, shall be administered efficiently and economically in the interest of the public as a whole rather than any single political party and that every citizen shall have opportunity to participate in public administration on the basis of merit.

And so we come to the first great objective - modern civil service in a democracy - it must promote and utilize democratic methods.

Briefly stated this means several things: (1) the civil service must faithfully administer the law as enacted by the legislative body, which is the supreme body of the democratic state; (2) it must be democratic in that it permits all citizens to serve in public office to the extent that they demonstrate ability and to the extent that their services are needed; (3) it must be democratic in that it provides for the promotion of men in the service on the basis of their ability

as demonstrated; (4) it must be democratic in that it regards itself as serving the people and that always with the courtesy which is appropriate under these circumstances.

Now let us come to the second objective of the civil service in the democratic state.

Conceived originally in the United States as a means of defeating the spoils system, largely by enforcing examinations as a basis for admittance to the public service, Civil Service, or as it has been more recently designated, "Merit System Administration", has enlarged its vision and come to think in positive rather than negative terms. Utilizing some of the thinking of America's more progressive industrial organizations, as well as leaders in public administration, government has come to be recognized as an employer who must do certain things if men and women of superior ability are to be brought into and retained in the government, there to perform an efficient public service over a long period of years.

In other words, in the modern world government is usually the largest single employer of labor in the country. The implementations of administrations in a modern government are tremendous. Not only does government these days concern itself with the collection of taxes, the maintainence of policy and the routines of government business, but additionally, it controls and directs the disposition of the national resources, the promotion of trade and commerce, and the whole economy of the country. To the extent that administration is efficient, the nation will in a sense prosper - and to the extent that it is inefficient, the nation will suffer.

Accordingly, the second great objective of the civil service in the modern state is - <u>efficiency of administration</u>.

So now we have the two great pillars on which civil service in the modern democratic state rests - (1) efficiency,, (2) democracy.

To achieve these objectives there has been developed a modern science of public personnel administration which has received due attention on the part of many of our great western universities. This science concerns itself with the methods as evaluating the efficiency and democracy of public administration in any area under review and proposed methods for achieving maximum results.

Now let us turn attention to the second of our topics in the evaluation of the Japanese bureaucracy in terms of these objectives. Before I turn attention to the topic I wish to interject a comment. It may interest you to know that in hearings conducted before a sub-committee of the United States Senate on December 14, 1948, the following statement was presented in evidence:

> "You will be gratified to know that the Japanese Diet is also deeply concerned in establishing a comprehensive civil service system, including a balanced pay structure and has just enacted into law a public service act which in some respects is markedly in advance of what we now have in the Federal service in the United States."

This is a strong statement and very complimentary to the Diet and the people of Japan. It, of course, refers to the National Public Service Law which you gentlemen of the Diet recently enacted and which stands today as one of the great civil service laws of the world. What lies behind this enactment? I refer not to the political aspects of it but to the technical and scientific aspects.

My first contact with the Japanese civil service came in 1946 at which time I came to your beautiful country as Chairman of the United States Personnel Advisory Mission to Japan. We came on the invitation of the government of Japan. The request made by your government and concurred in by ours was that we should study the civil service of the Japanese government and make recommendations looking to its improvement and modernization.

As you know, we spent many months aided by very able and cooperative Japanese officials in making investigations of conditions of the Japanese civil service. The report of those investigations has never been published - one reason that it was not published was because the conditions found to exist were inconsistent with good public administration in the modern world and in the scientific age and we did not believe that it would be a compliment to the Japanese people to publish the findings. We had no desire to embarrass anybody - we had only a desire to bring to the assistance of the Japanese government the best that modern public personnel administration could offer and it was considered wiser to emphasize remedies rather than the sometimes gruesome aspects of the disease, however, at this time I think it is appropriate that I should discuss with this committee some of the conditions which were unhealthy from the standpoint of good public administration. They were:

1. Overstaffing.
2. Lack of discipline.
3. Improper compensation plans.
4. Lack of equity procedures.
5. Faulty recruitment and promotion procedures.
6. Ill-advised retirement arrangements.
7. Doubtful injury compensation policies.
8. Improper and inadequate training of employees.
9. Inadequate safety programs.
10. Inadequate health programs.
11. Lack of recreation programs.
12. Loose employee evaluation practices.
13. Lack of employee utilization procedures .
14. Lack of standardization and control in personnel administration.

Our purpose was to cooperate with the Japanese government in reorganizing the entire personnel system in such a way as to correct the faults which this study had revealed, and that leads us to our third topic, which is - "The Actions necessary to the Scientific Reconstruction of the Japanese Bureaucracy."

CIVIL SERVICE DIVISION
Government Section

7 April 1949

MEMORANDUM FOR: Mr. Gordon W. Peterson, Organization Specialist

SUBJECT : Bills Scheduled for Introduction to Diet This Session Which Will Be of Interest to the Classification and Compensation Branch

Major Harris, Parliamentary and Political Division, was contacted in order to obtain copies of certain bills. Major Harris indicated that such bills had not yet been received by the Government Section. He suggested that a memorandum be sent to him listing those bits of legislation in which this Branch would be interested.

Prior to this discussion with Major Harris, this Branch had received a list of 296 bills scheduled for introduction into the Diet at this session. This list had been prepared by the Government Section. The following are the items which would be of interest to the Classification and Compensation Branch and copies of which should be sent down:

36. Bill for Disciplinary Action and Dismissal of Judicial Police Officials
70. Higher Examination Bill
188. National Public Service Accident Compensation Bill
190. Bill for Partial Amendment to the Law Administering the New Pay of Government Officials
215. Bill for Partial Amendment to the Pension Law
Unlisted. Law Amending the National Public Service Mutual Aid Aid Association Law (Law No. 69, 23d year of Showa--1948) (Draft)

The following legislative items would possibly prove of informational interest to this Branch:

128. Bill for Certification of Educational Personnel
132. Public Library Bill
134. Teachers' Sanatorium Bill
141. Bill Establishing the National Heredity Institute
210. Bill Establishing the Public Opinion Research Institute
211. Local Public Service Bill
228. Bill for Partial Amendment to the Law Establishing the Administrative Management Agency
263. Maritime Agents Bill

276. Xray Practitioners' Bill
278. National Hospitals Bill
285. Sanitary Technicians Bill
288. Bill for Administration of Social Work

WALTER P. DOMANOWSKI
Compensation Specialist

WPD:jb

CONFIDENTIAL

CIVIL SERVICE DIVISION
Government Section

5 April 1949

MEMORANDUM FOR: The Record

SUBJECT : J. C. P. Program Objectives.

1. A conversation was had this date with Messrs Faust and Fesperman of C. I. S. - G-2 concerning subject. The matter was broached to them by indicating that C. S. D. has noted a similarity in the slogans and struggle objectives of the Communist-dominated labor unions both in the government and in private industry. Several of the slogans currently in use which display such uniformity are opposition to administrative readjustment, taxation of the people, forty-eight hour work week, position classification, 6307 yen wage base, importation of foreign capital etc. It was asked whether or not there is considered to be a calculated pattern in these repeated slogans and, assuming such pattern, what are the hoped for objectives of J. C. P. ?

2. Attention was further directed to the fact that since the January election, at which Communist candidates succeeded even beyond the expectations of the J. C. P. itself, that the Communist Party line has curried the support of small merchants and manufacturers and other middle class elements and has made a distinction between so-called "racial" or "national" capital and foreign, monopolistic and financial capital and "comprador" capital.

3. Mr. Faust stated his opinion that since the J. C. P. success in the January election the Party has hopes of achieving such Diet strength through a popular political movement that they will be able to become a government power by increasing their Diet strength and forming a coalition cabinet with other sympathetic parties such as the Social Democratic and Labor-Farmer parties. Ultimately they would hope to gain control of the government through political processes at which point they would "Sovietize" Japan and presumably become a part of or a direct ally to U.S.S.R. This view is born out, in Mr. Faust's opinion, by recently evidenced policies of J. C. P. such as the "wooing" of Democratization Leaguers in the various labor unions, middle class or "Bourgoisie" interests and their abandonment of attempts to win converts to the strict theoretical principles of Marxian Communism in favor of taking up popular issues at both the national and the local levels.

4. Mr. Faust was of the opinion that those of the above-mentioned slogans being promoted through Communist dominated labor unions which are directed against government and occupation-sponsored programs are evidences of Communist tactics of long standing, to-wit: the discrediting of the government in power in the eyes of the people. This view is consistent with the aim of J. C. P.,as estimated by Mr. Faust, to achieve control of the Japanese government through relatively normal political means.

5. The violent demonstrations staged in the Osaka area in the past week or so are, in Mr. Faust's opinion, not a part of any major Communist-motivated strategy but are rather instances of mob-like self assertion on the part of the participants who have grown impatient with the bungling of government controlled programs and with their continuing hardships of livelihood. The violent aspects of these demonstrations were more spontaneous, according to this view, than engineered.

6. According to Mr. Faust there is no central over-all analysis made in G.H.Q., at least not in a form which can be circularized, of the totality of the J. C. P. program and its immediate and long range objectives.

THOMAS ELIOT,
Personnel Specialist.

TE:mvb

CIVIL SERVICE DIVISION
Government Section

April , 1949

TO : Mr.

FROM : Chief of Criminal Affairs Bureau, Metropolitan Police Board

SUBJECT: Reply to the request for investigation on KAWADA YOSHIKO

I shall reply as follows:

1) Position held at the place of employment in the government office:

Office clerk attached to the "Committee to suppress giving Aid to the Victims" (T.N. Judging from the contents of the original, this probably should be translated to read "Committee for giving Aid to suppressed victims")

This committee comes under the "All (Japan) Communications Workers' Union."

2) The name, function and the location of the place of employment at and for which the above-mentioned individual was hired.

NAME - All Japan Communications Workers' Union.

LOCATION - At the rear of the Children's Hall, which is located on the #4 lot, SHIBA PARK, MINATO-KU, Tokyo.

FUNCTION - In the event union members are discharged or imprisoned, this office will make remittance to the provincial branches of the union so that the present of money or goods can be given to the victims in token of sympathy.

3) Location of the agency or the Ministry under which this person is employed. (Which bureau's supervision does this place of employment come under?) The Ministry concerned is the Ministry of Communication. (The location of this Ministry is #14, 6-Chome, IIKURA, MINATO-KU, TOKYO). It is not supervised under any bureau.

4) Result of the police investigation carried out in connection

with the embezzlement.

KAWADA YOSHIKO was engaged in the work of arranging to send remittances to the provincial branches of the union. In doing so, she handled ¥1,500,000 each month. Although she had embezzled the sum of ¥30,000, and had completely spent the said sum, she went to her home prefecture of SAGA on 2 April and returned to Tokyo on 7 April with the amount sufficient to cover the embezzled sum. It appeared as if she intended to return the embezzled sum. The police department did not participate in the investigation of this case.

However, on or about 1 MARCH an old red leather brief case belonging to the Headquarters of the All Japan Communications Workers' Union disappeared while it was left in the 6 mat room of INOUYE KAZUO, #113, 4-Chome, INAZUKE-CHO, KITA-KU, TOKYO, whose address is the living quarters of the said KAWADA.

The contents of the said brief case were as follows:

1) 5 checks (CHIYODA BANK, HIBIYA BRANCH) -
TOTAL SUM - ¥ 196,011.00

2) Documents and papers.

3) Cash in the amount of ¥ 18,000.

With the exception of cash, all other items were discovered at that time. The AKABANE POLICE STATION was notified of this case at the time, and the investigations are being continued but the suspect has not been located.

* ¥100,000 ? NPA investigation

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

1 April 1949

MEMORANDUM FOR : Mr. MacDonald Salter
Chief, Compensation & Classification Branch

SUBJECT : American Society for Public Administration

I think that the American Society for Public Administration is far too previous in its suggestion and also that Mr. Onogi would definitely be the wrong man to head up any such organization.

I would suggest that the Society be told to hold its horses a little bit and take its instructions from Mr. Hoover rather than from any junior member of the division.

W, PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM/hm
Attachment

Cent Files
4-21-49
Spec Services

CIVIL SERVICE DIVISION
Government Section

28 March 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Extension of Time in which Kodans may be in Special Service.

Today instructed Dr. Asai he could inform Mr. Nakai we would consider favorably a revision of the National Public Service Law substituting July 1 for March 31 in paragraph 14 Article 2 of the National Public Service Law. This is consistent with the policy decision of Government Section to permit the extension of various items of reorganization until early summer.

Hoover

BLAINE HOOVER
Chief
Civil Service Division

BH:mw

CIVIL SERVICE DIVISION
Government Section

25 March 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Conference - Japanese re: Kodans

On 23 March a conference held in Mr. Hoover's office:

Present: Mr. Nakai, Mitsuji, Chairman, Personnel Committee
House of Councillors

Mr. Inagawa, interpreter.

Mr. Kawashima, Expert, assigned to Personnel Committee

Mr. MacCoy

Request was made for approval of Civil Service Division and Government Section for introducing an amendment to the NPSL in the present session of the Diet to extend the date of limitation placed on Kodana. (See Mr. MacCoy's memo under Kodans, dated 23 Mar 49).

mw

Mac Cay Reading File

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

25 March 1949

MEMORANDUM FOR : Mr. Gordon W. Peterson
Organization Specialist

SUBJECT : Rule to Continue Railway Safety Inspection Service.

Around the middle of November 1948, Miss Stander, Labor Division, Economic & Scientific Section, called to advise the Civil Service Division that the section of the Labor Standard Law covering safety inspection of railroad operations and rolling stock ceased to be a factor in railway operations following the passage of the Amendment to the National Public Service Law and the statement in Article 3 of the 2nd Supplementary Provisions to the effect that the Labor Standard Law would not hereafter apply to persons in the regular government service. It was the feeling of this office that such safety inspections as had been heretofore in force under the Labor Standard Law should be continued in full operation with similar authority and penalties.

Mr. Bell was instructed to work with the National Personnel Authority to establish a rule which would simply state that all the former rules and regulations of the Labor Standard Law heretofore in force concerning safety inspections authority and penalties should remain in force as heretofore. This would insure the safe operation of the railroads both as concerned Japanese nationals and Occupation forces as well as insuring the safety of railway workers employed in hazardous occupations. At the same time it would obviate the necessity for the National Personnel Authority making a detailed study at this time and attempting to issue a specific inspection regulation under its own auspices. This was further deemed advisable in view of the fact that as of 1 April it was assumed that the railroads would be removed from under the National Personnel Authority and placed under a law specifically governing their operation as a government corporation.

Early in January, Mr. Bell advised Miss Stander that nothing as yet had been accomplished relative to the issuance of such a rule due to the fact that the Ministry of Transportation was seriously objecting to its issuance and the National Personnel Authority was attempting to straighten out the difficulty. Miss Stander called me on 24 March and advised that nothing as yet had been accomplished relative to the issuance of this rule and that therefore no safety inspections over the period of the last six months have been made. She cites as one of the difficulties, that the Ministry of Transportation is using young boys averaging eithteen years of age in the occupation of "coupler" and that