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WORKERS' WELFARE FACILITIES IN JAPAN

Labor Division
1949

WORKERS' WELFARE FACILITIES IN JAPAN 1/

I. GENERAL

Prowar

Prior to the war, workers' welfare facilities were located principally at large establishments or mines. They were especially found in those industries in which dormitories were normally provided to accommodate the establishment's labor supply. Welfare facilities therefore were most widely prevalent at the cotton spinning mills which made available hospitals, sports grounds, libraries and other provisions for the education and amusement of the girls dormitory residents.

In many instances these large textile mills functioned as a home, school and place of employment for the female employees. In part, this was necessary because the young girls were recruited from distant parts of the country on contracts extending for one or more years and in providing such facilities the employer was insuring the stability and complete control over his labor supply.

Such employment contracts, generally entered into between recruiting agents and the parents of the girls, are now illegal, although the traditional pattern of recruitment of labor for the textile mills from rural and distant areas is only gradually being modified under the modernized system of Public Employment Security Offices. Necessary protection against abuses in the operation and charges for dormitory accommodations and the provision of adequate labor inspection to insure the girls' full freedom to use the welfare facilities in accordance with their individual choice, are accepted without question under postwar programs.

The following summary of welfare facilities in selected establishments as of October 1940 furnishes some limited data on their type and distribution:

Type of Facility		No. Surveyed Establishments	No. Establishments Having Facilities	%	Size of Surveyed Establishments
Dormitory	Plant	881	600	68%	500 or more workers
	Mine	149	133	89%	"
Education (Youth School)	Plant	881	568	64%	"
	Mine	90	46	51%	1,000 or more workers
Club	Plant	881	175	20%	500 or more workers
	Mine	149	126	85%	"
Assembly Hall	Plant	881	625	70%	"
	Mine	149	84	56%	"
Eating Facilities	Plant	881	632	71%	"
	Mine	149	40	27%	"
Sports Ground	Plant	736	562	76%	"
	Mine	130	103	79%	"
Medical Facility	Plant	4,127	1,387	33%	100 or more workers
	Mine	272	210	77%	300 or more workers

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Wartime

In February 1942 a Labor Administration ordinance was promulgated which gave the Welfare Minister authority to require a munitions employer to provide training, education and recreation facilities and such other types of welfare needs as were deemed pertinent. This Ordinance subsequently became the Munitions Company Law and was extended to cover all large establishments whether or not engaged in war production. Under this Ordinance the Welfare Minister required the employer:

1. To establish an annual program of education, training, sports, and other welfare facilities and submit same for approval of the Minister.

2. To permit young workers to attend classes during working hours.

3. To submit information and receive approval of the Welfare Minister regarding eating facilities.

4. To submit his program and receive the approval of the Welfare Minister regarding medical services.

5. To establish a nursery in plants employing 200 or more female workers upon request of the Welfare Minister.

In addition, the Welfare Minister issued recommendations which would add the following:

1. Lectures at least once a month by specialists in various fields of interest.

2. Special cultural courses of lectures at least twice a year.

3. Movie showings at least once a month and plays and variety shows from time to time.

4. Music to be broadcast throughout the plant before beginning work, at the completion of work and during recess or meal hours.

5. Provision of library facilities, including newspapers, magazines and books.

6. A special course for female workers at least once a year designed to improve their general cultural development; in addition, periodically, courses to be given in nursing, cooking, medical treatment and music.

Postwar

The elimination of wartime labor controls and the dislocation of industry through the ravages of bombings and war destruction brought about the disruption of industrial organizations, limitations on the availability of supplies and materials and accessibility to markets. As a result, welfare facilities were substantially neglected and in many cases abandoned. On the other hand, the immediate post-war period brought about a lowering of real wages due to inflation and the extreme difficulty of workers in maintaining their considerably further reduced low standard of living, due to the shortage of work and wages. This placed a greater responsibility on many employers who had traditionally accepted their obligation to provide a minimum livelihood for their regular labor force. The employer through his operating organization thus developed in the post-war period a type of welfare facility more immediately adapted to the circumstances of the times. Some of these

consisted of:

1. Selling scarce commodities

Employers provided facilities in many cases for the selling of commodities not otherwise obtainable in the period of chronic shortages of consumer goods except at black-market prices. The employers' ability to buy at wholesale prices or provide workers with access to the products of the establishment, made available to employees in several hundred plants basic commodities, including foodstuffs, at lower prices than those prevailing in the open market. In certain instances the employer sold such commodities purchased at black-market prices at a considerable loss in order to assist the severely pressed workers.

2. Payments in kind

This type of welfare accommodation was a reintroduction of the system of substituting payments in kind for cash wages. It resulted in a considerable enhancement of the worker's real wages by providing him with articles of internal plant manufacture or purchase in lieu of part of his money wages. This represented a saving of generally several times the cash equivalent which would otherwise have been received if cash wage payment had been made. Parenthetically, many workers took such payments in kind, as for example electric light bulbs or rubber shoes, and sold them at black-market prices for five to ten times the value of the cash payment which would otherwise have been received from the employer.

3. Communication facilities

Because of the disruption and disrepair of transportation facilities after the war and the increase in traffic charges, many companies provided their own busses or trucks to transport workers to and from the place of employment. A more common practice is the provision by the employer of the actual commuting expense for all employees who live distances which require public transportation. Actual tickets may be provided or an allowance paid as part of the wage for transportation expense.

Other basic types of welfare facilities currently provided include health, recreation, housing, food, baths, barber and beauty shopes, recreation and cultural activities which are treated in somewhat more detail further on. Finally, the Labor Standards Law which became effective September 1947 requires minimum provisions with regard to working conditions and welfare facilities for workers, particularly for females and minors. A random sample study of establishments in various industries indicates a wide variety of welfare facilities which are provided generally at little or no cost to the workers. The statistical patterns are treated under their appropriate subject matter.

The sample study shows that a great majority of mines provide family housing and dormitory accommodations. In manufacturing about half the establishments sampled provide housing and a similar proportion dormitory accommodations. This distribution seems to be fairly uniform in metal working, chemicals and miscellaneous manufacturing as well as in the textile, spinning and weaving industries. A similar proportion of worker housing is provided in the communication and transportation industries. Dormitory accommodations though significant do not loom as large.

II. HOUSING

Miners' Housing

Because of the tremendous destruction of housing accommodations as a result of wartime fires and bombings, large scale housing programs have been accepted as part of the government's activities since the beginning of the Occupation. Although the destruction of houses was not so significant in the non-urbanized mining areas, the need to attract a new labor supply because of the repatriation of the Chinese, Formosans and Koreans who substantially provided the principal labor supply under conditions equivalent to forced labor, made an improved housing program essential.

As of 20 January 1949, the following press release was issued by GHQ, SCAP coal authorities on this subject:

"The most urgent housing needs of Japanese coal miners have now been filled as a result of the extensive housing program initiated early in 1947.

"For this reason, no further blanket approval for Japanese Government loans for this purpose will be given, but funds will be granted according to needs of individual mines.

"The program has included construction of more than 50,000 new homes, some 500 new dormitories, more than 4,500 welfare facilities, hospitals, schools, dispensaries, and more than 70,000 building repairs.

"A total of 14 billion yen was loaned to mining companies for this purpose. Work in progress included in the above figures will be completed this spring.

"The standard of construction of coal miners houses is far above the average Japanese home, either before or after the war.

"Under the new procedure, mines will be asked to judge their need for additional housing on the basis of 12 points. These are included on application blanks, which will be processed through Military Government for recommendation on whether the mine should receive government support for further mine housing expansion under the program. A total of 117 such requests from individual mines are now being referred to Military Government for investigation.

"Included in the 12 points are such factors as the quantity and quality of coal produced by the mine, estimated life of the property, number of employees, number of houses already in existence, and financial reasons for requesting a loan."

Other Industrial Housing

In addition to miners' housing, special programs for the heavy industries, particularly iron, steel and fertilizer, were deemed essential to attract a stable labor supply in the reconstruction period. During 1947, 70,682 dwelling houses and 110,664 dormitories and apartments were completed primarily for occupancy by industrial workers. The 1948 program includes apartment and dormitory construction to the extent of approximately 161,933 "tsubo" which might be considered equivalent accommodations for 150,000 persons (one tsubo equals 3.3 square meters). The dwelling house construction program for 1948, for which completion statistics are

not available, provides for 234,582 tsubo or approximately 120,000 persons' accommodations. At the rate of 4½ persons per family, this means 26,000 worker families. (Unit dormitory or apartment accommodation per individual is less than half that estimated for occupants of houses.)

Housing for Government Workers
(See annexed Tables Nos. 1 and 2, Number of and Charges for Official Residences--Inclosure 1)

Under the Japanese system two types of houses are provided for government workers: (a) those which are obligatory official residences, and (b) those for which certain rental charges are made. In the latter case, rentals to workers who are required by the nature of their work to occupy such premises are considerably below the operating rents for similar private accommodations. The charges are based on the Official Residence Rent Regulation (Ordinance by Dajokan No. 53, 1876).

The obligatory official residences are rent-free to those government employees whose official activities require them to occupy such places. Each ministry operates such housing as is assigned to its officials. Uniform financial control and regulations are prescribed by the Allowance Bureau of the Finance Ministry. In addition to the above types of official residences, there are currently in existence emergency workers' housing facilities. These consist of residential facilities, generally dormitories, which are provided by each ministry as emergency relief measures. They accommodate workers whose homes were war destroyed and make it possible for others who live at some distance to do effective work by eliminating the several hours daily commuting otherwise involved.

Housing and Recreational Facilities for Seamen

Because of the nature of their activity and their absence from home for extended periods, seamen's hostels were provided before the war in all ports which furnished lodging and recreational facilities. Though many seamen's welfare facilities were established and operated by shipowners, or juridical persons for non-profit purposes under the direction of shipowners, seamen or disinterested third parties, the standards were not necessarily those recommended by the 21st International Labour Conference convened in Geneva in October 1947.

The great majority of these institutions were destroyed during the Pacific War. As of January 1949, 73 lodging facilities and 25 recreational units were in use. During the period 1946-1948 the number of users of lodging facilities totaled 1,710,769 while the number of users of recreation facilities totaled 1,292,947. These facilities are usually furnished with newspapers, magazines, amusement and recreational devices. They are also used by crew members as places for entertaining their families, as places at which to live while waiting to embark and to conduct their general social activities.

The cost of services rendered in these facilities is borne by the user but is kept to the absolute minimum. The general expenses for overhead maintenance are always borne by the shipowners or the operating body. For example, the charges for lodging, meals, etc., are only 1/5th to 1/10th of the current value.

The facilities above described are currently limited to the use of crews of merchant ships and hence are located only in the principal ports of Japan. It is

proposed, however, to extend such facilities for seamen engaged in the coastal trade. The restoration of the facilities lost by war action is currently being programmed by the various local authorities with government aid.

III. TRANSPORTATION

Facilities for transportation to the place of employment is a postwar development provided generally by the employer in order to make possible regularity of attendance and to allow for the deficiencies in public transportation facilities disrupted and deteriorated as a result of the war. In certain instances commutation tickets are provided on public transportation at the employer's expense or at a nominal charge to the worker.

A sample study of establishments shows that approximately one-half provide the full cost of workers' transportation. Others, however, make provision for a transportation allowance in the wage which recognizes the cost of transportation as a factor in the normal earnings of the workers. In such instances the transportation allowance is uniformly paid to employees according to their age, sex, etc.

On the other hand, where tickets are provided, the cost is specifically identified with the individual's commuting problem and expense varying according to distance and the type of transportation available. Because of the disruption of facilities, many establishments, particularly mining, provide their own transportation facilities such as busses or trucks from the worker's residence or central meeting place to the place of employment. Such facilities are provided without cost to the worker.

In summary, it may be accepted that the expense involved in getting to and from work is recognized as a charge substantially to be met by the employer and is incorporated into the prevailing wage structure.

IV. SUPPLEMENTARY DISTRIBUTION OF COMMODITIES FOR WORKERS

History

The system of special allocation of commodities for workers has been in effect since 1941 when the shortage of essential commodities was widespread. Its objective was to increase worker efficiency and reduce absenteeism.

After the Surrender the already war-disrupted living conditions deteriorated still further. Hence the importance of supplementary distribution of commodities to workers increased. In November 1946 the Japanese Government adopted a policy of strengthening the existing supplementary distribution program for workers in industry. Since June 1947 this policy has been recognized not only as a measure for the protection of the worker's livelihood but also as an important means in accomplishing the national economic stabilization objectives.

In May 1948 the present organization and procedure for the distribution of supplementary commodities for workers was introduced.

Types of Commodities and Program Coverage

The most important commodities distributed through the national programs are staple foods, sake (Japanese rice wine), tobacco and textile products. Non-staple foods, shoes, soap and other miscellaneous commodities are distributed only for

certain special groups of industries or workers under a separate program. Commodities thus provided are purchased at official or specially low prices. In either event, the cost is a fraction (5 - 20 percent) of the prices prevailing on the free market, if the items are even available from that source.

Supplementary Food

The supplementary allotment of staple food is essential to the supplementary distribution plan. The special food program covers almost all establishments engaged in mining, manufacturing, gas and electricity supply, land and maritime transportation, construction and public works activities. A few manufacturing activities of minor importance are excluded. Protective service workers such as policemen, firemen, prison guards and public health service workers, such as hospital nurses, are included in the program. The total number of workers receiving supplementary rations of staple food approximates 7.3 millions.

The dual purpose of the program is to stimulate output and worker efficiency by providing additional food supplies to workers whose physical effort is directly related to the quantity of production of the industries basic to the national welfare.

It is recognized that many of the workers use some of the food that is distributed for their families, particularly in those cases where the distribution is made by the establishment to the worker in bulk on the basis of a number of days allotment. No attempt is made to restrict this practice. In one instance, coal mining, the most critical of industries, an additional supplementary food incentive is provided to the miners' families above the supplementary ration directly intended for the miners' consumption and the maintenance of their physical energy. Thus, though the average daily per capita caloric consumption in November 1948 in urban Tokyo area was 1983 calories, that of coal mining pit workers was around 3550 or approximately double, and that of the adult members of miners' families was perhaps one-third higher than that of the urban adult.

The supplementary ration food program is theoretically alloted on the basis of actual days worked and is thus a stimulus to reduced absenteeism because of the primary importance of food in the low standard of living of the great masses of Japanese people in the postwar (and prewar) situation.

The standard supplementary ration of staple food per capita per day ranges from 4.5 "go" for underground coal miners to 1 "go" for workers in textile and other light industries. Through September 1948 the average allotment was 1.4 "go", increasing to 2 "go" as of October 1948.

(Note: 1 "go" is about 140 grams. The standard daily allotment through regular ration procedures per capita for adults is 2.7 "go". The supplementary ration is in addition to the standard allotment for the general population.)

PD Food Memorandum No. 12, "Revised Supplementary Ration Program," of Economic and Scientific Section, Price and Distribution Division, GHQ, SCAP, dated 15 October 1948 (Inclosure 2) presents a comprehensive picture of the basic procedures involved in the control, distribution and allotment of supplementary food rations and the detailed listing of the specific ration by type of worker by industry. It will be noted that the quantity of food thus distributed varies in

according to the arduousness of the physical effort and, in more limited degree, to the importance of the particular industry in the national economic recovery program.

Although this program is restricted officially to manual workers, employers in many instances find it impossible to differentiate between them and the clerical or staff workers. This is particularly true in those establishments which have dormitory facilities as in textiles or in which the supplementary foods are prepared or served as a hot meal plus additional side dishes (generally cooked vegetables) for which a nominal charge is made at the establishment eating place. In such instances the management will purchase rice through unofficial channels and make it available at the official price or at an extremely low charge to those workers not entitled to supplementary rations.

It might also be added that because of the laxity of administration of the official supplementary program, many establishments, or in many instances the union which acts as the procuring and distributing agent for the establishment's supplementary rations, are able to secure rations for manual workers not actually on the job and use those supplies for the benefit of workers not regularly entitled to the allotment. In general, therefore, it may be stated that except for government administrative employment and industries such as commerce and trade almost all production workers and very many staff workers secure supplementary food allotments differing in quantity according to the importance of the industry in the national program.

Staple Commodities and Beverages

In addition to the supplementary food, special distribution is made of staple commodities. These include among others soap, which is made available to those workers engaged in dirty or unsanitary work such as chemicals, basic iron and steel operations, mining, etc.; rubber shoes, which are distributed to miners, construction workers and other outdoor laborers; "sake" which is a standard beverage for all Japanese and is made available as an incentive for increased efficiency and output. The allotment is limited to male adults and particularly to those engaged in heavy physical labor.

Miscellaneous Commodities

Miscellaneous commodities other than those above include army surplus items of wearing apparel or bedding (blankets, raincoats, shirts, woolen socks, gloves, etc.) which are made available by the Occupation authorities and periodically distributed to farmers and miners as incentives for delivery of over-quota foodstuffs or output. Similarly, cigarettes, either locally produced or made available from American Occupation surpluses, are distributed as an incentive for extra output or delivery of primary products. Many of these items are distributed by prefectural governments directly or through their local branch operations.

The number of industries and workers and the per capita proposed distribution of some of the principal items covered by these Special Distribution Programs during 1948-1949 is as follows:

Commodity	Industries	Workers	Per Capita Ration
Staple Food	107	7,301,000	1.84 "go" daily
Sake	67	2,388,983	3.6 "go" monthly
Cigarettes	114	4,769,300	27.6 points monthly
Clothes A[1]	135	7,966,602	1.66 points semi-annually
Clothes B[2]	135	7,966,602	1.2 points semi-annually
Rubber Soled Socks (Tabi)	70	8,026,000	0.89 pairs semi-annually
Soap	61	6,671,878	3.44 cakes semi-annually

1/ Clothes "A" include work clothes; Clothes "B" include piece goods, towels, underwear, gloves, etc.
2/ See "Table of Points," page 10.

Amount of Allotment Per Capita and Method of Allotment

Supplementary allotments of staple food are made in accordance with the actual number of days worked by the individual worker in the quantities shown in PD Food Memorandum No. 12 previously mentioned. In the case of other commodities, such as sake, cigarettes, and textile products, an individual priority to purchase the supplies available is generally given in order of the actual number of days worked.

For sake, cigarettes and textile products, the so-called "link" system is adopted as a stimulus to production in key industries such as mining, iron and steel and fertilizer manufacturing. In the link system, the total amount of allotment is increased or decreased by the amount of production of the specific plant or mine.

Sake (Rice Wine)

The standard allotment of sake changes according to the importance of the industry concerned and the physical intensity of labor involved. The average amount per capita per month in the first half of 1948 was 3 "go". (Note: 1 "go" liquid is about 0.18 liter.)

Tobacco

The average supplementary allotment per capita per month for the second half of 1948 was 28 cigarettes. (The basic (regular) monthly ration at low official prices which is made available to all male adults is 50 cigarettes per month.)

Textile Products

The average allotment of working clothes per capita is about one suit per year and the allotment of textile products such as gloves, towels, etc. other than cloth is 0.8 piece per capita per year.

Machinery for Distribution of Supplementary Commodities to Workers

The government organization responsible for the general planning and supervision of these programs is the Economic Stabilization Board. The Labor Ministry and the various ministries under whose jurisdiction the industries fall supply necessary

TABLE OF POINTS FOR WORKERS' SUPPLEMENTARY CLOTHES ALLOCATIONS

Description	Number of Points
Clothes "A"	
Textile cloth (1 tan)	2
Work suits	2
Upper garment	1
Trouser	1
White uniforms	2
Uniforms, other	2
Clothes "B"	
Gaiters (pair)	1
Leggings (pair)	1
Towel	1
Underwear (loin-cloth)	1
Work gloves (pair)	1
Socks (pair)	1

information to the ESB as to the number of workers to be included, the supply of commodities available for distribution, etc., and administer the allotment and distribution of the items. For example, the Transportation Ministry handles the program for the national railroad workers, while the Ministry of Commerce and Industry administers the allotment and distribution of commodities in selected key industries for miners, steel, iron and chemical workers, etc.

The Labor Ministry administers the program for the remaining industries and likewise handles supplementary food distribution for casual and day laborers through its Public Employment Security Offices.

In all cases, the ministries through their local organizations distribute coupons or certificates to the receiving unit which in turn delivers them to the merchants or commodity distribution corporations and receives the specified quantities of the appropriate items.

The receiving unit is generally the employer, but more recently with government encouragement joint committees of management and trade unions representing the workers are assuming that responsibility. In the case of independent or non-establishment workers such as carpenters and other types of day workers, the representative union functions as the receiving unit. Individual workers receive their commodity items from the receiving unit, but where eating facilities are available in the place of employment the supplementary foodstuffs are served to the workers as lunch or other meal.

Cost of Supplementary Rations

In all cases the supplementary commodities for workers are purchased by the receiving unit at official retail prices. In many instances, the receiving unit makes the commodities available at reduced prices to those entitled to them as a welfare contribution of the employer. When the foodstuffs are served in the form of a meal, the price charged is generally lower than actual cost or in some cases is free.

Supplementary Distribution of Commodities for Primary Producers

Another somewhat special but parallel type of supplementary distribution is that to primary producers such as farmers, fishermen and forestry workers.

The commodities available are quite similar to those for wage earners. However, the method of distribution is somewhat different. Allotment is made, as a rule, in accordance with the production of the individual. In the case of the farmer or fisherman, it is made in accordance with the quantities of produce or fish delivered to the official collection agency. A considerable amount of incentive goods, surplus wool and cotton clothing, cigarettes, sake, etc., are made available for purchase at official or specially low prices for over-quota deliveries of staple crops such as rice or sweet potatoes.

V. EATING FACILITIES

Almost all of the large industrial establishments provide facilities for hot meals for workers. The foods may be secured through the supplementary ration program with generally side dishes of local vegetables made available by the establishment at nominal cost. In all establishments where dormitory facilities are provided, eating facilities are included. Aside from the supplementary ration, food is provided from the regular rations of the residents and from additional supplies purchased by the employer.

Food costs in dormitories are extremely low and represent a fraction of the effective prices of foods which is a combination of blackmarket and official prices. For the past three and a half years approximately three-fourths of all consumer expenditures for rationed and unrationed foods has been made in the free market and one-fourth through official channels. At the same time the quantities of food secured from these expenditures are in approximately the inverse ratio. Perhaps three-fourths of the quantity of food consumed is secured at official prices, the remainder in effect being supplementation secured at blackmarket prices. Thus, workers in dormitories are provided with hot and better balanced meals than they would otherwise normally enjoy in their homes and at a considerable money saving.

These savings represent additional wages which are seldom reported at their true value as payments in kind. Other workers in the same establishment who do not live in the dormitories are often able to secure at least one hot meal per day based on their supplementary rations and side dishes at official or less prices. In many instances employers make available side dishes only, with the individuals bringing their box lunches from home.

In many smaller establishments eating facilities are provided but the typical Japanese prefers to eat his box lunch of cold cooked rice and vegetables. This pattern of eating away from home is not limited to industrial establishments but applies to all government, commercial and trade activities. Hot tea is the universal beverage available at almost all hours in all places of employment from the largest to the smallest.

VI. FACILITIES FOR PURCHASING CONSUMER GOODS

Additional features of welfare programs provided by employers are the facilities for making available to workers consumer goods, including foodstuffs, through company stores. Workers frequently exercise considerable control in these company stores through their welfare association or cooperative organization. Many of the stores are company-owned and others function as cooperatives with the unions generally directing the activity. The administrative costs, including the salaries of the persons engaged in maintaining this service, are generally borne by the employer.

The items for sale are purchased sometimes on a recurring basis but frequently are in odd lots according to the availability of supplies and attractiveness of the price. In other instances employers display samples of items offered to them at wholesale or manufacturer's cost and accept orders from workers which then result

in the making of purchases specifically fitted to the individual wants of those desiring to buy particular items. In many cases because of the limited supplies of highly desired items, an allocation may be made on the basis of those first applying or on the basis of a lottery, or sometimes on the extent to which prospective purchasers have previously been able to take advantage of limited supplies of a similar nature.

It should be pointed out that there are few, if any, instances of the company store as that term applied in western countries during the period of industrialization of the 19th and early 20th centuries. These Japanese sales facilities are a direct benefit to the workers. No one is required to purchase from the stores, although credit is generally extended to those who wish to secure goods in advance of pay day.

Under the Labor Standards Law such widespread sales facilities, either cooperative or directly managed by the establishment, are legitimate activities. The system is also extensively found among government agencies, being operated through the various Mutual Aid Associations. (This phase of the program is discussed in more detail under Section X, "Government Workers' Welfare Facilities".) In the sample study of July 1948, the distribution of such sales facilities was uniformly found in all industries. The volume of purchases made through the facilities represents a substantial saving in the expenditure patterns of the wage-earning population.

VII. RECREATIONAL AND EDUCATIONAL FACILITIES

Recreation--General

Recreation facilities are found in the majority of larger establishments according to the July 1948 sample survey. This is particularly true in mining, manufacturing, transportation and miscellaneous industries. Approximately three-fourths of all establishments sampled provide for sports facilities at company expense.

It naturally follows that where dormitory accommodations are provided, recreation facilities are likewise available. Consequently, all textile establishments of a given size which furnish living accommodations also provide sports facilities which generally include handball, ping-pong, baseball and perhaps tennis, badminton and other relatively inexpensive forms of group recreation. Similarly, a small proportion, perhaps half, provide indoor amusements and cultural activities including dancing, facilities for entertainment, etc. A still smaller proportion provide library facilities and reading rooms and, on occasion, movies. These are all on company property, may be participated in at will, and are available without charge to the employees.

Recreation--Seamen's

Seamen on board ship are provided with facilities for amusement and recreation which every shipowner maintains on the basis of arrangements with the particular seamen's local union. In a few vessels, arrangements are provided for theatricals, music and other forms of entertainment maintained through the efforts of the crew members.

Education Facilities

In many of these same types of establishments where young girls are employed and live in dormitories, facilities for education after working hours are generally

provided free of charge by employers. The subjects include basic grade or public school curriculum and in many instances native cultural subjects of interest to the dormitory residents, such as flower arrangement, tea ceremony, etc.

VIII. NURSERY FACILITIES

Few nursery facilities are provided by employing establishments. Most of those that do exist, however, are found in the textile industry where many married women are employed though these represent a relatively small proportion of the total number of females in the industry. These facilities include provision for child care during working hours and permit periodic visits by the mothers to the nurseries to nurse or to assist in taking care of their children.

An interesting footnote to the working-mother child-care problem is the development of mother-child cooperative dormitories in which a number of mothers, usually war widows, with dependent children live together, a few mothers taking care of all the children while the remaining mothers go out to work. The mothers rotate the child-care function. The physical facilities are generally provided by the employer, but full responsibility for their operation and management is left with the residents.

This cooperative dormitory program for mothers is being pressed by the Women's Section of the General Federation of Japanese Trade Unions for adoption throughout Japan. It has thus far been successful in having the Tokyo Metropolitan Government establish such a facility not associated with any particular enterprise.

IX. MISCELLANEOUS FACILITIES

Many establishments, particularly mines, provide hot baths and barber facilities. This is also very common in manufacturing, particularly in the heavy metal working establishments and also in places, especially textile plants, where dormitory facilities are part of the establishment. In those instances beauty shops may be provided, for which the service charges are far smaller than those applying in comparable private service establishments.

X. GOVERNMENT WORKERS' WELFARE FACILITIES

Government workers as a group for many years have enjoyed a comprehensive if slightly variable welfare program within the different ministries. These programs were maintained generally through the Mutual Aid Associations whose functions were redefined in the Mutual Aid Association Law of June 1948 and in which legal provision was made for the carrying on of certain types of welfare activities. Other programs of welfare activities are, however, maintained directly by the ministries as an operating expense of the government, particularly in the enterprises such as transportation or the tobacco monopoly, etc.

The Mutual Aid Associations have operated for many years, the first being the Railroad Mutual Aid Association which was established in 1907. With their expansion into other branches of government the Associations have built up large assets which as of 30 April 1948 amounted to over ¥1 billion. Each ministry or enterprise has

one or more Mutual Aid Associations operating independently to provide various types of functions or services within the framework of Article 63 of the Law which reads as follows:

"Article 63. In addition to the benefits prescribed in the preceding Chapter, the Associations may carry out beneficiary welfare activities prescribed in the following items to promote welfare of members:

(1) Management of establishments for the health, recre tion or culture of members;
(2) Acquisition, management or lease of property for the use of members;
(3) Receiving or employment of the deposit of members;
(4) Loan for the extraordinary expense of members;
(5) Buying and selling of commodities necessary for the existence of members.

2. The Associations may est blish a Federation of Mutual Aid Associations (hereinafter referred to as "Feder tion") in order to perform the activities described in the preceding paragraph by their coordination.

3. Such Federation shall be incorporated."

The total membership in the Associations is approximately 2,200,000 (see Annexed Table 3, Inclosure 3). Financial activities are subject to Ministry of Finance inspection and audit. Payroll contributions of 2.2 percent of the basic salary (excluding special allowances, bonuses, etc.) for Mutual Aid which is paid by all government workers is matched in part by a direct government subsidy. These funds are designed primarily to pay health insurance benefits, the welfare activities being maintained out of the existing assets of the Associations or financed out of the revenues of the activities themselves. The Associations grant disability or bereaved family benefits to special groups of government employees not covered by legislation designed for that purpose who contribute additional amounts to secure these benefits.

Service Facilities

Bathhouses and barber shop f cilities are available in many ministries and bureaus. The users of these services obtain them at substantially lower than prevailing costs. Certain of the government enterprises such as transportation (land and maritime)provide recreation facilities without cost for the operating workers (as distinct from the administrative group) as a direct charge against the activity. The Mutual Aid Associations, however, provide equivalent services for their own members in these agencies.

Recreational Facilities

Within the framework of the recreation program each Association operates in varying degrees such programs as field meets, baseball, tennis, basketball and swimming. A few of the Federations of Mutual Aid Associations operate recreational or club facilities on a cost basis for the benefit of the users. These are located in hot spring resort areas but can accommodate only an insignificant number of members.

Indoor Recreation Activities

Every Association likewise has in varying degrees libraries, phonograph studios and provision for periodic concerts, lectures and cultural facilities. Certain Associations propose to buy film projectors for movie showings.

Credit Unions

Under Article 63, Item No. 4, authority is granted to the Mutual Aid Societies to lend money to their members at reasonable charges. This practice is general. The majority of these credit unions are making available a readily accessible source of cheap credit for domestic and personal needs of the members, something of exceptional importance in the dislocations and inflationary conditions of the postwar period.

Cooperative Stores

These likewise are a general feature of most Mutual Aid Associations and function under Item No. 5 of Article 63. They are a postwar phenomenon designed to make available to their members scarce supplies of consumer items otherwise unavailable or only obtainable at extremely high blackmarket prices. Many of the items sold include clothing, soap, domestic utensils and other basic articles of everyday use. In some instances the cooperative stores secure items which are not supposed to be on general sale but which in view of the prevailing scarcities and general blackmarket participation by all members of society are accepted as a convenience which inure to the benefit of the members.

XI. HEALTH SERVICES

Government Workers

Government workers in administrative and enterprise activities numbering approximately 2.2 millions are required to be members of the Mutual Aid Associations as provided in the National Public Service Mutual Aid Association Law (see Section X, "Government Workers' Welfare Facilities"). For this purpose, payroll deductions of 2.2 percent of the base salary are made from all government workers including those employed in railroads, communic tions, government monopolies (camphor, tobacco, salt) and printing. The remainder of the cost (approximately 55 percent) is borne by the government. The 2.2 percent deduction covers all short-range benefits including health. The Federation of the Associations operates three hospitals for the benefit of their members out of these contributions and government subsidies. Most government workers and families, however, secure medical services from private practitioners whose fees are paid by the Associations.

The long-range benefits such as separation, disability or bereaved family payments accrue to the regular government officials under the Pension Law for which an additional 2.2 percent payroll deduction is made. Hence these regular officials are excluded from long-range benefits under the Mutual Aid Program. At the same time policemen, firemen, prison guards and teachers in national government operated schools are also excluded from the long-range benefits, as defined in Article 17 (Items 2 to 4) of the Mutual Aid Association Law, because of cover ge under other laws designed for their protection.

Legislation is currently being prepared to amend the Pension Law to extend long-range benefit coverage to laborers and regular non-officials employed by the government. At the present time, therefore, only laborers or employees who made contributions for long-range-benefits before the present Mutual Aid Association Law was passed and who continue to make the necessary contributions are eligible to receive long-range benefits from the Associations. In such instances, the contributing members finance 45 percent of the funds needed for retirement, disability and death benefits, the government supplying the remainder.

In addition to the basic health services provided under the contributory mutual aid programs, the Transportation Ministry maintains two hospitals and the Communications Ministry, the Printing Bureau and the Monopoly Bureau one hospital each. This group of medical facilities is supported entirely at government expense without contribution by the users who are restricted to the operating employees in the particular enterprise.

Workers in Private Industry

Under the Health Insurance Law all private employers of 500 or more workers may carry their own health insurance risks through Insurance Societies.1/ Contributions are equally apportioned between employer and workers up to 2½ percent each of the monthly standard remuneration. If one-half of the total contribution exceeds 2½ percent, the excess is to be paid by the employer. The government is theoretically supposed to pay for the administrative costs of the program. Because of current financial difficulties, the government has, however, further cut its already reduced appropriations for this purpose, making it necessary for the matched payroll contributions of employers and workers to pay all costs and benefits. (See below)

About three-fourths of the approximately 730 operating societies in establishments which employ about 2½ million workers have about 80 percent of the cost borne by the employer. In other words, these employers provide, in addition to their payroll contribution, direct or hidden subsidies. These usually include the salaries of administrative personnel engaged in the Society's work; the services of the doctors hired by the company for their own medical clinics which are required under the Labor Standards Law; considerable treatment of sickness which is classified as occupational disease, and thereby becomes a charge against Workmen's Compensation Insurance paid solely by the employer instead of health insurance; and extension without charge of the same health insurance medical and, frequently, dental services to the families and dependents of workers who would ordinarily be required to pay half of the cost of such services.

These Societies provide medical and hospital facilities and, generally, dental services. Workers are fully covered for the cost of non-occupational sickness up to a period of two years. Sick benefits are paid up to a period of six months and amount to 60 percent of the average monthly standard remuneration. In actual practice this basic standard for contributions and benefits does not amount to much

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1/ Large employers who do not establish their own Insurance Societies must come under the government-directed compulsory insurance program which applies to all other employers of five or more workers.

more than half of total cash wages because of the lag in adjusting the standard remuneration to rising wage trends and because of the payment of special bonuses and allowances which are excluded from the standard remuneration.

For claimants suffering from tuberculosis, benefits may be paid for a period up to 1½ years. In the case of child-birth, covered workers receive 50 percent of the average monthly standard remuneration with a minimum payment of ¥1,000 and 60 percent of the average monthly standard remuneration for a period of 80 days subsequent to child-birth as a maternity allowance. Added to this is an additional nursing allowance benefit amounting to ¥100 a day for six months.

Funeral expenses are also paid by the Insurance Societies equivalent to one month's average standard remuneration with a minimum fixed at ¥2,000. Medical care for dependents is provided for at half-cost for a period up to two years and funeral expenses for dependents are paid up to ¥1,000. Similarly, a benefit amounting to ¥500 is paid for delivery expense for the spouse of an insured worker and a nursing allowance of ¥100 a month for a six-month period is likewise paid such dependents.

The Health Insurance Law also provides insurance for smaller employers of five or more workers through a government-controlled system. Services are rendered on a fee basis by private practitioners and institutions for which reimbursement is made out of the funds collected through payroll deductions, and administration is carried out through large private government-subsidized health associations.

The contribution rate up to 1 January 1949 was 2 percent of the standard monthly remuneration. Because of the increasing financial difficulties of the insurance fund and the government's economy move to limit its expenditures, it became necessary to increase the contribution rate to 2.2 percent, the maximum permitted without legislative action under Article 71-4 of the Law. This article permits a 10 percent increase or decrease in the contribution rate upon authorization by the Welfare Minister upon the advice of the Health Insurance Advisory Council. In order to improve the solvency of both types of workers' health insurance schemes and possibly to increase benefit rates, proposed legislative changes are under discussion to permit higher contribution rates by both employers and employees.

In the case of the insurance program covering the smaller employers, workers' families are generally provided for through the same society, though a charge is made to workers' families for medical services provided by the outside practitioners. The charges for such services are less than normal private fees. The benefits to the workers in the smaller firms are the same as those provided under the Health Insurance Law for employees in larger establishments.

This program covers about three million employed workers plus their dependents. It excludes, however, casual day laborers. The total coverage of employed workers under the two schemes approximates 5½ million.

General Population

In addition to the above, there exists a general public health insurance program referred to as National Health Insurance. This consists of locally organized health associations, generally on an area basis, which once established by local

Annexed Table No. 1 - NUMBER OF OFFICIAL RESIDENCE AS OF 10 March 1948

Name of Ministry	Obligatory Residence	Other Residence	Total
TOTAL	38,036	13,849	51,885
Agriculture and Forestry Ministry	1	295	296
Foreign Affairs Ministry	17	13	30
Education Ministry	1	7	8
Attorney General's Office	2,094	417	2,511
Labor Ministry	44	58	102
Communications Ministry	1,211	148	1,419
Welfare Ministry	1,929	0	1,929
Commerce and Industry Ministry	50	32	82
Transportation Ministry	32,225	11,882	44,107
Finance Ministry	1	338	389
Printing Bureau	4	349	353
Mint	285	0	285
Monopoly Bureau	0	42	42
Economic Stabilization Board	1	0	1
Imperial Household Board	91	26	117
National Police	1	170	171
Prime Minister's Office	21	0	21
Pension Bureau	0	22	22

Annexed Table No. 2 - AVERAGE AMOUNT OF MONTHLY CHARGE FOR RENTAL RESIDENCE (per one tsubo) - 1 August 1948

Name of Ministry	Amount (Yen)
Judicial Court	2.31
Prime Minister's Office	2.79
Attorney General's Office	.52
Education Ministry	.33
Agriculture and Forestry Ministry	3.75
Commerce and Industry Ministry	5.91
Transportation Ministry	.91
Communications Ministry	1.10

Note: One tsubo is 3.3 cubic metres

Inclosure 1

option require membership of all families within its area of jurisdiction not otherwise covered by the previously described health insurance programs. There were as of August 1948, some 644 associations claiming an insured membership of over 27,000,000.

Each association determines its own premium rates which are usually extremely small, averaging about ¥100 per month per family. The national government limits its subsidies in theory to one-half of the administrative costs. It provides nothing for sick benefits which are consequently nominal. For the 1948 fiscal year the government subsidies amounted to ¥359 million. The associations generally employ their own doctors and are supposed to provide from 50 to 100 percent of the cost of medical treatment, all midwife and delivery expense and all funeral costs.

Seamen's Health Facilities

Seamen's health facilities have been provided in the past by shipowners and through voluntary contributions at all principal ports. In addition the Seamen's Law of April 1939 provides the equivalent of workmen's compensation hospitalization facilities as a cost to the employer. The voluntary medical facilities which are operated by juridical persons amount to 10 hospitals with 673 beds, 9 clinics and 2 sanitoriums. In the period 1946-1948 the hospitals had 1,292,836 out-patients, the clinics 84,992 and sanitoriums 52,682 patients. Costs of medical expense at these voluntary institutions are borne by the users. These costs are, however, minimum and in many cases no charge is made. Sickness or injury incurred in the performance of duty is a medical cost to the employer under the insurance laws.

The same organizations, which operate the seamen's hospital facilities without cost or at minimum charge, extend the use of the facilities to the families of seamen at minimum cost. They also make grants or lend money to seamen's families who might be in financial difficulties for living expenses or provide funds for commercial purposes so as to enable the family of a deceased seaman to secure a livelihood.

C O P Y

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
ECONOMIC AND SCIENTIFIC SECTION
Price and Distribution Division
APO 500

PD FOOD MEMORANDUM NO. 12

REVISED SUPPLEMENTARY RATION PROGRAM

DATE: 15 October 1948

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Incl 2

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I. Revised Supplementary Ration Program

Attached is the first general revision of the Supplementary Ration Schedule since January 1947. Increased supplementary rations for heavy laborers became effective on 1 October 1948. The weighted average per capita supplementary ration for essential workers increased from 208 grams to 276 grams per day. This represents a 33% increase over the present supplementary ration program which has been in effect since January 1947. The new program will include workers in industries not now eligible for such rations and will increase the rations of workers presently in the program. Thus the number of workers receiving supplementary rations will increase from approximately 6,500,000 to 7,300,000.

1. Among the 31 new industries to be included are the following:

Metal Industry
Copper rolling
Light metal rolling

Machine Industry
Pig Iron Casting
Malleable Iron Casting

Chemical Industry
Synthetic Dyestuffs
Hide and Leather
Synthetic Basin
Inorganic Chemicals

Ceramic Industry
Pottery and Porcelain

2. The Revised Supplementary Ration Program prepared by the Economic Stabilization Board establishes the ration levels on a scientific basis in accordance with the energy required for each occupation. In addition, the administration of the program will be strengthened to insure that each factory in an authorized industry will receive food in accordance with the number of man days actually worked. The certification of employees and the number of days actually worked during any month will be certified by the offices designated under the column in Section 3 of the memorandum headed "Certifying Office". The new certification administration and the new forms will be explained in Section 2 of this memorandum. The new certification system and the new forms will be effective from 1 November 1948 for workers in all industries except day laborers. The new system of issuing rations to day-laborers and the certification for this category of worker will be effective from 1 January 1949.

3. The Revised Supplementary Ration Program is of substantial significance to the economic recovery of Japan. Firstly, it will increase the productivity of workers by making available more energy-providing food and by eliminating the necessity for taking "food holidays"; that is, taking time off from the job to forage for food in rural areas. Secondly, many

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industries have now been brought into the program that are important to Japan's export program. Greater productivity in such industries as glass products, pottery, porcelain, and light metal rolling will increase the exportable supply and make for a more favorable trade balance. Of even greater significance from the point of view of each worker involved is the effect this program will have on decreasing each worker's cost of living. With the cost of staple food from illegal sources approximately ten times the official price, the increases of supplementary rations will result in significant savings in each family's food budget by providing a greater amount of staple food at official prices. The net effect of the ration increase should minimize the pressure for increased monetary wages since the added supplementary ration constitutes an automatic increase in real wages.

II. Supplementary Ration Administration.

A. New Forms and Ration Evidence.

1. The revised supplementary ration program, in addition to increasing the level of the ration, will also improve the administration of the program. For the first time all of the prefectures will determine supplementary ration requirements by using standard forms and ration evidence issued by the Ministry of Agriculture and Forestry. All industries have been graded by the Economic Stabilization Board according to their essentiality, and all jobs have been graded according to their labor intensity and the amount of food required to perform a given job. Every factory whose workers are entitled to supplementary food rations will now have a ration book which will contain the necessary information for determining the monthly food allocation for the factory. The factory ration book will also list the name of every worker entitled to a supplementary ration. In order to tighten the administration of this program, the ration book, in addition to listing the names of the workers, will also list the following:

a. Age.
b. Sex.
c. Type of work.
d. Labor intensity.
e. Supplementary ration allowance per day.
f. Working days per month.
g. Monthly ration.
h. Stamp of recipient.

2. The new system will also use an individual ration book for day workers registered with Public Employment Security Offices, and a ration book for link industry distribution whose production and shipment above specified standards have been certified by the local Labor Standards Office in the area.

B. Receipt and Distribution of Supplementary Rations.

1. Full-time Factory Workers.

a. The person responsible for receipt of rations in the factory will determine the ration distribution point to be designated after prior consultation with the Prefectural Branch Office of the Staple Food Distribution Kodan. The new ration books will be used from 1 November 1948.

b. The distribution point will then, upon presentation of the certified copy of the ration book, enter the quantity of staple food to be sold to the factory.

2. Day Workers.

a. Day workers will present their ration book to a specially designated ration distribution point and receive their ration in person. The distribution point will enter the quantity sold in the ration book after checking it against the ledger of supplementary staple food rations for day workers received beforehand from the Public Employment Security Office. The new system for day workers will start on 1 January 1949.

C. Specially Designated Industries.

1. The following are industries of major importance to which the Food Management Bureau makes allocation of food by factories and working places or by operational areas through the local office of the competent Ministry:

Chemical fertilizer
(excluding calcium carbonates)
Harbor transportation
Iron and Steel industry
Government railway
Electrical supply
Maritime
Communication workers

D. Allocation Procedure

1. Function of Food Management Bureau.

The Food Management Bureau will determine the monthly allocation by industries and prefectures in July, October, January and April for the quarter. When a prefectural allocation is determined, the local food office will be directed to sell the allocated quantity to the prefectural branch office of the Staple Food Distribution Kodan. The required allocation for the specially designated industries listed in C above will be made directly by the Central Government and will receive their full monthly requirement before distribution is made to other industries, thus assuring full supplementary rations to workers in the key industries.

2. Function of Prefectural Governors.

In accordance with the instructions of the Food Management Bureau and within the limit of the allocation by industries and prefectures (exclusive of the allocation for the specially designated industries), the prefectural governors will determine the monthly allocation by factories and working places for full-time workers and the allocation for day workers. He will then notify the prefectural branch office of the food Kodan of the amount permitted to be sold as supplementary rations. In order to determine the allocation the governor will, not later than 10 days before the beginning of the month covered by the allocation, have the local office responsible for the administration of the industry complete the following necessary data on requirements of supplementary food allocation for workers:

(1) Production result of factories and working place concerned.
(2) Allocation ranking and expected operation rate of the factories.
(3) Other necessary data.

In the same way the prefectural labor standards offices will report the following data to the governor:

(1) Total number of workers and recipient workers by industries as of the end of the preceding month.

(2) Distribution of recipient workers by types of work and intensity of labor.

(3) Number of working days.

3. Submission of Data by Factories.

a. The person responsible for the receipt of supplementary rations for a factory will submit the necessary data, not later than 20 days before the beginning of the month covered by the allocation, to the prefectural labor standards office through the local office responsible for the administration of the industry in the case of both general industries and specially designated industries.

b. The prefectural labor standards office or the local office responsible will then certify as to the accuracy and validity of the request for the allocation. If approved, it is then passed on to the governor. In the case of the specially designated industries, the local office responsible for the administration of the industry will immediately submit the data, after checking it, to the competent Ministry which then transfers the data to the Food Management Bureau.

4. Special Reserve.

The Food Management Bureau will allocate a limited quantity of food to prefectural governors as a special reserve in order to enable him to make necessary adjustments in the supplementary ration program. Any change from the allocation, however, must receive prior approval from the Food Management Bureau.

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III. REVISED SUPPLEMENTARY RATION LEVELS AND CERTIFYING OFFICES

INDUSTRY	DAILY SUPPLEMENTARY RATION Go	Grams	Calories	CERTIFYING OFFICE
A. GENERAL INDUSTRIES				
Coal Mining				
Pit Workers	4.5	630	2,205	Local Coal Bureau
Surface Workers	3.5	490	1,715	" " "
Construction of coal miners' housing	2.5	350	1,225	" " "
Lignite Mining	3.0	420	1,470	Local Commerce & Ind. Office
Ore Refining and Mining				
Pyrite	3.0	420	1,470	" " " " "
Copper	2.5	350	1,225	" " " " "
Lead	"	"	"	" " " " "
Zinc	"	"	"	" " " " "
Iron	"	"	"	" " " " "
Other metals	"	"	"	" " " " "
Petroleum Mining	2.0	280	980	" " " " "
Petroleum Refining	1.5	210	735	" " " " "
Iron and Steel				
Pig Iron	3.0	420	1,470	" " " " "
Secondary Products	1.5	210	735	" " " " "
Land Transportation				
Government Railway	2.2	310	1,085	Railway Supervision Office
Private Railway and electric trainways	1.5	210	735	" " " " "
Subsidiary Rail	2.5	350	1,225	" " " " "
Subsidiary Truck	2.0	280	980	Prefec. Labor Standards Office
Marine Transportation				
Designated Ports	3.5	490	1,715	Local Maritime Bureau
Others	2.5	350	1,225	Prefec. Labor Standards Office
Harbor Warehouse	2.5	350	1,225	" " " "
Others	1.5	210	735	" " " "
Manufacture of Railway Stocks				
Locomotive	2.0	280	980	" " " "
Others	1.5	210	735	" " " "

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INDUSTRY	DAILY SUPPLEMENTARY RATION Go	Grams	Calories	CERTIFYING OFFICE
Steel Shipbuilding and Repairing	2.7	380	1,330	Prefec. Labor Standards Office
Wooden Shipbuilding and Repairing	2.0	280	980	" " " "
Manufacture and Repairing of engines for vessels	1.2	170	595	" " " "
Salvage Works	1.5	210	735	" " " "
Metal Industry				
Mfg. of Electric Wire	1.5	210	735	" " " "
Mfg. of Copper Rolling	1.5	210	735	" " " "
Light Metal Rolling	1.5	210	735	" " " "
Lead Processing and reproduction	1.7	100	350	" " " "
Machine Industry				
Electric Machines	1.2	170	595	" " " "
Communication Equipment	1.2	170	595	" " " "
Bicycle "	1.0	140	490	" " " "
Vehicles Used in Industry				
Coal cars	1.7	240	840	" " " "
Other	1.0	140	490	" " " "
Automobile	1.2	170	595	" " " "
Agriculture machines and tools	1.5	210	735	" " " "
Precision Machines	1.0	140	490	" " " "
Pig iron and malleable casting	1.5	210	735	" " " "
Industrial Machines				
Mining machines	1.7	240	840	" " " "
Fertilizer	1.5	210	735	" " " "
Others	1.2	170	595	" " " "
Internal Combustion engines and springs	1.2	170	595	" " " "
Manufacture of Chemical Fertilizer	2.5	350	1,225	Local Commerce & Industry Office
Chemical Industry				
Sulphuric Acid	2.2	310	1,085	Prefec. Labor Standards Office
Carbide	2.0	280	980	" " " "
Soda	1.5	210	735	" " " "
Coke	2.0	280	980	" " " "

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INDUSTRY	DAILY SUPPLEMENTARY RATION Go	Grams	Calories	CERTIFYING OFFICE
Chemical Industry - cont.				
Explosive Powder	1.0	140	490	Prefec. Labor Standards Office
Rubber Products	1.0	140	490	" " " "
Tires and Tubes	1.5	210	735	" " " "
Alcohol and ether	1.5	210	735	Local Commerce & Industry Office
Farming chemicals	1.5	210	735	Prefec. Labor Standards Office
Camphor				
Crude	2.0	280	980	Local Monopoly Bureau
Refined	1.5	210	735	" " "
Synthetic Dyes	1.2	170	595	Prefec. Labor Standards Office
Glanbers Salt	1.0	140	490	" " " "
Carbon Disulphide	1.0	140	490	" " " "
Hide and Leather	1.0	140	490	" " " "
Tar products	1.0	140	490	" " " "
Dyestuffs and intermediates for modicine	1.0	140	490	" " " "
Paints	1.0	140	490	" " " "
Oxygen gas	1.0	140	490	" " " "
Oil products	1.0	140	490	" " " "
Inorganic chemicals	1.0	140	490	" " " "
Synthetic resin	1.0	140	490	" " " "
Organic synthetics	1.0	140	490	" " " "
Oil & fat products	1.0	140	490	" " " "
Celluloid and nitrocellulose	1.0	140	490	" " " "
Textile Industry				
Silk reeling	1.5	210	735	" " " "
Chemical textiles	1.5	210	735	" " " "
Cotton spinning and weaving	1.5	210	735	" " " "
Staple silk and rayon wool, hemp spinning and weaving, net and ropo weaving, knitted goods, clothes, dyeing and processing	1.0	140	490	" " " "
Paper and pulp manufacturing	1.2	170	595	" " " "
Ceramic Industry				
Cement	2.0	280	980	" " " "
Fire-proof brick	2.5	350	1,225	" " " "
Carbon products	1.5	210	735	" " " "
Sheet glass	1.5	210	735	" " " "
Glass products	1.0	140	490	" " " "

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INDUSTRY	DAILY SUPPLEMENTARY RATION Go	Grams	Calories	CERTIFYING OFFICE
Ceramic Industry - cont. Pottery & porcelain	1.0	140	490	Prefec. Labor Standards Office
Asbestos, rock wool high pressure concrete	1.5	210	735	" " " "
Salt Manufacture	2.0	280	980	Local Monopoly Bureau
Tobacco mfg. and transportation	1.0	140	490	" " "
Lime Stone Colliery	2.0	280	980	Prefec. Labor Standards Office
Communication employees	2.0	280	980	Local Communication Office
Telegraph & Telephone	1.2	170	595	Prefec. Labor Standards Office
Economic Investigator	1.0	140	490	Chief of Economic Investigation Bureau
Tobacco Inspector	1.0	140	490	Local Monopoly Bureau
Marine police officials	1.0	140	490	Maritime Safety Bureau
Electric Power Supply				
Fire	2.5	350	1,225	Local Commerce & Industry Office
Water	2.0	280	980	" " " " "
Electric engineering and construction	2.5	350	1,225	Prefec. Labor Standards Office
Gas Supply	1.2	170	595	" " " "
Paper Money Printing	0.7	100	350	Mint Bureau or Printing Bureau
Police Officials	1.0	140	490	Local Nat'l Rural Police Office
Fire Officials	0.7	100	350	Fire Board or Municipal Office
Prison Officials	0.7	100	350	Prison Warden
Public Works				
Reclamation	3.0	420	1,470	Agriculture Land Office
Civil engineering and construction	1.7	240	840	Prefec. Labor Standards Office or Municipal Office
Occupation Force Labor	1.5	210	735	Prefec. Governor or Prefec. Labor Standards Office
Civil engineering and construction	1.5	210	735	Prefec. Labor Standards Office

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INDUSTRY	DAILY SUPPLEMENTARY RATION Go	Grams	Calories	CERTIFYING OFFICE
Foodstuff industry	1.0	140	490	Prefec. Labor Standards Office
Staple Food Kodan Labor	1.0	140	490	Local Distribution Office
Sanitary Instrument manufacturing industry	1.0	140	490	Prefec. Labor Standards Office
Plywood Mfg.	1.5	210	735	" " " "
Auto substitute combustion engine	1.2	170	595	" " " "
Water works	1.2	170	595	Municipal Office
Public Sanitation Works	0.7	100	350	" "
Hospital Workers	0.5	70	245	Public Hospital or Prefec. Labor Standards Office
Press Workers	0.7	100	350	Prefec. Labor Standards Office
Meteorological observer	0.7	100	350	Chief of Observatory
Crude lacquer	1.0	140	490	Municipal Office
Quarry Industry	2.0	280	980	Prefec. Labor Standards Office
Lime Mfg.	1.5	210	735	" " " "
Reparation Plant Workers	0.5	70	245	Prefectural Governor
B. LINK INDUSTRIES				
Wood cutting	3.3	460	1,610	Municipal Office or Forestry Office
Fisheries Industry				
Coastwise	2.5	350	1,225	Municipal Office
Deepsea	2.5	350	1,225	" "
Fire Wood and Charcoal	2.5	350	1,225	Municipal Office or Forestry Office
Vegetable Farmers	0.85	120	420	Municipal Office
Sericulture Farmers	2.2	310	1,085	" "
Tea Farmers	2.0	280	980	" "
Tobacco Farmers	2.0	280	980	" "

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Annexed Table No. 3 - SUMMARY REPORT OF MUTUAL AID ASSOCIATION
(30 April 1948)

NAME OF MUTUAL AID ASSOCIATION	NUMBER OF MEMBERS			CONTRIBUTIONS (Yen)
	Officials	Employees	Total	
GRAND TOTAL ALL M.A.A.s	1,010,468	1,114,347	2,124,815	259,950,892.16
Total Administrative Agency M.A.A.s	733,059	282,001	1,015,060	108,390,757.95
Prime Minister's Office	2,310	3,228	5,538	838,720.46
Home Affairs	131,856	114,301	246,157	27,964,590.00
Foreign Affairs	867	665	1,532	212,170.34
Finance Ministry	23,431	28,542	51,973	3,205,490.00
Judicial Office	12,370	10,768	23,138	1,760,215.65
Agriculture & Forestry Ministry	14,129	30,791	44,920	3,782,444.62
Education Ministry	17,269	27,753	45,022	7,497,023.16
Transportation Ministry	6,610	11,827	18,437	1,628,047.11
Commerce & Industry Ministry	4,854	6,918	11,772	564,454.45
Welfare Ministry	4,222	36,474	40,696	2,727,458.28
Labor Ministry	6,806	10,734	17,540	1,260,237.74
Police	112,950	-	112,950	15,648,329.50
Jailer	11,159	-	11,159	612,779.09
Teacher	384,226	-	384,226	40,688,729.55
Total Operating Agency M.A.A.s	227,409	832,346	1,109,755	151,560,134.21
Public Works	-	9,672	9,672	1,073,060.14
Monopoly Bureau	6,807	24,828	31,635	5,072,688.35
Printing Bureau	417	8,440	8,857	1,609,332.50
Mint	154	2,270	2,424	525,596.52
Forestry Bureau	4,590	24,320	28,910	4,110,985.87
Railway	178,115	439,157	617,272	78,329,661.29
Communications	87,184	322,482	409,666	60,711,863.40
Silk Conditioning House	142	737	879	102,539.14
Forestry of Hokkaido	-	440	440	24,407.00

Inclosure 3

Annexed Table No. 3 - (Continued)

NAME OF MUTUAL AID ASSOCIATION	National Subsidy (Yen)	Benefits Paid (Yen)	Assets (Yen
GRAND TOTAL ALL M.A.A.s	193,606,280.37	440,305,712.59	1,073,190,882.78
Total Administrative Agency M.A.A.s	25,567,750.06	180,939,374.64	66,485,086.39
Prime Minister's Office	849,983.93	874,112.72	1,027,474.68
Home Affairs	2,286,130.00	45,577,548.00	14,295,508.00
Foreign Affairs	204,162.27	443,611.87	143,426.96
Finance Ministry	3,205,490.00	3,181,129.00	3,514,771.00
Judicial Office	872,916.79	1,954,299.50	2,290,664.17
Agriculture & Forestry Ministry	3,564,896.15	4,884,019.80	3,024,675.96
Education Ministry	6,227,584.78	6,227,716.86	7,764,977.42
Transportation Ministry	331,183.45	2,284,221.39	477,930.43
Commerce & Industry Ministry	1,238,270.90	577,783.58	1,311,063.32
Welfare Ministry	2,332,728.64	5,868,416.76	313,434.88
Labor Ministry	1,904,127.00	1,576,043.00	1,675,333.61
Police	1,384,530.52	29,764,315.66	8,055,261.27
Jailer	1,115,745.63	1,098,972.00	1,354,770.72
Teacher	-	76,667,183.50	21,235,793.97
Total Operating Agency M.A.A.s	168,038,530.31	259,366,386.95	1,006,705,796.39
Public Works	951,706.16	2,480,558.10	9,260,515.56
Monopoly Bureau	5,053,417.64	6,130,771.38	23,965,144.64
Printing Bureau	2,094,592.64	2,294,330.85	6,102,629.31
Mint	658,296.41	978,521.81	2,283,107.85
Forestry Bureau	3,269,682.96	4,200,090.47	7,129,581.44
Railway	86,960,700.20	167,449,802.87	726,394,931.00
Communications	68,940,851.30	75,385,668.37	232,156,242.57
Silk Conditioning House	87,095.00	217,571.10	78,541.00
Forestry of Hokkaido	22,188.00	229,072.00	233,103.00

WAGE REGULATION IN AGRICULTURE

AND INTRODUCTION OF MEASURES TO ENHANCE

THE EARNINGS OF PRIMARY PRODUCERS

LABOR RESEARCH MONOGRAPH No. 2

May 1949

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Labor Division

POSITION OF WAGE EARNERS IN JAPANESE AGRICULTURE 1/

Trends of Agricultural Labor Force

Agriculture, despite the increasing industrialization and urban development of the past 70 years, remains the backbone of the Japanese economy. Approximately one-half of the population, and similarly of the labor force, are dependent upon agriculture for their means of livelihood. In the 1 October 1947 census, adjusted for under-enumeration and special flood conditions, the total population amounted to 78,627,000 and the total labor force to 34,552,798. The proportion of workers employed in agriculture in the total adjusted employed figure of 33,881,018 was almost exactly 50 percent. This excludes approximately 1½ million persons engaged in forestry and fishing activities.

This high postwar proportion of workers in agriculture is a sharp reversal of a downward secular trend. In the 1920 census, 50.91 percent of the labor force was engaged in strictly agricultural activities, while in 1930 with a labor force of 29 million, 14 million or 47.85 percent were engaged in agricultural pursuits.

The war period intensified the shift in the agricultural---non-agricultural labor force distribution. In 1940 when Japan was substantially mobilized for war and increasingly emphasizing its heavy industry production the proportion engaged in agriculture sharply declined. In that year only 14,017,094 out of a total employed labor force of 34,102,299 or 41.10 percent were engaged in agriculture, excluding forestry and fishing (See Inclosure 1).

The sharp upward reversal of this declining trend in the postwar years is explained in part because of the elimination of a war production economy with its drain on the agricultural labor supply and the abolition of the large reservoir of armed forces manpower. It is also attributable to the necessary post-Surrender reabsorption of millions of repatriates including prisoners-of-war and displaced urban populations into agricultural areas where food and shelter were more accessible than in the devastated, industrially stagnant urban sections.

Trend of Farm Households

Paralleling the trend in the agricultural labor force is that of farm households, the basic measure of Japanese agricultural activity because of the smallness of the holdings and the universal use of family labor. A farm household is defined to mean "a family, some member of which is engaged in farming."

In 1893 there were 5,359,000 farm households or 64.1 percent of the national aggregate. This percentage declined steadily down through the World War I period despite some absolute increases which, however, were extremely small in relation to the growth of the population. In 1914 the percentage had declined to 56.9 though farm households increased to 5,456,000. The figures for 1920 and 1930 respectively were: 52.4 percent and 5,485,000 households; 46.0 percent and 5,600,000 households.

The low point was reached about 1941 according to the Ministry of Agriculture and Forestry when there was a significant decline in the absolute number of farm

1/ Prepared by John I. Saks, Ph. D., Chief, Research, Coordination and Analysis Branch, Labor Division, Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers, Occupied Japan.

households. These totaled only 5,498,826 despite an increase in Japan's population of almost nine million in the 11-year interval from 1930.

The effect of the large-scale bombings of principal cities forced an exodus during 1944 and 1945 to the rural sections, leading to an increase in the number of farm households during the final war years. This movement was accelerated in the postwar period as previously indicated by repatriates and the greater ease in obtaining food under the immediate post-surrender conditions. An all-time peak in absolute numbers was consequently reached as of 1 August 1947 of 5,909,227 farm households, an increase of 3.7 percent over the census of 26 April 1946 (Table A). Nevertheless, in relation to the total households in Japan, the 1947 proportion had fallen to slightly more than 37 percent in that year's census.

Other factors contributing to the postwar absolute increase in the number of farm households were: (a) the land reform program under the Occupation of breaking up large holdings in order to provide more opportunities for individual farming enterprises, and (b) the programs for resettlement and pioneering by repatriates and others interested in establishing themselves as farm operators under government sponsorship.

TABLE A

Total Number of Farm-Households - Japan

Date Investigated	Total Number	Increase (+) or Decrease (-) Compared with the Previous Census		Percentage (+) Increase (-) Decrease
1 August 1941	5,498,826	-		-
1 August 1942	5,505,429	(+)	6,603	(-) 0.1
1 August 1943	5,590,078	(+)	84,649	(-) 1.5
1 August 1944	5,536,508	(-)	53,570	(-) 1.0
26 April 1946	5,697,948	(+)	161,440	(-) 2.9
1 August 1947	5,909,227	(+)	211,279	(+) 3.7

SOURCE: Ministry of Agriculture and Forestry.

Hours Worked Per Household

As a corollary to the decline in farm households in the immediate prewar and early war period was the drop in the average number of hours worked per farm household (see Table B). This declined from 6239.6 hours in 1937 to 6050.6 hours in 1941 and to 5898.2 hours in 1942. Hired labor represented only 4.0, 3.2 and 3 percent of the total hours worked in each year respectively. More than half the employed labor was engaged in rice growing. The sharper decline in the employed labor, comparing wartime with the prewar (1937) base, is naturally attributable to the manpower drain into the armed forces and into war industries employment.

TABLE B

WORKING HOURS PER FARM HOUSEHOLD
(In Hours Per Year)

	1937	%	1941	%	1942	%	Index (1937 = 100) 1941	1942
GRAND TOTAL	6,239.6	100.0%	6,050.6	100.0%	5,898.2	100.0%	97.0	94.5
Family Labor, Total 1/	5,989.7	96.0	5,857.7	96.8	5,722.0	97.0	97.8	95.5
Rice growing	1,776.6		1,786.3		1,680.3		100.5	94.6
Silkworm raising	686.7		561.6		535.0		81.9	77.9
Others	3,526.4		3,509.8		3,506.7		99.5	99.4
Working days a year	745.0		754.0		716.6		101.2	96.5
Employed (Hired) Labor, Total 1/	249.9	4.0	192.9	3.2	176.2	3.0	77.2	70.5
Rice growing	139.1		121.8		94.3		87.6	67.8
Silkworm raising	28.0		11.9		15.0		42.5	53.6
Others	82.8		59.2		66.5		71.5	80.8
Working days a year	26.6		22.0		19.7		82.7	74.1

1/ These proportions of hired to family labor had declined even more sharply from 1932 to 1942. According to investigations of the Imperial Agricultural Society on the basis of total working days in agriculture in 1932, family labor accounted for 91.7% of the labor on small farms of 1.6 cho (3.9 acres) and of 82.5% on medium-sized farms averaging 2.93 cho (7.18 acres).

SOURCE: Ministry of Agriculture and Forestry

Size of Farming Unit as a Factor in Use of Hired Labor

As suggested by the foregoing, family labor is used almost exclusively in agriculture because of the smallness of the Japanese farming unit. In 1933 the area under cultivation per household averaged 2.49 acres or 1.017 cho-bu (1 cho-bu or cho equals 2.4506 acres); in 1941, 2.62 acres; in 1946, 2.16 acres and in 1947, 2.08 acres. The amount of land under cultivation by the total farm households for the respective years was 13.4 million, 12.2 and 12.28 million acres. (The wartime shortages of farm labor caused a decrease in farm land under cultivation which was further limited by the taking over of farm lands for airfields, factories, etc., and the inability to maintain proper flood control and drainage programs.) Over 90 percent of all farm households in each of the years 1941, 1946 and 1947 operated farms of less than four acres and approximately two-thirds cultivated holdings of one cho-bu or less. (See Table C, following).

As a result of the smallness of the holdings a large proportion of the farm household members must engage in other activities to supplement the family income. Of the 5,909,227 farm households in 1947, only 55.4 percent (3,274,569) were engaged in full-time farming. The remaining 2,634,658 or 44.6 percent were divided into the following categories: 1,684,099 or 28.5 percent of the total using agriculture as the primary activity and 950,559 or 16.1 percent having agriculture as a secondary activity. Based on this characterization of the structure and size of the

TABLE C

CLASSIFICATION OF FARM HOUSEHOLDS BY SIZE OF AREA CULTIVATED

CLASSIFICATION	1941		1946		1947	
Total Number of Farm Households	5,498,826	100.00%	5,697,948	100.00%	5,909,227	100.00%
Farm Households Not Cultivating Agricultural Lands	24,129	0.4	3,246	0.1	1,386	0.0
Farm Households Cultivating Agricultural Land of Less Than 3 Tan 1/	1,831,350	33.3	1,293,759	22.7	1,414,682	23.8
3-5 Tan			939,349	16.5	1,036,533	17.5
5 Tan - 1 Cho-bu 2/	1,647,680	30.0	1,785,640	31.3	1,834,221	31.0
1 Cho-bu - 1.5 Cho-bu	1,471,462	26.7	950,142	16.7	925,404	15.7
1.5 Cho-bu - 2 Cho-bu			386,729	6.8	364,291	6.2
Farm Households Cultivating Agricultural Land of Less Than 2 Cho-bu - 2.5 Cho-bu					147,651	2.5
2.5 Cho-bu and less than 3 Cho-bu	336,743	6.1	211,260	3.7	62,529	1.1
3 Cho-bu and less than 5 Cho-bu	118,461	2.2	77,130	1.4	73,800	1.3
5 Cho-bu and less than 10 Cho-bu	49,923	0.9	38,245	0.6	37,698	0.5
5 more than 10 Cho-bu	20,078	0.4	12,448	0.2	11,032	0.2

1/ One Tan = 0.24506 acres
2/ One Cho-bu = 2.4506 acres

SOURCE: Ministry of Agriculture and Forestry

farm unit, there is obviously a very limited demand for hired labor and that principally in the rice crop (see Table B).

Number of Hired (Paid) Workers

At the time of the August 1947 agricultural census the number of regular employees engaged in agriculture totaled 110,565 or 0.02 regular employees per household.1/ On the other hand, there were 44,239,559 man-days of temporary employment used which averaged 7.43 man-days per household for the census year. A sample study of selected farm families made at the time of the census confirms these estimates. A total of 97,135 families employed only 2,804 regular workers. There were, however, 286,459 family workers including the farmer-household head and 765,253 man-days of temporary or casual hired employment in the year ending 31 July, which approximates eight man-days per farm.

In the 1 October 1947 Census of Population (unadjusted), employed persons receiving wages or salaries who gave agriculture as their primary activity totalled 366,362, 56 percent of them males. This figure includes both "regular" and "casual or temporary" day labor at the time of the census and is generally consistent with the figures obtained at the time of the August 1947 Agricultural Census. It represents a small increase of 4.6 percent over the comparable 1940 Population Census figure of 350,312. On the other hand, total employment in agriculture increased from 14,017,094 in 1940 by 18.6 percent to 16,622,418 (unadjusted) in 1947.

The proportion of hired employees in agriculture as compared with other industries has always been extremely low (See inclosed Table III). In agriculture the 366,382 paid employees in 1947 represented 2.2 percent of total employment in that industry, a decline from the 2.5 percent ratio of paid employment in 1940. Since agriculture represented approximately 50 percent of total agricultural--non-agricultural employment in 1947, the paid employment in that industry amounted roughly to 1.1 percent of total employment of 33,328,963 and 3.1 percent of all paid employment which totaled 11,857,276 (See inclosures I, II, III and IV).

Recruitment of Wage Earners

Because of the very limited use of hired labor, recruitment is primarily on an individual basis by direct contact between job seeker and employer. Most of the hired labor is locally procured through personal or family connection. A large part of the relatively small number of permanent workers are usually engaged on a contract basis as described below. Most of the casual or day labor consists of poor farmers operating very small holdings who assist the larger operators in their own locality in the busy periods of farm activity.

Although public employment exchanges are available for the placing of agricultural job openings and receiving applications of farm workers, resort to this free service is negligible in relation to the volume of job placements in other industries. This is even more true when one considers the number of regular as distinct from temporary or casual job placements in agricultural work.

In the six-month period September 1948 through February 1949 which includes the all important fall rice harvesting, total public employment exchange placements of all types amounted to 12,333,120. Regular placements, that is for positions lasting

1/ The number of regular (year-round) laborers in the years 1939, 1940 and 1941 were 117,613, 116,964, and 105,813 respectively. The number of day laborers and seasonal laborers who were chiefly employed in these types of agricultural activity at the time of the censuses of these years was 234,566, 303,777 and 287,330 respectively.

60 or more days or of indefinite duration, totalled 402,641 or 3.3 percent. Placements of agricultural workers in agricultural jobs including regular and casual workers as well as placements in the predominant land reclamation activity equalled 77,682, or 0.63 percent of all placements. Placements of both types of workers in specifically farm activities amounted to 17,086, or approximately 0.1 percent of the six-month placement total. If any comparable pattern of regular to temporary or casual placements obtains in agriculture, the number of regular workers recruited through the public employment security offices is completely insignificant.

TABLE D

JOB PLACEMENTS THROUGH JAPANESE PUBLIC EMPLOYMENT SECURITY OFFICE SYSTEM
September 1948 - February 1949

PLACEMENT BY TYPE	TOTAL	1948				1949	
		September	October	November	December	January	February
All Placements	12,333,120	2,170,568	2,026,298	2,155,732	2,208,030	2,136,453	1,636,039
Regular[1]	402,641	78,609	68,626	62,262	56,109	60,667	76,368
Temporary & Casual	11,930,478	2,091,959	1,957,672	2,093,469	2,151,921	2,075,786	1,559,671
AGRICULTURAL							
Total	77,682	23,913	16,698	12,305	7,633	12,617	4,516
Rice Farms	3,697	275	1,489	1,148	657	60	68
Other Farms	13,389	3,234	2,488	4,029	1,617	1,409	612
Land Reclamation[2]	60,596	20,404	12,721	7,128	5,359	11,148	3,836
Forestry[3]	5,348	1,881	2,792	530	42	81	22
Fishing[3]	15,105	1,230	1,487	2,036	1,060	2,572	6,720

1/ Regular placements are those which are made to fill positions to last 60 days or longer or of indeterminate duration.
2/ Consists of agricultural skills placed in agricultural activities and includes both "Regular" and "Temporary and Casual" placements. Land reclamation includes repair of dikes, cleaning drainage canals, and other rural public works and has been classified historically in Japan as "agriculture".
3/ Includes "Regular" and "Temporary and Casual".

SOURCE: Ministry of Labor, Bureau of Employment Security Reports

The Public Employment Security Law regulates the hiring of workers and places control of out-of-area recruitment in the Public Employment Security Offices (Exchanges). This applies equally to industrial and agricultural workers. Since there is almost no recruitment of agricultural labor and infinitely less out-of-area recruitment, these legislative controls over labor hiring procedures have no effect.

Permanent Hired Labor

The labor contract for permanent farm labor has a long existence in Japan and is, in effect, a form of feudal bond service. Male or female servants were attached

to a particular master for life, frequently being hired or sometimes purchased in their childhood from their parents for comparatively small sums or else to work off a debt. These feudal types of servitude required the acceptance by the individual of a life of work devoted to his employer's welfare. Most of the activity was farm labor, although females were frequently engaged exclusively in domestic service. The basic reason for this source of agricultural labor supply was the generally depressed condition of agriculture and the consequent inability of the poorest farm households with their minute holding to maintain their steadily increasing population after the middle of the 19th Century.

This farm contract labor system was nevertheless on the decline in prewar days. It was outlawed under the individual liberties guaranteed by the new 1947 Constitution in accordance with Occupation objectives of developing a free, democratic society and because of the more enlightened public opposition to this evil. Nevertheless, many instances of servitude and hundreds of child-selling cases are reappearing in severely impoverished areas despite vigorous action by the Japanese authorities under Occupation direction to prosecute the child labor "brokers" and to assist economically the dependent families to provide satisfactory homes for the affected children.1/

As a result of the rapid contraction in the lifetime "contract" system in the prewar period, permanent hired workers in agriculture principally consist of younger people. They generally include the second or third male child, or, in the case of females, girls working to earn a marriage "dot" or dowry. The period of contract usually runs for half a year or one year beginning or ending with the "New Year" or "Bon" (Buddhist festival period which usually lasts for about three days toward the middle of the seventh lunar calendar month.)

Migratory Workers

Migratory labor, as the term is understood in Western countries, does not exist in sufficient volume to warrant consideration. There are no workers who follow the crop seasons or harvests. There is a regular movement, however, between industry and agriculture as a normal condition of activity, particularly of male workers in rural areas who devote as much as one-fifth to one-half of their normal work week to agriculture on their off days or after the normal day's work.

1/ In the first four months of 1949, the Welfare and Labor Ministries are reported to have uncovered more than 3,100 cases of trafficking in child labor, mostly in backward rural prefectures. In Tochigi Prefecture, over 3,000 cases of children sold for exploitation as cheap labor were discovered. In the majority of cases the parents were desperately poor tenant farmers, war widows or day laborers. Of 57 cases investigated in one village, 42 were boys between seven and eighteen, and the remainder girls. Eleven were orphans and four were homeless waifs as a result of the war. Only 17 of the 57 had completed their compulsory education. The prices received for these children ranged from ¥1,500 to ¥4,000 (about $8 to $20 at the approximate exchange rate at the time), the brokers receiving from ¥800 to ¥1,000 as commissions or sometimes nothing more than two or three sho (3 to 4 kilograms) of rice. In all cases, no written contracts were signed and the term of service left undefined. "Ironically enough, the majority of the children were happier in their 'new homes' because at least they were given enough to eat, whereas they were constantly hungry when they lived with their parents. The children received clothing and were allowed to attend the village festivals once or twice a year but were given no regular wages....The younger of these....children were usually made to look after babies while the (housewife)... toiled alongside her husband in the fields and the other (children) worked as farmhands." (Nippon Times, 8 May 1949).

These workers and their families are included in the total of farm households, constituting part of the large number which are not devoted to full-time farming, and principally drawn from the 16.1 percent of all farm households which give agriculture as a secondary activity in the 1947 Agricultural Census.

An additional limited labor supply from the urban areas occurs during certain planting and harvest periods when family members may return to their native places to assist in the seasonal activity. This is of limited significance, however, and has no bearing on the problem of migratory paid workers.

Agricultural Employment

Unemployment as normally defined in terms of labor force participation is almost non-existent in Japanese agriculture. Nevertheless, there is considerable under-employment because it is customary in Japan for older people to retire at comparatively early ages by Western standards, and live under the same roof as their children. Many of these older persons participate actively in agriculture; others, however, work in the fields primarily during periods of seasonal planting or harvest-inactivity.. They are, therefore, used when there is a demand for extra hands.

TABLE E

DISTRIBUTION OF HOUSEHOLD MEMBERS ENGAGING IN FAMILY AGRICULTURE BY AGE - 1947

AGE	Regular Household Members (A)	Family Members Engaging in Own Farming (B)	% (B)/(A)
TOTAL	35,916,111	17,543,934	48.8
Less than 15 years of age	12,535,164	389,399	3.1
15-24 years	7,301,800	4,856,426	66.5
25-39 years	6,098,403	5,087,994	83.4
40-59 years	6,474,437	5,416,878	83.7
60 or more years of age	3,506,307	1,793,237	51.1

SOURCE: Ministry of Agriculture and Forestry

The Japanese farm household frequently engages in home industry production as a source of supplementary but essential cash income. This consists primarily of producing straw products including "zori" (braided sandals) and other items prepared from basic agricultural products including wooden and paper toys, umbrellas, lanterns, etc. This light domestic work is carried on by the household labor reserve consisting of the older persons including parents and relatives, housewives, when not engaged in domestic duties or in direct field labor, and children. It is something of a spare time activity in which the full-time agricultural workers also engage during winter evenings or when prevented by weather or other conditions from pursuing their regular vocation.

Frequently, however, there is more labor normally available than is needed to satisfy the demand for these products. Hence, under-employment in the sense of unutilized family labor may be said to exist to a fairly significant degree.

(The return of hundreds of thousands of homeless repatriates and prisoners of war to live with their farm relatives has also contributed to the farm surplus labor potential. During the early postwar years the chronic food situation and the ineffectiveness of official rationing provided an outlet for many farm household residents to function as blackmarket entrepreneurs in farm products. This was carried on through barter or sale to urban residents, thousands of whom spent hours and sometimes days each week travelling to the rural sections in search of food supplies. With the great improvement in food production and regularization of rationing distribution, this source of activity has been substantially eliminated, again tending to increase the surplus labor available on the farms.)

In summary, therefore, the use of regular hired labor in Japanese agriculture is insignificant for the following reasons:

a. The average size of land holding per farm is so small as to provide employment only for the members of the immediate family.

b. Temporary day labor is used in extremely small quantities and then generally at planting or harvest periods.

c. During the busy periods such as rice-planting or harvesting there is additionally the traditional and generally practiced custom of mutual help by the farming neighbors called "nui" (combination) or "temegae" (exchange of labor). In some instances not only neighbors but all the active farm workers of a village will cooperate for particular activities which inure to the benefit of their relatives or neighbors.

Levels of Wages

Wage levels in agriculture for daily and casual male workers were lower in prewar years than in non-agricultural activities. The trend has continued down to the present with some tendency towards a narrowing of the gap between the two levels of wage payment. In the case of female labor, however, agricultural activities paid comparatively higher wages than those paid females in manufacturing industries. In part, the comparisons are not true ones because the wage data for manufacturing exclude irregular bonuses and allowances, that is those paid on a less frequent basis than every 60 days and also exclude the value of payments in kind. Furthermore, the average age of hired female labor in agriculture, generally housewives, is higher than that in manufacturing industries where female employment in textiles is a determining factor in female wage averages. Female textile workers are generally single young girls whose basic wage is correspondingly affected by their age and unmarried status. (See inclosure 5).

Using 1937 wages equal to 100, Table F offers a comparison of the wage indexes for males in Agriculture and in "Other Industries" for the year 1947. The table shows the wage index for agriculture from about 80% of other industries at the beginning of the year to almost 90% at the end. 1/

1/ It should be pointed out that the more recent trend of wages in agriculture may be slightly more favorable by comparison with those in manufacturing because the average number of hours worked is somewhat higher in the former activity. During 1948 approximately two-thirds of those employed in agriculture and forestry worked 49 hours and more per week, whereas in manufacturing roughly 50 percent worked longer than 48 hours per week. The (1947) Labor Standards Law provisions regarding hours of work, recess periods, vacations and overtime pay do not apply to agriculture which is a specifically excepted industry.

TABLE F

WAGE INDEXES FOR MALES IN AGRICULTURE AND IN "OTHER INDUSTRIES" BY MONTHS
1947
(100 = 1937)

MONTH	Wage Index in Agriculture (Male)	Wage Index in "Other Industries" (Male)
January	3,197	4,059
February	3,234	4,202
March	3,522	4,395
April	4,030	4,933
May	4,593	5,630
June	6,118	5,970
July	6,596	7,076
August	7,277	7,136
September	7,756	7,697
October	8,268	8,698
November	8,706	9,697
December	9,218	10,333

SOURCE: Ministry of Agriculture and Forestry

Where children or young persons are used in agriculture, they are almost 100 percent family members. Regular paid employees under 15 years of age in 1947 numbered 4,903, 1.24 percent of the total 394,302 family and hired workers in that age group in agriculture.

Form of Wage Payment

Day Workers

Before the war, payment in kind was the principal method of wage payment for agricultural labor and consisted chiefly of rice. The limited cash income from agricultural activities was specifically needed by farmers for exchange for non-agricultural commodities and for basic supplies. The wages for male day laborers varied from district to district but in general averaged about two sho (one sho equals 1.4 kilograms approximately) of rice. Female wages approximated 80 percent of the males, which is a higher ratio than applied in manufacturing and other non-agricultural activities.

After the war, payments in kind became much less significant, being largely replaced by cash. This is attributable specifically to the value placed on the surplus of farm products over and above the quotas delivered at official prices to the government, the balance being available for the farm household's own consumption. A large part of the surplus went into the blackmarket at excessive prices, making it more advantageous for the farmers to pay hired labor in cash at fixed daily rates, thereby reaping additional profits from the open market trading in rice and other commodities.

A Ministry of Agriculture survey of July 1948 of labor used for rice planting in a selection of over 300 villages, disclosed that the great majority of those reporting were paying total wages either in cash or cash plus meals. Meals, as such, are not considered as a payment in kind, not varying in relation to the amount of cash wage. A very few villages were found to be paying wages only in kind. This, in turn, was limited exclusively to supplies of rice.

TABLE G

TYPES OF WAGE PAYMENT FOR AGRICULTURAL LABOR - 269 VILLAGES - JULY 1948

FORM OF PAYMENT	Number Villages	Amount of Cash Payment (Yen)		Quantity of Rice (Sho = 1.4 kg)	
		Male	Female	Male	Female
A. Cash Payment Only	87	217	196		
B. Cash + Payment in Kind	5	230	210	1.1	1.1
C. Payment in Kind Only					
D. (1 Meal + Cash Payment	40	222	212		
(2 Meals + Cash Payment	85	208	187		
(3 Meals + Cash Payment	110	236	210		
(4 Meals + Cash Payment	24	275	261		
E. (1 Meal + Cash + Payment in Kind	2	175	150	1.0	1.0
(2 Meals + Cash + Payment in Kind					
(3 Meals + Cash + Payment in Kind	7	174	167	1.3	1.3
(4 Meals + Cash + Payment in Kind	3	167	167	1.0	1.0
F. 3 Meals + Payment in Kind	6	.		2.2	2.1
TOTAL	269				

SOURCE: Ministry of Agriculture and Forestry.

Among the 371 villages included in the survey, 277 villages answered that there had been no change in the form of payment in recent years. Of the remaining villages, 52 answered that cash payment only, without meal or payment in kind, had recently been accepted as the local practice in a change-over from other types of payment.

Supplementary information on the pattern of cash wage payments by type of agricultural activity for the year 1947 are shown in Inclosure 5.

Permanent Workers

Although the amount of current cash payments is not available statistically for the country as a whole, reports in early 1949 indicate that in the Kanto Plain Area (including Tokyo Metropolitan District), the payment for a half-year's service was about ¥10,000 or two hyo of rice (120 kilograms). In addition to the cash wage, the permanent worker was provided with room and board and generally work clothes.

Meals and lodging, however, are still part of the payment in kind to agricultural labor. In addition, work clothes and tabi (rubber soled socks) are

generally provided permanent workers. For female permanent workers, household furnishings and bridal clothing are still often supplied as a type of payment in kind at the expiration of the contract period.

Hours of Work

The permanent worker works the same hours as his master and family. Holidays are commonly given at "New Year" and "Bon" and village festivals. In rare cases such workers are granted weekly or a monthly holiday. Day workers throughout Japan usually average about ten hours per day, though this varies with the season and the district.

Payment of Wages

As indicated above, wages in agriculture are currently paid in cash though the prevailing custom has been that of payments in kind. Wages are regulated under the Labor Standards Law without distinction between agricultural and non-agricultural earnings. According to Article 24 of that law:

> "Wages must be paid in cash and in full directly to the workers. However, when otherwise stipulated by the Law, or by collective agreement, the employer can deduct a part of the wage or pay not in cash.
>
> "Wages must be paid at least once a month at a definite date. However, this does not apply to extraordinary wages, bonus and the like which will be defined by ordinance."

There has been little administrative action to insure that the above provisions are adequately enforced. Customary practices have tended to prevail with regard to the periodicity and types of payments. The truck system is unknown as are company stores in relation to agriculture, since there is little large-scale commercial agricultural operation. It is rare to find more than one farm worker employed in any farm other than in the relatively few stock raising establishments in the northern island, Hokkaido.

Deductions from Wages: Attachment and Seizure of Wages

No deductions may be made from wages unless specifically authorized by law. This is in accordance with Article 24. In the case of industrial workers this has specific reference to social security and income taxes, neither of which are deductible for farm workers. Collective agreements, likewise may permit deductions for union and other welfare activities, neither of which would have any application in the case of farm laborers. However, Article 91 of the law does permit some deductions for bad work or neglect. The Article reads as follows:

> "When decrease of wage is to be stipulated as sanctions in the Rule of Employment the amount of decrease shall not exceed half of one day's average wage for a single violation and shall not exceed ten percent of the total wages for all violations during a payment period".

The Japanese Civil Judicial Procedure Law, Article 618, provides for attachment of wages above three-fourths of the average earnings based on the previous annual earnings divided by the unit of payment--daily, weekly or monthly. However, this procedure for wage attachment was rarely used in prewar Japan and no instances have thus far been reported in the postwar period.

With regard to the priority of payment of wages, the amended Japanese Civil Code provides that six months' salary are a prior lien after taxes on the assets of non-paying employers. For delay in paying wages, the Labor Standards Law provides for penalties against offending employers not to exceed ¥5,000.

Wage Regulation: Methods and Machinery

At the present time there are no regulations establishing the levels of wages to be paid in agriculture. The pattern of wage regulation was substentially a matter of wartime control, the historical development of which was as follows:

Up to 1939, the wages of agricultural workers were determined by free bargaining between individual employer and worker. In 1939 wages in agriculture, along with wages in other industries became subject to legal controls. In April 1942, maximum and minimum rates were determined for each prefecture.

The Wage Control Ordinance (Imperial Ordinence No. 128), promulgated on 31 March 1939 under the provisions of Article 6 of the National Mobilization Law, dealt principally with the entry wage of unskilled workers in factories and mines. However, the Temporary Wage Administration Ordinance (Imperial Ordinance No. 705) of 18 October 1939 brought the wages of agricultural workers under similar controls. The ordinance was aimed mainly at stabilizing wages at the 18 September level of that year.

Measures to control agricultural wages were provided in the Temporary Wage Administration Ordinance through two methods:

a. Wage agreements between employers or wage regulation by an association of employers, when it secured permission of the prefectural governor. Such procedures would take precedence over other provisions of the ordinance; that is, the particular employer could pay wages in accordance with such an agreement without reference to effective wages in the base period of 18 September 1939.

b. The prefectural governor could fix official rates for daily workers' wages.

In practice, however, method a., the wage agreement system, was the only one used to regulate wages in agriculture and construction and transportation. Official wage fixing was not actually introduced until April 1942 as mentioned below. Agricultural wage agreements were entered into by the agricultural associations in each prefecture.

Subsequently, by the promulgation of the Wage Control Ordinance of 16 October 1940, the Welfare Minister or the prefectural governor was empowered to fix, after consultation with the Wage Board, the minimum and maximum wage for certain categories of laborers (Articles 9 and 11 of the Ordinance).

The wage agreement system procedure and the agreements in effect which were made under the Temporary Wage Administration Ordinance of 1939 were recognized under the new ordinance. However, it became evident after two years' operation that the wage agreements in various prefectures were significantly unrelated to prevailing wage conditions.

Under the above-mentioned procedure of Wage Board consultation which took place in January, the minimum and maximum wages of agricultural workers were thereupon officially fixed in April 1942.

Examples of the officially fixed wages for agricultural and forestry workers are shown in Inclosures 7 and 8. These may be compared with wages established for other industries, for example, the principal occupations in construction in Inclosure 9.

In October 1944 the wage scale for workers in the construction industry was revised to permit raising wages, principally for skilled workers, by 20-30 percent (Inclosure 10). (It should be noted that the above-mentioned revision of the wage scale was made by revising the wage agreement standards, not by revision of the official rates, as the government did not wish to make any public admission of changes in the governmentally established rates which were completely ineffective and which were wholly ignored by employers and laborers.) This was done by creating a new class of more experienced workers who were given the higher rate. In the case of agricultural and forestry workers' wages, the prefectural governors were given discretionary powers to make such adjustments as appeared necessary. In pursuit of this policy, revisions were made in agricultural workers' wages in every prefecture, and this procedure remained in effect for the remainder of the war period.

Following the abrogation of the Wage Control Ordinance of 30 September 1946, controls were lifted from the wages of agricultural workers and left to free bargaining. In practice, however, the Wage Control Ordinance had lost its effectiveness by 15 August 1945.

Although the wages of agricultural workers are thus currently freely determined, those for workers employed on land reclamation and other public works (semi-relief) projects, are determined by the government.

(See Inclosure 11 for governmentally determined wage rates in Tochigi and Ibaragi prefectures of August 1948, for principal occupations in agriculture, forestry and construction).

It should be emphasized that despite the above-mentioned reference to wage control legislation, there were effective going wages outside the wage regulation system which in general, were the prevailing wages for the activity. This is evident by comparing actual wages with official wages or the scales established by wage agreements (see Inclosure 6).

Actual daily wages paid during the latter part of the war and early postwar period ranged between approximately two and one-half and three times the official wages or wages established by agreement. In 1946, for example the average of actual daily wages paid was ¥33.48 for males and ¥27.85 for females. This compares with ¥23,96 for males and ¥10.36 for females in manufacturing industries. It should be noted that manufacturing rates are limited, however, to regular wages excluding "irregular" bonuses and allowances paid less frequently than every 60 days and also excluding the cash value of payments in kind. Despite these limitations, actual agricultural wages paid compared very favorably with those paid in non-agricultural industries.

Minimum Wage Policies

In the postwar period there is no minimum wage fixing machinery and no such program is under consideration. There is apparently little need for regulation in view of the limited use of hired labor except under special conditions. Payment as described above is generally adequate in comparison with wages prevailing in non-agricultural activities. No government policies or programs are considered necessary in connection with the problem of wage payment. Strict enforcement of the law to eliminate the last vestiges of the feudal system of permanent

labor contracts, however, is currently being pushed.

Agricultural Labor Unions

The organization of agricultural laborers into trade unions in the postwar period has not developed primarily because of the very few and wide-scattered paid workers dependent on this activity for their livelihood.

EMPLOYED 1/ POPULATION IN 1940 AND 1947

INDUSTRY	1940 TOTAL	PERCENT	MALE	PERCENT	FEMALE	PERCENT
TOTAL	34,102,299	100.00	21,347,044	100.00	12,755,255	100.00
Agriculture	14,017,094	41.10	6,834,287	32.02	7,182,807	56.31
Forestry	303,899	0.89	264,540	1.24	39,359	0.31
Fishing	581,464	1.71	514,887	2.41	66,577	0.52
Mining	628,852	1.84	559,619	2.62	69,233	0.54
Construction	1,044,973	3.06	1,022,512	4.79	22,461	0.18
Manufacturing	7,374,502	21.62	5,456,153	25.56	1,918,349	15.04
Gas, Electricity and Water Supply	153,372	0.45	143,020	0.67	10,352	0.08
Commerce	3,692,274	10.83	2,576,411	12.07	1,115,863	8.75
Finance	247,207	0.72	186,080	0.87	61,127	0.48
Transportation and Communication	1,466,631	4.30	1,316,121	6.17	150,510	1.18
Service Professions	2,133,740	6.26	659,977	3.08	1,473,763	11.55
Liberal Professions	1,121,336	3.29	683,729	3.20	437,609	3.43
Government and Public Organizations	1,109,797	3.25	966,539	4.53	143,258	1.12
Industry, Not Elsewhere Classified	227,156	0.67	163,169	0.76	63,987	0.50

INDUSTRY	1947 TOTAL	PERCENT	MALE	PERCENT	FEMALE	PERCENT
TOTAL	2/33,238,963	100.00	20,622,217	100.00	12,706,746	100.00
Agriculture	16,622,418	49.87	8,013,415	38.86	8,609,003	67.75
Forestry	479,562	1.44	417,942	2.02	61,620	0.48
Fishing	709,617	2.12	612,386	2.97	97,231	0.77
Mining	667,478	2.00	567,953	2.75	99,525	0.78
Construction	1,320,057	3.96	1,268,346	0.15	51,711	0.41
Manufacturing	5,721,901	17.17	4,249,960	20.61	1,471,941	11.58
Gas, Electricity and Water Supply	190,754	0.57	170.461	0.83	20,293	0.16
Commerce	2,190,131	0.57	1,496,820	7.26	693,311	5.46
Finance	240,003	0.72	157,807	0.75	82,196	0.65
Transportation and Communication	1,506,532	4.52	1,329,809	6.45	176,723	1.29
Service Professions	838,403	2.52	358,835	1.74	479,568	3.77
Liberal Professions	1,126,533	3.38	682,309	3.31	444,224	3.50
Government and Public Organizations	1,271,361	3.81	988,685	4.79	282,676	2.22
Industry, Not Elsewhere Classified	444,213	1.33	307,489	1.49	136,724	1.07

1/ Employed Population includes proprietors, officials, unpaid family workers and paid employees.

2/ Unadjusted for under-enumeration and special flood conditions at the time of the Census.

SOURCE: Census of Population, Cabinet Bureau of Statistics

Inclosure 1

NUMBER OF PAID EMPLOYEES BY INDUSTRY, 1940 AND 1947

INDUSTRY	1940 TOTAL	1940 MALE	1940 FEMALE
TOTAL	14,511,423	10,636,277	3,875,146
Agriculture	350,312	211,365	138,947
Forestry	163,348	146,115	17,233
Fishing	212,510	201,706	10,804
Mining	615,808	547,429	68,379
Construction	701,732	681,589	20,143
Manufacturing	5,776,152	4,276,637	1,499,515
Gas, Electricity and Water Supply	153,372	143,020	10,352
Commerce	1,242,772	1,040,881	201,891
Finance	235,677	178,256	59,421
Transportation and Communication	1,337,359	1,194,263	143,096
Service Professions	1,474,800	342,567	1,132,233
Liberal Professions	920,801	550,267	370,534
Government and Public Organizations	1,109,797	966,539	143,258
Industry, Not Elsewhere Classified	15,794	13,617	2,177
Unclassified	301,189	142,026	59,163

INDUSTRY	1947 TOTAL	1947 MALE	1947 FEMALE
TOTAL	11,857,276	8,921,233	2,936,043
Agriculture	366,382	205,654	160,728
Forestry	263,594	236,090	27,504
Fishing	276,687	256,713	19,974
Mining	640,384	543,679	46,705
Construction	925,316	879,605	45,711
Manufacturing	4,151,634	3,007,086	1,144,548
Gas, Electricity and Water Supply	187,022	166,869	20,153
Commerce	634,245	460,953	173,272
Finance	219,197	139,948	79,249
Transportation and Communication	1,366,643	1,196,714	169,929
Service Professions	418,382	145,218	273,164
Liberal Professions	800,251	455,655	344,606
Government and Public Organizations	1,245,356	963,965	281,391
Industry, Not Elsewhere Classified	362,173	263,084	99,089
Unclassified	—	—	—

SOURCE: Census of Population, Cabinet Bureau of Statistics

Inclosure 2

RATIO OF NUMBER OF PAID EMPLOYEES TO THE TOTAL NUMBER EMPLOYED BY INDUSTRY, 1940 AND 1947

INDUSTRY	1940 TOTAL	1940 MALE	1940 FEMALE
TOTAL	42.55	49.82	30.38
Agriculture	2.49	3.09	1.93
Forestry	53.75	55.23	43.78
Fishing	36.54	39.17	16.22
Mining	97.92	97.82	98.76
Construction	67.15	66.65	89.67
Manufacturing	78.32	78.38	78.16
Gas, Electricity and Water Supply	-	-	-
Commerce	33.65	40.40	17.42
Finance	95.33	95.79	97.20
Transportation and Communication	91.18	90.66	95.07
Service Professions	69.11	51.90	76.82
Liberal Professions	82.11	80.48	84.67
Government and Public Organizations	-	-	-
Industry, Not Elsewhere Classified	6.95	8.33	3.40

INDUSTRY	1947 TOTAL	1947 MALE	1947 FEMALE
TOTAL	35.57	43.26	23.10
Agriculture	2.20	2.56	1.86
Forestry	54.96	56.48	44.63
Fishing	38.99	41.92	20.54
Mining	95.94	95.72	97.16
Construction	70.09	69.35	88.39
Manufacturing	72.55	70.75	77.75
Gas, Electricity and Water Supply	98.04	97.89	99.31
Commerce	28.95	30.79	24.99
Finance	91.33	88.68	96.41
Transportation and Communication	90.71	89.99	96.15
Service Professions	49.90	40.46	56.96
Liberal Professions	71.03	66.78	77.57
Government and Public Organizations	97.95	97.49	99.54
Industry, Not Elsewhere Classified	81.53	85.55	72.47

SOURCE: Census of Population, Cabinet Bureau of Statistics

Inclosure 3

RATIO OF NUMBER OF PAID EMPLOYEES TO THE TOTAL OF EMPLOYEES BY INDUSTRY

INDUSTRY	1940 TOTAL	1940 MALE	1940 FEMALE
GRAND TOTAL	100.00%	100.00%	100.00%
Agriculture	2.41	1.98	3.58
Forestry	1.12	1.37	0.44
Fishing	1.46	1.89	0.27
Mining	4.24	5.14	1.76
Construction	4.83	6.40	0.51
Manufacturing	39.80	40.20	38.69
Gas, Electricity and Water Supply	1.05	1.34	0.26
Commerce	8.56	9.78	5.20
Finance	1.62	1.67	1.48
Transportation and Communication	9.21	11.22	3.69
Personal Professions	10.16	3.22	29.21
Liberal Professions	6.34	5.17	9.56
Government and Public Organizations	7.64	9.08	3.69
Industry, Not Elsewhere Classified	0.10	0.12	0.05

INDUSTRY	1947 TOTAL	1947 MALE	1947 FEMALE
GRAND TOTAL	100.00%	100.00%	100.00%
Agriculture	3.08	2.30	5.47
Forestry	2.22	2.64	0.93
Fishing	2.33	2.87	0.66
Mining	5.40	6.09	3.29
Construction	7.80	9.85	1.55
Manufacturing	35.01	33.70	38.98
Gas, Electricity and Water Supply	1.57	1.87	0.68
Commerce	5.34	5.16	5.90
Finance	1.84	1.56	2.69
Transportation and Communication	11.52	13.41	5.78
Personal Professions	3.52	1.62	9.30
Liberal Professions	6.74	5.10	11.73
Government and Public Organizations	10.50	2.94	3.37
Industry, Not Elsewhere Classified	3.05	2.94	3.37

SOURCE: Census of Population, Cabinet Bureau of Statistics

Inclosure 4

TREND OF DAILY WAGES IN AGRICULTURE AND MANUFACTURING 1/

PERIOD	AVERAGE ALL ACTIVITIES AGRICULTURE		RICE					
			CULTIVATION		PLANTING		HARVESTING	
	Male	Female	Male	Female	Male	Female	Male	Female
1937 Avg	1.19	0.97	1.25	1.00	1.15	0.92	1.20	0.93
1938	1.47	1.15	1.54	1.12	1.33	1.06	1.47	1.05
1939	1.84	1.49	1.82	1.50	1.77	1.41	1.89	1.52
1940	2.07	1.71	2.12	1.63	2.00	1.60	2.11	1.73
1941	2.33	1.89	2.56	1.82	2.17	1.74	2.24	1.88
1942	2.78	2.25	3.11	2.54	2.52	2.02	2.67	2.15
1943	3.72	2.93	3.87	3.09	3.34	2.67	3.28	2.37
1944	5.92	4.40	6.98	4.82	6.67	5.53	6.12	4.74
1945	17.73	13.79	19.09	14.61	20.32	16.94	19.81	15.86
1946	33.48	27.85	37.07	28.17	37.78	38.48	35.03	28.71
1947	74.39	59.75	66.45	52.99	74.13	68.65	130.70	95.12
1948								
Jan 2/	(132.01	100.25	-	-	-	-	-	-
Feb	(134.29	101.93	-	-	-	-	-	-
Mar	(145.05	112.81	132.72	97.25	-	-	-	-
Apr	(151.72	118.53	160.00	129.47	-	-	-	-
May	(167.75	125.41	170.47	122.07	168.69	142.50	-	-
Jun	(187.58	145.17	202.25	138.33	201.86	173.30	-	-
Jul	(207.83	175.28	240.30	138.00	232.40	213.96	-	-
Aug	(209.66	171.57	-	-	-	-	190.00	160.00
Sep	(204.92	163.45	-	-	-	-	186.38	157.23
Oct	(216.38	171.59	-	-	-	-	205.61	166.83
Nov	(227.13	176.89	-	-	-	-	232.47	182.63
Dec	(230.09	179.51	-	-	-	-	239.45	183.63

PERIOD	WHEAT AND BARLEY				FRUIT HARVESTING		TEA PROCESSING	
	CULTIVATION AND PLANTING		HARVESTING					
	Male	Female	Male	Female	Male	Female	Male	Female
1937 Avg	1.14	0.91	1.05	0.90	1.42	1.11	-	-
1938	1.46	1.06	1.42	1.02	1.84	1.44	-	-
1939	1.92	1.58	1.82	1.49	2.11	1.72	-	-
1940	2.09	1.72	2.05	1.61	2.24	1.93	-	-
1941	2.25	1.87	2.19	1.70	2.59	2.04	-	-
1942	2.68	2.16	2.44	1.86	3.38	2.57	-	-
1943	3.78	2.42	3.62	3.04	4.71	3.60	-	-
1944	5.96	4.26	6.25	4.36	5.46	4.01	6.68	4.68
1945	17.82	14.86	19.69	14.36	17.50	14.14	18.57	13.02
1946	33.13	25.62	35.40	29.83	34.69	27.31	31.74	28.00
1947	113.38	89.26	75.85	58.15	92.57	72.07	53.33	46.67

Inclosure 5

Continued

TREND OF DAILY WAGES IN AGRICULTURE AND MANUFACTURING 1/
(Continued)

PERIOD	WHEAT AND BARLEY				FRUIT HARVESTING		TEA PROCESSING	
	CULTIVATION AND PLANTING		HARVESTING					
	Male	Female	Male	Female	Male	Female	Male	Female
1948								
Jan	130.00	90.97	-	-	-	-	-	-
Feb	133.89	100.30	-	-	-	-	-	-
Mar	-	-	-	-	-	-	-	-
Apr	-	-	-	-	-	-	-	-
May	-	-	160.26	125.77	-	-	186.52	129.51
Jun	-	-	191.61	150.72	-	-	240.00	152.00
Jul	-	-	189.75	157.95	181.43	148.57	270.00	125.00
Aug	-	-	-	-	205.83	170.00	-	-
Sep	165.71	142.85	-	-	172.52	145.55	-	-
Oct	222.00	162.14	-	-	200.47	163.68	-	-
Nov	240.00	175.58	-	-	224.16	177.72	-	-
Dec	245.53	181.32	-	-	218.00	165.00	-	-

PERIOD	SILKWORM PRODUCTION		MISCELLANEOUS AGRICULTURE		ALL MANUFACTURING INDUSTRIES DAILY WAGES	
	Male	Female	Male	Female	Male	Female
1937 Avg.	1.19	1.04	1.02	0.81	2.48	0.78
1938	1.30	1.21	1.21	0.99	2.49	0.85
1939	1.51	1.38	1.68	1.32	2.57	0.89
1940	1.97	1.85	1.92	1.51	2.77	1.05
1941	2.39	2.37	2.09	1.67	3.03	1.18
1942	2.86	2.75	2.37	1.87	3.29	1.32
1943	3.65	3.54	3.01	2.49	3.75	1.50
1944	5.44	4.47	6.20	4.52	3/ 4.67	3/ 1.88
1945	17.66	13.90	15.99	12.40	3/ 5.56	3/ 2.37
1946	29.00	27.90	29.53	22.77	3/23.96	3/10.36
1947	68.15	57.99	66.80	56.99	75.45	33.53
1948						
Jan	-	-	124.26	96.06	130.91	60.73
Feb	-	-	129.25	99.47	130.96	58.52
Mar	-	-	137.53	105.61	139.46	61.87
Apr	4/ 137.73	4/105.18	142.27	112.17	148.91	70.50
May	4/ 155.00	4/128.36	148.77	95.35	164.07	79.71
Jun	4/ 180.00	4/155.00	171.07	131.79	179.21	84.62
Jul	5/ 162.77	5/141.90	172.80	141.13	200.32	93.80
Aug	5/ 174.44	5/134.00	184.52	150.85	226.14	104.01
Sep	5/ 182.50	5/152.50	186.83	147.26	249.42	111.04
Oct	-	-	192.12	148.67	280.19	121.25
Nov	-	-	201.39	156.44	302.95	127.55
Dec	-	-	205.10	164.64	327.82	133.99

Continued

Inclosure 5

TREND OF DAILY WAGES IN AGRICULTURE AND MANUFACTURING1/
(Continued)

PERIOD	MACHINERY		FOOD PRODUCTS	
	Male	Female	Male	Female
1937 Avg.	2.54	1.26	2.16	0.99
1938	2.46	1.29	2.21	1.00
1939	2.57	1.17	2.12	0.98
1940	2.74	1.43	2.26	1.08
1941	3.02	1.61	2.54	1.19
1942	3.30	1.61	2.74	1.29
1943	3.76	1.83	3.19	1.44
1944	4.63	2.43	3.96	1.71
1945	5.59	2.68	4.73	2.14
1946	24.78	13.07	18.38	8.40
1947	77.69	45.72	72.19	40.61
1948				
Jan	133.68	81.45	122.93	64.41
Feb	132.03	78.22	124.03	61.44
Mar	142.01	82.45	134.54	72.08
Apr	151.99	88.28	138.25	70.18
May	166.19	94.54	158.03	81.87
Jun	178.24	101.50	167.63	83.78
Jul	200.50	115.49	183.41	91.57
Aug	222.58	125.69	224.75	102.33
Sep	245.54	140.62	251.05	120.13
Oct	284.82	160.70	270.52	131.01
Nov	305.52	172.26	279.96	138.87
Dec	333.77	182.30	294.25	145.71

1/ Agricultural wages include estimated value of "payments in kind"; Manufacturing wages limited to "regular" payments (including irregular bonuses, allowances and value of payments in kind).
2/ Average daily wages of temporary and daily laborers.
3/ Trend of manufacturing wages for these years appears inconsistent with those in agriculture, perhaps because of differences in survey methods. No other possible data are available.
4/ Spring silkworm raising.
5/ Summer and autumn silkworm raising.

SOURCE: Agriculture: National Agricultural Association (and Ministry of Agriculture and Forestry after March 1948).
Manufacturing: Cabinet Bureau of Statistics

TREND OF OFFICIAL WAGE AND ACTUAL WAGES PAID BY AGRICULTURAL ACTIVITY
(Based on average daily wage in all prefectures)

OCCUPATION	(A) OFFICIAL WAGES OR WAGE AGREEMENT (DAILY)					
	1944		1945		1946	
	Male	Female	Male	Female	Male	Female
Rice Planting	¥ 2.55	¥ 2.14	¥ 6.94	¥ 5.70	¥ 14.06	¥ 12.61
Barley & Wheat Harvesting	2.32	1.76	7.67	5.81	13.74	11.25
Silk Worm Production	2.08	1.68	6.46	5.41	11.30	9.50
Fruit Harvesting	2.14	1.63	5.51	4.20	8.84	6.58
Tea Processing	2.28	1.75	11.18	8.32	21.02	14.34
Miscellaneous	2.13	1.59	6.44	5.17	7.15	4.31
Ratio of (B) to (A)	-	-	-	-	-	-

OCCUPATION	(B) ACTUAL DAILY WAGES					
	1944		1945		1946	
	Male	Female	Male	Female	Male	Female
Rice Planting	¥ 6.67	¥ 5.53	¥ 20.32	¥ 16.94	¥ 37.78	¥ 39.48
Barley & Wheat Harvesting	6.23	4.36	19.69	14.86	35.40	29.83
Silk Worm Production	5.44	4.47	17.66	13.90	29.00	27.90
Fruit Harvesting	5.46	4.01	17.50	14.14	34.69	27.31
Tea Processing	6.68	4.69	18.57	13.02	31.74	28.00
Miscellaneous	6.20	4.52	15.99	12.40	29.53	22.77
Ratio of (B) to (A)	2.63	2.53	2.61	2.57	2.90	3.06

SOURCE: National Agricultural Association

Inclosure 6

WAGE PAID AGRICULTURAL WORKERS 1/
(April 1942)

Industry	Activity	Sex	Maximum Rate (Yen)	Standard Rate (Yen)
Rice Cultivation	Tillage	Male	2.9	2.4
		Female	2.2	1.8
	Rice planting	Male	3.0	2.5
		Female	2.4	1.9
	Field Maintenance	Male	2.7	2.2
		Female	2.1	1.7
	Harvesting	Male	3.0	2.4
		Female	2.3	1.8
Barley Cultivation	Tillage and seeding	Male	2.8	2.3
		Female	2.1	1.7
	Harvesting	Male	2.9	2.4
		Female	2.2	1.8
Sericulture	Mulberry picking	Male	2.2	1.9
		Female	1.8	1.5
	Raising silkworms	Male	2.4	2.0
		Female	2.0	1.8
Fruit Farms	Fruit protecting	Male	2.3	1.9
		Female	1.8	1.5
	Picking	Male	2.3	1.9
		Female	1.8	1.5
	Packing	Male	2.5	2.1
		Female	1.9	1.7
	General Work	Male	2.7	2.2
		Female	2.1	1.6

1/ As found in Gumma, Saitama, Chiba prefectures. Tokyo and Kanagawa rates were 0.2 yen higher than those shown.

Sex	Minimum Wage: Age: Under 20 Yrs. (Yen)	Minimum Wage: Age: 20 Yrs & Over (Yen)
Male	0.50	1.15
Female	0.40	0.60

SOURCE: Ministry of Agriculture and Forestry.

Inclosure 7

WAGES OF FORESTRY WORKERS
(April 1942)

Industry	Activity	Maximum Rate (Yen)	Standard Rate (Yen)
Afforestation	Planter and nurseryman	2.5	2.1
	Tree pruner	3.3	2.6
	Forest dresser	2.8	2.1
Lumbering	Logger	4.0	3.0
	Lumber porter	3.7	3.0
	Sneker	5.0	4.0
	Lumber carrier, ox or horse	4.5	3.4
	Sleigh teamster	3.8	2.8
	Raft drifter	4.0	3.2
	River driver	3.2	2.4
Sawmills	Sawyer, hand	3.8	2.8
	Sawyer, machine	3.0	2.3
	Saw-setter	3.6	2.7
	Selector	3.6	2.7
Charcoal-making	Charcoal maker	3.7	2.8
Miscellaneous		2.4	1.8

Note: (1) Prefectures surveyed are Ibaraki, Tochigi, Gumma, Saitama, Chiba, Tokyo and Kanagawa.

(2) Working hours per day are 11 for May-August and 10 for other months.

Minimum Wage

Sex	Age	
	Under 20 Yrs.	20 Yrs. & Over
	(Yen)	(Yen)
Male	0.50	1.15
Female	0.40	0.60

SOURCE: Ministry of Agriculture and Forestry.

Inclosure 8

WAGES OF CONSTRUCTION WORKERS
(April 1942)

Occupation	AREA			
	A Class Area		B Class Area	
	Maximum (Yen)	Standard (Yen)	Maximum (Yen)	Standard (Yen)
Carpenter	4.0	3.2	3.2	2.5
Plasterer	4.0	3.2	3.2	2.5
Plastering Material Worker	3.6	2.9	2.8	2.2
Scaffold Worker	3.5	2.8	2.8	2.2
Smith	4.4	3.5	3.5	2.8
Stone Mason	4.3	3.5	3.4	2.7
Earth Worker	3.5	2.8	2.8	2.2
Common Laborer	3.0	2.4	2.4	1.9
Gardener	3.7	3.0	2.9	2.3
Garden Plant Dresser	3.2	2.6	2.6	2.1

Note (1) "A" Class Area includes Tokyo and Kanagawa.
"B" Class Area includes Ibaraki, Tochigi, Gumma, Saitama and Chiba.

(2) Working hours per day are 11 for May-August and 10 for other months.

Minimum Wage

Class	Sex	Age: Under 20 Yrs. (Yen)	Age: 20 Yrs. & Over (Yen)
A	Male	0.60	1.35
	Female	0.45	0.75
B	Male	0.50	1.15
	Female	0.40	0.60

SOURCE: Ministry of Agriculture and Forestry.

Inclosure 9

WAGES OF CONSTRUCTION WORKERS
(October 1944)

Occupation	GROUP I				GROUP II			
	A Class Area		B Class Area		A Class Area		B Class Area	
	Maximum (Yen)	Standard (Yen)	Maximum (Yen)	Standard (Yen)	Maximum (Yen)	Standard (Yen)	Maximum (Yen)	Standard (Yen)
Carpenter	4.0	3.2	3.2	2.6	5.2	4.2	4.2	3.4
Plasterer	4.0	3.2	3.2	2.6	5.2	4.2	4.2	3.4
Plastering Material Worker	3.6	2.9	2.9	2.3	4.4	3.5	3.5	2.8
Scaffold Worker	3.5	2.8	2.8	2.2	4.8	3.8	3.8	3.0
Smith	4.4	3.5	3.5	2.8	5.2	4.2	4.2	3.4
Stone Mason	4.3	3.4	3.4	2.7	5.6	4.5	4.5	3.6
Earth Worker	3.5	2.8	2.8	2.2	4.0	3.2	3.2	2.6
Common Laborer	3.0	2.4	2.4	2.9	3.5	2.8	2.8	2.2
Gardener	3.7	3.0	3.0	2.4	4.1	3.3	3.3	2.6

Note: Group I represents workers of less than three months' experience.
Group II represents workers of more than three months' experience.

SOURCE: Ministry of Agriculture and Forestry

Inclosure 10

STANDARD AMOUNTS OF WAGES PAID
AGRICULTURAL AND FORESTRY WORKERS ON PUBLIC WORKS
(August 1948)
(Tochigi and Ibaraki Prefectures)

Tochigi Prefecture

Occupation	Standard Daily Amount (Yen)
Nurseryman	155
Afforestation Worker	195
Sawyer, hand	240
Snaker	300
Lumber Carrier	200
Firewood Maker	155
Charcoal Maker	160
Farmer	200
Carpenter	250
Earth Worker	150
Gardener	205

Ibaraki Prefecture

Occupation	Standard Daily Amount (Yen)
Afforestation and Nurseryman	170
Lumber Carrier and Sawyer, hand	300
Firewood and Charcoal Maker	200
Carpenter	250
Earth Worker	150
Gardener	205

SOURCE: Ministry of Agriculture and Forestry

Inclosure 11

ECONOMIC CONDITION OF THE JAPANESE FARMER

LABOR RESEARCH MONOGRAPH NO. 3

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Economic and Scientific Section
Labor Division

ECONOMIC CONDITION OF THE JAPANESE FARMER[1]

Productive Area and Farming Units

As pointed out in Monograph No. 2, "Status of the Wage Earner in Japanese Agriculture," this basic activity utilizes approximately one-half of Japan's labor force. Almost 5,909,227 or over 37 percent of the households of the nation are classified as farm households, though only 84 percent of these depend on agriculture as a primary activity, the remaining 850,559 listing agriculture as a secondary source of livelihood. The proportion of farms to total households has been declining steadily though the absolute number of farm households has increased as a result of postwar conditions. Almost 50 percent of the farm households are engaged in subsistence farming, that is, over 80 percent of their produce is used for their own consumption. The average size family household amounted to 6.19 persons in 1947. The 17,543,934 persons engaged in agriculture represented an average of 2.9 workers per household. (Note: Agriculture as used here excludes Forestry and Fishing).

Of a total of 36,848,047 hectares[2] of land area in Japan proper, 13.49 percent was arable land at the time of the August 1947 agricultural census. Hokkaido, the northern island, however, was only 9.40 percent arable. The total farm population of 36,509,458 lived on 4,970,092 hectares of arable land, or an average of 7.346 persons per hectare.

The land area under cultivation in Japan has decreased in recent years from 13,400,000 acres in 1941 to 12,280,000 as of 1 August 1947. The average arable area per farm household declined from 2.62 acres to 2.08 in that period.

Table 1
FARM HOUSEHOLDS AND ARABLE AREA

Survey Date	Number of Farm Households	Total Arable Area (Acres)	Average Arable Area Per Farm Households (Acres)
1 August 1941	5,498,826	13,400,000	2.62
28 April 1946	5,697,948	12,200,000	2.16
1 August 1947	5,909,227	12,280,000	2.08

Despite persistent efforts to augment the cultivated acreage during the past 20 years, results have not been marked. From 1918 to 1939 the amount of land reclaimed annually averaged only 20,000 hectares; the amount of land lost to purposes other than agriculture equalled or exceeded that average. Some reclaimable land, however, remains which could be put into crops.

1/ Prepared by JOHN I. SAKS, Ph.D., Chief, Research, Coordination and Analysis Branch, Labor Division, Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers, Occupied Japan.

2/ One hectare equals 2.47 acres, slightly larger than the Japanese "cho" or "chobu" which equals 2.45 acres.

In 1945 the Japanese Government prepared a very ambitious 15-year plan for the reclamation of 1,650,000 hectares (4,090,000 acres).of land. Between 1 July 1945 and 31 December 1947 approximately 284,000 hectares were reclaimed, a rate of more than 9,000 per month. The average for the period of July-December 1947 was 6,000 hectares per month. Considering the fact that the greater and most vastly difficult part of the work remains to be done, the completion of the project by 1960 is highly questionable.

An evaluation of this 15-year reclamation program shows that the reclamation possibilities and anticipated returns are not so great as estimated by the Japanese Government. Nearly 43 percent of this land is in Hokkaido, the northern island, and the remainder is divided among the three other islands. Only ten percent of the total is considered reclaimable as irrigated rice land; the other 90 percent would be permanent non-irrigated fields, generally of lower quality than those already in cultivation. The scheme calls, among other things, for the creation of new farms from present non-producing forest land and marsh.

In summary: (a) most of the desirable land is already in use, (b) most of the reclaimable land left is inferior to the land now in cultivation, (c) the cost of reclamation on some land is prohibitive, and (d) land which is not suitable for reclamation has been included in the program.1/

Prevalent Types of Farming

Agriculture as carried on in Japan is substantially cultivation of the soil; silkworm raising and stock and cattle breeding were of secondary importance in pre-war days and the former is of still lesser importance at the present time because of the substantial elimination of a large part of the world demand for silk. Rice is the most important product. Together with rice, wheat, barley, naked barley, sweet potatoes and white potatoes are the most important food crops in Japan in terms of production and crop area, accounting in all for over 80 percent of the caloric value in the Japanese diet. The cultivation of agricultural raw materials for industrial purposes is relatively unimportant, although on the increase to substitute for imports in the postwar period. The major industrial crops include rapeseed, hemp, flax, paper mulberry, konnyaku, tea, tobacco and pyrethrum.

Farm Output and Income - Principal Products and Output

In the period of the early 1930s the total area of rice plantations comprised more than 40 percent of the crop area. The annual average of the rice crop during the five years preceding 1934 was 47 percent of the total value of agricultural products. Other cereals accounted for 11 percent of the total amount of agricultural products, making a total grain crop of about 58 percent of the whole production value of the agricultural products.

In the 60 years preceding 1940 agricultural production showed a remarkable increase resulting primarily in an increase per unit area of land rather than from an extension of areas cultivated. Japan's rice yields were much higher than those

1/ Natural Resources Section, General Headquarters, Supreme Commander for the Allied Powers, Outlook for Japanese Agriculture, Preliminary Study No. 25, Tokyo, Japan, May 1948.

in other major rice producing countries. During 1931-1934 Japan's "cleaned rice" per hectare averaged 2.8 metric tons, China and Formosa were second with 1.7 tons followed by Korea 1.2, British Malaya 1.1, with Java, India, Burma and Siam averaging 1.0 each.

Milk production, which approximated a monthly average of 14.8 million liters in 1930 and increased in each successive year to achieve a 1941 average of 31 million liters, declined sharply after a drop to 28.5 million in 1944, to 13.5 million in 1945 and a low of 11 million in 1946. This was directly attributable to the wartime shortage of imported concentrate feeds after 1944. Milk production is only currently recovering part of the loss in output suffered since 1944, approximately a 20 million liter monthly average at the beginning of 1949.1/

The Problem of Fertilizer

Use of fertilizer varies greatly in Japan due to the wide range of latitude, soil characteristics, plant varieties and topographical features. In the early postwar period the shortage of fertilizers prevented farmers from following their customary practices and was the principal reason for the low crop yields for the years 1945 and 1946. By 1947 production of commercial fertilizers which was afforded one of the highest priorities for coal and imported supplies, had increased rapidly, but it still remained the critical factor in food production.

In the first six months of 1948, 702,084 metric tons of ammonium sulphate equivalents, 410,742 tons of superphosphate (16 percent potassium pentoxide) and 2,201 tons of potash (40 percent phosphorus pentoxide) were allocated to Japanese farmers. These represented about 70, 59 and 1 percent respectively of requirements.

Actual distributions of the limited fertilizer supplies to farmers for the first half of 1948 were 76 percent of the nitrogenous, 80 percent of the phosphatic and 76 percent of the potassic fertilizer allocations.

Production Trends of Food Crops

Acreages planted to principal cereal crops in the years 1937-1941 were as follows:

Table 2
AREA OF FARMLAND PLANTED WITH PRINCIPAL CEREALS
(In 1,000 Chobu) 2/

Cereals	1937	1938	1939	1940	1941
Rice	3,217	3,221	3,192	3,173	3,178
Barley	330	358	354	340	358
Rye	429	415	410	405	470
Wheat	725	725	726	841	826

1/ 1 liter = 0.264 gallons or slightly more than 1 quart.

2/ One chobu = 2.4506 acres or 0.9917 hectares.

Production of Principal Cereals
(In 1,000 Koku)

Cereals	1937	1938	1939	1940	1941
Rice	66,320	65,869	68,954	60,818	55,088
Barley	6,879	6,325	7,764	7,525	6,499
Rye	5,961	5,114	6,730	6,262	6,752
Wheat	9,996	8,972	12,113	13,114	10,670

SOURCE: Japan Yearbook, 1942-43

Domestic rice production for subsequent years consisted of 66,775,832 koku in 1942, 62,887,045 in 1943, 58,558,845 in 1944. These are equivalent to 10,027,474, 9,444,156 and 8,783,827 metric tons respectively. Production was extremely low in 1945 because of continued fertilizer and labor shortages.

Wheat production during the period since 1926 shows a definite upward trend. For the period 1936-1940 average production was over 70 percent higher than for the period 1926-1930 because of the great increase in crop area. In the war years 1942-1945 the production of wheat continued on a high level except in 1945 which was a year of unusually bad weather and destructive storms.

Barley production during a similar 20 year period has decreased. The average 1936-1940 production represents about a ten percent decrease below that of the 1926-1930 period. The average of the 1941-1945 crop shows an additional decrease of ten percent. This may be attributed to poor crops in 1943 and 1945 since the crop area was greater than during the previous five-year period and only slightly below the 1926-1930 period.

Post-war production of rice grains has been progressively upward and as of the end of the 1946 crop year closely approximated the pre-war levels. Wheat and barley yields however have made slower recoveries and are still somewhat below pre-war levels.

Year	Rice (Metric Tons)	Wheat (Metric Tons)	Naked Barley (Metric Tons)	Barley (Metric Tons)
1945	6,445,000	943,000	720,000	535,000
1946	9,208,000	615,000	451,000	417,000
1947	9,082,000	767,000	642,000	515,000
1948	9,352,000	938,000	802,000	616,000

The sweet potato is the second most important crop in Japan, high yields being maintained throughout the war despite decreases in fertilizer supply. Production of sweet potatoes shows an upward trend over the 20-year period because of the increase of crop area with little change in yield per unit area. Increases in average production for 1936-1940 and 1941-1945 over the average 1926-1930 were 8 and 27 percent respectively.

In 1945 when nearly 500,000 metric tons of sweet potatoes were grown, the production of this rice equivalent was slightly greater than that of wheat and barley

combined. It cannot replace these crops, however, because the seasons of growth and soil requirements are different. Crops in 1946 and 1948 show a substantial increase over 1945 yields, being 5,515,000 and 6,066,000 metric tons respectively. The year 1947 was a poor one, the yield totalling only 4,415,000 metric tons.

White potato production showed a marked increase of 94 and 113 percent for the 1936-1940 and 1941-1945 periods respectively over the 1926-1930 average. The crop area in 1941-1945 had increased to about twice that of 1926-1930. Further increases were noted in succeeding years, the yields for 1946, 1947 and 1948 respectively amounting to 1,760,000, 1,936,000 and 2,146,000 metric tons.

Vegetable Crop Production

Production of vegetables exclusive of potatoes in metric tons of harvested weight increased from 5,500,000 in 1926 to about 6,375,000 in 1940 and dropped back to 5,500,000 in 1945. During the war the Japanese discouraged vegetable production in favor of staple crops. Subsequent harvests have not yet equalled the 1940 output and except for the year 1948 have fallen below the 1945 yield. Harvested crops for the years 1946, 1947 and 1948 totalled 5,234,000, 5,098,000 and 6,159,000 metric tons respectively.

The area devoted to vegetable crops has averaged 520,000 hectares since 1926. The peak vegetable planting was in 1937 with 575,000 hectares or 7.25 percent of total crop area. The low point was in 1945 with 440,000 hectares or 5.25 percent of the crop area planted to vegetables.

Vegetable yields in metric tons per hectare declined from a peak of 16 in 1940 to 13.8 in 1945 and about 13 metric tons per hectare in 1946.1/ Improvement in fertilizer supplies is responsible for the sharp increase in output in 1948.

Fruit Industry

Before the war Japan produced more than enough fruit for domestic needs. Average annual output from 1925 to 1940 was 1,168,848 metric tons. Production gradually increased from 868,946 metric tons on 113,324 hectares in 1926 to 1,325,000 metric tons on 186,000 hectares in 1942.

The leading fruit is the satsuma orange. Other commercially important fruits are the apple, pear, grape, loquat, peach, persimmon and plum.

Since staple grains and potatoes were more important to the war economy than fruits, production dropped to 800,000 metric tons on about 150,000 hectares in 1945, and the remaining crop was not well tended. Man-hours, fertailizers, insecticides and fungicides, when available, were diverted to more important crops. The post war food shortages may cause more fruit land to be planted in staple crops which will be uneconomic since most of the fruit land is hilly or mountainous.

1/ SOURCE: Summation, Non-Military Activities in Japan, May 1946, Page 62, Supreme Commander for the Allied Powers.

Industrial Crops

Mulberry trees, tea, pyrethrum and tobacco crops currently occupy approximately 74 percent of the total area devoted to industrial crops which in 1947 was estimated at 335,000 hectares, or five percent of the total cultivated area. This decline from the 1930-1934 average area of 750,000 hectares was caused by the replacement of industrial crops with food crops necessitated by food requirements during World War II and by the greatly reduced demand for raw silk. Some restoration of the industrial crops area is essential to the Japanese economy and recommendations have been made that it be effected as soon as the world food situation permits.

Sericulture

Raw silk was Japan's principal source of foreign exchange before World War II. During the period 1920-1930 the annual export value of raw silk from Japan averaged $294,100,000. In 1930, the maximum production year, an area of 708,000 hectares was planted to mulberries, and 399,000,000 kilograms of cocoons and 42,722,165 kilograms of raw silk were produced. In the late 1930s raw silk production and mulberry acreage declined because of competition from synthetic fibers, particularly rayon and nylon. The war greatly accelerated this decline in raw silk production in Japan by eliminating her silk export market. Furthermore, in order to meet the food shortage, the Government wartime land utilization policy called for a shift of much of the mulberry acreage to food crops. As a result of these adverse factors the estimated mulberry acreagesin 1947 and 1948 were only approximately 175,000 and 179,000 hectares respectively, while 1947 cocoon production declined to an estimated 14,260,797 kan 1/ (53,478,000 kilograms), a decline of 21 percent from 1946, and raw silk to 6,623,000 kilograms. Cocoon production picked up somewhat in 1948 to total 17,082,163 kan.

The future world silk demand is unpredictable in view of the unknown role to be played by synthetic fibers. It is doubtful that the export demand for Japanese raw silk in the future will exceed one-fourth of its 1930-1934 level. Hence, mulberry acreage probably will be limited to approximately 200,000 hectares pending a stabilization of future silk demand.

Other Industrial Crops

Tea production has declined since the 1930-1934 period when an average of 41,000 kilograms of tea was produced annually on a land area of 38,000 hectares. By 1940 the total area planted to tea was 40,407 hectares and refined tea reached a peak of 61,865 metric tons in 1941 but had declined to 46,617 metric tons by 1944 due to fertilizer shortages and improper care of the tea bushes. The estimated production in 1947 was 24,937,500 kilograms, grown on 26,000 hectares.

The increasing foreign market for Japanese black tea caused manufacture of this product to rise from an annual average of 22 metric tons during 1925-1933 to 1,051 metric tons in 1934 and to an average of 2,500 metric tons for the period 1934-1941. Production was negligible after 1941 due to loss of foreign markets. Export demand for Japanese tea will probably warrant moderate increases in tea acreage and production during the next few years.

1/ One kan = 3.75 kilogram

Present pyrethrum production is inadequate to furnish even domestic requirements. The substantial export market for pyrethrum products and tobacco is not being supplied. It has been recommended that acreage and production of these crops be increased as quickly as possible. Long-term export prospects for pyrethrum are not too promising. The tobacco export market is likely to be good for many years. Acreage and production of pyrethrum and tobacco products are shown below:

Table 3
PYRETHRUM AND TOBACCO PRODUCTS

	1930-1934 Average		1947 Estimate	
	Acreage (Hectares)	Production (Metric Tons)	Acreage (Hectares)	Production (Metric Tons)
Pyrethrum	15,107	6,019	6,450	1,252
Tobacco	35,162	63,504	41,413	59,789

SOURCE: Ministry of Agriculture and Forestry

Low yields per hectare for 1947 as compared with 1930-1934 average were caused, as for silk and tea, by fertilizer shortages and general war dislocation.[1]

Postwar Policies to Stimulate Production

In view of the food shortages and the elimination of outside sources of food supply which were part of Greater Japan in pre-war days - Korea, Manchuria, Formosa - and to some extent expanded imports from Siam, the stimulation of domestic production has been a vital part of the economic programs of the government since the Surrender. Bonuses, incentive goods and guaranteed prices have been used since 1946 to stimulate increased output of rice and other staple foods including sweet potatoes, barley, wheat, etc.[2]

1/ Outlook for Japanese Agriculture, op. cit. pages 9-10.

2/ In the 1946 rice year, for example, the following bonuses and incentiveswere offered: (1) quotas of rice delivered by 31 March 1947 were to be paid ¥150 additional for each koku (approximately 5.12 bushels), (2) a bonus of ¥300 for each koku of rice delivered by 30 April in excess of quota, (3) farmer members of "buraku" (a social-economic unit of about 20 households) which had delivered 100 percent of its quota would receive an additional bonus of ¥350 for each koku delivered by 30 April in excess of his individual quota. In addition, the following incentive goods linked to the bonus system were offered by the government to help coordinate urban rice demandswith farming and household needs. The plan was to make available for purchase at the low official prices, 1 kan (8.26 lbs) of nitrogenous fertilizer for each bale (2.04 bushels) of rice delivered up to 100 percent of quota and 2 kan for each bale in excess of quota. Each household was to receive 7.5 kilograms of salt for filling its quota of rice by 31 March, 50 cigarettes for each bale of rice in excess, five pounds of imported canned fruit syrup or jam, on completing the quota and 2½ lbs. of imported syrup or jam for each koku of rice exceeding the quota. In addition to food and fertilizer bonuses, 4,615,800 items of clothing, bicycle tires and tubes, rubber shoes and 1,000,000 pieces of spun silk were allocated for incentive use through June for delivery of the 1946 rice crop. (Summation of Non-Military Activities in Japan, March 1947, Pages 68 and 69, Supreme Commander for the Allied Powers).

A parity system of adjusting prices of staple farm products at about 140 percent of the pre-war 1930-1934 average relationship between industrial products purchased for farm use and farm prices of that period is currently in effect. Additional assistance is provided through reform and encouragement of the cooperative movement and measures to relieve the pressure of debt and other monetary stringencies through agricultural banking. Short term credits for fertilizer, agricultural equipment and seeds are financed through the Central Agricultural and Forestry Bank (Noren Chuo Kinko) with branches in each prefecture which extends low rate credits to farming, forestry and fishing credit cooperatives.1/ Long term credits are also made available through land bonds issued by this bank and purchased by the Government's Reconstruction Finance Bank. From the time the bonds were first issued in November 1948 to the end of March 1949, ¥2,090,000,000 worth had been purchased by the Reconstruction Finance Bank. Fertilizer which is vital to the maintenance of the high yields in Japanese agriculture is subsidized so as to keep prices low for farm users.

Source of Supplementary Income

The chief income of farmers is currently derived from the cultivation of fields, especially from rice plantations in view of the great and continuous food problem in Japan which, under the most favorable circumstances, must import 15% to 20% of its basic food supplies. Supplementary income is derived from cottage industries, part-time work in non-agriculture and from government assistance through development of rural public works such as land reclamation, soil erosion and flood control projects. In prewar days the principal cash crop was sericulture, a very high proportion of the farm's rice production being consumed within the individual household.

According to investigations in the early 1930s, the number of households engaged in sericulture in Japan proper was nearly two million, or 37 percent of the total number of agricultural households, while the average value of cocoons for the five years up to 1934 was 13 percent of the total value of agricultural production. In 1933, the receipts of agricultural households from cocoons were 15 percent of the total agricultural revenue, or 24 percent of the total receipts derived from marketing agricultural products.

The distribution of sources of income by households as of the August 1947 Agricultural Census shows that almost one-half of all agricultural households were classified as self-sufficient in the sense that they consumed more than 80 percent of their own products. These might more readily be classified as subsistence rather than self-sufficient households. In other words, almost all the product was necessary for personal consumption, leaving little for exchange purposes for basic, non-agricultural necessities, taxes, etc. Households dependent upon rice farming as a principal source of income represented more than one-third of all farm households. Sericulture by contrast with the 1930s when raw silk was Japan's principal dollar value export in world markets supplied only 0.7 percent of the farm households with their principal cash income.

1/ This bank is in the nature of a public corporation with directors representing agriculture, forestry and the public. It is not governmentally controlled but functions somewhat in the manner of the Federal Reserve Banks in the United States.

Table 4
AGRICULTURAL HOUSEHOLDS BY SOURCE OF INCOME

		Percentage To Total Households
		Total 100.0[1]
Self-Sufficient Households	2,810,250	47.5
Other Households	3,098,877	52.5
More than 40% of the income coming from:		
Rice	2,054,748	34.8
Wheat, barley, etc.	161,120	2.7
Miscellaneous cereals	50,023	0.8
Potatoes, sweet potatoes, etc.	166,223	2.8
Vegetables	59,970	1.5
Industrial arts	29,617	0.5
Fruits and gardening	73,207	1.2
Other agricultural products	18,127	0.3
Stock-breeding	33,667	0.6
Sericulture	38,341	0.7
Income from each item less than 40% of the total	413,934	7.1

SOURCE: Ministry of Agriculture and Forestry

Manpower on the Farm

As indicated in Monograph No. 2 in the discussion of hired workers, the overwhelming proportion of manpower on the farm is family labor which generally exceeds 95 percent of all labor used.

Because of the great extent of subsistence farming and the inability of the average cultivated unit to maintain a household exclusively from its own production and from the exchange of any limited surpluses, supplementary activity is essential to bring about some approximate balance in the family budget. Studies show that from 1937 to 1946, the number of farmers engaged in industry more than doubled.[2]

In 1947, only 55.4 percent of all farm households were engaged in fulltime farming. Of the 44.6 percent remaining, 28.5 percent gave agriculture as their primary activity and 16.1 percent of the total listed agriculture as a secondary activity. This total of 2,634,658 households was classified in terms of the part-time activities as shown in Table 5.

1/ Because of rounding to the nearest decimal point, the sum of the individual items slightly exceeds 100.0%.

2/ Summation of Non-Military Activities in Japan, September 1946, page 51, Supreme Commander for the Allied Powers.

Table 5

CLASSIFICATION BY OCCUPATIONS OF PART-TIME FARM HOUSEHOLDS

GRAND TOTAL HOUSEHOLDS			2,634,658
Those engaged in industries other than agriculture	1,301,900	Wage laborers	1,332,758
Forestry industry	51,203	Wage laborers in Fishery	41,024
Charcoal making	168,483	Wage laborers in Mining	27,761
Other special forestry industry	41,943	Wage laborers in large manufacturing industries	104,172
Forestry industry	183,087	Wage laborers in medium and small manufacturing industries	138,723
Manufacturing industry	135,983		
Commerce	188,713	Wage laborers in commercial activities	33,615
Traffic industry	44,083		
Farm rent and other income yielded from properties	58,395	Wage laborers in transportation industries	94,854
Other industries	204,736	Coolies in daily employment	131,374
Day laborers in agriculture	57,737	Home workers	28,879
Agricultural regular (not daily) employees	16,118	Other wage workers	277,306
Wage laborers in Forestry	151,419	Staff service workers	455,060

SOURCE: Ministry of Agriculture and Forestry.

The relative importance of family farming is further illustrated by the distribution of the agricultural population in terms of activity. Of the total 35,916,111 regular family members excluding those living away from home, 48.8 percent were engaged in their own domestic farming. If one studies the age distribution in Monograph No. 2, Table E, it will be noted that approximately five-sixths of all males and females between the ages of 25 and 60 are engaged in this activity while two-thirds of those from 15 to 24 are similarly occupied. Only those who are too young, too old or infirm are not utilized for this basic source of family income.

Relative Significance of Tenancy

Tenancy is one of the characteristics of Japanese agriculture and is partly a carry-over from the feudal era of Japan which existed well into the 19th Century. The landowner-nobility secured a fixed amount of rice as rent which became oppressive when harvests were poor. The resulting pressure on the tenants was to fasten a cumulative debt burden on the individual holding which reduced the operator's status to one of semi-serfdom, always partly in effect as a reflection of the rigid social caste system which effectively tied him to the soil. The additional pressure of population subsequent to the opening of Japan to the West increased the load the farming unit had to carry, driving the already low standard of living to the minimum subsistence level.

Of the total number of households engaged in agriculture in 1933, 27% were tenant farmers and 42% joint tenants and proprietors, while purely proprietor farmers constituted 31% according to investigations of the Imperial Agricultural Society (Teikoku Nokuni) at that time. About 47% of the total area under cultivation was rented.

The distribution of the proportion of households among proprietors, tenants and the combination tenant-proprietor, and area under cultivation for the period 1910-1934 is as follows:

Table 6
TENANTS AND PROPRIETOR FARMERS (%)

YEAR	HOUSEHOLDS			AREA UNDER CULTIVATION	
	Proprietors	Tenants	Tenants and Proprietors	Proprietors	Tenants
1910	33.4	27.4	39.2	54.8	45.2
1920	31.3	28.1	40.6	54.1	45.9
1930	31.1	26.5	42.3	52.3	47.7
1931	31.2	26.5	42.3	52.7	47.3
1932	31.1	26.6	42.3	52.8	47.2
1933	31.1	26.7	42.3	52.9	47.1
1934	31.0	26.8	42.2	53.0	47.0

Based on returns of the Ministry of Agriculture and Forestry.1/

In the post-war period the trends of cultivated area by type of operation (proprietor as against tenant) and the distribution of households by type of farm operation in 1947 as compared with the earlier 1946 census was as follows:

Table 7

		Percentages		
Cultivated Area (Chobu)				
Total	5,011,689.6	100.00%	25,689.9	(0.5%)
Land owning farmers	2,153,111.0	43.	239,138.4	(8.6%)
Tenant Farmers	1,573,836.0	31.	*213,488	(9.7%)
Agricultural Households (Number)				
Total	5,909,227	100.00%	211,279	(3.7%)
Land owning farmers	2,153,611	36.4	284,313	(15.2%)
Landowners with tenancy	1,183,408	20.0	56,241	(5.8%)
Tenants with landowners	996,986	16.8	* 14,212	(6.1%)
Tenant farmers	1,573,836	26.6	* 63,215	(3.9%)
Non-cultivating farmers	1,386	0.2	* 1,859	(57.3%)
Engaged in farming solely	3,274,569		218,144	(7.1%)
Engaged in other business	2,634,649		* 7,865	(1.4%)
Household Distribution by Type of Activity		Percentage to Total Households		
Engaged in farming	4,511,733	76.5%		
Engaged in sericulture	4,300	0.1		
Engaged in stock-breeding	2,893	0.0		
Engaged in forming, sericulture, stock-breeding	204,045	3.5		

* - Increase or decrease, compared with 1946.

nese Trade and Industry, page 154, Mitsubishi Economic Research Bureau, Macmillians, London, 1936.

Post-War Land and Tenancy Reform

In compliance with Supreme Commander for the Allied Powers' directive of 9 December 1945, the Japanese Government submitted on 15 March 1946 a program for agrarian reform. The plan would:

(1) Transfer ownership of farm lands from non-cultivating owners to tenants. This program parallels the amendments of 18 December 1945 to the Agricultural Lands Adjustment Act of 1938.

(2) Extend agricultural education and disseminate technical information among farmers.

(3) Reform and reorganize the Agricultural Cooperative Association (Nogyokai) to democratize election of officials and give farmers a greater voice in the formation of policies.

(4) Allow farmers long and short term credit at low interest.

(5) Insure farmers against crop loss and damage.1/

The amendments to the Agricultural Lands Adjustment Law of 1938 were passed 18 December 1945 as measures to reduce farm tenancy. Under them, non-operating landowners could be required to sell land in excess of a fixed limit (average, 5 chobu, equal to 12.58 acres) to tenant farmers or to the agricultural association for the purpose of resale to tenants.

Agricultural Land Commissions were to be established in rural communities to determine the terms and conditions of land transfer where direct negotiations between the parties were unsatisfactory. The commissions were to consist of landowners, tenant farmers and independent members of the community to be appointed by the governor of the prefecture. The government was to establish selling prices for land based on the annual rental value. Payment of rent for farm land in a fixed amount or as a share of the crop was prohibited except in special cases.

Under this program tenants were to pay for the land thus made available in not more than 30 annual installments at a 3.2 percent interest rate. Annual installments plus taxes and other commercial obligations were not to exceed one-third the value of the crop from the purchased land. Farmer-owners were limited to one chobu (2.45 acres) of tenant-cultivated land (four cho in Hokkaido) while owner-farmers were limited to about three cho for their own cultivation (12 cho in Hokkaido). The average price set for irrigated rice lands was to be ¥7,500 per chobu while upland was ¥4,658 chobu.

Farmers who remained tenants were protected by the act from arbitrary evictions. Rentals which must be on a cash basis could not exceed 25 percent of the crop value of paddy lands and 15 percent on uplands. Variable payments were provided by the law to offset the effects of a fall in prices or crop failures.

1/ Summation of Non-Military Activities, March 1946, Page 67, Supreme Commander for the Allied Powers.

As a further step in reducing the tenancy ties which hitherto existed, an agricultural Lands Adjustment Law was passed 11 October 1946 which protected tenant farmers against excessive land rents and insecurity of tenure. This embodied the limitation of 25 percent rental of crop value for paddy lands and 15 percent on uplands. It further required all contracts or leases for cultivation of land to be in written form and the amount of the farm rent, the terms of payment, the duration of lease, drainage repair and beneficial expenses concerned with permanent improvements, etc. were to be clearly stated in the said writing.1/

As part of the program of increasing the number of farm owner-operators, the land reclamation program was tied in closely with the land reform activity. By 9 April 1948 the Japanese Government had purchased 169,206 cho (167,806 hectares) of land suitable for immediate reclamation while 398,667 cho (395,374 hectares) of public and national land was transferred to the Ministry of Agriculture and Forestry, making a total of 567,873 cho (563,180 hectares) acquired by that date. Of the total available land, 297,454 cho (294,997 hectares) were reclaimed in the period 15 August 1945 to 31 March 1947.

To expedite the sale of reclaimed land and land reclaimable by individuals under the agrarian reform program, the Government stipulated that all matters involving transfers of land be handled by land commissions rather than reclamation technicians. The technicians work was to be confined to functions directly related to the physical reclaiming of land.

By the end of February 1948, 499,725 families had received acreage made available by land reclamation projects. These were chiefly farmers who received additional acreage but they also included 140,564 new settlers.

Table 8
FARMERS SETTLING ON RECLAIMED LAND
(1 November 1945 - 29 February 1948)

	New Settlers	(Households) Farmers Adding to Cultivated Area	Total
1 Nov 45 - 31 Mar 46	43,415	138,830	181,245
1 Apr 46 - 31 Mar 47	65,434	167,737	233,171
1 Apr 47 -	32,715	52,594	85,309
Total	140,564	359,161	499,725

SOURCE: Summation of Non-Military Activities, April 1948, Page 88, Supreme Commander for the Allied Powers.

Tax Lands

An additional source of government-owned lands for redistribution to small holders was the recapture of lands by default and for non-payment of taxes by the Ministry of Finance. These lands were subsequently transferred to the Ministry of

1/ Summation of Non-Military Activities, October 1946, page 69, Supreme Commander for the Allied Powers.

Agriculture and Forestry. By 30 April 1948 they totaled 200,383 cho (198,727 hectares). This practice was terminated by the Ministry of Finance as of the end of the fiscal year 31 March 1948. After that date it refused to accept land in payment of taxes and insisted on payment of tax arrears in the form of land bonds.

Land Sales to Tenant Farmers

As officials sought to complete land reform by the end of 1948, July land sales to tenant farmers totaled 97,790 cho (96,982 hectares). Sales during the third Occupation year ending August 1948 totaled 1,025,962 cho, bringing the total amount of land sold under the agrarian reform program from July 1947 to 31 July 1948 to 1,320,113 cho (1,309,209 hectares or 59.4 percent of the target estimate.

The Government purchased 209,782 cho (308,049 hectares) of land in June 1948, bringing the cumulative purchase available to resale under the agrarian reform program to 1,552,546 cho (1,539,722 hectares) on 2 July, or 50 percent of the total expected to be made available for purchase. The total included 348,730 cho (345,849 hectares) of land acquired on 2 October, the third purchase date, as well as 348,286 cho purchased on two earlier occasions.1/

The fundamental revision in the status of agricultural producers, however, were the Agricultural Cooperative Association Laws which were passed 7 November 1947 and which became effective 15 December. The laws provided for the dissolution of all agricultural and practice association before 15 August 1948, except those that had not completed segregation of accounts under the Reorganization and Reconstruction of Financial Institutions Act. (See later discussion "Marketing and Cooperatives Development.")

The program of agrarian reform is revolutionary in its transformation. Its initiation and successful progress to date are a result of the leadership and direction furnished by the Occupation authorities and the increasingly effective administration by the Japanese officials. Farmers are wholeheartedly in favor, and relatively little opposition has been encountered from the landlords and absentee owners who have been forced to dispose of their surplus land holdings. The presence and authority of the Occupying powers might have had much to do with the rather passive attitude of these vested interests.2/

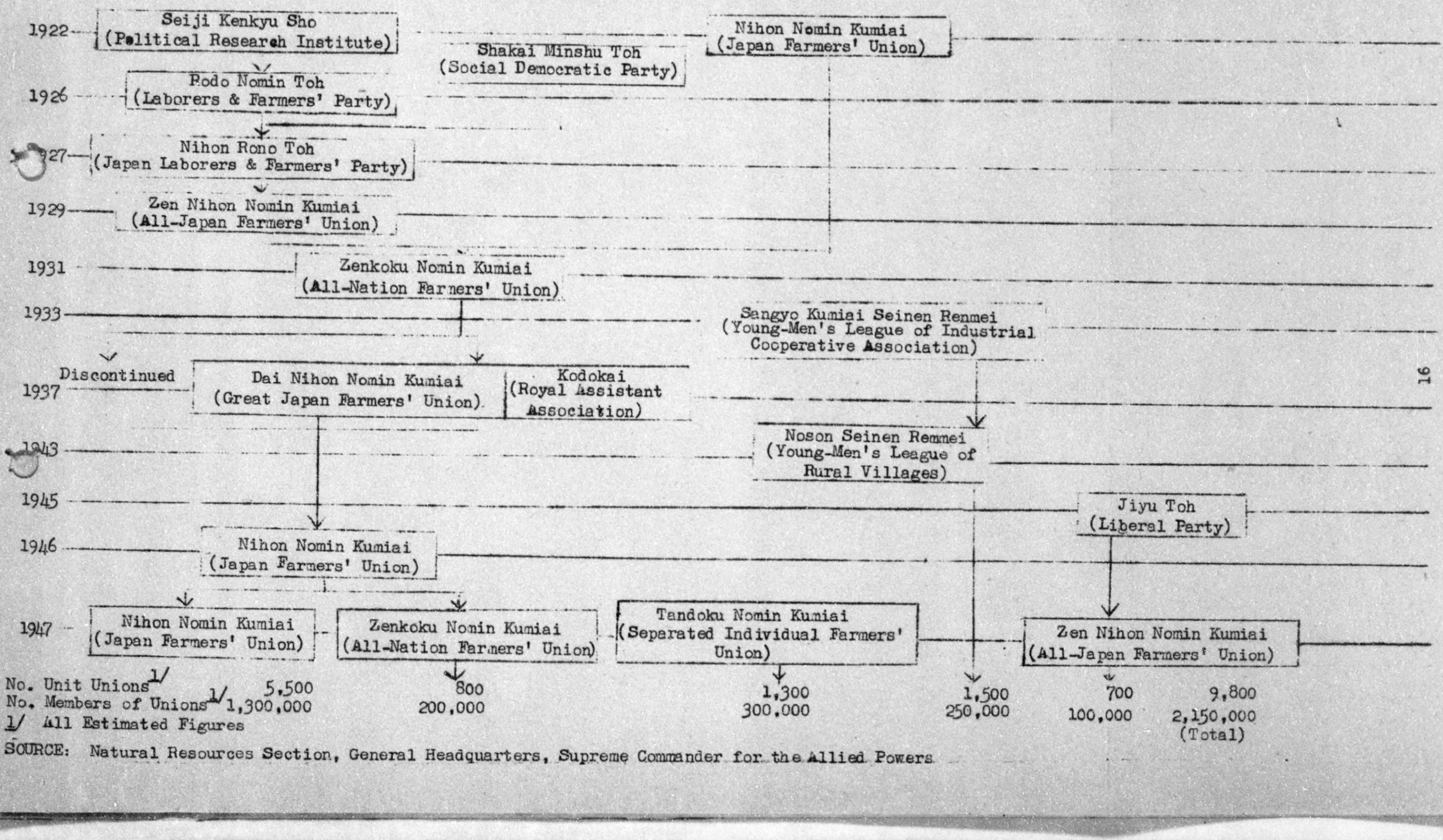
1/ As of the Spring of 1949, the Government had bought up more than 2,000,000 cho-bu of farm land for resale. This will eliminate by as much as 80% the amount of land previously under tenant cultivation. Payments by the Japanese Government for land bought under the land reform program as of 30 June 1949 totaled ¥7,344,503,036 of which ¥220,723,660 was for cultivated and pasture land and ¥123,799,376 for reclamation land. Collections for land sold under the program totaled ¥7,388,497,450 as of 30 June.

2/ The agrarian reform program obviously was not uniformly effective. There were many cases of individual abuse and injustice. Compensation for appropriated land was often at ridiculously low prices. Genuine hardship was undoubtedly suffered by many smaller absentee landlords who became subject to the terms of the act on substantially a technicality. Some of the local land commissions were radically controlled and went to extremes, while still others continued under the domination of the large local landlords and proceeded to thwart the reform program.

Land reform, by and large, must be counted as one of the great democratizing achievements of the Occupation. If it is allowed to take firm root after the Occupation is ended it should provide a major stabilizing element in the internal Japanese political situation where Japanese farmers have historically played a minor part. Their activities have been channelled into rather ineffective unions which had little voice or influence until the postwar period when a new spirit of independence of outlook and objective manifested itself among this hitherto passive and subordinated group. The development and recent current membership figures for these revitalized organizations is outlined in the attached sheet, Table 9.

Table 9

DEVELOPMENT OF FARMERS' UNIONS IN JAPAN



No. Unit Unions 1/	5,500	800	1,300	1,500	700	9,800
No. Members of Unions 1/	1,300,000	200,000	300,000	250,000	100,000	2,150,000 (Total)

1/ All Estimated Figures

SOURCE: Natural Resources Section, General Headquarters, Supreme Commander for the Allied Powers

Economic Insecurity in Agriculture

Except in the first postwar years when industry stagnated and food essentials were the basic interest of all the population, both urban and rural, agricultural workers have been at a disadvantage in comparison with urban industrial workers. The tenant system is being largely modified by the land reform program and the extension of land reclamation projects to settle repatriates and ex-soldiers on farms. Nevertheless, the economic problem is still chronic and tenancy still exists. Rents, which account for the major part of agricultural working expenses, amounted to as much as two-thirds of the total agricultural household expense in prewar days. The provision of agricultural loans currently at lower interest rates than could be obtained from private lenders is a corrective factor in controlling the possible extension or deeper embedding of tenancy.1/

Over-population has been a characteristic of Japanese agriculture for all the decades since industrialization came to that country. Although increases in the productive capacity of the country in prewar days provided an outlet for some of the surplus farm population, the rate of growth was not sufficient. The secular trend was, therefore, one of increasing pressure of the agricultural population on a rather fixed supply of resources. Consequently, about one-sixth of all farm households show agriculture as a secondary rather than a primary activity. Another 28 percent of the households work in agriculture only part-time, though agriculture is the primary activity for this group. The types of alternative activity indulged in by the farming population as a means of supporting their families are shown in Attached Table 5, "Classification by Occupations of Part-time Farm Households."

It is to be noted that those persons who secured incomes in some degree from non-farming jobs, that is the part-time cultivators, comprised as many as 4,015,000 in 1946. Loss of their non-farming jobs could not be compensated for by increased effectiveness and output from their own farms sufficient to produce equivalent income. For this group there is no alternative employment opportunity except rural public works which is likely to become a permanent part of the income sources for these marginal farmers.

Agricultural Equipment and Techniques

Because of the smallness of the farming unit, there is only a limited amount of mechanization or use of other than hand tools which are generally the traditional type used in rice and cereal production. The employment of machine power is not only limited by the size of the unit cultivated but also by the fact that labor power is so plentiful that its replacement by modern equipment would have a very serious effect on the general economic condition of the rural population.

Nevertheless, in the past 30 or 40 years, there has been a noticeable increase in the use of certain types of improved equipment. In the period from

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1/ Interest rates normally paid by farmers borrowing from cooperatives, banks and private individuals ranged up to 5 percent, 7 percent and 15 percent respectively and sometimes more according to General Headquarters, Supreme Commander for the Allied Powers investigators, as reported in September 1946.

1927 to 1933, for example, threshing machines increased from 29,820 to 67,259, hulling machines from 39,089 to 107,754, rice and wheat gleaning machines from 25,151 to 54,097 and pumps from 17,413 to 32,700. This tendency has been carried over into the postwar period which possibly accounts in part for the sharp decline until the end of the war when special conditions brought about a reversal of the trend, in the number of households engaged in agriculture and the size of the agricultural labor force. Motors (gasoline and electric) installed for agricultural purposes of less than five horsepower in 1931 totaled 91,764. In 1947 they totaled 1,550,177, averaging about 0.13 motors per household.

Agricultural Experiment Stations

Japan at the time of the Occupation had 377 public and approximately 35 private agricultural experiment stations and laboratories according to the Ministry of Agriculture and Forestry. About 48 farms operate under the direction of the experiment stations to supply farmers with seeds and plants of superior varieties produced by the stations. Of the 377 stations, 110 are classified as main central government or prefectural stations and the remainder as branch stations, experimental farms or experiment stations for special purposes.

The number of experiment stations in proportion to the number of farmers served is greater than in the United States. The Japanese have established special stations to study a single crop or a restricted set of problems instead of providing facilities in one locality for the study of all or most of the problems peculiar to the area as is done in the United States.

Most of the agricultural experiment stations deal with problems of production or processing of grain crops, fruits, vegetables, tea and silk. The crossing of improved varieties of important crops, cultural experiments with manures and fertilizers, and control of insects and diseases are among the chief subjects for investigation.

As a result of their researches, production of wheat and barley has doubled since 1880 though crop acreage has increased less than 50 percent. Silk production in 1941 was more than 20 times that of 1880. Practically all Japan's silkworms and most of its mulberries, wheat and rice are varieties developed by agricultural experiment stations.

Research on livestock is concentrated at a few stations because variations in climate and soil are relatively unimportant to stock raising and because the livestock population in Japan is small.

An attempt to extend even further the scope and variety of the Japanese agricultural extension and research program is found in the Promotion and Improvement of Agriculture Act which was passed by the Diet 5 July 1948. This act authorized the establishment of a cooperative extension system and the subsidy of agricultural experimental and research institutions. Under the law the prefecture provides one-half as much money for agricultural extension work as is provided from national funds, and the prefectural government administers the system under the supervision of the Ministry of Agriculture and Forestry. National funds are granted by the Ministry to experiment stations and other institutions for specific agricultural research projects.

Land Tenure and Land Relationship

In the prewar days, tenancy was a type of feudal relationship with large-scale owners or absentee landlords maintaining tenant farmers indefinitely on their same holdings. Dispossession was rare since of all the class structure in the Japanese social system that in agriculture was the most static. A tenant farmer no matter how impoverished could expect to remain in that same capacity despite the continuous struggle to maintain his extremely low standard of living. Taxes were a liability of the tenant farmer and although normally lower than those of urban dwellers had a greater impact on the very slender resources of these primary producers. (See discussion on farm tenancy, "Agrarian Reform," above.)

Rural Indebtedness

In the prewar days an increasing disparity between farm income and expenditure naturally led to an increase in the size of the farm household's indebtedness. As a consequence the burden of accumulated debt tended to increase each year and was estimated to equal ¥1,000 per household at the depths of the depression in 1932 when the yen was equal to approximately 40 cents U.S. The rates of interest were very high, averaging not less than ten percent and frequently exceeding two percent. High interest rates were a continuing factor in contributing to an increase in farm tenancy.

Agricultural credit associations were primarily cooperatives encouraged by the government to provide easier access to loans at lower interest rates. They were controlled, however, by the government in such a way that the smaller farmers had little voice in their operation. Nevertheless, these associations were a recognition of the basic economic problem confronting the average farm household and contributed to some extent in moderating the impact of financial disruptions or debt renewals.

In the postwar period, the chronic food shortages, the stagnation of production and the extent of the distress caused by war damage and other dislocations, placed the farmers in their most favorable situation in history vis-a-vis the urban dwellers. Cash income increased sharply and farm savings became a significant factor. In the period up to the end of 1947 farmers were enjoying an unparalleled prosperity.

However, as some degree of economic readjustment occurred, the temporary prosperity of the farmer (and of the other primary producers) declined. According to a survey of the Bank of Japan "new yen" (that is, the post-war issue replacing the prewar yen and yen frozen in bank accounts), cash holdings of farm and fishing villages in May 1946 were estimated at 51.8 percent of the national aggregate. In June 1947 and June 1948 the same rural holdings amounted to only 28.5 percent and 20 percent respectively. Two basic reasons are offered for this ebbing tide of agrarian postwar prosperity. The first is the relatively low (official) prices paid farmers for staple foods — rice, wheat, barley, sweet potatoes — and the sharp relative decline in the ratio of blackmarket to official prices as a result of improved staple food distribution through official channels. At the same time the farmers bought about 90 percent of their needs at blackmarket prices and could obtain only some 10 percent through legitimate sources, that is at official prices.

The second reason is the high tax burden. A Japanese Agriculture Association study shows a tax incidence on farmers' incomes in 1945 of 13 percent which had risen to 20 percent in 1946 and to 43 percent in 1947.

The general downward economic trend for farmers is further reflected in an Economic Stabilization Board survey of middle class farmers, said to be the greatest beneficiaries of the postwar inflationary boom. The survey reveals that the average household budget left a surplus of ¥4,929 in 1946 and a deficit of ¥7,267 in 1947, though the survey leaves blackmarket sales of farm products out of consideration. These would, if introduced, produce a much higher surplus balance in 1946 and perhaps eliminate the 1947 deficit. The important point, however, is not the absolutes, but the degree of downward change.1/

The general causes of low income in agriculture in Japan are obviously attributable to the historic condition of an agricultural economy substantially over-populated, operating on a marginal basis in relation to its resources and area. There is little prospect of any significant change which will improve the outlook or the condition of the great majority of the Japanese people in view of the elimination of their outlets for export of surplus population and markets for manufactured goods, as well as access to cheap sources of basic material imports. Hence the condition of the farmer and those dependent on agriculture offers little prospect of either long or short-term improvement with considerable likelihood of a gradually worsening future position as compared with the urban populations.

Special Economic Risks

Special economic risks have long been recognized by the Japanese Government though only limited protection was granted farmers in prewar days. Some restriction was placed on the shipments of rice from the Korean and Formosan parts of the then Japanese Empire into the home market at harvest time under the Colonial Rice Import Regulation Law. The license system also regulated the importation of foreign rice in order to protect the home market. Because of the importance of rice in the national economy and to the livelihood of the farmer, an attempt was made to guarantee against excessive price fluctuations in this basic crop by the passage of the 1921 Rice Law which was amended in 1939. This law established maximum and minimum prices for each crop year by a rather complex formula. The Government was empowered to purchase rice for storage if the price dropped below the minimum and to sell from its stocks if the market price exceeded the maximum, thereby stabilizing rice prices within a reasonable range for producers and consumers.

No particularly constructive measures were taken to insure against crop losses due to natural causes until the Compensation Against Agricultural Loss Law was passed by the Diet at the direction of General Headquarters, Supreme Commander for the Allied Powers, on 24 November 1947 to become effective on 27 December. The law, planned to encourage agricultural production, replaces the Insurance Acts of 1929 and 1939 and corrects the financial and administrative defects of the former system. The program is administrated through local and prefectural agricultural mutual relief insurance associations.

The law includes compulsory insurance of silkworms and cocoons, paddy rice, wheat, barley and oats at premiums determined by records of past losses in each area. Ordinary crop damages are paid from member premiums and extraordinary losses by government subsidy. Livestock insurance is voluntary and no government subsidy is authorized.

1/ Nippon Times, Tokyo, Japan, 18 March 1949.

Crops are insured against damage by wind, flood, drought and seismological phenomena; silkworms against disease injury to worms and cocoons, and wind, flood, drought, frost and hail damage to mulberry leaves; livestock against disease, injury and death. (Source: Supreme Commander for the Allied Powers, "Summation of Non-Military Activities in Japan," March 1947, Page 102.)

Under this act farmers are being encouraged to organize local agricultural mutal relief associations to administer crop and livestock insurance. Upon organization of an association the insurance of paddy and upland rice, wheat, barley, oats grown within its area is compulsory. Since the main purpose of the insurance is to maximize production of staple food crops in high risk areas, the government pays a portion of the premiums.

The Ministry of Agriculture and Forestry, in administering the Compensation Against Agricultural Loss Law, encouraged the organization of agricultural mutual relief associations and agricultural mutual relief insurance associations and established policies applicable to the 1948 crop insurance program.

Payments for damages totaling ¥1,735,300,174 were made under the law during the 1947 crop year. Approximately 80 percent of this amount was paid to farmers in the Kanto and Tohoku regions where the heavy September 1947 typhoon damage was concentrated.

Of a total of 10,859 agricultural mutual relief organizations planned, 8,844 had completed preliminary meetings as of 31 May 1948. Of the 5,743 organizations officially approved, 3,674 were registered by that date.

Twenty-one new federations of the local agricultural mutual relief associations were officially approved in May. These federations are known as agricultural mutual relief insurance associations.

Marketing and Cooperatives Development

Marketing and distribution of agricultural products has been largely a matter of group organization for a long period though the type of association was not necessarily controlled by the average farmer in his own interest. Since the end of the war the necessity for maximum indigenous food production has led to the adoption of a strict quota system for delivery of staple foods coupled with an assured market at official prices and additional incentives for promptness of delivery and over-quota amounts (see earlier discussion).

Cooperatives, though they have a long history in Japan hardly functioned in the Western meaning of that term, being centrally controlled and subject to governmental influence. The abuses which had overwhelmed early agricultural cooperative development in Japan were finally eliminated in December 1945. This was accomplished through amendments to the Agricultural Association Law which were passed by the Imperial Diet on 17 December 1945 at the direction of General Headquarters, Supreme Commander for the Allied Powers. The primary objective of these amendments, according to the Japanese Government, was to provide for democratic election of local, prefectural and national officials of the Agricultural Cooperative Association (Nogyo-kai).

The Agricultural Cooperative Association is an outgrowth of both the rural cooperative movement and agencies of the Japanese Government concerned with the

enforcement of national agricultural policy. Agricultural cooperatives which had been separate and autonomous up until 1900 were consolidated under an act of that year into the Central Union of Cooperative Societies (Sangyo Kumiai Chuo-Kai).

Membership in the cooperatives was voluntary, officials were elected at the local levels and the central organization was fedcrative in nature. The cooperatives were encouraged by the government as a method to improve the economic condition of the farmers.

At approximately the same time, under the Agricultural Societies Act of 1899, the government created a centralized structure of village and prefectural agricultural societies (No-kai), under control of the national government for the collection of agrarian statistics, the distribution of agricultural information and the execution of governmental policies. Officials were appointed from above and membership by farmers was obligatory.

Because of the importance of the processing, marketing and credit functions performed by the cooperatives, the central government exercised an increasing influence in their activities, particularly after the Manchurian "incident." Finally, all semblance of popular control over the cooperatives was abandoned in 1943 when, under the pressure for rigid wartime regulation of agriculture, the cooperatives were consolidated with the agricultural societies into the Agricultural Cooperative Association.

From 1943 until the passage of the December 1945 amendments, this Association was the governmental organ for the maintenance of centralized control and the enforcement of national policy throughout rural Japan. Membership of all farmers was compulsory and, until the passage of the 1945 amendments, leaders of the local associations had to receive prior approval of the prefectural governor before taking office. This approval was based on their ability to maximize the compulsory food purchases by the government at ceiling prices, rather than their support of the interests of farmers. Consequently, there was considerable resentment and lack of support of the present leadership of local and prefectural agricultural cooperative associations.

On 7 November 1947 the Diet enacted the Agricultural Cooperative Association Laws which dissolved the system of government-dominated agricultural associations and established a legal basis for voluntary agricultural cooperatives. This legislation eliminated the monopolistic All-Japan Federation of Agricultural Associations, 46 prefectural, 11,000 village and 55,000 neighborhood associations. The associations which had assets in excess of ¥40,000,000,000 were given until 15 August 1948 to dissolve.

The legislation provided that members of each local association were to hold meetings before 15 February 1948 to elect a Property Disposal Board to settle affairs and transfer assets to the voluntary cooperatives, set up as non-profit organizations for service to members and exempt from income, corporation and business taxes.

Membership in the new cooperatives is limited to resident farmers and non-farmers who need the community association's facilities. Only the farmers have voting rights. The law prohibits joint ownership of shares or the transfer of

shares without consent of the cooperative association. The number of community cooperatives is not limited and they may engage in producer, consumer, credit and mutual enterprise activities as authorized by the group's Articles of Association. Surplus savings will be distributed in proportion to member participation.1/

In order to secure understanding and support for the reformed cooperative association program, a large-scale education and information effort was inaugurated. Prefectural governments received thousands of copies of a "Summary of the Agricultural Cooperative Association Law" and the "Law Applicable to Dissolution of Agricultural Associations" from the Ministry of Agriculture and Forestry. The pamphlets were to be read at the preliminary dissolution meetings of each agricultural association before 15 February 1948. In addition, prefectural governments received 30,000 posters urging farmers to attend the dissolution meetings of the local associations.

As part of the educational program, the Ministry also distributed directly to farmers 5,800,000 copies of a pamphlet entitled "1-2-3 of Agricultural Cooperatives". The publicity program further included 150,000 posters entitled "How to Organize Agricultural Cooperatives" and "Let Us Form Agricultural Cooperatives" and a series of 24 radio programs.2/

As a result of the revised laws and the intensive education program, prefectural governors had approved the application of 5,888 non-stock and 13,242 capital stock cooperatives as of 15 July 1948. Two hundred thirty federations of agricultural cooperatives were approved as of 14 August. In addition preliminary organizational meetings had been held by 25,701 agricultural cooperative associations and 24,595 had held constituent general meetings as of 15 July.3/

As of 30 June 17,557 approved agricultural cooperatives had elected 222,833 directors and auditors. Of these 31,830 directors and auditors were elected by 2,893 cooperatives in June. Of the total number of directors and auditors 182,418 held agricultural association offices for the first time; the others were former association officials.

Rural Education

Rural education is not distinguished from that for the country as a whole. The education reform program as a result of the social changes resulting from the Occupation have established a 6-3-3-4 compulsory program. This means six years in primary, three years middle school, three years high school, and a possible four years college. At the present time the first half of this program has been fully established throughout Japan. This provides nine years of school to all children.

Teaching standards and educational levels are reasonably adequate, if allowance is made for the current lack of funds and poor school facilities

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1/ Source: Supreme Commander for the Allied Powers, "Summation of Non-Military Activities in Japan," November 1947, Page 59.
2/ Source: Supreme Commander for the Allied Powers, "Summation of Non-Military Activities in Japan," December 1947, Pages 101-102 and August 1948, Pages 57-58.
3/ By 30 June 1949, 31,869 agricultural cooperative associations and 993 federations of agricultural cooperative associations had been approved.

throughout Japan. However, as is common to almost all countries, the quality of teaching and the school facilities of rural Japan are inferior to those of the urban areas. Literacy throughout Japan is extremely high and progress is being made in rehabilitating the equipment of school facilities within the limits of the Japanese budget and resources. The School Education Law of 27 March 1947 was implemented by revised courses of study emphasizing the change from the previous rigid authoritarian procedures to modern methods based upon children's interests and abilities and upon the needs of society.

Elective Boards of Education are required by the Board of Education Law which was promulgated by the Cabinet 15 July 1948. Boards were to be established by 1 November 1948 in all prefectures and in the major cities. Boards in other cities, towns and villages were to be established by 1 November 1950. Prefectural boards consist of seven members, six to be elected by the voters and one to be appointed by and from the prefectural assembly; local boards have five members, four to be elected and one to be appointed by and from the local assembly.

In addition, vocational education is a matter of primary concern in agriculture. An extension work program for the education of farmers has been adopted in the various prefectures which contains agricultural experiment stations and extension farms. Each prefecture under the direction of the Prefectural Boards including an agricultural educator appointed by the governor and an advisory agricultural extension consultant chosen by the Board were to initiate this farmer education program.1/

1/ Source: Supreme Commander for the Allied Powers, "Summation of Non-Military Activities in Japan," May 1948, Page 385)

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED FORCES

ADVISORY COMMITTEE ON LABOR

FINAL REPORT - CHAPTER I

SUMMARY OF RECOMMENDATIONS ON LABOR LEGISLATION AND LABOR POLICY IN JAPAN

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*Indicates current or most recent position.

27 July 1946

CHAPTER I

SUMMARY OF RECOMMENDATIONS ON LABOR LEGISLATION AND LABOR POLICY IN JAPAN

A. Critical Importance of Labor Programs

1. Among the changes which are taking place in post-war Japan, the development and consolidation of a new dignity and status for labor is one of the most important. The success of the Occupation in achieving its long-range goal - a peaceful and democratic nation - depends to a large extent on developments in this field. The advancement of labor, and of other classes whose self-expression was formerly blocked, is one of the best guarantees against any future revival of militarism and aggression. At the same time, it is one of the highroads toward the greater freedom and greater material well-being, for the common people of Japan, which alone can assure their lasting support of democratic institutions.

2. The growth of a strong labor movement and the establishment of rights and safeguards for labor are part of the general process which is prerequisite to a democratic Japan. It is axiomatic that this process must eliminate the special privileges and concentrated power of the former ruling groups - while other groups, representing the common people, must acquire basic rights consistent with their new importance. A successful labor program must, in essence, provide greater freedom, greater influen and a higher standard of living for labor; if it does so, wage-earners and their organizations will prove one of the strongest defenses against a renewal of autocratic government.

3. From the beginning, the Committee has recognized that labor policies and programs in Japan cannot be isolated from the framework of social and economic institutions in which such programs must operate. By their very nature such programs affect the daily lives and welfare of millions of workers and employers. They inevitably arouse opposition from some groups and strong support from others. Their success requires extensive programs of information and education, and the development of effective administrative machinery controlled by sympathetic personnel. Laws and regulations, policy statements and operating procedures are no more than a blueprint from which a living and growing program can be constructed.

4. The development of a complete and adequate labor program, in any country, is a long-range process. While this report calls attention to many defects, gaps and inconsistencies in present laws and operating programs, the progress made since the surrender is impressive when viewed against the background of conditions in Japan at the war's end. After a decade of suppression, there were no genuine labor unions in existence; such basic rights as freedom of speech and self-organization were denied; pre-war labor leaders had been liquidated or silenced; and all normal means of expression for workers had been blocked by police surveillance, repressive laws, and the government-sponsored "labor front" organizations. Empl - ers and workers were totally unprepared for democratic labor relations, e

government agencies were ill-equipped for their new tasks. In such circumstances, neither a mature and balanced labor movement nor a perfect system of labor laws and administration could be created overnight.

5. In the immediate post-surrender period, first priority has properly been given to those matters which needed most urgent attention. The top-priority tasks included (a) the abrogation of repressive laws and removal of other barriers to democratic labor organizations; (b) establishment of the right of unionization and collective bargaining, through the Trade Union Act of December, 1945; (c) positive stimulation of the growth of unions and the use of collective bargaining, through various directives to the Japanese government and other actions of GHQ/SCAP (such as the prohibition of police interference with unions); and (d) full reinstatement of desirable labor legislation, such as the Factory Act and the Mining Act, which had been largely suspended during the war.

6. Important as these accomplishments have been, much remains to b done before the long-range objectives of a sound labor program are wholl achieved. These needs are of several types:

(a) The basic labor legislation of Japan - embodied especially in the Trade Union Act, the protective labor laws, and the social insurance statutes - still has many defects and limitations. This legislation should be broadened in scope and strengthened in its substance.

(b) Some types of labor legislation, desirable in themselves, are not practicable until the present crisis of inflation and under-production has been overcome. (Minimum wage legislation is a good example.) For such programs, detailed plans should be perfected now, for use at the earliest possible time.

(c) Emergency measures, to substitute for longer-range programs not possible now, must be worked out in many fields. Through the Economic Stabilization Board, and by other means if necessary, steps should be taken to promote productive public works programs, supplementary rations for workers in critical industries, and similar urgent measures.

(d) Japan's present machinery for labor administration needs thorough overhauling. Traditionally weak and understaffed, the agencies responsible for labor programs must be equipped to deal with vital new functions, vast expansion of former duties, and peace-time redirection of efforts formerly directed to war-time needs. Present and future programs will require a larger and better-trained administrative staff; creation of a separate Labor Ministry with broad powers; more adequate budgets; and more effective channels for supervising local labor functions.

(e) In a nation emerging from feudalism, workers, employers and the general public still have much to learn about the functions of labor unions, the nature of collective bargaining, and the importance of labor legislation. Upon this slow, month-to-month process of practice and education depends the ultimate success of labor laws and labor policies.

B. Problems of Method and Timing in Labor Programs

1. The remainder of this Chapter deals mainly with recommendations designed to strengthen or extend the existing labor programs. The principal emphasis is given to those actions which require legislation or formal governmental action - but there are many other problems which can be solved only by improved administrative organization and methods. Still other problems, equally important, call for "private" action by workers and employers, and can be best approached through improved programs of education and information.

2. The development of a satisfactory program requires much more than an abstract judgment that certain goals are "desirable." Complex questions must be solved in determining whether a given proposal is economically feasible; whether it is consistent with goals in other fields; and, if so, when and how the necessary legislative action should be taken.

3. There will be some proposals, desirable in themselves, which can be adopted only gradually as economic circumstances permit; the possible effects of new standards on the total volume of employment and production must be considered, and such judgments are sometimes difficult. Similarly, existing institutions and practices cannot be totally ignored - though they should not be over-stressed. Whether a given standard or practice will succeed in Japan cannot be determined solely in terms of what works in other countries where labor legislation, unions and related institutions have developed under different conditions over a period of many decades. Basic principles and objectives will be much the same - but the precise form and institutional machinery for furthering these objectives cannot be expected to be identical.

4. If all of these relationships are to be realistically and constructively expressed, most of the details of labor programs must be worked out through democratic processes by the Japanese themselves. In making our recommendations, we therefore emphasize that the function of GHQ/SCAP in the labor field should be primarily to influence the general direction of changes in law and policy, without attempting to determine the minute details.

5. At the same time, constant vigilance and detailed attention will be needed to assure that desirable changes are not blocked by political forces related to the old regime; that government labor agencies are properly organized and adequately staffed; that unsympathetic personnel are excluded; that adequate channels of education and opinion are kept open for workers and employers; and that undemocratic tendencies in unions and management do not reappear.

6. The remainder of this Chapter contains a number of suggestions for improvement of labor legislation or for strengthening labor programs by other means. While the emphasis is on what remains to be done, the Committee feels that in the relatively short time since the surrender, sound and desirable policies have been developed, covering the most urgent aspects of the

labor program. If much remains to be done, it is also true that the progress to date has been remarkable and has laid a sound basis for the further advance we propose.

C. Labor Relations and Labor Unions

The Present Situation

1. By the end of the war, repressive measures of the Japanese government had effectively destroyed every vestige of freedom of organization and self-expression on the part of labor. The basic American policy, expressed in the White House statement of 22 September 1945, provided that "Encouragement shall be given and favor shown to the development of organizations in labor, industry, and agriculture, organized on a democratic basis." SCAP promptly undertook a series of measures to carry out this policy. The memorandum of 4 October 1945 directed the removal of restrictions on political, civil and religious liberties, and thus guaranteed such rights as freedom of speech, assembly and press to unions as well as to all citizens. Further orders, such as the 11 October communication to Premier Shidehara, made it clear to the Japanese government that basic United States policy required the prompt reform of the Japanese social order to permit and encourage unionization of labor on a democratic basis.

2. A series of subsequent actions removed all major barriers to union activity. The Peace Preservation Law of 1941 and the protective surveillance for Thought Offenses Law of 1936 were abrogated, together with articles in several other laws which had the effect of preventing union activity. Government controlled labor front organizations were dissolved, persons imprisoned because of "thought" or activity in connection with trade unions were released, and police control and interference in labor affairs were largely eliminated.

3. Affirmative encouragement to labor organization and collective bargaining was provided by passage of the Trade Union Law in December 1945; by instructions on labor and employment policies issued to the Occupation Forces; and by statements made at various times by GHQ/SCAP. The Trade Union Law guaranteed to all industrial and agricultural workers the fundamental right to join unions of their own choosing and to bargain collectively with employers; it also provided legal safeguards for unions and their members in carrying out legitimate trade union functions. Under Occupation policies, strikes and work stoppages have been prohibited only when they were demonstrably "inimical to the objectives of the Military Occupation" and this term has been narrowly interpreted.

4. Under the stimulus and protection of the Trade Union Law, implemented by ordinance in February 1946, labor organizations in Japan have developed at a pace never before witnessed in world history. In May there were more

than 7,000 unions, with some 2,700,000 members. Local and regional councils of unions in particular industries, prefectural federations, national unions and national federations have crystallized in what is still an early formative stage of the growth of a labor movement in Japan. Employers' associations concerned with labor relations problems have also appeared.

5. Adequate machinery for conciliation, mediation and arbitration - in disputes that cannot be resolved by direct negotiations between workers and employers - is needed to fill a serious gap in Japan's labor legislation. A bill prepared by the Japanese Committee on Labor Legislation, with the aid of public hearings and suggestions made by representatives of the Labor Division and the Labor Advisory Committee, is now before the Diet.

6. Many of the new unions are not wholly free from domination or varying degrees of influence by employers, though the Trade Union Law contains some safeguards against such domination. In some cases, substantial financial contributions by the employer, or initiative by the employer in establishing the union, have served to make the resulting organizations responsive to the will of the employer and not truly representative of the employees. Company dominated unions are considered undesirable because they often serve to avoid rather than promote collective bargaining; an employer usually does not find it necessary to bargain with a union which he dominates unless it serves his purpose to do so. While it is too early to judge the efficacy of the existing Labor Relations Committees in dealing with the problem of company influence, it appears that little has been done thus far to cope with it.

7. Labor disputes have been far fewer in number than would normally be expected in a period of intensive unionization. In other countries, relations between employers and unions have usually passed through three stages: (a) a turbulent stage in which the union is fighting for recognition; (b) the negotiating stage; and (c) the stage of living together amicably. Disputes and strikes resulting from the first stage have been largely absent from Japan because few employers have refused to recognize a union and at least commence negotiations. Labor disputes in the second, or negotiating, stage have seldom caused any significant interference with production. Since the present state of Japan's economy renders a complete work stoppage unfeasible and unprofitable, unions have often resorted to a unique tactic known as production control, involving the temporary operation of the establishment by the union and the subordination or lockout of top management officials.

8. Considerable controversy has raged in Japanese circles about the legality of production control, but no case pivoting on the issue has yet been decided by the courts. The Committee believes that the Japanese judiciary is the only proper agency to determine the legality of the production control technique under existing law; its future legality could, of course, be determined by legislation. The exact form taken by disputes, however, is less important than the question of perfecting measures to

prevent the breakdown of negotiations and to assure speedy resolution of controversies. Certain changes in the Trade Union Law, discussed below, and the adoption of legislation providing for mediation and other machinery for settling disputes, could serve to further reduce stoppages and strikes and to bring closer the third stage of industrial relations - that of amicable living together.

9. In the past, police activity was perhaps the most important repressive element in Japanese labor relations. In the name of law and order or "peace preservation," the police maintained such close surveillance and regulation of trade unions that specific anti-labor legislation was largely superfluous. Police instructions issued in accordance with the directive of 4 October largely eliminated police activities in connection with labor. Recent instructions issued by the Home Ministry, however, which call for secret investigation of certain types of labor disputes, indicate that the possibility of renewed police activity has not been wholly eliminated.

Recommendations

1. While several of the Committee's recommendations regarding labor relations call for legislative action, many important problems in this field must be solved by other means. Some of these are problems of governmental organization and administration; others involve changes which are desirable in the policies and activities of worker and employer organizations.

2. Company influence. Employer influence, in many unions, is greater than it should be. It should be more clearly understood that the initiative in union organization should come only from the labor side, and that the employer's only obligation is to avoid actions which hamper the free self-organization of workers. The frequent inclusion of high company officials as union members is apparently a remnant of totalitarian habits of thought, and in the long run works against the best interests of both workers and employers.

3. Union finances. The financial resources of Japanese unions are inadequate to assure financial independence and to permit extensive educational and research activities which unions should be performing. In the long run a healthy union movement will require more adequate dues from its members and complete independence from contributions from employers.

4. Labor agreements. In comparison with the number of unions, the number of written agreements covering conditions of employment is extremely small. While this results largely from the newness of collective bargaining, the formalizing of written agreements should be actively encouraged.

5. Grievance procedure. In existing agreements, the Committee has noted an absence of any special procedure for peaceful settlement of disputes about the interpretation and application of contracts after they have been negotiated. Greater use of formal grievance machinery, established by the contract itself for this purpose, would be extremely valuable.

6. Education and information. Japanese labor unions, in less than a year, have attained a membership eight times as great as their pre-war peak. Most of their members and leaders have had little former experience in labor unions; this creates a lack of understanding of trade union functions, goals and procedures which is natural but may lead to difficulties. To consolidate the gains already made, there is a need for extensive educational activities, directed at union officials and members, employers and government labor administrators - including the members of the Labor Relations Committees which have vital policy-making functions under the Trade Union Law. It should be the policy of GHQ/SCAP to develop channels as rapidly as possible by which Japanese workers and employers can have access to information on the background and experience of the labor movement in other countries.

7. Police activity. Constant attention will be needed to prevent gradual resumption of police interference in labor matters. Clearly it is proper for the police to apprehend individual perpetrators of criminal acts involving physical violence to persons or malicious property damage in the course of labor disputes - either when the act occurs, or after due charges have been made. The former Japanese tradition of police interference with unions and of bias against unions is now being replaced by the reconstruction of a democratic police system dedicated to impartial service to the public, rather than autocratic control. The eventual completion of this program will be a great benefit to labor in Japan. However, regular police surveillance of unions, or use of the police in connection with the milder, non-violent infractions of law which often accompany the normal activities of unions, might easily conflict with the objectives of the Trade Union Law. The Committee, therefore, recommends that police surveillance over labor be discontinued except for that normally required to police public meetings. The gathering of information with respect to labor should be a function of the projected Labor Ministry rather than the police. Except where violence to persons or malicious property damage is involved, infractions by trade unions should be dealt with by civil rather than criminal action wherever possible. In addition, former police officers - with certain exceptions - should be barred from administrative activity dealing with labor relations.

8. Trade Union Law. Although it contains some provisions which appear inadequate or undesirable in comparison with corresponding legislation in other nations, the practical success of the Trade Union Law in operation is well attested by the phenomenally rapid growth of Japanese unions. Any amendments should, therefore, preserve the sound parts of the foundation which has been established. However, since the law seeks for the first time to legalize and protect trade union activities, it is for Japan's workers (as similar legislation has been in other countries) a kind of Magna Charta which is likely to assume lasting importance in the relations between employees and employers. It is important, therefore, that the legislation provide from the beginning a clear-cut set of principles to govern employers, workers and government administrators in dealing with problems regarding which they have little background of past experience and knowledge. It should be stripped, also, of features which might, at some future time, be used to hamper the exercise of the rights it is intended to guarantee. The Committee suggests five basic changes:

(a) The present law does not fully implement the principle that an employer must adopt a strict hands-off policy toward the self-organization

of his employees, though it contains some useful provisions to this end. An employer is now permitted to render substantial financial aid to a union, so long as he does not pay the "major" share of its expenses. The Law should be strengthened by a broad prohibition against any financial aid from the employer, except for a few limited types which could be enumerated in the law. Any other form of domination or interference by employers should also be prohibited, since there are many devices not yet specifically banned by the Law which might be used to bring company-dominated unions into existence.

(b) The law now gives unions the right to bargain collectively, but does not positively affirm the principle that the employer is required to bargain in good faith with his employees in an honest attempt to reach an understanding on the terms of employment. Since such bargaining is the keystone of successful labor relations, this requirement should be explicitly stated in the law - whereas it now is only implied.

(c) Under the present law, there are some important provisions for which no effective enforcement sanctions are provided, and others for which the only sanctions are rather inappropriate criminal penalties of fine or imprisonment. The Labor Relations Committees - consisting of industry, labor and public representatives - have only an implied power to direct the employer to take positive steps to restore the equilibrium that has been upset by the commission of illegal acts. This power should be clearly stated in the law, and should include the right to direct the reinstatement of an illegally discharged employee in his former position, with back wages for the period of involuntary unemployment; to direct the employer to discontinue dealings with a company union; to order negotiation in good faith with a bona-fide union; and other such measures adapted to the particular case.

(d) The Committee believes that the majority rule principle is essential to effective collective bargaining. When the majority of the employees in an appropriate bargaining unit have chosen a particular union to represent them, the employer should deal exclusively with that union regarding the basic conditions of employment, and forego his former privilege of dealing separately with other employees or groups of employees. The present provision that all workers shall be covered by an agreement when three-fourths of the workers come under it leaves the field open for simultaneous dealing with several groups until after such an agreement has been negotiated. To date, this problem has not been important in practice; only recently have cases begun to appear in which substantially all workers in an enterprise have not joined a single union. The principle, however, is important in the long run as protection against practices which might divide workers into rival groups, none of which could bargain successfully.

(e) A disproportionate part of the present law is devoted to governmental supervision and control over trade unions. The provisions empowering the Prefectural governors or courts to disqualify or dissolve unions