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Electric Power Industry Workers' Union (Densan) - The Joint Struggle Committee of Densan voted by a heavy majority to secede from Zenroren and affiliate with the International Confederation of Free Trade Unions. However, Densan is still influenced by communist factions in certain branches and formal withdrawal from Zenroren and Sanbetsu is not expected until the Densan convention next May. The Densan delegation at the Sanbetsu national convention was divided for and against the communist leadership and policies. A Densan delegate was elected Secretary of Sanbetsu but other Densan delegates were prominent in the fight against affiliation with the World Federation of Trade Unions.

III. Labor Relations

National Railway Workers' Union (Kokutetsu) - The first award made by the Public Corporation Arbitration Committee, announced 2 December, recommended a lump sum payment of ¥6,000 per worker in December and about ¥1,000 monthly thereafter until "the wage level is revised." The Committee stated that in making the award it considered the three wage stabilization principles and the employer's ability to pay. The award is based on the thesis that railway workers have, in effect, received a pay cut during 1949 as a result of certain administrative practices under pressure of Government financial policies and that this cut should be repaid.

The Committee also stated that the award was within the Railway Corporation's ability to pay and proposed possible sources from which the award could be financed. The total cost of the award through the current fiscal year was computed at 4.5 billion yen. According to the Committee, the 3 billion yen required to cover the ¥6,000 per worker can be paid from current revenue. The 1.5 billion required to cover the ¥1,000 monthly payment for the remainder of the current fiscal year, the Committee proposed, should be financed through a Government loan to be repaid from future increased revenues.

The award, strongly supported by 1.5 million workers in other Government services, poses a serious problem since the Government is bound by established budgetary policies and has committed itself against wage increases. Furthermore, the proposed sources of funds require Diet action under the terms of the law which provides that any arbitration decision "involving expenditure of funds not available from appropriated corporation budget or available corporation funds" must be submitted to the Diet for appropriate action.

The award is being considered by the Diet with full coordination of the Government and concerned agencies. There is much tension in all circles as to the final outcome since there is the first application of the public corporation arbitration procedures and the first test of the new anti-communist leadership in the National Railway Workers' Union.

Electric Power Industry Workers' Union (Densan) - The Central Labor Relations Committee award on the Densan demand for wage adjustment for the period 1 April - 30 September made 19 November, recommended a lump sum payment of ¥6,000 per worker to cover that period but no revision of the wage base. The Committee stated that the award was made with consideration of the wage stabilization policies and ability to pay from profits.

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On 11 November, pending formal announcement of the above award, the union filed a new wage demand with the Central Labor Relations Committee asking to raise the present monthly average base wage of ¥7,100, to levels ranging from ¥7,100 to ¥12,500 per worker and a ¥500 monthly increase for each dependent. Subsequently, in a separate demand the union asked for a year-end bonus, delegating collective bargaining on this issue to local chapters but later undertook negotiation at the national level.

Electric Equipment Federation of Labor Unions (Toshiba) - The three year old dispute between the Tokyo Shibaura Company and the union, primarily over dismissals and labor contract provisions, during which strikes, violence, lock-outs, labor relations committee action and litigation of national importance occurred, was finally settled by a compromise agreement between the union and the company. The dispute was particularly significant because it involved a number of test cases on the application of labor relations procedures and the civil code.

IV. Employment and Unemployment

Unemployment Trends - Monthly increases in industrial unemployment have levelled off markedly since September. The cumulative total, however, is still going up because lay-offs, although on a much smaller scale, still continue and there is relatively little demand for additional industrial workers. In reversal of the January-August trend, in September, October and November there was a progressive decline in layoffs and new applicants at Public Employment Security Offices and an increase in hirings.

The unemployment compensation insurance claims also show the same trend. The number of initial claims was about the same in October as in September while the weekly average number of persons receiving benefits in October increased 15% over September to 254,000 as compared with the 25% September rise over August. The average length of time for persons remaining on benefit rolls has been gradually increasing.

Past Layoffs - During the period of February through September about 9% of workers employed in industrial establishments with 50 or more workers were laid off according to a Labor Ministry survey. The survey covered 7,000 private establishments employing a total of some 3 million workers and showed that 6,120 establishments laid off 272,283 workers.

The largest number of dismissals occurred in the machinery and tool industry (87,799). Other industries in which sizeable numbers were dismissed: metal refinery (5,525), land transportation (24,078), shipbuilding (16,929), coal mining (16,393), lumber and wood products (13,650), chemicals (12,685) and construction (11,658). Major reasons given by employers for these layoffs were: (1) enforcement of the 9-point stabilization program which made it necessary for most enterprises to operate without governmental subsidy and considerably restricted them in obtaining loans; (2) the single exchange rate which made it unprofitable for some enterprises to operate; (3) decrease in the effective internal demand and depression in foreign trade; (4) increase in credit sales and the difficulty of collecting debts.

Work Relief - October reports from 292 urban Public Employment Security Offices indicate that under the criteria for determining localities where unemployment has developed to the point where counter-measures were necessary, 174 communities require work relief for 147,339 persons as compared with the 125

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communities and 104,671 persons reported in September. Although the number of casual laborers included in the total remains nearly the same as in September, the number of regular workers requiring relief increased. Under present appropriations, work relief is now being provided for approximately 40,000 workers.

V. Economic Developments

Wages and Prices - Relative stability in wages and prices continued as the average monthly wages in manufacturing remained at little over ¥8,400 from August through October and the October Consumer's Price Index dropped 2.9% under August to 136.8, the lowest index since February 1949. The drop in the Consumer's Price Index, following the pattern of the previous years, was seasonal, due to decline in price of sweet potatoes and other vegetables during the harvest months. Since the beginning of 1949, the net increase in wages was 5.4% as compared with the 2.9% change in the Consumer's Price Index, indicating a slight improvement in real wages.

Family expenditures which have been fluctuating to some degree due to seasonal availability of food items and clothing requirements, increased in October to ¥12,092 or ¥549 above September. The larger family expenditure was due to the customary seasonal increase in amounts spent for clothing.

Non-Payment of Wages - The Labor Standards Bureau reported 1,489 cases of non-payment of wages during August, involving ¥1.1 billion. The industry chiefly affected is machine manufacturing with 466 cases and over ¥633 million unpaid. Total wage payment violations disclosed during the first eight months of 1949 numbered 6,327 cases involving ¥3.9 billion. As a result of enforcement proceedings, 4,632 enterprises paid in full - slightly over ¥3 billion. Still outstanding as of 31 August were 1,695 cases involving slightly under ¥880 million.

VI. Program Developments

Training-Within-Industry - Pending arrival of a U. S. consultant to give impetus and technical aid to the development of in-service training for supervisors and foremen in Japanese industry, both the Labor Ministry with the advice of ESS/LAB and several private employers on their own initiative or with Labor Ministry aid, have substantially progressed in the promotion of training-within-industry, as evidenced by the following:

(1) A sub-committee on training-within-industry of the National Employment Security Advisory Committee, composed of representatives of industry, labor and the general public has been established, During November, this committee completed review of Japanese translations of the Job Instruction Training Manual used in the U. S., and will begin promotion of the training-within-industry approach among Japanese employers and trade union leaders.

(2) The Division of National Railways in Oimachi, Tokyo Prefecture, has been selected as the first establishment in which the Labor Ministry will test the job instruction training program.

(3) Mitsubishi Electric Company, on its own initiative and with materials and advice from the Labor Ministry, has already instituted its adaptation of this program.

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(4) Sumitomo Wire Cable Company in Osaka also has begun applying training-within-industry methods to its supervisory training program.

(5) Parallel programs of supervisory training are underway in the FEAF Supply and Maintenance Operations. An agreement was made with Waseda University for use of their facilities to set up a supervisory training course on training-within-industry principles for Japanese personnel employed by FEAF throughout Japan. ESS/LAB and Labor Ministry officials are observing and cooperating in this program.

The proposed Labor Ministry budget for the 1950-51 fiscal year includes an allocation for a training-within-industry program for the first time.

Experimental Vocational Training Center - The Labor Ministry is establishing an experimental training center in Tokyo tentatively located at the Samezu Technical College. The center's functions will be to develop: (1) training techniques and to train instructors for the more than 300 Public Vocational Training Centers operated jointly by the Labor Ministry and the prefectural governments, and (2) on-the-job training techniques such as the internationally known Training-Within-Industry Program.

Vocational Training, Guidance and Placement for the Physically Handicapped - During November, an experiment was started at the Tokyo Vocational Training Center for Handicapped and the Kandabashi and Tachikawa Public Employment Security Offices (Tokyo area) in the use of new and improved techniques for coordinated vocational training, guidance and placement of the physically handicapped.

Unemployment Insurance - New procedures were established permitting claimants living in remote areas who cannot report regularly at Public Employment Security Offices to file claims for benefits by mail through village officials.

The Casual Labor Unemployment Insurance system became effective 1 November with the sale of premium stamps to liable employers by post offices and the issuance of stamp books to casual workers by the Public Employment Security offices.

Despite the great increase in the scope of unemployment insurance operations since June 1949 no increase in personnel was made until November. Up to that time the work load was handled by: (1) streamlining premium collections; (2) elimination or simplification of forms used in benefit payment procedures; (3) transferring personnel from premium collections to benefit payments; (4) borrowing Public Employment Security Office personnel from other assignments, and (5) overtime work. In November approval was received to appoint 623 additional persons, many of whom will be used to handle benefit payments to casual laborers, payable as of 1 January 1950 under the newly enacted legislation.

Regulations Under the Labor Standards Law - Revisions of the enforcement and safety and sanitation regulations to the Labor Standards Law were promulgated 16 November 1949. These revisions reduce the record-keeping and reporting requirements for employers, amend the safety and sanitation standards, and eliminate non-essential paper work for the inspection staff, thus permitting more time for actual inspections.

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT (9 October - 22 October) No. 24

I. SUMMARY OF HIGHLIGHTS

The present anti-Communist leadership in Kokutetsu appears to have firm control of the Union and its policies which include compliance with existing laws but a strong and aggressive stand for increased wages, labor law revisions and other issues it considers vital.

Preliminary data show that most unions are now in conformity with the revised Trade Union Law or are engaged in reorganizing and revising their constitutions in order to come into compliance. Only some 1.5% of the unions, representing about 1% of total union membership, indicated they had no intention of complying.

Unemployment insurance reports indicate that total unemployment among wage earners, who comprise about one-third of the total work force in Japan, continued to increase in August and September, although the rate of increase declined.

The Women's and Minors' Bureau is preparing its second annual nationwide campaign for the protection of young workers, to be held 14-20 November.

II. ACTIVITIES OF LABOR ORGANIZATIONS

National Railway Workers' Union (Kokutetsu) - The recent Kokutetsu convention, with 278 seats held by anti-Communists out of the total 456, voted to secede from a number of Communist dominated organizations, including the All-Japan Liaison Council of Labor Unions (Zenroren) and to affiliate with the New Free World Trade Union Confederation and with the Japan Council of Labor Unions (Zenrokaigi). In keeping with the Union's declared policy of compliance with existing laws, the convention eliminated the strike clause from the Union's constitution to conform with the Public Corporation Labor Relations Law provision prohibiting strikes. However, the Union has announced its determination to fight for repeal of that portion of the Law. The Union will also comply with the Public Corporation Labor Relations Law provision that only employees of the railway corporation may be union officers and members, but the convention decided that when an employee is dismissed he will retain his union membership until the Union determines that such dismissal was justified. In the event the Union disapproves such dismissal, the decision of an arbitration committee will be accepted by the Union as final. ESS/LAB believes the union's position on this issue is a sound and legal one.

Notwithstanding the anti-Communist tenor of the convention and its attempt to bring the union into general compliance with the law, it took a strong and aggressive stand in its demands for: (1) improvements in wages and working conditions, (2) collective bargaining, (3) revision of the labor laws, (4) reemployment rights for dismissed persons, (5) tax reduction, (6) democratization of the railway corporation, (7) concentrated political activity against the Yoshida Cabinet, (8) correction of the tendency of the Union to kowtow to capital. The Union's Central Struggle Committee was authorized to confer immediately with representatives of opposition parties in the Diet to press the fight for labor law revisions.

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Although almost one-third of the delegates were opposed to the present union leadership, there was a notable absence of the usual bitter wrangling at the convention. However, the Communists have scheduled a meeting of their own and will intensify their struggle against the present leadership at the local union levels.

All-Japan Communication Workers' Union (Zentei) - The split in the Union became final with the recent convention of the anti-Communist faction which claims to represent more than the necessary two-thirds of the membership. A convention of the Communist faction of Zentei, held separately, makes similar claims. However, the anti-Communist Zentei has come into compliance with National Personnel Authority regulations by amending the Union constitution and will presumably have legal status to represent its membership before the Communications Ministry.

The convention also voted to withdraw Zentei from various Communist-dominated organizations including the National Congress of Industrial Unions (Sanbetsu) and to support the following program: (1) elimination of reactionary bureaucrats from government offices, (2) revision of the Table of Personnel Organization Law, (3) increased wages, (4) promotion of the Joint Diet Struggle Committee. The question of affiliation with the New Free World Trade Union Confederation was referred for decision to the Central Committee which is expected to favor such affiliation.

Compliance With the Trade Union Law - Preliminary data show that most unions are now in conformity with the revised Trade Union Law or are engaged in reorganizing and revising their constitutions in order to come into compliance. Only some 1.5% of the unions representing about 1% of total union membership indicated they had no intention of complying. As of 1 September about 22% of the unions already had constitutions which fully conformed to Article 5 of the Trade Union Law and some 76% were revising their constitutions accordingly. To achieve compliance nearly 85% of the unions expelled management representatives and 14% were in the process of doing so; nearly 90% of the unions had rejected employers' contributions to union funds and some 9% were in the process of making adjustments to eliminate same.

Demands for Wage Increases - The pressure for wage increases by electric power (Densan) and government railways (Kokutetsu) workers has been augmented by demands for a general increase in wages of government workers supported by the National Personnel Authority and by the Social Democratic Party. In Osaka the unions in ten cotton spinning companies have demanded a 45% increase which has been rejected by the companies. Automobile workers recently held a two day strike against the combination of personnel dismissals and threatened wage reductions.

III. EMPLOYMENT AND UNEMPLOYMENT

Unemployment Trends - Unemployment insurance reports indicate that total unemployment among wage earners, who comprise one-third of the total work force in Japan, continued to increase in August and September, although the rate of increase declined. The September preliminary Unemployment Insurance Report (covering the seven major prefectures) shows an increase of 25% in the number of persons receiving weekly benefits. This increase raises the total number receiving weekly benefits to approximately 220,000 as compared with the final August figure of 177,000.

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There are indications that the peak of layoffs this year occurred in July. However, total unemployment among wage earners continues to increase because of the shrinking number of job openings. The number of new unemployment insurance claims during September decreased 6% below August, registering the first such decrease in 1949. However, claimants newly added to the unemployment insurance rolls greatly outnumbered those who ceased to draw benefits during September. Thus, the total number of persons drawing benefits continued to increase not merely because of the addition of new claimants but primarily because of the greater proportion of persons who remained on the unemployment insurance rolls.

Work Relief - The Government's tentative plans for the 1950-51 fiscal year unemployment relief measures are to make available ¥3 billion out of the ¥102 billion appropriated for all types of public works and work relief. While the total sum is to be administered by the Economic Stabilization Board, the ¥3 billion is to be released to the Labor Ministry to subsidize two-thirds of the wages paid on work relief projects with the remaining third to be met by local government funds. The Labor Ministry is objecting to the two-thirds subsidy proposal on the grounds that local governments will not be able to meet their share and if the national government is not ready to bear the entire cost of the program it will break down when most needed. The Ministry also claims that the provisions of the Emergency Unemployment Counter-Measures Law place the responsibility for unemployment counter-measures on the Labor Ministry and therefore the full amount of funds required for work relief should be appropriated to the Ministry.

IV. PROGRAM DEVELOPMENTS

Job Placement of 1949 School Graduates - Contrary to the general trend of declining job opportunities for adult workers during the past six months, the Public Employment Security Offices were able to obtain 239,000 job openings for 1949 lower secondary school graduates, 12% more than in 1948. Also noteworthy is that nearly twice as many, or 212,000, graduates applied to PESOs for jobs in 1949 as in 1948, indicating an increased awareness by students of placement possibilities at PESOs and the growing coordination between education and PESO authorities.

Although PESOs received only 12% more job openings for 1949 school graduates as compared with 1948, they were able to fill 50% of such openings as compared with 35% for 1948. However, the proportion of placements to applicants declined to 56% in 1949 from 65% in 1948.

Workmen's Accident Compensation Insurance - An additional 4,465 employers and 34,109 workers were covered under the Workmen's Accident Compensation Insurance program during August, bringing total covered employers and workers to 245,100 and 6,703,500 respectively. August premium collections were high, resulting in a reduction of the amount in arrears from ¥1,144,420,012 to ¥881,318,762. Processing and payment of claims have been expedited as evidenced by the decrease from 89,704 for July to 36,638 for August in the number of claims requiring over 30 days for payment.

Protection of Young Workers' Week - The Women's and Minors' Bureau is preparing its second annual nationwide campaign for the protection of young workers to focus the attention of parents, employers, unions and school authorities as well as the general public, on the problems of young workers, of

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whom there are more than four million under 18 years of age. The program planned for the campaign includes press and radio publicity, rallies and round-table conferences. This year's campaign will be held 14-20 November and will run concurrently with a campaign sponsored by various government agencies including Welfare, Education and the Attorney General's Office for the protection of all young people with particular emphasis on the prevention of juvenile delinquency.

V. CONCLUSIONS

The progress being made by most unions toward full conformity with the revised Trade Union Law is encouraging evidence that they are developing into autonomous, self-supporting organizations increasingly representative of rank and file membership. The measures taken by unions to oust management representatives, reject employer contributions to union funds and revise their constitutions to provide for such democratic procedures as periodic membership meetings, periodic election of officers and secret balloting are steps toward the development of a democratic trade union movement composed of truly representative workers' organizations independent of employer patronage.

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Economic and Scientific Section
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LABOR DIVISION SEMI-MONTHLY REPORT No. 23
(25 September - 8 October)

I. Summary of Highlights

The anti-Communist trend continues in the Japanese labor movement marked by continued withdrawals from Communist-influenced bodies, but a new tendency is developing of opposition by moderate union leaders to what they consider unwarranted interference by Government or private employers in union affairs through restrictive legislation and unilateral actions which affect union structure, policies and activities.

The Joint Council to Promote Affiliation with the New Free World Labor Confederation has named five delegates to the constituent assembly opening in London 28 November.

Both wages and prices remained relatively stable. August average monthly wage in manufacturing was ¥8,410, a 1.7% increase over July and 4.9% over January. The recently revised Consumers' Price Index was 140.7 for August, an increase of .1% over July and 5.9% over January.

II. Activities of Labor Organizations

Moderate Union Leaders Resisting Outside Interference - The anti-Communist trend continues in the Japanese labor movement but a new tendency is developing of opposition by moderate leaders to what they consider unwarranted interference by Government or employers in union affairs through restrictive legislation and unilateral actions which affect union structure, policies and activities. To date, anti-Communist union leaders have not protested recent unilateral dismissals of union officers and members by Government and private industry because Communists were thereby eliminated. However, conservative unions are now building defenses in the fear that similar action may be taken against aggressive but non-Communist leadership. National union leaders feel compelled to take this position in order to hold their following and by the refusal of qualified men to accept union offices for fear they will be marked for discharge.

The Express Workers' Union concurrently seceded from Communist-dominated Sanbetsu (National Congress of Industrial Unions) and unanimously adopted a policy that union members or officers unilaterally discharged will retain their union membership until the dismissal is recognized by the union. The right-wing Reconstruction League of the Communication Workers' Union has announced it will now obey, but later oppose in the Diet, a National Personnel Authority regulation which, in effect, requires the union to adopt a constitutional provision that only employees may be union members and officers. The National Railway Workers' Union, now controlled by moderates, has announced it will demand repeal of a similar provision in the Public Corporation Labor Relations Law. Furthermore, several unions have announced their intention of instituting legal action to test the constitutionality of certain laws and regulations including the recent National Personnel Authority regulation curtailing the political activity of government employees.

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The anti-Communist Joint Council to Promote Affiliation with the New Free World Labor Confederation has organized a Diet Struggle Committee to oppose such laws and regulations as it considers detrimental to workers' interests and has adopted a 26-point program which includes a demand for the withdrawal of the Yoshida Cabinet.

The Shipping Industry Protection Central Conference which embraces 300,000 workers in five maritime unions, of which the moderate Seamen's Union and the Shipbuilding Union are the two main constituents, stated in its inaugural declaration, "Down with the Yoshida Cabinet....", a slogan heretofore used almost exclusively by Communists.

Anti-Communist Trend Continues - The most recent defections from Communist-influenced bodies include the withdrawal of the Japan Petroleum Company Workers' Union from Sanbetsu; the decision of the Seamen's Union to secede from Zenroren (National Liaison Council of Labor Unions); the withdrawal of Asahi, Mainichi and Yomiuri locals from the All Japan Newspaper Workers' Union (Zen Shimbun), and their preparation to organize not only an anti-Communist Council of Press Workers' Unions but a broader Congress of Japan Cultural Industries Workers' Unions, comprising newspaper, stage, screen and radio unions; and the formal organization of a separate Central Struggle Committee by the Reconstruction League of Zentei (Communications Workers' Union).

Anti-Communist Unification - The Joint Council to promote Affiliation with the New Free World Labor Confederation has named five delegates to the constituent assembly opening in London on 28 November 1949. The delegates were chosen from individual unions but will represent the council as a whole. As an assurance that large unions do not intend to dominate the council, Tanro (Coal Mines) abstained from submitting a candidate for the delegation.

The unification efforts of anti-Communist elements survived a potentially destructive issue when the rightist Independent Youth League, which has been organizing cells within unions, was dissolved at the instigation of powerful union leaders and absorbed into the Socialist Party's Youth Department.

III. Labor Relations

Wage Mediation - It appears likely that the Central Labor Relations Committee recommendation in the Densan (Electric Power) workers' case will include a one-payment bonus for the period April through September, but retention of the present basic wage of ¥7,100 monthly. The CLRC is expected to base its bonus recommendation on the ground that workers' increased efficiency was largely responsible for the company's improved financial condition.

A majority of witnesses at the public hearings on the national railway workers' demand for a ¥9,700 base wage supported this demand. The issue will probably be submitted to arbitration and mediation proceedings with the possibility of a bonus payment in the pattern of the Densan award as a temporary solution, and postponement of the real wage issue until next spring.

IV. Employment and Unemployment

Employment Trends - Although the number of unemployed was still very small in comparison to the total labor force, the need for government work relief projects increased in August because of decline in job openings for certain

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categories of workers and the seasonal shift from peak agricultural employment. However, layoffs in government and private industries which had been rising since February, dropped during August. Labor Ministry Labor Market Survey of approximately 8,000 establishments employing some 3.5 million workers showed a drop in the number of establishments discharging workers from 945 in July to 732 in August and in the number of workers from 53,000 to 36,000. The rate of increase in the number of initial unemployment compensation claims filed during August was the smallest in several months. The August initial claims numbered 66,900, increasing about 2% over July in comparison with generally high increases from month to month since the beginning of the year, running as high as the 57% increase of April over March.

Work Relief - Final August Public Employment Security Office figures, after application of criteria for the commencement of work relief projects, show that 98 cities required projects to absorb 88,238 unemployed, an increase of about 20,000 over the July estimate. Of the August total, 12 localities needed jobs for 13,190 regular workers and 96 localities jobs for 75,048 day laborers.

To provide work relief for the maximum number of persons possible within the limit of funds available in the current budget, the Labor Ministry was granted approval to utilize in the third fiscal quarter funds equivalent to the total appropriated for both the third and fourth quarters. Work relief in the fourth quarter will be financed from supplemental budgetary appropriations. However, to ensure against discontinuance of the program if the supplementary budget is not passed prior to the beginning of the fourth quarter, the Finance Ministry will withhold ¥100,000,000 of the current national appropriations, and the Labor Ministry will be permitted to borrow the equivalent amount from prefectures and repay it after passage of the supplementary budget.

Absorption of Unemployed in the Public Works Program - To utilize more fully the Public Works program in absorbing unemployed persons registered at the PESOs, the Labor Ministry and Economic Stabilization Board are discussing revision of regulations under the Emergency Unemployment Counter-Measures Law to increase the quota of PESO registrants to be placed on public works projects. The PESO placements have far exceeded their present quota of some 23,000 against the .5 million jobs provided for by the Public Works program. However, it is deemed desirable to legally raise the quota so that agencies operating public works projects would be required to hire increased number of PESO registrants.

V. Miscellaneous Economic Developments

Non-Payment of Wages - The Labor Standards Bureau reported 727 new cases of non-payment of wages, involving ¥629 million for the period 16-31 July, of which 65% of the cases and 80% of the defaulted amount were in the manufacturing industries. (f this group, the greatest volume of defaults (30% of the cases involving 53% of the defaulted amount) was in the machine and equipment manufacturing industry. Since early 1949 the Labor Standards Bureau has handled 4,838 cases involving ¥2.8 billion, of which 3,315 cases (¥2.1 billion) were paid in full, leaving 1,523 cases (¥734 million) still unpaid.

Wages and Prices - Both wages and prices remained relatively stable. August average monthly wage in manufacturing was ¥8,410, an increase of 1.7% over July and 4.9% over January. According to the recently revised Consumers' Price Index, prices remained virtually the same during July and August, with the

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July index at 140.7 and the August at 140.8. The overall increase in the CPI from January to August was 5.9%. (According to the old method of computation the CPI for August was 507.6, a 1.7% decrease from July and 6.8% increase since January). The old series used the eight months from August 1946 to March 1947 as the base period. The new index is calculated with the 1948 average equal to 100. Major changes were also made in the weights and in the list of commodities and services priced.

Family Income and Expenditures - Average urban family income for August was ¥12,688, an increase of .8% over July. Income of the head of the household (¥10,681) rose very slightly (.6%) and maintained roughly the same proportion of total family income (84.5%) as in the past half year.

August average urban family expenditure of ¥11,710 was ¥116 below July or a decrease of less than 1%. However, the proportion of food expenditures rose markedly from 59.9% in July to 63.2% in August.

VI. Conclusions

The determination of moderate, anti-Communist unions, particularly as expressed in their joint organization of a Diet Struggle Committee, to oppose what they consider unwarranted interference by Government and private industry in union affairs is a significant development. While indicative of a relatively new trend amongst moderate unions of determined militancy on these issues, it may also be considered further evidence of the growing maturity of a large sector of the Japanese labor movement in seeking to gain its ends through legal channels. In this connection it is also notable that most union announcements of vigorous opposition to restrictive controls and unilateral action have been accompanied by declarations that existing laws and regulations will, nevertheless, be complied with, pending the achievement of corrective action by legal means.

The relatively stable wage-price relationship in the past months largely accounts for the small number of union demands for wage increases and the quiet labor relations picture. However, the margin between wages and prices is so narrow that any marked increase in prices would probably result in demands for wage increases with possible accompanying dispute activity. A few major unions have already made such demands.

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LABOR DIVISION SEMI-MONTHLY REPORT NO. 22
(4 September - 24 September)
1949

I. Summary of Highlights

A number of prominent labor leaders have recently formed a joint council to promote the merging of all anti-communist labor forces into one major federation in Japan, with affiliation to the proposed New Free World Labor Federation, as an immediate objective.

In an attempt to recoup its loss of influence and dominant position in certain unions and capitalize on the general public support given to the basic principles of the ESS/LAB trade union program, the Japan Communist Party has recently adopted a new line of espousing similar union reforms.

Settlement was reached 21 September in the prolonged dispute in the electric power industry over retirement allowances, through acceptance of a Central Labor Relations Committee mediation plan by both the union and management.

In coal mining, the Coal Operators League (Renmei) has agreed to grant sole bargaining rights to Tanro and is considering the latter's demand for a union shop agreement.

Public hearings on proposed revisions, primarily for simplification of procedures, of the 1947 enforcement and safety and sanitation regulations under the Labor Standards Law are scheduled for 11 and 13 October.

II. Activities of Labor Organizations

Efforts to Unify Anti-Communist Labor Forces - A number of prominent labor leaders recently formed a joint council to promote the merging of all anti-communist labor forces into one major federation in Japan, with affiliation to the New Free World Labor Federation, shortly to be organized in London, as an immediate objective. A successful merger will undoubtedly mean the dissolution or weakening of certain current federations such as Zen Nichiro, Shin Sanbetsu and Sodomei, with some conservative elements in Sodomei splintering off into an ultra-right-wing federation, and a considerable reduction in size and influence of communist-dominated Sanbetsu.

Sodomei, Shin Sanbetsu and Zen Nichiro have already voted to join the New Free World Labor Federation and the issue of affiliation has set off violent struggles inside other national unions. At Tanro's September convention, several votes taken on the issue were inconclusive even though a majority favored affiliation, inasmuch as Tanro's constitution requires a two-thirds majority to decide all questions. Pending final settlement at another convention scheduled for 20 October, the national chairman and his supporters who strongly urged affiliation will tour the coal fields and are confident of achieving support for both abolition of the two-thirds rule and affiliation.

New Line of the Japan Communist Party - The struggle of democratic forces to defeat the communists and their sympathizers continues to dominate the Japanese labor scene. In an attempt to recoup its loss of influence and dominant position in certain unions, counteract the rising tide of anti-communist sentiment and activity within the labor movement, and to capitalize on the general public support given to the basic principles of the ESS/LAB trade union program, the Japan Communist Party has adopted a "new line" of espousing similar union reforms. This

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"new line", diametrically opposed in major respects to the Japan Communist Party's former policies, recommends that union structure and organization be simplified so as to strengthen national unions, that unions reduce their dues, expenses and number of officers, and that reforms be undertaken to insure that unions reflect the will of the rank and file. Communist union members have been directed by the Japan Communist Party to take the initiative in effectuating this program, regardless of their "self-interest".

A prime factor in this reversal of the Japan Communist Party's previous opposition to the revised labor laws and of its policy of encouraging unions to stay outside the purview of these laws was, undoubtedly, the position in which the communist-dominated union found itself in the Toshiba controversy. Virtually all pro-communist officers were eliminated at Toshiba through management dismissals without protest from anti-communist groups in the union, and the union itself was unqualified under the revised Trade Union Law to make a claim for remedial action. Recently, however, the Toshiba Federation announced that it will comply with the Trade Union Law. Other hitherto "outside unions" are following suit.

III. Labor Relations

Electric Power - The 2½ year old dispute over retirement allowances between the All Japan Electric Power Industry Workers' Union (Densan) and the power industry was settled 21 September 1949 when both accepted a CLRC mediation plan under which workers with 25 years or more of service will be paid retirement allowances equivalent to 85 months pay.

Coal Mining - The Coal Operators League (Renmei) has agreed to grant sole bargaining rights to Tanro and is considering the latter's demand for a union shop agreement. Local wage negotiations are continuing and have been complicated by the decontrol of coal and elimination of the Kodan on 15 September.

IV. Program Developments

August preliminary figures of Public Employment Security Offices activities indicate the necessity for absorbing more persons on work relief projects than in July. Within recent months 237 PESOs out of the 400 throughout Japan, have reported unemployment problems. Of these, 207 PESOs report that in applying the criteria for measuring the seriousness of unemployment in local areas, it was determined that 10 cities require projects to absorb 11,253 "regular" workers and 82 areas to absorb 64,477 day laborers. This represents an increase of approximately 9,000 and 4,000 persons respectively, since the July report.

Unemployment Insurance - An August report from seven major prefectures shows that the number of persons receiving benefit payments increased 35% over July. If this increase is projected to all prefectures, about 165,000 persons will have received unemployment benefits each week in August, or about 3.4% of the total coverage. An encouraging sign is the fact that the number of initial claims remains the same as in July, indicating that in September the rate of increase in persons receiving benefits may be appreciably smaller.

Workmen's Accident Insurance - During July 5,309 additional establishments employing 71,470 workers were covered by workmen's accident insurance, bringing total covered employers and workers as of 30 July to 240,645 and 6,669,483 respectively. As second period premium assessments were made in July, total arrears in premium collections rose to ¥1,144,420,012 compared with ¥712,619,969 as of 30 June. Since the budgeted funds allocated for benefit payments were found insufficient in recent months due to the rise in wage level and medical costs, the

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Ministries of Labor and Finance have agreed that hereafter funds will be allocated on the basis of current requirements. This should eliminate undesirable delays in benefit payments.

Labor Standards Inspections - January through June 1949 inspections (including reinspections) totaled 212,676 and covered over 7 million workers. May and June inspections (34,381 and 32,648 respectively) declined over the previous high record, partly due to a change in the reporting system and to the March-April emphasis on inspection drives in small establishments. It is significant that despite this recent decline in the number of inspections, the proportion of complaint inspections increased steadily (from 1,326 in January to 2,349 in June), a rise of 75%, indicating an increased cognizance of the law and greater employee confidence in the Bureau. As previously, most violations involved failure to keep adequate records and file necessary reports. It is expected that the proposed elimination or relaxation of some of these requirements will appreciably decrease the number of employers in violation.

Seamen's Bureau - July inspections of 1,241 vessels (employing over 15,000 seamen) represented a 23% decline from June, attributable to the reassignment of inspection staff and the normal decrease in summer workload. The percentage of vessels found in violation continues to decrease: 70% in July as compared with 77% in June. July restitution to seamen, amounting to ¥1,160,000, was a record high.

Labor Standards Law - Non-Payment of Wages - Although the number of new cases of non-payment of wages (875) reported during 1-15 July to the Labor Standards Bureau exceeded those of the previous 15-day period, the enforcement program to effect restitution succeeded in reducing the amount due workers as of 15 July to ¥546 million, compared with ¥745 million due on 30 June. The tight financial condition has also affected wage payments to seamen. The Seamen's Bureau reports increasing cases of non-payment of wages on small wooden vessels due to lack of cargo.

V. Legislative and Administrative Proposals and Procedures

Regulations Under the Labor Standards Law - Public hearings on proposed revisions of the 1947 enforcement and safety and sanitation regulations are scheduled for 11 and 13 October. Two years' enforcement experience reveals the need of revisions to: (1) reduce employers' reporting and record-keeping burden, (2) amend safety and sanitation standards, and (3) relieve the reduced inspection staff of non-essential paper work, thus permitting more inspections. The Labor Ministry is not contemplating changes in the law itself.

Unemployment Insurance - The Japanese Government has interpreted the Unemployment Insurance Law provisions which cover casual workers as being applicable to those employed by the national and local governments as well as private industry. This includes administrative agencies and enterprises, public works and Occupation Force workers. Premium payment coverage will be effective 1 November and benefits 1 January.

The Employment Security Bureau and the Postal Department have agreed that unemployment insurance premium stamps to cover casual workers will be sold in local post offices, thus ensuring a minimum of administrative cost to the government for this additional function.

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VI. Conclusions

Despite current factional struggles and apparent disunity in the Japanese labor movement there are noteworthy signs that it has developed considerable maturity. This is particularly evidenced by the routine large-scale labor-management negotiations and settlements on major issues such as those in the electric power industry and coal, the accepted use and operation of labor relations machinery, compliance with laws, increased recourse to protective legislation, and positive efforts to rid unions of domination by minority groups and opportunists while encouraging rank and file participation in union activities and policy decisions.

Government administration of labor affairs is also showing increasing improvement. Respective agencies are carrying out full scale operations and are generally successful in correcting violations, effecting prompt payment of insurance premiums and benefits and performing other functions required of them.

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT No. 21
(14 August-3 September 1949)

I. Summary of Highlights

In coal mining, both national negotiations for a bread labor agreement and local negotiations for wages, effective 1 July, are in progress. Settlements were reached locally on the April-June wage in a majority of mines, largely through application of a Central Labor Relations Committee conciliation proposal which included arbitration by tripartite committees.

In the electric power industry, settlement of the retirement allowance issue appears likely in the near future. Management and the union have agreed to CLRC conciliation (to commence 10 September) on the few remaining points of difference. Densan's wage increase demand is before the CLRC for mediation.

Delinquency in wage payments continues. Incomplete reports from the Labor Standards Bureau show that it handled the cases of 3,236 firms owing ¥1.72 billion during the first half of 1949; as of 30 June approximately ¥745 million was still unpaid.

Wages dropped 1% in July, making the total wage increase since January 1949 only 3.2%. Prices continued their creeping increases with a 1% rise in July, bringing the total increase since January 1949 to 8.6%. July urban family expenditures rose to ¥11,826, a 6.6% increase over June. July family income rose to ¥12,852, an increase of 2% over June.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining. Both national negotiations for a bread labor agreement and local negotiations for wages, effective 1 July, are in progress. Settlements were reached locally on the April-June wage in a majority of mines, largely through application of a CLRC conciliation proposal which included arbitration by tripartite committees. Both the union and management have reversed their former stand on national versus local agreements. The union's Central Executive Committee now strongly favors local wage negotiations but has adopted a policy that no local wage agreement shall be deemed valid unless approved by the national union and countersigned by the national chairman. Management is opposed to this as well as to the union's demand in its national negotiations for sole bargaining rights and the union shop.

2. Densan. Settlement of the retirement allowance issue appears likely in the near future. Management and the union have agreed to CLRC conciliation (commencing 10 September) on the few remaining points of difference. Densan's wage increase demand (¥2,000 plus ¥500 per dependent) is in the hands of CLRC for mediation.

III. Operating Program Developments

1. Work Relief Projects. Previously formulated criteria for determining when unemployment has become sufficiently critical in a given area to merit the establishment of work relief projects and the number of jobs to beprovided on such

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projects, have been applied to labor force and July unemployment insurance figures submitted by 232 of the 400 Public Employment Security Offices. On this basis it was determined that only three cities have an unemployment problem serious enough to warrant work relief projects for "regular" workers (as distinguished from casual workers), and that only about 2,000 jobs would be required. However, utilization of the criteria determining the extent of unemployment among casual workers showed 67 cities and towns requiring projects to employ 60,279 persons.

The Labor Ministry considered the present situation and that anticipated by the end of the year sufficiently critical to enter into conferences with the Finance Ministry for the purpose of: (1) receiving permission to expend already-appropriated funds more rapidly than had originally been scheduled, (2) to arrange for supplemental appropriations to be made available for the remainder of the fiscal year after the present appropriation is exhausted. As soon as these funds are made available it will be possible for the work relief projects to operate at approximately three times their present size and afford 32,000 additional jobs.

2. Unemployment Insurance. Continuing the rising trend since February, the average number of persons drawing weekly benefits increased during July to 121,000 and was 41% higher than June. This is mostly attributable to an increase in unemployment, but also to increased effectiveness and utilization of the unemployment insurance program. The ratio of beneficiaries to covered employment of 2.5% for July is still small as compared with the U.S. figures of 6.5% for May 1949 and 3.6% for May 1948.

3. Vocational Training. During July 15,683 persons (12,176 men and 3,507 women) attended 305 vocational training centers (total trainee capacity 16,495) operated by prefectural governments with national government subsidies. Of the total attending, 503 were handicapped persons.

4. Seamen's Bureau. June inspections of 1,521 vessels (employing over 18,000 seamen) showed 77% in violation of one or more provisions of the Mariners' Law. As found in previous months, most of the 4,783 violations involved failure to maintain required records or to submit required reports. Restitution to seamen amounted to ¥825,751, three-fourths of which was paid for discharge allowances or delayed wage payments.

5. Workmen's Accident Insurance. Workmen's Accident Compensation Insurance continued to expand its coverage adding 2,616 new employers for a total of 235,336 in June. The number of covered workers was 6,500,000, a little over one-half of the total wage-earning labor force. Premium collections were high and delinquency was reduced, especially the "long overdue" category. The total amount delinquent over four months was reduced to ¥16,000,000 compared with ¥453,000,000 collected in June. In 22 prefectures, there was no premium overdue for four months.

IV. Legislative and Administrative Proposals and Procedures

1. Labor Standards Law - Non-Payment of Wages. Delinquency in wage payments continues. Incomplete reports from the Labor Standards Bureau show that it handled the cases of 3,236 firms owing ¥1.72 billion during the first half of 1949 and that as of 30 June approximately ¥745 million was still unpaid.

2. School Workshops. In order to prevent the exploitation of students participating in workshops outside of school hours, the responsible Bureaus of the Education Ministry and the Labor Standards Bureau, Labor Ministry, have issued instructions (No. 187) dated 11 August 1949 to the heads of secondary schools,

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colleges and universities, and to the prefectural Boards of Education and prefectural governors advising them of the application of the Labor Standards Law and the Workmen's Accident Compensation Insurance Law to such workshops.

3. Labor Relations Legislation and Interpretation. Under the revised Trade Union Law, Articles 2 and 5, any union seeking to utilize its procedures and receive benefits thereunder must be in full compliance therewith. In view of the complex structure of some unions and the difficulties of immediate compliance, the Labor Policy Bureau, Labor Ministry and the Central Labor Relations Committee have agreed, as a temporary administrative expedient, to avoid strict enforcement of Articles 2 and 5 during the transition period while unions are endeavoring to come into compliance. In such cases, where a union has indicated a willingness to comply and has given concrete assurance of action taken to come into compliance, the CLRC will assume concurrent jurisdiction of the matter of compliance and the labor dispute with the objective that by the time the dispute matter is concluded and the order entered, the union will be in strict compliance. The complaints of those unions displaying no intention of complying with the Trade Union Law will not be considered by CLRC.

V. Miscellaneous Economic Developments

1. Wages and Cost of Living. Total July cash wages in manufacturing dropped 1%, bringing the total rise in wages since January 1949 to 3.2%. This small rise is in sharp contrast to the January-July 1948 rise in wages of 66.7%.

Prices (All Japan Consumers' Price Index) continued their creeping increases with a 1% July rise, bringing the total increase since January 1949 to 8.6%. The January-July 1948 increase was 37.8%. Thus, although both price and wage rises were considerably slowed during 1949, prices have risen almost three times as fast as wages. Also, wage increases (January-July 1949 = 5% of January-July 1948) have decelerated much more than price increases (January-July 1949 = 23% of January-July 1948).

Urban family expenditures rose to ¥11,826 in July, a 6.6% increase over June, bringing the total increase to 11.2% since January 1949. The corresponding increase during January-July 1948 was 36.4%.

July family income rose to ¥12,852, an increase of 2% over June. Wages of the family head rose 1%. The apparent discrepancy between the 1% decline in manufacturing wages and 1% increase in family head income from wages is not significant because the difference is so small as to be attributable to differences in coverage of the two sources of information, and the mechanics of the statistical method.

VI. Conclusions

Labor relations have been quiet in the recent period. Some unions have been occupied with negotiations over wages, retirement allowances and projected layoffs, but many are affected with internal dissension stemming from the sharpened political and economic issues and special problems precipitated by recent dismissals and application of the revised Trade Union Law to their complex structure. Management's use of industrial rationalization as a lever to discharge union executives

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and central committee members whose activities they consider objectionable, and the apparent willingness of Mindo and other right-wing groups to accept such dismissals as inevitable under the 9-point stabilization program, have been a prime source of friction and caused a virtual shake-up within several unions. The resultant realignment of factional power and in some cases, threatened splits, plus the loss of their key officials, have served to weaken many unions and federations. Even some of the more militant factions appear reluctant to advocate strikes and other vigorous dispute tactics in the face of these dismissals, a shrinking economy and the uncertainty of full support from their union membership. These may be temporary phenomena preceding a period of union reorganization, consolidation and renewed activity.

One factor which bears watching, however, is the fact that wages have shown only a slight increase during the first half of 1949, and even decreased in certain months, while prices continue to creep upward. If this trend continues, demands for wage increases, with possible accompanying dispute activity, may be anticipated.

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 20
(31 July - 13 August 1949)

I. Summary of Highlights

No noticeable change has occurred in the major disputes since the previous report. Private industry as well as Government continued to utilize the reduction of personnel as a means to discharge alleged Communists or Communist sympathizers who were also union officials. Announcements of employee dismissal actions by the Government and private industry continued.

The Mindo faction in the National Railway Workers Union has apparently been successful in its first major step to wrest control of the union from the leftists. It achieved a quorum at the 15 August central committee meeting it had called unilaterally.

The Labor Standards Bureau has issued an ordinance, effective 1 August, revising Workmen's Accident Compensation premium rates so as to rationalize them in terms of cost of benefits.

According to preliminary results of the Monthly Wage Survey, total June cash wages in manufacturing increased 5.9% over May levels. This increase absorbed the May drop of 3.6% and brought June wages 2.7% above April. The All-Japan Consumer Price Index for June rose to 511.1, an increase of 3.6% over May and 4.6% over April.

Preliminary Labor Ministry reports indicate that approximately 20,000 of the 96,000 railway workers discharged in July have been placed in new employment through efforts of the railway authorities or other means.

II. Labor Relations Developments

A. Major Disputes

1. National Communication Workers Union - Zentei. On 11 August 11,500 government postal and telecommunications employees were notified of their dismissal under the retrenchment program. This is considerably fewer than originally anticipated, occasioned by the voluntary retirement of approximately 15,000. Preliminary reports indicate that about 1,250 employees rejected their discharge notices with more rejections anticipated. The criteria for dismissal were similar to those for railway workers: (1) uncooperativeness, (2) unfitness as public service employees, (3) inferiority in technique, knowledge and physical condition, (4) few years of service, (5) poor work records.

Twenty-nine of the 36-man Central Struggle Committee, including 16 Communists and the pro-leftist chairman, were dismissed. On 9 August this committee ordered all locals to set up "workshop control" committees aimed at control of work places and join other government unions in attempts to wipe out mutual grievances, i.e. personnel cuts, job classification system and the 48-hour week. Seventeen Kanagawa locals disavowed the militant dispute policy of their district headquarters and stated their intention of opening collective bargaining and carrying on legal dispute tactics.

2. Coal Mining. No progress has been made toward a permanent collective bargaining agreement. *Tanro is opposing the dissolution of the Kodan and decontrol of the industry, fearing that small mines will be unable to continue operations with resulting unemployment of about 150,000 (according to

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union estimates). Some coal operators are already planning personnel reductions. The Mitsui Mining Company announced a dismissal of 2,000 employees to be made about 15 August. Criteria for dismissal were decided in negotiations between the unions and company representatives as follows: irregularity of attendance, neglect of duty, violation of laws and rules, inefficiency and physical weakness.

3. Toshiba. Management reports that 95% of workers scheduled for dismissal under the retrenchment program are willing to separate voluntarily. Inducements for the voluntary separation were an extra half-month's dismissal bonus and payment of the retirement allowance in a lump sum. Most of the pro-Communist officers of local unions and the Toshiba Federation were included in the employees dismissed, and some have filed a charge of unfair labor practice protest with the Central Labor Relations Committee. The CLRC is investigating the union's qualifications under the Trade Union Law to determine whether it is eligible to avail itself of the procedures of the law. This is the first major test case to determine whether a union which fails to comply with Article 2 and Article 5 of the Trade Union Law is qualified to file an unfair labor practice charge. Negotiations for recognition continued between the company and the Second (anti-Communist) union.

4. Densan. Neither the union nor the management have accepted the CLRC's mediation proposal for dismissal allowances. The union objects to clause 8 of the proposal which would allow only half credit for service prior to the amalgamation of the electric power companies in 1943. Management maintains that it cannot even pay the full dismissal allowance fund of about ¥1,650,000,000 let alone an estimated additional 20% if full credit were given for service prior to 1943. (The union estimates that only 2,400 employees are involved in clause 8, as opposed to approximately 7,600 claimed by management.)

5. Japan Cement. The dispute between management and the federation over week-end work and dismissals was finally settled 17 August with the signing of agreements between the company and the unions at its 9 plants.

B. Labor Union Organization and Structure

1. National Federation of Industrial Unions - Shin Sanbetsu. The first executive committee (11 members) meeting 9-10 August decided to: (1) actively help formation of the National Railway Workers Union's central committee, (2) promote a joint dispute council to oppose the electric power industry reorganization plan, (3) support the new Toshiba Workers Unions Federation, (4) establish a training program to develop anti-Communist union leadership, (5) oppose the Independent Youth League recently set up nominally to oppose the Communist youth movements but which it is feared may become a tool of right-wing reactionary factions.

2. General Federation of Japanese Trade Unions - Sodomei. The Central Executive Committee held a meeting 5-6 August attended by approximately 180 members and representatives. The meeting agreed on the following demands: (1) convocation of an extraordinary Diet session promptly, (2) revision or abolition of the Table of Personnel Organization Law, Labor Union Law, and Public Enterprise Labor Relations Law, (3) establishment of adequate unemployment countermeasures.

3. National Communication Workers Union - Zentei. The postal and telecommunications authorities have taken the position that dismissed employees are no longer union members and hence ineligible to be officials of the union or negotiate with the authorities. In a reversal of its earlier disagreement with this contention, the National Personnel Authority has revised its regulations making it necessary for members and officers of government employee organizations,

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including labor unions, to be in actual public service, and has also passed a new regulation making it compulsory for all newly appointed government personnel to take an oath of allegiance to the Japanese Constitution.

4. National Railways. In an apparently successful move to secure union hegemony a Mindo-sponsored central committee meeting was held 15-16 August at which 97 (more than the necessary quorum out of a total 130 seats) members were present: 83 Mindo, 8 Renovationists and 6 neutrals. Dismissed central committee members, mostly Communist or pro-leftist, were not seated. The Communist and Renovationist factions have declared that decisions reached at this meeting are not binding on union members opposed to the Mindo program. The meeting decided on the following: (1) resignation of the 18 central executive committee members who were not dismissed and election of a new central executive committee of 25 members (instead of 35) of whom 22 are now Mindo, 2 Renovationist and 1 as yet unselected, (2) withdrawal of decisions reached at the 26 June central committee meeting in Atami as well as of all subsequent directives based on them as issued by the previous leftist-dominated central executive committee. (This includes the "force-if-necessary" policy), (3) a national convention scheduled for late September, (4) the question of the re-election of the central committee will be deferred to the proposed national convention, (5) union executive posts, both central and local, left vacant by dismissals should be filled immediately with employed union members and collective bargaining launched quickly, (6) a struggle will be waged towards the convening of a special Diet session to revise the Personnel Strength Law, oppose sale of railways, establish an unemployment program, reduce income taxes, and obtain supplementary appropriations.

III. Operating Program Developments

A. Job Order Campaign

The Labor Ministry is currently planning an intensive campaign to counteract the declining trend in regular job openings (from 595,000 in March to 207,000 in June) in the Public Employment Security Offices through publicity and by sharply increasing the number of employer contacts.

IV. Legislative and Administrative Proposals and Procedures

A. Workmen's Accident Insurance

The Labor Standards Bureau ordinance embodying revised premium rates for Workmen's Accident Insurance became effective 1 August. Rates were revised upward for 16 industries, downward for 20, and remain unchanged for 14. The maximum rate is applicable to subway and hydroelectric construction workers and off-shore stevedores and remains at 4.4% of wages, as cost to the employer. The minimum rate is reduced to 0.15% of payroll and applies to non-hazardous commercial institutions. The net effect of the revisions will be a slight increase in total premium income.

V. Miscellaneous Economic Developments

A. Wages

According to preliminary results of the Monthly Wage Survey, total June cash wages in manufacturing increased 5.9% over May levels. This increase absorbed the May drop of 3.6% and brought June wages 2.7% above April, and came as a surprise to Labor Ministry officials and other observers, who expected a continuation of the downward wage movement registered in May. Although "special" wage payments rose largely as a result of June payment of "bon" (harvest) bonuses, this factor is not solely responsible for the increase in total wages, since

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average "regular" wages also rose. Average number of days worked in June (24.5), which was 7% higher than May and 2.9% higher than April, is one factor in the increase of "regular" wages. Survey of a small number of establishments (125) indicates other possible factors, such as increase in basic wages, changes in wage structure, increased incentive payments caused by high June production, and overtime payments.

B. Cost-of-Living

As previously noted in Report No. 19 the All-Japan Consumer Price Index for June rose to 511.1, an increase of 3.6% over May and 4.6% over April.

C. Family Income

Average cash income of urban workers' families for June rose 4.3% over May, reaching ¥12,358.00.

D. Placement of Discharged Government Workers

Preliminary Labor Ministry reports indicate that approximately 20,000 of the 96,000 railway workers discharged in July have been placed in new employment through efforts of the railway authorities or other means. More than 25,000 others have indicated their permanent retirement from the labor market. In other government agencies, instances are reported of supervisors locating jobs for more than 50% of their discharged former employees.

VI. General Conclusions

With the completion of four years of Occupation and the emancipation of the labor movement it is fair to say that the objectives originally set forth in regard to the development of a sound and democratic labor movement have achieved a large measure of success. Unions and their membership have grown from an insignificant total of 5 unions with 5,300 members in October 1945 to 36,230 with 6,797,000 members as of the summer of 1949, of which 22% are women.

Union structure and organization have developed to a point where national industrial unions and national federations speak for the thousands of locals and their members on national economic and social policy matters. Internal struggles for union control between the extremist and moderate factions are in part a consequence of factors outside the Japanese political and economic structure. Vigorous education programs and the obviously unrepresentative character of extremist leadership and programs in regard to the native labor movement have tended to minimize the influence of this leadership. The issues involved and the conduct of labor disputes are gradually moving toward conformity with the established concepts and practices which have been associated with Western labor movements. Political issues as a factor in labor disputes have to some extent given way to the fundamental economic relationships between management and labor.

Modified labor relations legislation reflecting the experience of the post-war years plus the increased effectiveness of the administrative and judicial organs established to carry them out are becoming increasingly important factors in labor relations. Labor Relations Committees continue to be an increasingly constructive force in the melioration of labor disputes. The courts are establishing precedents in regard to the interpretation of these laws in such a manner as to define the legal responsibilities of both labor and management in hitherto unchartered areas of labor relations thereby setting the boundaries within which legitimate economic issues can be negotiated.

* Tanro - Japan Federation of Coal Miners' Unions

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Economic and Scientific Section
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LABOR DIVISION SEMI-MONTHLY REPORT NO. 19
(17 July - 30 July)

I. Summary of Highlights

Labor relations during the reporting period remained relatively calm. Programs for further layoffs by government and private industry have not as yet precipitated any major dispute action though some sporadic strikes occurred from this cause.

The National Railway and Monopoly Corporation Mediation and Arbitration Committees have started functioning. Local mediation committees will soon be established in key cities.

As of the end of June, there was no evidence of large scale unemployment resulting from implementation of the Economic Stabilization Program. However, several indicators such as rising trends of separations over accessions and increased layoffs due to rationalization, sharp increases in unemployment insurance claimants, and overall continuing declines in industrial employment point to increasing unemployment which may assume serious proportions.

The All-Japan Consumer Price Index for June rose for the fourth successive month to 511.1, an increase of 3.6% over May. Average family expenditures dropped to ¥11,096 in June, down 7% from May.

II. Labor Relations Developments

A. Major Disputes

1. Government Railways. The dismissal program affecting 95,000 workers has been accomplished without major incident. The union is split three ways: Mindo (Democratization League), Communist and their supporters and Renovationists who have followed pro-communist policies heretofore. The 17 dismissed members of the Central Executive Committee insist on retaining their seats over the protests of the Mindo group which declares them vacated. Mindo has called for a special meeting 15 August of the Central Committee with the previously elected alternates replacing the dismissed members on the Committee.

2. Coal Mining. A series of conferences between operators and the union has resulted in no progress toward a permanent wage agreement. In the face of a large and increasing coal surplus and the possibility of decontrol of the industry, management is uncertain of the economic future and is consequently stalling in the negotiations pending a clarification of the situation.

3. Toshiba. The "second" union organized by the Democratization League has convened 80 representatives to demand recognition of the new union by the management and collective bargaining. The first formal negotiations begin 1 August. On the same day in a long-awaited precedent making decision, the Kanagawa Prefectural Court upheld the company's unilateral denunciation of the continuing labor agreement which the union claimed could only be cancelled by mutual consent of management and labor. Meanwhile, the pro-communist federation of Toshiba unions continues to agitate strikes against personnel dismissals.

4. Densan. At a special meeting in Tokyo, 18-20 July, the Executive Committee of Densan voted to refer the retirement allowance mediation proposal to the local Dēnsan unions for a vote on the proposal by the rank and file membership. Indications are that a majority of the members will vote to accept the proposal.

5. Metal Mines. Sporadic strikes have again broken out in the metal mines as a result of the inability of many mines to reach an agreement as to the

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wages to be paid subsequent to the expiry of the industry wage subsidy 1 March and because of reductions in employment due to rationalization which is currently small but which may increase sharply in view of prospective decontrol of major parts of the industry.

6. National Communication Workers' Union - Zentei. Following announcement by the Minister of Postal Affairs who is concurrently also Minister of Telecommunications, of a dismissal program to affect approximately 20,000 employees of the two Ministries the union submitted an exhaustive list of some 70 demands concerning wages, allowances, etc. to which the Minister replied indicating those which were of legislative or political nature. Despite the threat by the Central Executive Committee of the union to resort to all kinds of dispute action in resisting discharges, no major action has yet occurred. It is believed that members of local unions are less disposed to engage in illegal strike tactics than are the central officials.

B. Labor Union Organization and Structure

1. Federation of All-Japan Labor Unions. Pre-convention estimates of membership of this new organization have proved to be somewhat high. Instead of the expected 700,000 to 800,000 the actual July dues-paying membership was approximately 500,000. Within the next few weeks the membership will be increased by the affiliation of the majority of department store employees in the cities of Tokyo and Osaka and by the land office employees of the Maritime Transportation companies.

III. Operating Program Developments

1. Labor Standards Inspections. April compliance inspections in 41,660 establishments (employing approximately 1,300,000 workers) represent a decline of about 3,000 from March's record high. However, complaint inspections in April (2,125) were the largest since the beginning of the program, attributable to the rise in complaints on non-payment of wages. Approximately 82% of all establishments inspected were found in violation of various provisions of the Labor Standards Law compared with 87% in March. Restitution to workers amounted to over ¥190,000,000, of which slightly over ¥165,000,000 was for delayed wages.

2. Work Relief Program Criteria. Consideration is being given to using the volume and duration of male unemployment insurance claimants (with local adjustments) as a quick and objective criterion for determining when unemployment is sufficiently serious to start work relief projects for regular workers. For casual and day laborers who generally lack financial reserves, local projects might start when as many as 200 such applicants at the local PESO have not obtained work for ten consecutive days or have not worked for more than twelve calendar days in a monthly period.

3. Public Works. Public Works, as distinct from work relief, appropriations, from the period April through September amounted to ¥26,677,000,000 to finance wholly certain projects and to subsidize, partly from the national treasury, other prefectural-sponsored programs. On 10 June the program employed 328,898. Delays in local financing which should be eliminated in the next 30-45 days have stalled the program in certain major prefectures where no public works projects have thus far been initiated. A minimum of 150,000 additional jobs on these new projects should follow, approximately 20% of which should be filled by PESOs from unemployed registrants in accordance with the Emergency Unemployment Counter-Measures Law.

IV. Legislative and Administrative Proposals and Procedures

1. After several months of consideration by the Central Labor Relations Committee, the Attorney General's Office and the Labor Ministry rules designed to

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speed up procedures and to insure uniform application of the provisions of the Trade Union and Labor Relations Adjustment Laws before the Central and Prefectural Labor Relations Committees are being issued. Similar procedural rules are being prepared for the Maritime Labor Relations Committee.

2. National Railways and Monopoly Public Corporation Mediation and Arbitration Committees.

The first meeting of all members of the National Railways Central Mediation Committee, the Monopoly Public Corporation Central Mediation Committee and the Public Corporation Arbitration Committee was held 27 July, at which time Mr. Keizo Fujibayashi, Mr. Naoto Kobayashi and Dr. Izutaro Suehiro were elected as chairmen of the respective committees. Local Mediation Committees will be established in the principal operating centers of these enterprises.

3. Workmen's Compensation Insurance. The Labor Ministry is preparing to revise the premium rate structure of Workmen's Compensation Insurance so as more accurately to reflect the cost of accidents in each industry. The revision will have a finer gradation with over 20 different rates instead of the six currently in effect.

4. Labor Standards Bureau Personnel. As part of the reorganization required by budget curtailment, 9 prefectural Labor Standards Chiefs have been dropped (7 by dismissal and 2 by resignation) and are to be replaced by more efficient personnel. Fourteen other Chiefs have been reassigned to head different prefectural offices as part of the Bureau's policy to limit the length of assignment in any area.

V. Economic Developments

1. Wages and Cost of Living. Wage data for June are not yet available. However, a number of plants are reported to have cut wages which indicates a possible continuation of the decrease in wages registered in May. The All-Japan Consumer Price Index for June rose for the fourth successive month to 511.1, an increase of 3.6% over May and 7.6% over January 1949. The increase over May was largely due to non-staple foods, +7.7%, and clothing +3.9%. Average family expenditures dropped to ¥11,096 in June, a 7% decrease from May.

2. Employment and Unemployment. There is as yet no evidence of large scale unemployment resulting from implementation of the Economic Stabilization Program in the period ending June 1949. However, the estimates of the Monthly Labor Force Survey appear to understate the magnitude of this problem to a considerable degree. Of the January labor force of 35,060,000, employed totalled 34,750,000, while in May out of a labor force of 36,720,000, 36,290,000 were estimated to be employed. The differences of 310,000 and 430,000 in the respective months represent unemployment - an increase of only 120,000 in the period. Since January, however, the following independent labor market indicators point to increasing unemployment which may assume serious proportions in the next few months unless private enterprises (particularly the export industries) develop an expanding labor demand to provide an absorptive cushion.

(1) A small but steady rise in the excess of employment separations over accessions (exclusive of the temporary impact of April school graduates entering the labor force) attributable to non-replacement attritions. These excesses of separations totalled 9,300 in February, 20,000 in March and 27,000 in May in industrial establishments employing over three and one-half million workers.

(2) A rise in layoffs due to employers' inability to operate economically as reported to PESOs: from 218 plants laying off 7,500 workers in February to 680 plants laying off 32,000 in June. (This does not reflect the concurrently larger number of retirements and voluntary resignations induced by impending

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curtailment nor the recent programs of government enterprise and administrative personnel reductions of 95,000 railway workers plus 100,000 still to come).

(3) An increase in the average weekly number of persons receiving unemployment insurance benefits which rose from 28,700 in January to 92,100 in June.

(4) As a corollary, employment trends by industry based on a large, representative sample of establishment employment schedules has shown a noticeable downward trend. This has occurred each month since January 1949 with the temporary exception of April when there was some customary hiring of new school graduates entering the labor market. Seasonal increases in agricultural employment between March and May 1949 as reported by the Monthly Labor Force Survey were only about two-thirds of that of 1948 - 1,170,000 as compared with 1,850,000, despite an increase in the national labor force of about one and one-half million in the intervening period, due primarily to increases in population, indicating that agriculture is not providing the same degree of absorption for job seekers in the past.

May reports of employment for 8,200 establishments in major non-agriculture industries showed decreases of 31,000 or -0.82% in the period April to May. The 177 coal mining industry reports for establishments of 500 or more workers, showed a decline from 423,000 to 416,000. In manufacturing 2,204 plants each employing 200 or more workers reported a net decline from 1,601,000 to 1,592,000. Employment in all other major industry groups, transportation and communication, commerce and finance, etc., likewise declined.

Female employment decreases were proportionally greater than those for males amounting to a net -1.02% for all reporting establishments. Furthermore, according to the May Survey, employers are forecasting for the first time, employment declines for succeeding months. (The Monthly Labor Force Survey for May estimated an exceptionally large drop of 12.3% or 70,000 workers in all mining employment from the 570,000 reported in April, some limited part of which may be attributable to a minor change in industrial classification. Manufacturing employment for May increased 410,000, up to 6.7% from the all-time April low of 6,130,000 which in turn had dropped 330,000, or 5.1% from March.)

V. Conclusions. The labor relations situation is currently quiet. No major disputes are underway possibly because radical elements have experienced several set backs in their attempts to capitalize on wage and rationalization issues. Nevertheless, economic indicators point to a continuing declining employment trend and reduced average earnings for the non-agricultural labor force while living costs are continuing their slow rise.

The indices are consistent in pointing to increasing pressure on workers' livelihood and standards of living which will only be relieved by expanding employment opportunities and increased purchasing power derived from an improved economic outlook. The use of Counterpart funds will undoubtedly contribute towards stabilizing the current situation. Present long-range public works or short-term work relief programs will only partially relieve the pressure occasioned by unemployment or under-utilization of labor force skills. Continuance of these downward trends may have serious consequences on workers welfare within the next few months and provide fertile soil for extremists, possibly leading to considerable labor unrest.

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT
3 July - 16 July) NO. 18

I. Summary of Highlights

Labor relations were relatively quiet during the recent period, although the situation in coal has become unsettled again with management's proposal that the production incentive bonus be eliminated which would involve drastic reduction in miners' wages. In the national railways, no major disturbances have resulted from the second round of dismissals; with the Communists losing considerable influence in the recent realignment of factions, modification of union policies is in process and reconstitution of the union's executive organs in the near future is probable.

The new *Mindo-sponsored National Federation of Industrial Organizations (*Sanbetsu Kengo) held a preparatory convention 14-15 July and declared its opposition to both extremes - communist domination of the unions, and the Yoshida Cabinet as a symbol of over-conservatism.

Prefectural Labor show that the number of wage non-payment cases is steadily increasing.

The slight April seasonal rise in employment, particularly in manufacturing, is attributable to the entry of new school graduates into the labor market. However, "rationalization", unsettled economic conditions and the unfavorable export trade situation have brought about a significant increase, proportion-wise, in the number of unemployment insurance claimants and a falling-off in the volume of jobs at the Public Employment Security Offices.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining. Negotiations for a wage agreement retroactive to 1 July have already reached an impasse. Management is proposing that the production incentive bonus be eliminated which would mean a drastic reduction in miners' wages. Negotiations to establish April-June wages have also been seriously complicated as all but a few of the larger companies are demanding that they be excepted from the old standard wage on the grounds of inability to pay, whereas the union had expected only a few small mines to request exception. Furthermore, certain of the strongly independent Hokkaido locals threaten strike on grounds that they are not bound by the national union's recently signed agreement to arbitrate differences. The situation in coal is further aggravated by the implementation of a new government plan which, in effect, reduces the distribution of incentive goods such as work clothes, shoes and Class A necessities to coal miners.

2. National Railways. In the second phase of the railway retrenchment program some 63,000 railway employees were discharged 13 July; about 30,000 were previously dismissed. The thirteen Democratization League members of the union's Central Dispute Committee walked out of a 15 July meeting after a 17-15 defeat of their effort to prevent a militant union warning to the railway corporation. The approved statement, mirroring the uncompromising stand of the left-wingers, notified the rail authorities that the "situation regrettably will reach the worst stage" if they continue to dismiss workers without negotiating with the union. On 18 July seventeen of the pro-Communist Central Dispute Committee members were dismissed under Article 17 of the Public Corporation Labor Relations Law for inciting to use of force and strikes at the union's central committee meeting 26 June. The Democratization League faction is requesting expulsion of the dismissed Central Dispute Committee members as part of its move to modify union policy. There is a pronounced rift in the union factions with the Communists apparently losing influence. The Renovationists, formerly supporting the Communists, appear to have switched their attitude to support

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of the Democratization League which advocates no resort to the use of force on the dismissals issue. Both a union convention and a central executive committee meeting are contemplated for August when a new Central Dispute Committee will probably be elected, and new union policies adopted. The railway authorities have indicated some willingness to engage in "talks" with newly constituted central committees from which extremist elements have been eliminated, on cushioning the impact of dismissals and assisting in job-finding for those displaced.

3. *Densen. The Central Labor Relations Committee has submitted a proposal for retirement allowance in the electric power industry which, if accepted, should finally conclude this months-long dispute. The plan is very liberal and would help the Democratization League in the Densan union. It is not yet known, however, if management is financially able to accept the plan which provides a graduated scale of retirement allowances ranging from one month's pay after one year of service up to 85 month's pay after 30 years of service. In addition, if an employee retires at the age of 55 after 20 years of service the amount of retirement pay will be increased 5 percent. If 25 years service or more has been completed at the age of 55 the amount will be increased 10 percent.

4. Hiroshima. The Nippon Steel Hiroshima plant was reopened 13 July for the first time since the recent disturbances following the layoff of 662 workers. Of the 1500 workers who returned to their jobs, 900 formed a new union which is being recognized by the management as the sole bargaining agency. Two hundred of those dismissed have refused to accept dismissal and continue to report for work. They are not being paid and have no regularly assigned duties. They are creating no disturbances and management is following a policy of patience. The Communists appear to have lost most of their support since the June disturbances.

5. *Toshiba. This is another industry where anti-Communists have lately taken an open and positive stand, notably in Horikawacho, the largest plant. On 16 July, the Democratization League in the Toshiba Federation called a mass meeting as one step in a campaign to take control from the pro-Communists.

B. Labor Union Organization and Structure

1. Convention of National Federation of Industrial Organizations. The preparatory convention of the Minde-sponsored National Federation of Industrial Organizations, also known as FIO or Sanbetsu Rengo, was held 14-15 July. The Federation declares itself to be opposed to both extremes - Communist domination of unions, and the Yoshida Cabinet as a symbol of over-conservatism and the "capitalistic offensive". It will cooperate with other moderate union groups in supporting the establishment of an independent youth league to counteract the Young Communist League, and is participating with other anti-communist groups in the Economic Reconstruction Council and in an anti-communist cultural organization. The Federation's policy is described as production recovery struggle toward democratization and socialization of economy.

The 319 delegates attending the convention represented approximately 370,000 union members from 6 national and about 120 local unions, nearly all of whom are former Sanbetsu members who withdrew in protest against leftist political domination. The six national unions affiliated are *Zenkoku Kikai, the Imperial Oil Company Workers' Union, the All-Japan General Construction Industry Workers' Union, a national union of rolling stock manufacturing workers, and two, as yet unnamed, Minde unions in the chemical and electric equipment manufacturing industries. The 120 local unions are from various industrial fields and are affiliated directly with the new federation, as they have not yet organized themselves into national industrial unions. In addition, the Minde groups in Densan, *Nittsu, and other national unions still affiliated with the old Sanbetsu are supporting the new organization. The Nittsu national convention in August and of Densan later in the fall will probably determine the question of future affiliation of these two unions.

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5. Reorganization of Harbor Workers' Unions. Leaders of local harbor workers' unions in the Tokyo-Yokohama area are discussing reorganization plans. Two major groups now exist - one affiliated with the Sanbetsu All-Japan Harbor Workers' Union although some locals have disavowed Sanbetsu membership, and the other largely unaffiliated although a few locals are directly affiliated with *Sodomei. The result is the familiar confused pattern of affiliation which precludes effective union action and makes industrial relations problems more difficult. Other major port areas are also considering this problem and complete reorganization of this group of workers may result.

C. Labor Education

1. Labor Press Institute. The 14-16 July Labor Press Institute was attended by approximately 60 editors and staff members of various labor publications and a few staff members of the Labor Ministry's Labor Education Section. The institute was boycotted by Sanbetsu. This is believed to be related to its recently announced policy of barring commercial newspaper reporters from all union functions on the ground that the commercial press has distorted news regarding labor unions, particularly in the recent State Railway dismissal situation.

III. Operating Program Developments

1. Unemployment Insurance. May data reveals that an average of 65,330 persons drew weekly benefits, a 47% increase over April.

2. Workmen's Compensation Insurance. May employer coverage increased by 4,698 reaching a total of 232,720. The slight increase over previous months in the number of employers more than four months delinquent in paying premiums to a total of 1,703 is insignificant. The property of 101 employers was attached to compel payments.

3. Seamen's Bureau. May inspections revealed 4,604 violations in 3/4 of the 1,689 vessels inspected which employed 18,958 seamen. Most violations involved failure to keep necessary documents such as certificates of health and Mariner's Pocket Ledger, or to post regulations. Restitution to seamen amounted to ¥572,850 of which ¥210,434 was for delayed wage payments and ¥145,964 as reimbursement for food.

IV. Legislative and Administrative Proposals and Procedures

1. Labor Standards Law - Non-Payment of Wages. Prefectural Labor Standards Office reports show that the number of wage non-payment cases is steadily increasing. From about March through 15 June, 2,073 cases involving wage arrears amounting to over ¥1,050,000,000 were handled by 40 prefectural Labor Standards offices under Labor Standards Law Article 24. As of 15 June, more than ¥500,000,000 was still in arrears and 80 cases had been referred to the procuratorial offices for prosecution.

2. Prosecutions for Labor Standards Law Violations. A 16 July conference was held between officials of the Labor Standards Bureau and the Procurator General and Attorney General offices at which it was decided that the Attorney General's office will issue instructions that a more stringent attitude is to be taken by the procurators, toward Labor Standards Law violators, particularly in non-payment of wage cases.

3. Work Relief Projects. A final work relief program plan is currently being formulated incorporating exact criteria for determining when unemployment in an area becomes acute enough to merit commencement of projects. Meanwhile the Labor Ministry, anticipating a need to provide approximately 16,500 jobs on work relief projects during July, August and September, has set aside ¥180,000,000 for this purpose. Another ¥20,000,000 will be spent as a national subsidy to municipally-operated group workshops currently giving job opportunities to women and older persons (recruited by PESOs) through the manufacture of merchandise for prefectural use or distribution through rationing channels.

4. Tentative Plan for Government Employees' Unemployment Insurance. Government workers have hitherto received lump sum retirement allowances based on length of

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service but this has not adequately protected workers laid off after relatively short terms of work. The Japanese Government is now considering extending such protection to its employees by providing unemployment benefits to be paid periodically to those who continue unemployed after an initial retirement allowance has been amortized. To be eligible persons will have to register for work and be periodically recertified as involuntarily unemployed at the Public Employment Security Office. No decision has been reached on whether the cash benefits will be paid by the PESC Unemployment Insurance Section or by the government agency from which the employee was separated.

V. Miscellaneous Economic Developments

1. Seamen Employed by the Occupation Forces. The Japanese Government has approved an increase in the average monthly wages of seamen employed by the Occupation Forces to ¥10,100. This amount is the same as that paid to Civil Merchant Marine Commission-employed and seamen employed by major shipowners.

2. Child-Selling. No violations were reported for the period April through June from Tochigi Prefecture (where January reports revealed the practice of child-selling to be fairly prevalent) of Labor Standards Law provisions which prohibit intermediate exploitation by labor brokers or the making of labor contracts for minors by parents or guardians. The welfare of children who were "sold" has been protected either by returning them to their parents or allowing them to stay in homes where they receive better care, and by insuring that employed children are working in accordance with Labor Standards Law provisions.

VI. Conclusions

The enforcement of the Table of Personnel Organization Law in the recent retrenchment program has been effective in demonstrating the capacity of government to meet the challenge of the radical elements in the railway workers unions. It has led to an open split within the union between those who believe in protecting their union interests through legitimate means as opposed to those who favor illegal actions such as threats, sabotage or strikes. The demonstrated inability of the Communists to secure concessions along the lines demanded has caused them to lose considerable prestige and has sent several left-wing groups who previously supported communist policies into the moderate camp.

Coupled with this has been the general public reaction and that of other moderate union elements to disruptive Communist labor tactics in different segments of the economy. Much of this gathering sentiment and activity has resulted in increased numerical strength and a more influential voice in union policies by Democratization League members. Further evidence of the increasing effectiveness of the Democratization Leaguers program is the successful launching of a federation, predominantly of moderate elements from the NCIU, under the title of the National Federation of Industrial Organizations. The new federation is anti-communist and anti-rightist and is expected to grow as a result of a developing trend of secessions from leftist-dominated unions and federations.

NOTE: *Minsei - Democratization League
Sanbetsu Kaigi - National Federation of Industrial Organizations
Densan - All Japan Electric Power Industry Workers' Union
Toshiba - Tokyo Shibaura Electric Equipment Manufacturing Company
Zenkoku Kikai - National Machine Industry Workers' Union
Nittsu - Japan Express Workers' Union
Sohyomei - General Federation of Japanese Trade Unions.

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT
(19 June - 2 July) NO. 17

I. Summary of Highlights

Wage settlements in the coal and metal mining industries, and for seamen, have finally been achieved, without further resort to dispute actions.

Labor relations in the national railways are highly disturbed because of the union's reaction to the governmentally-authorized program of personnel reductions. Numerous cases of obstruction and possible sabotage have been reported, plus increasing threats of strike action and other forceful tactics in the event the union's demand for collective bargaining continues to be refused.

*Tanro's action in going on record as rejecting any attempt to obtain political control by use of economic struggle methods such as strikes, sabotage, etc., is a significant development in Japanese trade union political thinking.

Preliminary reports for May on unemployment primarily due to personnel reductions in private industry, show a sharp increase over April although the total national volume of unemployment cannot currently be considered serious.

Preliminary May data show average total wages in manufacturing were ¥7,890, a 3.2% decrease from April. The Consumers Price Index rose about 1% over April, while family expenditures increased 3% to ¥11,939. May average income of urban workers' families was ¥12,064, an increase of 1.6% over April.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining. Settlement of the coal dispute fixing an April-June wage was formally signed 30 June by Tanro and management who further agreed that a temporary July wage will be left to local negotiations. National negotiations for a permanent wage effective 1 July are in process.

2. Metal Mining. On 28 June the union accepted a CLRC proposal, previously accepted by management, and called off the enlarged strike scheduled to begin 29 June. The CLRC proposal follows the pattern of the coal settlement. It provides that, in principle, the average wage of ¥5,400 per month, included in the old contract, be continued, that the union and management negotiate exceptions where certain companies cannot pay, and that tripartite committees establish a wage where direct negotiations fail.

3. National Railways. On 5 July the National Railways Corporation served notice of dismissals on 30,000 railway workers as the first step in its retrenchment program. A further dismissal of 65,000 is scheduled for 10-15 July. Considerable uneasiness was felt as to the reaction to this announcement because of the union's previous decisions to use forceful tactics including strikes to oppose dismissals, and because of the numerous railway "obstruction" cases recently reported in various parts of the country. According to latest accounts, trains on all major trunk lines are operating, although slow-downs are reported in movement of passengers and freight, even by union members who are using strict adherence to the Labor Standards Law and safety regulations as a tactic. Minor disturbances and demonstrations have occurred but no serious or organized activities are as yet evident, although radical elements may attempt to execute their prepared plans according to schedule. However, it is reported that a considerable number of workers have accepted dismissals and that some local union chapters have voted against strikes.

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Democratization Leaguers have expressed absolute opposition to the union's Central Struggle Committee's declarations of the use of "force", but they strongly support the union's demand for collective negotiations on current dismissals. The Democratization Leaguers are considering creation of a new and "legitimate union" separate from the *NRWU.

The union's demand that collective negotiations be held on current dismissals was rejected by the railway authorities on the ground that they are not a subject for collective bargaining. On 7 July the union's communist-dominated executive committee sent a new request for collective negotiations labelled "Warning" to the effect that refusal thereof would make the railway authorities responsible for any resultant disturbances. The violent death on 6 July of Sadenori Shimoyama, president of the National Railway Corporation, has not been definitely associated with union threats of "force", although this is a conclusion widely held.

4. Toshiba. On 1 July the anti-communist union (known as the Second Union) at the Tokyo Shibaura Kamo plant reached an agreement with the company for the reopening of the plant, and about 125 members of the second union reported for work. This is considered to be a serious blow to the communist-led federation of Toshiba unions. It was the first time that employees had reported for work with the consent of management since the communist-led first union went into production control last December.

5. Seamen. On 5 July the All-Japan Seamen's Union and the Japan Shipowners Association reached a formal agreement, without resort to strike, on a ¥10,100 monthly wage base retroactive to 1 April, and a plan to reduce the number of seamen and officers on board ships.

B. Labor Union Organization and Structure

Conventions and Meetings

1. Tanro's Central Committee. At its 25-28 June meeting Tanro's Central Committee, authorized to act on unresolved issues of the union's May convention, went on record, by the constitutionally required two-thirds vote, in favor of a clear distinction between economic and political aims and activities. Basically, this decision: (1) recognizes that economic struggles for better wages and working conditions may develop political implications, and (2) rejects the attempt to obtain political control by use of economic struggle methods such as strikes, sabotage or any form of physical violence, or other illegal acts or tactics.

2. Federation of Private Railway Workers' Union. The most significant decision made by the Federation at its 25-30 June convention was to secede from the leftist-dominated All-Japan Labor Union Liaison Council (Zenroren). (This is the third large national union to secede recently, the others being Tanro in March and the Federation of Metal Miners in May). The convention also adopted the following wage and future struggle policies: (1) a new wage demand by respective member unions to be made by 20 July which will take into consideration local conditions, (2) absolute opposition to dismissals, (3) a joint struggle with the National Railway Workers Union, (4) observance of all democratic practices as prerequisite to achieving major reforms in the present Japanese political and economic structure.

3. National Council of Independent Workers' Unions. Under the Tokyo Council of Independent Workers' Union's leadership, representatives from several other prefectural councils of independent unions and of Nichiro (Japan Congress of Trade Unions) met in Tokyo in an inaugural convention to amalgamate into a national organization. This group represents unions which are politically neutral and unaffiliated with either Sodomei or Sanbetsu, and it was claimed that the 300 delegates attending represent approximately 600,000 workers.

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C. Labor Education

1. Labor Press Institute. Plans were completed for a 3-day Labor Press Institute to be held in Tokyo 14-16 July. Following lectures by Civil Information and Education personnel on news writing, libel laws, the press code, news sources and origins, editorial organization and the relationship between freedom and responsibility in news reporting and publishing, Labor Ministry and ESS/LAB personnel will lecture on content and make-up of labor publications.

2. National Safety Week. For the second time since the Surrender, the Labor Standards Bureau is sponsoring National Safety Week, from 1-7 July. The week's program includes the use of various types of publicity media including newspapers, radio, posters, lectures, etc. Labor Standards inspection officers have been instructed to carry on special safety inspection drives during this period.

III. Operating Program Developments

1. Unemployment and Work Relief. Funds already appropriated to finance work relief projects under the Emergency Unemployment Counter-measures Law allow for very limited application of the Joint Economic Stabilization Board and Labor Ministry plans for unemployment relief. Additional revenue sources are being sought by the Japanese Government in order to allow effective implementation of the program in case, contrary to present outlook, unemployment becomes acute.

On a test basis, the work relief program has already been put into operation in the Tokyo area where reduced harbor activity caused layoffs of approximately 2,000 stevedores. Projects employing 1,600 of these workers relieved the situation and enabled the Labor Ministry to check the adequacy of its administrative procedures for selecting, financing and putting such projects into operation.

2. Labor Standards' Inspections. The sharp rise in March inspections (44,842 establishments employing about 1,200,000) is mostly attributable to the large proportion (28,148) of small establishments employing less than 10 workers inspected. Approximately 87% of the employers were found in violation of one or more provisions of the law; over half of the violations are primarily lack of conformity in keeping prescribed wage ledgers or submitting required reports. Analysis of the data reveals need for revision in the method of inspection-reporting since the number of inspections listed includes re-inspections and other official visits.

IV. Legislative and Administrative Proposals and Procedures

1. Workmen's Compensation. The Labor Ministry's Workmen's Compensation Section and the National Personnel Authority are jointly drafting a new law under which the Compensation Section will administer government workers' accident compensation with the cooperation of NPA in procedural and policy matters. Benefit payments will be similar to those provided for private industry workers by the Labor Standards Law.

During June, a major organizational adjustment was effected under which Workmen's Compensation units were established in each of the 336 local Labor Standards inspection offices. All benefit payment operations were transferred to these local offices from the prefectural offices. This decentralization of operations will facilitate efficient benefit payments and effective auditing of benefit claims and premium reports. The additional auditing staff necessary will be hired in August after personnel is selected on the basis of recently held Civil Service examinations.

2. Labor Standards Bureau - Reorganization. Following the transfer of responsibility for mine safety from the Labor Ministry to the International Trade and Industry Ministry, Labor Standards Bureau has abolished the Mining Sections in its national office and in seven prefectural offices. Hereafter, mine inspections to determine compliance with the Labor Standards Law (formerly conducted by the Mining Sections) will be handled by the Inspection Sections.

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Recognizing the need for a more dynamic apprenticeship program the Labor Standards Bureau on 1 July established a separate Apprenticeship Section in its national office with a small staff of 19, of whom 10 are professional staff. Heretofore, the apprenticeship program was handled by the Inspection Section.

V. Miscellaneous Economic Developments

1. Wages and Cost of Living. Preliminary May wage data show that average total wages in manufacturing were ¥7,890, a 3.2% decrease from April. This decrease bears out the trend noted in recent private industry wage disputes of union attempts to maintain present wage levels rather than to seek increases.

The All-Japan Consumers' Price Index rose in May to 493.1, an increase of about 1% over April. The 4½% increase in staple food prices, attributable to the April rise in official prices, was offset by decreases in non-staple foods, housing and other items.

May income of urban workers' families was ¥12,064, an increase of 1.6% over April. May family expenditures also increased 3% to ¥11,939.

VI. Conclusions

The large-scale reductions of personnel as a result of the economic stabilization program are creating a radically new situation in labor relations. Unions of whatever complexion are reluctant to accept the concept that an employer may dismiss workers at will, because of the long established, somewhat feudal, tradition in Japan by which an employer is responsible for the livelihood and well-being of employees, in effect for as long as they live. Although the labor movement will have to accept the principle of management's right to lay off workers because of its inability to retain them economically, the effect of such layoffs will be ameliorated if collective bargaining procedure is followed in establishing the criteria by which reductions in force are to take effect, the formula for severance pay and the setting up of priorities for reemployment.

The current railway workers dispute accentuates this problem because the Personnel Strength Law removes the subject of current public corporation dismissals from collective bargaining. The moderate elements of the railway workers union therefore maintain the same position as the more radical elements. All factions of the union, both right and left, are unanimous in their demand for collective bargaining on dismissals, although differing in the methods to be used in achieving this objective. The eventual solution of this major labor relations issue may establish a pattern for other industries in the event that the solution is arrived at peaceably with due recognition of some of the union demands, such as participation in the formulation of the criteria for the selection of those to be dismissed, reemployment rights, and perhaps a tripartite review board to deal with individual appeals against alleged discriminatory action.

*NOTE: Tanro - Japan Federation of Coal Miners' Unions
NRWU - National Railway Workers' Union

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 16
(5 June - 18 June)

I. Summary of Highlights

On 22 June the coal operators accepted the CLRC's 15 June amended proposal to which *Tanro agreed 21 June, on the composition of the arbitration committees which will settle wage disputes for the April-June period in marginal mines.

Strikes in the national railways and the Nippon Steel Company's Hiroshima plant ended 11 and 16 June respectively, but the issues are still unsettled and the situation remains tense.

The five-day politically-inspired strike of three Tokyo Transportation Workers' locals ended 7 June. The union's central executive committee has directed expulsion from the union of the 29 responsible leaders for ignoring its order forbidding the strike.

The Coal Board reports considerable success in the past year's program to maintain the April 1948 coal mine total employment level while increasing the proportion of underground workers.

The first experiment in reorganization of monopoly port operations in Japan was instituted in Kobe 13 June and will be used as a precedent for other major ports.

National April data show monthly average cash wages in manufacturing were ¥8,147, a 1½% increase over March. This represents the fourth consecutive month in which wages remained relatively stable.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining. On 22 June management accepted the CLRC's 15 June amended proposal, to which Tanro agreed 21 June, on the composition of the arbitration committees which will settle wage disputes for the April-June period in marginal mines. The amended proposal stipulates that the tripartite committees (labor-management-LRC chairman) will consult with the head of the coal board on the local level and the national resource board chief on the national level. Negotiations are expected to start shortly on the wage to become effective 1 July.

2. Metal Mining. On 17 June the strike was resumed as scheduled and will continue indefinitely. However, the federation's strike order is receiving little support from local unions. Workers at some of the large mines refused to strike and no shortage of pyrite has been reported at the fertilizer factories.

3. National Railway Workers (Kokutetsu). On 9 June following refusal of two Kokutetsu conductors' locals to carry out the new 48-hour work schedule which management deemed necessary in anticipation of projected dismissals, the National Railway authorities discharged 19 conductors (who were members of the two locals' strike policy committees) on charges of violating Public Corporation Labor Relations Law, Article 17. The two locals then went on strike, later joined by several others, and were supported by the union's central headquarters on grounds that the railway authorities had not observed the Public Corporation Labor Relations Law requirement of collective bargaining on working conditions and hours, and that any change in the work schedule necessarily involved these. Management maintains that the new schedule is necessitated by projected dismissals which are outside the scope of collective bargaining. Strong warnings that the strike was illegal and that failure to operate cars for Occupation personnel was inimical to Occupation aims were repeatedly ignored by the union. On 11 June the union complied with Labor Division advice to call off the strike but is demanding that management reinstate the conductors and others

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discharged and submit the new work schedule to collective negotiations. On 14 June, the union (presently directed by its pro-Communist vice-chairman in the absence of moderate Chairman Kato in Geneva) instructed its locals to stand by for "forceful action if necessary".

ESS/LAB is supervising the appointment of grievance boards, mediation and arbitration committees provided for under the new Public Corporation Labor Relations Law. The union has indicated its unwillingness to accept a compulsory award from an arbitration committee contending that a mediation board should be formed instead. Chairman Kato is reported to have sent a directive to the union from Geneva urging settlement of the issue through a mediation or arbitration organ. The railway authorities are planning to dismiss about 100,000 workers between 15-30 July.

3. Seamen. The All-Japan Seamen's Union's moderate leadership issued a statement 16 June threatening a strike unless its wage demands are satisfactorily settled. However, an immediate strike appears unlikely as the union officers are believed to be unsympathetic to the union's recent convention decision to reject management's settlement offer. The dispute involved 30,000 seamen now employed by companies in the Japan Ship Owners Association (whose vessels since 1 April are chartered on a time basis by CMMC). The ship operators contend that a ¥10,100 average monthly wage for seamen is possible only if the number of active seamen and officers on board is reduced by about 16%. These seamen and officers displaced by the 16% reduction would be added to the reserve list who are paid 65% of their regular wage while awaiting assignment in company offices or dormitories, and about 57% while awaiting assignment in their homes. The ¥10,100 wage has already been established for the 8,000 seamen employed directly by CMMC, accompanied by a reduction in the number of active seamen on board. The Seamen's Labor Relations Board has been requested to intervene.

4. Hiroshima Plant of Nippon Steel Co. On 11 June management announced dismissal of about 750 (out of 2,000 employees contending that the national railways' reduced budget resulted in fewer orders for equipment and consequent lowered production necessitated personnel cuts. On 12 June union members and sympathizers forced entry and took over the plant (to which, as a reparations plant, entry is permitted only by pass). On 14 June police were ordered to surround the plant and on 15 June the prefectural governor directed the strikers to evacuate. Upon their failure to do so, police were instructed to evict them. Several workers and police were injured in the ensuing disturbance. The strikers massed outside the plant and their ranks were later swelled by members of other Hiroshima unions. A group of ten union and other organizations under Communist influence participated in the "anti-suppression" parades and demonstrations staged in the city's streets in support of the strike. Under Military Government insistence, on 16 June management and the union opened collective negotiations. The union submitted proposals that management: (1) pay outstanding May salaries immediately, and (2) retract its decision to close the plant. Management agreed to the first. On 17 June police withdrew from the plant. Another series of "wave" demonstrations in front of the plant ensued, participated in by an estimated 7,000-10,000 sympathizers from all parts of the prefecture. Management agreed to the prefectural governor's proposal that the dispute be placed in the hands of the prefectural labor relations board. The union, however, at an 18 June rally decided it would agree to this proposal subject to management's acceptance of three conditions: (1) reopening of the closed plant; (2) return to work of all union members, and (3) continuance of the labor contract.

5. Tokyo Shibaura Electric Mfg. Co. A communist-dominated union has been in "production control" of the Kamo plant since December 1948. On 3 June the Niigata District Court issued an amended injunction ordering this union to vacate the grounds and buildings, turn over the keys, and cease all interference with the plant's operation. A second union at the plant, organized in opposition to the communists and now representing a majority, thereupon went into collective bargaining to take over the union agreement and re-open the plant. Meanwhile, the pro-communist union, through its federation, appealed to a higher court in Tokyo which, in an ex-parte

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hearing, ordered suspension of that part of the injunction directing the union to vacate the (Kamo) union office. The management is appealing, and at the request of ESS/LAB the Legal Section is recommending that the Supreme Court amend its rules and recommendations to forbid such ex-parte proceedings. On 17 June about 103 members of the pro-communist union were arrested when they resisted a Niigata District Court official's attempts to seal off the union office from the plant.

6. Tokyo Transportation Workers' Union. In an attempt to prevent passage of a new public safety ordinance which would increase the advance notice required to obtain political and labor mass meeting permits, demonstrations were held in Tokyo starting 30 May by left-wing union and other groups which resulted in police action to quell disorderly conduct. Despite repeated warnings of the Tokyo Transportation Workers' Union that it would not support separate strike action, 3 of its locals started a strike 2 June in protest against the death of one of their members during such a demonstration and against the possible adoption of a safety ordinance. On 6 June ten officers of the striking locals were dismissed on charges of violating Government Order #201. The strike was ended 7 June, and on 9 June the union's central executive committee expelled 29 leaders of the 3 locals from the union for ignoring its order forbidding the strike.

B. Labor Union Organization and Structure

1. National Communication Workers' Union. At Zentei's national convention ending 10 June, leftist delegates held a decided edge. However, a convention vote to resist dismissals and "government pressure" through use of forceful methods, including strikes if necessary, had rightist support. Right-wing proposals which were defeated were: (1) a vote of "non-confidence" in present union officials and re-election of the central struggle committee, and (2) split of the union into two unions to conform with the new Postal Affairs and Telecommunications Ministries. Support was affirmed of the National Railway Workers' Union's strike.

2. Government and Public Office Workers' Union. At its 14-16 June convention, the union adopted the following demands: (1) establishment of a ¥5,000 minimum wage for 16-year old workers, (2) withdrawal of administrative adjustment involving personnel cuts, (3) abolition of 48-hour work week, National Public Service Law and taxes on masses, and (4) acquisition of workers' right to strike.

III. Operating Program Developments

1. Seamen's Bureau. April inspections of 1,680 vessels (employing over 17,000 seamen) showed 79% in violation of one or more provisions of the Mariners' Law. Most of the 4,626 violations involved failure to maintain required records (such as the Mariners' Pocket Ledger and health certificates) or to submit required reports. Restitutions to seamen amounted to ¥347,505 of which ¥229,308 was for delayed wage payments.

2. Health Supervisors. The Labor Standards Bureau reports that as a result of four examinations conducted in 1948-49 by its prefectural offices, 49,208 health supervisor certificates were issued as of 31 May 1949. Under the Labor Standards Law, establishments employing over 50 workers are required to have a specified number of health supervisors, depending upon total workers employed.

3. Workmen's Accident Compensation. The Workmen's Accident Compensation Section is instituting measures to cover Japanese employees of American and other foreign companies operating private businesses in Japan. It has been determined that such companies are liable for compulsory insurance coverage on the same basis as Japanese companies.

4. Manpower in Coal Mines. The Coal Board reports considerable success in the program to maintain the April 1948 coal mine total employment level while increasing the proportion of underground workers. Total coal mine employment as of April 1949 was 497,517, a decrease of 19,236 from the April 1948 figure. The proportion of underground workers increased from 52.6% to 57.1%. The new coal program under SCAPIN 1984, issued 10 March 1949, includes a specific goal of a 60-40 ratio of employment between underground and surface workers.

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5. Kobe Stevedoring Operations. Under a plan approved by the Japanese Government, companies and Occupation agencies involved, the reorganization of stevedoring operations in Kobe port instituted 13 June is designed to break up wartime monopoly companies in the port, eliminate labor bosses, and return stevedoring operations to private control. Another significant result will be the change in workers' former casual status. Fifteen newly established companies will place almost all Kobe stevedores on their permanent payrolls, and the PESOs will facilitate inter-change of personnel between companies as business fluctuates. The Kobe reorganization will be used as a precedent for other major ports.

IV. Legislative and Administrative Proposals and Procedures

1. Labor Bosses. In a test case against alleged labor bosses under Labor Ministerial Ordinance No. 12 which implements the Employment Security Law, a Fukuoka court decided in the bosses' favor on the ground that they provided planning and technique (although no supplies or equipment) and therefore were not labor bosses in a strict interpretation of the Ordinance. The case is being appealed and if the decision is upheld, revision of the Ordinance will be considered.

V. Miscellaneous Economic Developments

1. Wages. National April data show monthly average cash wages in manufacturing were ¥8,147, a 1½% increase over March. This represents the fourth consecutive month in which wages remained relatively stable. Indications are that private industry workers are more immediately concerned with maintaining present wage levels than in seeking wage increases, while government workers are contending that the ¥6,307 average wage requires upward revision, particularly in view of the increase in hours of work.

VI. Conclusions

Several disputes during the reporting period were complicated by the introduction of political aspects, attracting considerable attention and press coverage. In most instances economic justification for union activity existed, but strike tactics and other disturbances were resorted to at the instigation of apparently well organized and prepared Communist elements who attempted to make political capital out of administrative and economic readjustments. Further disturbances and strikes may result from opposition to projected dismissals and union efforts to maintain present wage levels.

NOTE: *Tanro - Japan Federation of Coal Miners' Unions

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 15
(15 May - 4 June)

I. Summary of Highlights

Full application of the settlement terms of the coal wage dispute has not been accomplished because of union-management differences over composition of the arbitration committees provided for in the CLRC proposal. No strike is imminent but the situation is somewhat disturbed.

In metal mining a strike of pyrite mine transportation workers ended 4 Ju when the union accepted a CLRC conciliation plan which management, however, rejecte Further strikes are threatened starting 15 June.

At their recent national conventions, *Densan, *Tanro and the Japan Teacher's Union defeated communist-supported candidates and elected predominantly right-wing leadership. The National Tax Collector's Union's convention elected a predominantly leftist leadership.

The peak of 6,909,543 members in 36,482 unions reached in March 1949 dropped in April (the first drop since the beginning of the Occupation) to 6,813,14 members in 36,392 unions.

A survey of 7,701 establishments employing over 3.5 million workers indicates that employment during March continued steady with no change in manufacturing as a whole and only a slight decrease of less than .3% in total employment.

Completed national March data show monthly average wages in manufacturing rose 2% over February. The April Consumer Price Index rose 4.4% over March.

II. Labor Relations Developments

A. Major Disputes.

1. Coal Mining. Full application of the settlement terms of the coal wage dispute has not been accomplished because of union-management differences over composition of the arbitration committees provided for in the CLRC proposal. These arbitration committees are to decide any differences arising from direct union-management negotiations on exemptions from the old contract wage for particular mines. The union insists upon the prefectural or the national chairman of the Labor Relations Committee as the only appropriate public committee member. Management wants a representative of the coal bureaus at the local level and of the Coal Board at the national level for that position (either in lieu of, or in addition to the LRC public member). Negotiations have not yet started on the wage to become effective 1 July.

2. Metal Mining. A second strike of pyrite mine transportation workers which started 31 May ended 4 June when the union accepted a CLRC conciliati plan, which management however, rejected. The plan proposed that the old contract (and wage) be extended in principle to 30 June with exceptions for mines unable to pay, that the parties negotiate a "cost of living" bonus based on the price of rice and establish a new wage effective 1 July. A third strike of all metal mine transportation workers, except pyrite, is scheduled 15 and 16 June over basic wages. If no agreement is reached on the pyrite dispute a strike of all metal mine transportation workers, including pyrite, will begin 17 June for an indefinite period. The government is working on a plan involving readjustment of prices within the industry which may facilitate settlement.

B. Conventions

1. Tanro. Right-wing Chairman Takeo Muto was re-elected by a two-thirds majority at the union's 6-day convention ending 26 May, and all but one of the other 4 newly elected top-ranking officers are rightists. This registered defeat of opposing Communist-supported candidates, amongst them the former Zensokitan

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Chairman and Vice-chairman. The convention adopted the following policies: (1) acceptance of the CLRC proposal which provides for continuation of the old contract and the old wage to 30 June and arbitration committees to decide differences arising from direct union-management negotiations on exemptions from the old wage for particular mines, and (2) categorical opposition to the government's proposed Class I Incentive Goods program on the ground that goods listed therein are work materials necessary to workers for mine safety; the convention disclaimed any responsibility for a decrease or complete stoppage of production if the program is put into effect, and authorized each local to determine its own action.

2. Densan. Communist-supported candidates were defeated at the union's 6-day convention ending 2 June with election of a *Mindo chairman, 2 Mindo Vice-chairmen, and an Independent Vice-chairman. The following Mindo-supported policies were adopted: (1) Densan will not affiliate with the World Federation of Trade Unions and (2) Central headquarters, rather than the regions, will exercise strike initiative and decide struggle policy. The following leftist-proposed policies were also adopted: (1) Densan will remain in Sanbetsu, (2) Densan will demand a wage increase of ¥2,000 per month for all members and an additional ¥500 for each family head. The union's new leadership is predominantly moderate and is expected to press only for legitimate gains. It is believed that the extent to which it is successful will determine whether it continues in power.

3. Japan Teachers' Union. Officials elected at the 20-22 May convention were generally described as moderates, although their political affiliations, if any, are not definitely known. The Mindo-dominated Central Committee dropped WFTU discussion from the convention agenda as untimely. The convention approved a resolution against reductions in education appropriations.

4. National Tax Collector's Union. The union ended its convention 1 June with the re-election of a leftist Chairman and Vice-chairman and election of a neutral Vice-chairman and a Communist Secretary-General.

C. Labor Union Membership

The peak of 6,909,543 members in 36,482 unions reached in March 1949 dropped in April (the first drop since the beginning of the Occupation) to 6,813,142 members in 36,392 unions. The drop was occasioned by the largest number of union discontinuations in any one month (554 unions with 127,878 members) which was not offset, as is usual, by the new unions formed (464 with 31,477 members). Of the discontinued unions, 189 with 93,896 members were reported due, in large measure, to plant closures or retrenchment.

III. Operating Program Developments

1. Employment. A survey of 7,701 establishments employing over 3.5 million workers indicates that employment during March continued steady with no change in manufacturing as a whole and only a slight decrease of less than .3% in total employment. There are indications of increased PESO activity, particularly in job applications.

2. Unemployment Insurance. During March the average number of persons drawing weekly unemployment benefits jumped one-third, from 29,000 to 39,000 and the number of employers paying monthly premiums rose from 90,000 to 105,000. Attachments for delinquency rose from 250 to 350, and in 7,000 other cases threatened employers paid premiums just prior to serving of attachments.

3. Workmen's Compensation Insurance. March data reveal continued effective operation with good collections resulting from vigorous enforcement during the past year. The number of covered employers rose to 225,000 (an increase of 10,000 over February). The total includes 7,000 who joined the program voluntarily. During March attachments were made for ¥10,000,000 against 200 employers, and delinquent cases, mostly representing very short-time delinquency, decreased from 32,000 to 25,000. As of 31 March only 450 employers owing ¥3,000,000 were delinquent for four months or longer. This represents only .1% of ¥3,000,000,000 in total assessments for the fiscal year.

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4. Inspection of PESOs. A recent ESS/LAB survey of selected PESOs revealed that most of the Employment Security and Unemployment Insurance program goals had been accomplished, though frequently in a superficial manner. Major weaknesses include: (1) Unscientific classification and filing of job application and job order cards, (2) failure of employer-visiting programs to reach small employers, and to emphasize the securing of job openings rather than collection of statistics, and (3) substantial failure to selectively match job requirements with applicants' qualifications.

5. Labor Bosses. From March 1948 to April 1949 approximately 894,200 workers (about 28.8% of the estimated total affected) were freed from labor boss control. Of these, approximately 30%, or 258,000, were voluntarily released after enactment of prohibiting legislation, while the remainder were freed when their employer's projects were declared illegal. Since many may still be under disguised control, the Labor Ministry plans to recheck some cases listed as released.

6. Non-Ferrous Metal Survey. ESS/LAB representatives accompanied Economic Stabilization Board officials on investigations of manpower utilization at two non-ferrous metal mines and refineries. Preliminary conclusion is that there is no sizeable surplus labor in these establishments, but that with improved management and some additional mechanization a considerable production increase would be possible without increased personnel. Present major problems of the industry seem to be marketing and financing.

IV. Legislative and Administrative Proposals and Procedures

1. Women's and Minors' Bureau - Personnel Adjustment. The Table of Personnel Organization Law requires a 30% personnel reduction in the Women's and Minors' Bureau's central and field office staffs. This will mean a loss of 5 employees in the central office where only 75 of 99 positions were filled, and of 39 in the field staff (to be reduced from 143 to 104) where there were few vacancies Loss of these employees will mean a curtailment of the Bureau's program in the coming year.

2. Labor Standards Bureau - Personnel Adjustment. In spite of the Labor Ministry's efforts urging a less drastic reduction in its personnel, the Table of Personnel Organization Law enacted 30 May provided for an 18% decrease in the number of Labor Standards inspectors and a 30% decrease in all other Labor Standards Bureau personnel except those employed in administration of the Workmen's Compensation Insurance Law. It is planned to effect most of the cuts on the national and prefectural levels and to maintain, with only slight reductions, the present staffs of the 336 local inspection offices.

3. Labor Standards Bureau - Conference of Inspection Section Chiefs. This conference called 2-3 June by the Central Labor Standards Bureau discussed operational problems, especially those arising from impending staff curtailment. Among the recommendations to the Director were: (1) elimination of some prefectural office sections and transfer of some functions and personnel to the inspection sections, (2) reduction in number of reports required by the Central Bureau, and (3) the Attorney General's office be advised of the urgent need for expeditious action on Labor Standards violations referred to the Procurator's office.

4. Division of Labor Statistics and Research. This Division replaced the Bureau of Labor Statistics and Research which was eliminated in the recent governmental reorganization plan. The Division is now a part of the Secretariat, retaining however, its previous functions and program activities.

5. Division of Labor Statistics and Research - Personnel Adjustment. The Table of Personnel Organization provided for a 20% cut in the national and field office staffs. The national office staff will be reduced from 336 to 269 (mostly clerical) and the field staff assigned to the Labor Standards offices will be cut from 560 to 443. The Division's work is being reorganized in accordance with the limitations imposed by staff reductions.

6. Student Nurses. Pending full operation of the Public Health Nurse,

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Midwife and Nurse Law #203, which sets up a system for accrediting training schools for public health nurses, other nurses and midwives, the Women's and Minors' Bureau is issuing an interpretation distinguishing between bona fide student nurses and so-called "students" who are in effect workers covered by the Labor Standards Law.

7. Public Corporation Labor Relations Law. The ESS/LAB approved Cabinet Ordinance, enforcing the Public Corporation Labor Relations Law, was promulgated by the Japanese Government 1 June. The ordinance establishes labor relations procedure and regulations in the government railways and monopolies. It classifies by job title those supervisory personnel who must be excluded from the unions. Under this classification about 20,000 of the 600,000 railway workers will be excluded from membership.

V. Miscellaneous Economic Developments

1. Wages and Cost of Living. Completed national March data show monthly average wages in manufacturing were ¥8,023, a 2% increase over February. This small increase does not indicate any significant change in the stabilization trend. The April Consumer Price Index increased 4.4% over March. All major commodity group indexes showed increases; the largest in food (5%) was mostly due to the 1 April decontrol of fresh vegetables and a 13% increase in staple food ration prices 14 April. April average family expenditures (¥11,583 - 4.7 persons) showed a 1.6% decline from March.

2. International Labor Organization. The Japanese observer delegation to the ILO's Geneva Conference departed 29 May accompanied by Mr. Chester W. Hepler, ESS/LAB Chief. Included were two government representatives and one each of labor and management. They are scheduled to return in early July.

3. World Federation of Trade Unions. Despite Densan's formal vote against WFTU participation and the Teachers' Union's elimination of this topic from its convention agenda as untimely, the All-Japan Labor Union Liaison Council (Zen-roren) continues to agitate for participation in the forthcoming international meeting at Milan. Several million votes were tabulated in the past several months' balloting, and 16 regular and 4 alternate delegates named. Some of the delegates named were not amongst the first 20 with the highest number of recorded votes. It is believed that Zenroren does not expect GHQ, SCAP approval of the delegation's attendance in Milan but is using this opportunity to conduct an extensive propaganda and fund-raising campaign.

4. Women's Activities. The Women's and Minors' Bureau is completing analysis of a study undertaken upon Finance Ministry and labor group requests, of maternity and menstruation leave provisions in labor agreements in the Tokyo area. Preliminary data show that of 589 agreements, 26% provide menstruation leave and of these almost all permit 2 or 3 days monthly, and 23% provide maternity leave ranging from 10 to 16 weeks (approximately half for 11 to 12 weeks). Practically every contract providing such leave also provides for payment therefor.

VI. Conclusions

Labor relations remain unsettled in the coal and metal mining industries which have been bellwethers in terms of wage negotiations in the past. The pattern of settlement which may be reached in these industries will have a marked effect on the type of adjustments which will eventually be achieved in manufacturing and other highly organized industries. The general stability of wages and living costs during the past months should assist in reaching a reasonably equitable solution to demands for wage increases.

The election of moderates to leadership in certain of the national unions should not be interpreted as a complete swing to the right since this may be partly due to conscious leftist policy, and internal union politics may frequently be the decisive factor.

NOTE: * Densan - All Japan Electric Power Industry Workers' Union
Tanro - Japan Federation of Coal Miners' Unions

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14 May 49

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Economic and Scientific Section
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LABOR DIVISION SEMI-MONTHLY REPORT
(1 May - 14 May 1949)

NO. 14

I. Summary of Highlights

The coal dispute was settled 19 May with acceptance by *Tanro and management of a CLRC proposal which continues the basic wage and production standards of the old contract to 1 July 1949 and requires immediate negotiations for a permanent wage from 1 July.

A decisive struggle between the left and right-wings resulting in a strong swing to the right is expected at the 28-31 May national *Densan convention.

The *Sanbetsu Democratization Leaguers have sponsored formation of a new "Federation of Industrial Labor Unions" scheduled for July inauguration.

On 12-13 May the Diet passed a new Emergency Unemployment Countermeasures Law as well as Amendments to the Unemployment Insurance Law, the Employment Security Law and the Workmen's Compensation Law.

Preliminary data on March wages for all manufacturing industries show no significant changes from February wage levels.

Incomplete data received from 39 Labor Standards prefectural offices show a rising number of non-payment of wages cases.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining. The coal dispute was settled 19 May with Tanro and management's acceptance of a CLRC proposal which continues the basic wage and production standards of the old contract to 1 July and requires immediate negotiations for a permanent wage from 1 July. A labor-management-CLRC committee was established to draft this agreement which will be submitted for ratification to Tanro's national convention opening 20 May. Acceptance of the CLRC proposal followed two rounds of 24-hour strikes 3-11 May and a nationwide 48-hour strike 14-16 May. The latter included the issues of wages and national versus local agreements, but was largely caused by union misunderstanding of the Government's proposal to decontrol low-grade coal. Following meetings called by ESS/LAB to explain the expected effects of decontrol, the union changed its demand to relief measures for those miners who would be displaced (an estimated maximum of 12,000 in 73 small mines).

2. Metal Mining. On 20 May management agreed to resume negotiations after previously reducing monthly basic wages 20% of both pit and surface workers and refusing to negotiate a national agreement unless a standard wage was fixed low enough to be within reach of all companies. The union held one round of 24-hour strikes 9-11 May, but cancelled a second round set for 19-21 May, substituting a six day strike, 19-25 May, of pyrite miners only. The CLRC entered the case 16 May. (Recent newspaper reports that the Ammonium Sulphate Workers' Union would join the pyrite strike were erroneous.)

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B. Labor Union Organization and Structure

1. Densan. It is expected that decisive struggles will occur between the left and right wings at the 28-31 May national Densan convention. Recent elections of convention delegates and Central Executive Committee members showed a strong swing to the right. Total delegates will be 579, and of the 541 thus far elected, 241 are *Mindo, 131 Communist, 69 Renovationists, 100 Independents; Central Executive Committee members elected were 50 Mindo and sympathizers, 20 Communists and 27 Independents. The convention will consider two major issues: (1) withdrawal from Sanbetsu and *Zenroren and affiliation with *Zenrokaigi, and (2) Densan's attitude toward the World Federation of Trade Unions (from which U.S., British and Dutch delegates withdrew in January leaving only Soviet and satellite countries represented). The Tohoku, Kyushu, Chugoku and Shikoku branches and several prefectural chapters including Aichi previously announced their desire to withdraw from Sanbetsu and their intention of introducing this issue for convention determination. Some observers feel there is a relatively good possibility of a majority convention vote for all Densan to secede from Sanbetsu. If this occurs, the WFTU issue will probably cause no difficulty.

2. Japan Express Company Workers' Union. Recent information indicates that the three chapters previously reported as having withdrawn from the 15-19 April convention have not officially seceded from the national union. They have scheduled a 16 May conference to plan a campaign to win support of members in the other six chapters, so that a new convention can be held which will adopt Democratization League policies. Some local unions in Tottori, Nara, Niigata, Kyoto and Osaka have already indicated support of withdrawal from both Sanbetsu and Zenroren. If this campaign fails, a split into two rival unions may occur in July.

3. The Federation of Industrial Unions. The Sanbetsu Mindo held a Preparatory Committee meeting 13 May to form a new national federation of industrial unions and formally announced a July inauguration. The new organization is expected to have an initial membership of some 200,000 present and former Sanbetsu union members and members of previously unaffiliated unions.

III. Operating Program Developments

1. Labor Standards Inspections. February compliance inspections in 32,553 establishments (employing over 1,100,000) represented an increase of almost 6,000 over January's record high. This increase is partly due to the concentration of inspections in small enterprises. Violations continue high indicating the need for continued employer education and more vigorous prosecution of wilful violators. Approximately ¥34,500,000 restitution was made to workers in February, of which almost one-half involved non-payment of wages.

2. Mariners' Law Inspections. March compliance inspections continued an upward trend with coverage of 1,497 vessels, employing 15,480. Violations were found in 81% of the vessels inspected. Restitution of approximately ¥736,000 was made to seamen.

IV. Legislative and Administrative Proposals and Procedures.

1. Unemployment Insurance Law Amendments passed by the Diet 12 May extend coverage to day workers and set up a separate system for their benefit with special premium and benefit rates; increase benefit payments to approximately 60% of total wage; and simplify premium collections by reducing the present 2.2% charge

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to employers and employees to 2%, off-setting this loss by a 10% increase in the taxable wage base.

2. Employment Security Law Amendments passed by the Diet 12 May strengthen the authority of Public Employment Security Offices to operate a youth placement system in cooperation with schools under national standards established by the Labor Ministry; revise the basis for licensing private employment exchanges in conformity with ILO definitions and standards; and establish government assistance to a training-within-industry program.

3. The Workmen's Compensation Law Amendments passed by the Diet 12 May change the taxable wage base definition and strengthen penal provisions for non-payment of premiums.

4. Table of Personnel Organization Bill. This bill, now under Diet consideration, proposes a reduction in government personnel estimated at 174,000. The Employment Security Bureau is preparing detailed plans to handle the resultant unemployment, and expects to have them ready for implementation when actual discharges begin.

5. Labor Standards Law - Non-Payment of Wages. Reports received from 39 Labor Standards prefectural offices show a rising number of wage non-payment cases. In the two month period ending 9 May, 830 cases were referred to Labor Standards inspection offices for action. Incomplete data show that after inspectors' warnings, the majority of employers are making efforts to complete wage payments by agreed upon dates; and that 21 cases were referred to the procurator's office for possible court action. Many coal mine operators have been paying 80% of previous wage levels since expiration of the coal labor contract 31 March and some local coal unions appealed for prosecution under Labor Standards Law Article 24. In the absence of a coal wage agreement, the question of what constituted a "full wage" was in doubt. With the coal dispute settlement retroactive to 1 April, this problem has been resolved.

6. Safety and Sanitation Inspections in Public Enterprises. Pending the effective enforcement date of the Railways Law and the Monopoly Office Law, the National Personnel Authority has authorized Labor Standards Bureau to make safety and sanitation inspections in state railways and public monopolies (such as salt, tobacco, and camphor) covered by these laws. As soon as the laws become fully effective, probably 1 June 1949, the Labor Standards Law will be applied in toto to these public enterprises.

V. Miscellaneous Economic Developments

1. Wage Trends. Preliminary data on March wages for all manufacturing industries show no significant change from February wage levels. This continues the trend toward wage stabilization which began in January.

2. Labor Costs. Lack of adequate and dependable data on labor costs has impeded solution of many of the economic aspects of labor relations problems. An ESS/LAB representative participated in a recent field trip, initiated by ESS/Funds Control Division, to examine production costs and cost accounting procedures in certain key industries with a view to recommending improvements. Detailed analysis showed two important facts: (1) Japanese methods of computing labor costs do not include welfare expenses such as dormitory-operating costs, the company's share of unemployment insurance premiums, and similar factors, and (2) methods of determining base wages, production bonuses or piece work rates, coupled

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with the complex and overlapping system of special allowances, renders labor costs difficult to analyze and expensive to record. Because of this complex wage structure few Japanese workers know what to expect in each pay envelope or how to adequately analyze it upon receipt. The survey confirmed the necessity for revision of accounting procedures and simplification of wage structure in Japanese industry.

3. Layoffs. Management attempts to reduce wages in lieu of reducing personnel are continuing, and indications are that this may become more general in the future. Two recent instances of such attempts are the Toyo Electric Manufacturing Company and the Tokyo Express Railway Company's Yokohama plant.

4. International Labor Organization. Attendance by Japanese observers at the recent International Labor Organization Conference (Coal Mine Committee) in Pittsburgh aroused considerable interest. The Government representative was permitted to deliver an address on the Japanese Labor Standards Law, and the labor representative on working conditions in Japanese coal mines before and after the war. The group visited officials of the Departments of Labor and Commerce in Washington, D.C. and conferred with William Green, President of the American Federation of Labor, John L. Lewis of the United Mine Workers, and various other government and labor officials.

VI. Conclusions

Labor relations during this period have been marked by the increasing tendency of management to reduce wages and by delayed or partial wage payments. On the part of many unions there appears to be a growing recognition, evidenced by their reluctance to strike and willingness to conciliate and mediate, that they must adjust to the economic effects of the nine-point stabilization program. This is shown in the refusal of some local Hokkaido coal mines to join the 14-16 May general coal strike and failure of some metal mine unions to respond to the national union's strike call. However, although apparently reconciled to the fact that there will probably be no increase in wages or their standard of living, unions are endeavoring to maintain the status quo and resist management's wage reductions.

NOTE: * Tanro - Japan Federation of Coal Miners' Unions
Densan - All Japan Electric Power Industry Workers' Union
Sanbetsu - National Congress of Industrial Unions
Mindo - Democratization League
Zenroren - National Liaison Council of Labor Unions
Zenrokaigi - Japan Congress of Trade Unions

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 13
(17 April - 30 April 1949)

I. Summary of dighlights

Following CLRC's unsuccessful efforts to conciliate the coal dispute, the scheduled coal strike started in Hokkaido 3 May and is continuing in other regions.

Developments toward strikes continued in the electric equipment manufacturing and metal mining industries.

By a 15 April decision the Cabinet dropped the plan to decentralize the Employment Security System.

Non-payment of wages continues to constitute a major problem, with an increasing number of such cases being referred to the procurators for prosecution under the Labor Standards Law.

Completed national data show that average total wages in manufacturing (usually regarded as an index) dropped in February, the first time this has occurred in a "normal" month during the Occupation. The Consumer Price Index rose insignificantly in March.

Preliminary information indicates only slight resultant increase in unemployment due to establishment of a single exchange rate.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining. On 26 April management finally accepted CLRC conciliation. On 1 May the union rejected the CLRC's first proposal, fearing its provisions would force their acceptance of wage reductions based on management's financial distress which might primarily result from managerial inefficiency. On 2 May a second CLRC proposal that management agree to a seasonal variation in the national average production standard and expend, in some form agreeable to the union, ¥500 per worker for the period April, May and June (to cover increased rice cost) was accepted by the union. On 3 May management rejected this proposal on grounds it cannot afford the increased labor cost, and the scheduled round of strikes started 3 May in Hokkaido, 4 May in Kyushu, 5 May in Yamaguchi Prefecture and 6 May in Joban.

2. Metal Mining. Following rupture of negotiations with management, on 30 April Zenkoren (Federation of All-Japan Metal Mine Workers' Union, 85,000 members) instructed its member unions in Kyushu and Shikoku to start a strike 9 May, in Honshu 10 May, and in Hokkaido 11 May. Management claims that loss of subsidies

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necessitates wage cuts and offers an average ¥6,200 and ¥4,300 for pit and surface workers, respectively, as against the prevailing ¥7,980 and ¥5,400 wage for which the union would settle.

3. Electrical and Communications Equipment - Management claims that several factors including reduced government purchases occasioned by budget cuts and failure of expected export markets to develop, necessitate present reorganization and retrenchment plans involving mass dismissals and wage cuts. The unions oppose these plans, and disputes involving sporadic strikes prevail in the following companies: Tokyo-Shibaura, over contract cancellation and proposed dismissals; Hitachi, retirement allowances and wages; Mitsubishi Electric, wage reductions and new agreement; Nippon Electric, proposed dismissal of 3,600 out of 10,000 workers; and Oki Electric, wage payment delinquency and proposed dismissal of 2,819 out of 6,690 workers.

4. Silk Reeling - The union's unsuccessful strike to force a government subsidy which would permit wage rates on a parity with the cotton industry ended with a 21 April settlement of the protracted wage dispute made at a union-management conference called by the Labor and Agriculture-Forestry Ministers. The settlement provided for a ¥2,000 lump payment to each worker covering the period December 1948 to April 1949, to be paid entirely by management.

B. Labor Union Organization and Structure

Conventions

1. Government Railway Workers' Union - Major events of the 22-26 April convention were: (1) election of a Central Executive Committee composed of 10 Democratization Leaguers, 8 Communists and 7 Renovationists (at least 4 are believed communist-sympathizers); (2) re-election of Democratization League Kato as chairman (by a narrow vote), a Communist vice-chairman, and a Renovationist Secretary-General; (3) leftist defeat of a Democratization League proposal advocating the union's withdrawal from Zenroren (National Liaison Council of Labor Unions) and entrance into Zenrokaigi (Japan Congress of Trade Unions); (4) revision of union regulations so as to permit workers discharged "unjustifiably" and "temporarily employed" workers discharged after more than two months employment to be protected as "regular members"; (5) adoption of a 19-point program which included demands for a ¥5,000 minimum wage for 18 year old male employees and a ¥15,000 livelihood bonus covering July 1948 to March 1949.

2. Japan Express Company Workers' Union - Following conflict on various issues at its 15-19 April convention between "left" and "right"-wings, the union was split when the Democratization League group's motion for the union's withdrawal from Sanbetsu (National Congress of Industrial Unions) was narrowly defeated. Dissenting "rightist" delegates from Kansai, Shikoku and Chugoku who claim to represent a membership of 40,000 (or about half the union's total) withdrew from the convention, reassembled, and made plans to set up a "Preparatory Committee for Reconstruction" and call a convention 10 May.

3. All-Japan Shipbuilding Workers' Union - At its 21-25 April convention, leftists won 12 and the Democratization League 4 of the 16 Executive Committee seats. The convention approved "vigorous opposition to unreasonable dismissals."

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III. Operating Program Developments

1. Decentralization of Employment Security System - The Cabinet formally decided 15 April to drop the proposed plan to decentralize the Employment Security System to the prefectures.

2. Non-Ferrous Metals Survey - The Economic Stabilization Board has received replies to a Maron questionnaire on production efficiency and manpower utilization from most of the 18 plants circularized. Data gleaned from these questionnaires will be used as a basis for scheduled May and June field investigations.

3. Labor Standards Associations - Reports from Labor Standards Bureau prefectural and local inspection offices indicate that private employer-supported associations no longer occupy space in the Labor Standards office and that all labor Standards personnel have dissociated themselves from these associations. The Bureau previously issued such instructions after receipt of complaints that close affiliation of Labor Standards officials with employers' associations might lead to circumvention of the Labor Standards Law.

IV. Legislative and Administrative Proposals and Procedures

1. Labor Standards Law - Non-Payment of Wages - Labor Standards prefectural offices' preliminary reports show that 11 cases involving employers who failed to pay wages after warning were referred to the procurators' offices for criminal prosecution, and that others are under investigation. In several cases, particularly in the communications equipment industry, wage delinquency is attributable to Japanese Government failure to pay companies for work performed. The Finance Ministry is being urged to give first priority to payment of bills to companies threatened with criminal prosecution for wage delinquency. In Hokkaido sporadic strikes involving 22,000 coal workers occurred 28, 29 and 30 April, against management's failure to pay full wages. These cases were referred to the Coal Board and Labor Standards Bureau for action. A threatened strike involving 7 Hokkaido and 4 Kyushu coal mines (Seika Co.) employing about 17,000 was narrowly averted when a settlement for back wages was effected after ESS/LAB and Coal Board intervention.

2. Workmen's Compensation Insurance - Discovery that 5 Workmen's Compensation employees in the Kagoshima Prefecture Labor Standards Office misappropriated insurance funds emphasized the need for stricter financial controls. Seven supervisors were recently appointed to give guidance on major problems and a small corps of inspectors will be appointed under them to make detailed financial audits and examinations of operating procedures in the prefectural and local Workmen's Compensation offices.

3. "Child Selling" - Cooperative procedures were recently devised to handle the individual social and economic problems arising from "child selling" through the combined efforts of the Welfare, Labor and Education Ministries and the Attorney General's office. Instructions incorporating these procedures were recently issued to the prefectural authorities.

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V. Miscellaneous Economic Developments

1. Wages and Cost of Living - Completed national wage data show that average total wages in manufacturing (usually regarded as an index) were ¥7,864 in February, a decrease of 1.9% from January, the first such decrease during a "normal" month since the Occupation. This decrease in the average was caused primarily by the marked decline of 61.3% in "special payments", although "regular wages" increased 6.2%. The All-Japan Consumer Price Index rose insignificantly to 468.1 in March a .4% increase over February. A further increase of about 6% is tentatively anticipated in April due to the new staple food prices and decontrol of vegetables.

2. Effects of a Single Exchange Rate on Unemployment - Preliminary information indicates only slight resultant increase in unemployment. Price adjustments and long-term contracts previously consummated are expected to minimize layoffs in the silk-reeling, shipbuilding, toy and other sundry goods industries.

3. Layoffs. Several companies have foresightedly made plans for systematic layoffs and priority rehiring in their retrenchment programs by providing for such criteria as seniority, age, degree of efficiency, skill, etc.

4. Occupation Force Workers - Consideration is being given as to whether the Japanese Special Procurement Board's recommendation of a 20% increase in base pay to Occupation Force workers now required to work a 48-hour week can be accomplished within the present budget.

5. May Day - Reports of May Day celebrations throughout the country indicate fairly large turnouts without any violence or disorder.

6. Labor Law Revisions - Sporadic strikes timed to coincide with Diet deliberations on labor law revision occurred 20 - 25 April, mostly by leftist unions opposing "malrevision". ESS/LAB warned officers of Denko (All-Japan Electric Equipment Workers' Union) and the Metal Workers' Union that strikes against labor law revisions involving production stoppage were considered against Occupation interests and would not be tolerated. Furthermore, strikes over economic issues would be treated as strikes against labor law revisions if strike meetings or rallies included this issue. No restrictions were, however, placed on freedom of speech or assembly during off-hours or holidays with regard to protests against labor law revisions. There have been no reported strikes on this issue since the last discussion with the unions.

7. Labor Contract Cancellation - Tokyo Shibaura requested an opinion on its unilateral contract cancellation from the Kanagawa Prefectural Court. No decision has been rendered as yet but the unions have deluged the judge with messages urging a decision against the company. Considerable interest in the outcome is being manifested in both labor and management circles as a possible precedent.

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8. Women's Activities - Officials of the Women's and Minors' Bureau fear that its program will be threatened by the Personnel Administrative Committee's proposal to place the Bureau's field representatives under prefectural government jurisdiction. These representatives are actually part of the central staff and are located in the Prefectural Labor Standards offices to more conveniently perform the Bureau's research and informational activities. Severance of their vital connection with the Bureau would materiall impair their effectiveness.

From 20 April to 20 June the Bureau's Women Workers' Section is concentrating on a detailed program to encourage women's active union participation. Instructional posters and pamphlets are being prepared on trade unions, collective bargaining, and public speaking.

VI. Conclusions

Indications are that many additional cases involving non-payment of wages will develop during May leading to labor unrest. There are also indications that employers are using their alleged inability to pay wages in full as a lever to effect wage cuts in lieu of, or in addition to, personnel cuts.

Wages have ceased the upward climb which has been a notable monthly feature since the beginning of the Occupation. The effect of the new economic policy on wage trends has yet to be clarified since there are indications of possible wage declines as a result of management inability to meet present wage contracts due to tight financial conditions and the elimination of government subsidies. Prices generally have increased at a lesser rate than wages in recent months and show a tendency to stabilize. The importance of maintenance of a balance between these two indexes is self evident in matters of labor relations and possible increases in output.

An increasingly evident trend is toward definite realignments within unions and federations into left and right-wing factions, in some instances, culminating in open splits such as occurred in the Japan Express Workers' Union.

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Economic and Scientific Section
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LABOR DIVISION SEMI-MONTHLY REPORT
(3 April - 16 April 1949)

NO. 12

I. Summary of Highlights

Labor relations have been relatively calm during this period but a general coal strike threatens in May with management refusing negotiations at the national level. ESS has directed the appropriate government agencies (Labor Ministry, the Coal Board and the Economic Stabilization Board) to instruct the coal operators to accept CLRC conciliation previously refused and resume negotiations at the national level.

Unions are formulating extensive plans for large May day celebrations.

ESS is attempting to secure nullification of a proposed governmental reorganization plan which would reduce the status of the Labor Statistics and Research Bureau and hamper its objectivity and international prestige.

Reports indicate that ESS/LAB's final recommendations on proposed labor law revisions have private union approval but that employers' associations and government agencies would prefer enactment of more restrictive legislation.

The Japanese Attorney General issued a 14 April interpretation of "improper acts of dispute" not entitled to labor law protection.

For the first time since the war, Japanese observers will attend an International Labor Organization Conference, 20 April, in Pittsburgh, Pennsylvania; discussion will center on coal mining industry standards.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining. *Tanro previously rejected management's proposal of a temporary agreement to include a 15% production increase, and insisted on maintenance of the old contract until conclusion of a new. After management discontinued negotiations on the national level 14 April, Tanro instructed its branches to reject local negotiations and authorized nationwide 24-hour piston strikes starting 3 May. However, Tanro applied for CLRC conciliation which management has refused. ESS is directing the appropriate government agencies to instruct management to resume negotiations and accept CLRC conciliation.

2. Tokyo Shibaura Electric Co. One to 24-hour strikes involving 9,500 workers broke out in 14 plants on issues of wage increases and contract cancellation by management.

3. Silk Reeling. The union called 4-hour strikes in 279 plants beginning 9 April as a pressure tactic on the Government to provide a wage subsidy. Thus far, strikes have had a negligible effect on production.

B. Other Disputes

1. Japan Express Co. The union previously rejected a CLRC mediation plan of a ¥9,011 average wage. A newly proposed CLRC plan, accepted by the union at its 15 April national convention, provides additionally that: (1) ¥160 million be distributed as October 1948-March 1949 supplementary wages, and (2) the present cold area allowance be doubled. Management is considering the proposal.

2. Daido Steel Co. The union opposes management's declaration that it will deduct from retirement allowances any wage payments to those "dismissed" workers who continue working. In Nagoya about 300 workers so affected have consequently resigned.

3. Hitachi Iron Works. A 24-hour strike called 5 April to enforce acceptance of the union's demand for a 13-fold increase in discharge allowances was countered by management's offer of a 2.8 times increase. The union's demand is

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apparently designed to forestall company reorganization and resultant layoffs by making layoff cost prohibitive.

4. Japan Cement. Early in 1949 the company cancelled its labor contract. The union has since been in nuisance dispute by taking Sunday holidays, a practice resulting in production loss as the kiln must be reheated after each holiday. Previous agreement was for 4-day holidays after continuous work. Workers in the testing laboratory and on procurement demand work staged one 24-hour strike. Union officials were advised that interference with procurement demand work will not be allowed.

C. Labor Union Organization and Structure

Metal Industry

The Democratization League (Mindo) plans to organize three separate industrial unions for machine tool workers, rolling stock workers and iron and steel workers now in the *Mindo Zenkoku Kikai. Under the proposed reorganization, the reconstituted Mindo Zenkoku Kikai will retain machine tool workers and release rolling stock and iron and steel workers to join presently unaffiliated groups in their respective industries to form two new Mindo unions. There will then be four metal industry unions; the three new Mindo industrial-type unions and an omnibus union now under *Sanbetsu.

D. Labor Education

The Labor Ministry's present plans for 2 series of summer schools include one for union officials consisting of 50 1-week sessions (5 in Hokkaido and 1 each in the other 45 prefectures), a much more ambitious undertaking than last summer's 10 regional schools. The other series for Labor Policy Bureau prefectural officials tentatively consists of 3 : 1-week national and 5 regional training courses. Budget limitations may curtail the 5 regional courses from 1 week to 3 days, although this is considered insufficient time for the needed training.

The Cotton Textile Employers' Association and the Coal Operators' Association have revised initial drafts of their model agreements to accord with most of ESS/LAB's recommendations. The Rayon Employers' Association is now drafting a model agreement which will be discussed by an ESS/LAB representative at the association's 26 April convention.

E. Labor's Political Activities and Trends

1. *Zenrokaigi and the Social Democratic Convention. A joint labor-political conference 11 April held under Zenrokaigi Preparatory Council sponsorship decided that the 65 union delegates to attend the Social Democratic Party Convention 14-16 April should be composed of 20 *Kokutetsu Mindo, 20 *Sanbetsu Mindo, 16 *Sodomei, 7 Tokyo Traffic Workers' Unions, and 2 from the Federation of Public Employees' Union Renovation League. It is believed that participation by these accredited labor representatives was the most conspicuous feature of the stormy Convention and prevented a "right-wing" victory in the intra-party struggle. They are credited with having swung enough support to elect "left-wing" Suzuki, Mosaburo as Secretary-General, a majority of "left-wing" supporters to the Central Executive Committee, and achieving formal policy recognition of the principle that labor should be the nucleus of the reconstructed "peoples" Social Democratic Party.

2. Osaka Rally. In accordance with ESS/LAB's suggestion that demonstrations be held on Sundays to avoid production losses, Sodomei instructed its branches to postpone to 3 April a scheduled 2 April rally opposing labor law revisions. All branches except Osaka complied. At the Osaka rally demonstrators and police clashed, several persons were injured and 15 arrested. Sodomei has charged the Osaka Police Chief with misfeasance because of the "extreme" police action ordered and demands his dismissal. Investigations are under way to determine the full facts and establish responsibility.

3. May Day. Representatives from 50 leading unions decided at a 9

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April meeting to launch a "Down with the Yoshida Cabinet" movement in observing May Day, under joint leftist and rightist sponsorship. Other unions are formulating extensive plans for large demonstrations to protest labor law revisions, enterprise rationalization, etc. Indications are that Sodomei and other moderate groups will seek to exercise some restraining influence upon the demonstrations.

4. Government Railway Workers' Union. One effect of "leftist" gains in Kokutetsu Central Committee members and in the recent election of delegates to the 22 April national convention may be to jeopardize the position and moderating influence of Kokutetsu Chairman Kato and his supporters. Kato intends to announce his entry into the Social Democratic Party at the Kokutetsu convention and has affirmed his personal but unaggressive anti-communist position in a Sanbetsu-published article, 4 April.

III. Operating Program Developments

A. Labor Standards Law. January compliance inspections, the most numerous made in any month since the Labor Standards Law became effective, covered 26,592 establishments employing over 1,000,000 (about ½ had less than 10 workers). Although violations were found in most establishments, the largest percentage was in medium and small enterprises. Restitution to workers of ¥32,000,000 during January included delayed wages, dismissal allowances, overtime payments and accident compensation.

B. Mariners Law. February compliance inspections reached a new high covering 1,390 vessels (employing 15,776 seamen). About 80% were found violating, resulting in restitution of ¥612,479 to seamen.

C. Layoffs. Latest reports indicate that although layoffs are still small in number, most are due to a shortage of operating funds.

IV. Legislative and Administrative Proposals and Procedures

A. Labor Ministry's Statistics and Research Bureau. The governmental reorganization plan to streamline existing agencies reduces the Labor Statistics and Research Bureau to a division in the Labor Ministry's Secretariat. The proposed reduction in status of the Bureau will result in no economies. It will specifically interfere with Occupation objectives in two important aspects, as follows: (1) it will limit the ability of SCAP to secure necessary and unbiased labor statistics and research data to measure the effectiveness of SCAP economic and social policies, by subordinating this fact-gathering organization to a politically guided secretariat, (2) it will definitely hamper the acceptance of Japan as an equal internationally by throwing doubts as to the objectivity of its labor indices and economic data when used for national and international comparison of labor costs, labor standards and workers' welfare in the International Labor Organization, the United Nations Economic and Social Council, etc. In these highly controversial fields, international acceptance of data as unbiased and factually complete is essential if SCAP's objective of the speedy integration of Japan as a self sustaining trading nation into the normal stream of world commerce is to be realized.

ESS is attempting to secure nullification of the proposed changes embodied in a revised Ministry of Labor Establishment Bill now in the Diet, in order to insure the prestige and objectivity of the labor statistics and research function in the Ministry.

B. Labor Law Revisions. ESS/LAB's final recommendations were submitted to the Labor Ministry with instructions to present the Cabinet's proposed revisions to the current Diet session. Indications are that the ESS/LAB recommendations which are designed to establish more stable labor relations have general union approval, but that employers' associations and government agencies would prefer enactment of more restrictive legislation.

C. Labor Laws - Interpretation. On 14 April the Attorney General issued an interpretation of those acts of dispute deemed improper and thereby not entitled o protection of Trade Union Law Articles 11 and 12 and Labor Relations Adjustment

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Law, Article 40. This interpretation will permit employers to seek court protection of their personal and property rights in cases of unlawful physical violence by unions or union members and should aid labor relations committees in determining what constitutes a proper act of dispute under the labor laws.

D. Labor Standards Law. A recent Cabinet statement indicates no revision of the Labor Standards Law will be undertaken in view of ESS/LAB disapproval and probable internal and international repercussions.

Non-Payment of Wages - Labor Standards Law. Labor Standards Bureau and other reports indicate increasing wage payment delinquency with employers claiming lack of operating funds. In some instances, where workers are convinced such claims are genuine, they are voluntarily accepting wage cuts or agreeing to work alternate weeks, in shifts. Other workers who doubt employer's claims are requesting Labor Standards Bureau action and contemplating dispute activities. A further development is workers' applications for relief agency assistance with welfare authorities reluctant to assume this additional burden. The Labor Standards Bureau has instructed its local offices to give priority to enforcement of Labor Standards Law wage payment requirements and to submit weekly action reports.

E. Workmen's Compensation Law. Of the proposed amendments now in the Diet, the most important provides that premiums shall be collectible on total wage payments including bonuses, special allowances, etc. This should simplify collections as an identical wage base will be used to calculate unemployment insurance premiums and national taxes. Benefit computations will remain unchange Other amendments would: (1) cover seamen not covered under the Mariners Law, and (2) provide higher penalties for delayed premium payments.

V. Miscellaneous Economic Developments

International Labor Organization Conference. Upon ILO invitation, four Japanese observers will attend the 10-day Coal Mine Committee Session in Pittsburgh, Pennsylvania starting 20 April, the first ILO conference to be attended by Japanese since the war. Over 13 nations will be represented and discussion will primarily be concerned with coal mining industry labor standards.

V. Conclusions

Labor relations have been concerned primarily with wage issues and adjustments which management has felt necessary in the light of the pressure of economic conditions. This has been manifested in layoffs and inability to meet payrolls due, in certain instances, to lack of working capital. The consequences of further tight credit situation will bear close attention since the new budgetary and fiscal measures seem to point in the general direction of a more restrictive economic situation.

Favorable action by the Diet on revisions of the labor laws which were introduced after careful review by ESS/LAB on the basis of recent experience, will undoubtedly contribute to the more effective administration of operating programs and tend to eliminate many issues which have been constantly recurring in management-labor relationships.

NOTE: * Tanro - Japan Federation of Coal Miners' Unions
CMMC - Civil Merchant Marine Committee
Mindo - Democratization League
Zenkoku Kikai - National Machine Industry Labor Union
Sanbetsu - National Congress of Industrial Unions
Zenrokaigi - National Trade Union Congress
Kokutetsu - Government Railway Workers' Union
Sodomei - General Federation of Japanese Trade Unions

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Economic and Scientific Section
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LABOR DIVISION SEMI-MONTHLY REPORT
(13 March —— 2 April 1949) NO. 11

I. Summary of Highlights

The long-standing Densan, CMMC seamen and private railway disputes were settled. New wage and contract negotiations in certain major industries were initiated, including some in which settlements had just been reached. Wage increase demands by national unions are being countered by employer offers of wage cuts, with removal of subsidies offered as justification for cuts.

The activities of "democratization" groups in the labor movement are becoming increasingly manifested through reorganization of many unions and federations.

Recent weeks have witnessed entry into the Socialist Party of groups of union officials and their advocacy of similar action by rank and file members.

A new joint labor-management body, the Central Economic Reconstruction Council, with representation from moderate union elements only, will plan measures to handle problems arising from enforcement of the 9-point stabilization program.

Proposed amendments to the Employment Security Law, the Unemployment Insurance Law, and a new emergency work relief law are being finalized for Diet presentation.

Coordinated action by the Procurator General and the Labor Standards Bureau to compel payment of delinquent wages is showing encouraging results.

February increase in wage levels was the lowest since beginning of Occupation. The Consumer Price Index dropped 2% between January and February.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining. Negotiations began 1 April between the Japan Federation of Coal Mine Workers' Union (Tanro) and the coal mine operators' federation for a new wage and working agreement. Management proposed maintenance of the present daily standard average wage and a 15% increase in the required national average production standard, and Tanro counter-proposed a wage increase of about 53% without mention of production standards.

2. CMMC Seamen. This long-standing dispute was resolved 31 March when the Diet with GHQ authority amended the supplementary budget to allow an additional ¥230,000,000 to pay wage increases up to 1 April to about 40,000 seamen. This increase of about 30% to a monthly average wage of about ¥10,100 includes all allowances except overtime pay. Since most CMMC-operated vessels are now being returned to private shipping companies, the union has immediately begun negotiations with them for a permanent wage from 1 April, and dispute tactics may result at some ports.

3. Tokyo Shibaura Electric Company. The company has announced cancelation of its previous contracts and intends to close 28 of its 44 plants and discharge about 10,000 of its 28,000 workers. The Communist-dominated union has started dispute tactics in opposition to management's present dismissal plans and its proposed new contract which would eliminate the union's veto power over dismissals and curtail other powers.

4. Electric Power Industry. The CLRC mediation award previously accepted by management was finally accepted by the union on 29 March, a few days before the

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wage subsidy of ¥810,000,000 in the supplementary budget would have been defaulted. Granting of the subsidy was made conditional upon a full settlement of the dispute. Terms of the CLRC award included a requirement that full-time union officials be paid by the union, that a retirement allowance plan be negotiated and that a new agreement be peacefully arrived at with CLRC intervention if necessary.

5. Silk Reeling Industry. The union (80,000 members) has scheduled a nationwide strike for 8 April as a result of Diet refusal, under the "three principles", to appropriate ¥250,000,000 to fulfill the terms of a February labor-management agreement endorsed by the Labor and Agriculture Ministries. The wage settlement requiring that subsidy was agreed upon in spite of ESS/LAB's warning that it violated the "three principles" and such subsidy would not be supported by ESS.

6. Other Disputes

a. Daido Steel Co. Dismissal notices on 26 March to 2,000 workers at eight plants (out of a total of 9,693 employed in 12 plants) were ignored by union direction and such workers have continued to report for work. "Production control" is threatened at the Hoshizaki plant in Nagoya which employs 2,560 of whom 700 received dismissal notices.

b. Tobu (Private) Railway. The strike was settled 19 March when both labor and management accepted a CLRC compromise wage settlement.

B. Labor Union Organization and Structure

The activities of "democratization" groups in the labor movement are becoming increasingly manifested through reorganization of many unions and federations. Indications as to future affiliations and activities of the unions concerned will probably emerge from the many special conventions scheduled for the near future.

A preparatory committee meeting will be held 5 April to form a council of independent unions and reports are that it will later consider association with the anti-Communist Zenro-Kaigi liaison group. Representatives of the Japan Council of Labor Unions, the Tokyo Council of Independent Unions and eight other sponsoring organs will attend along with those of the National Movie and Theatrical Workers Union, the Japan Broadcasting Workers Union, the Japan Construction Workers Union, the Federation of Department Store Workers Unions and eight other invited unions.

1. Coal Unions. On 19 March Zens-kitan decided at its national convention to merge with Tanro and accepted the following Tanro conditions: (1) decision to join Tanro must be made by each local Zensekitan union, (2) all Zensekitan locals joining Tanro must formally dissolve their organizations, accept the Tanro constitution and dissolve all ties with the former Zensekitan organization. It is believed that the desire of Communist elements in Zensekitan to infiltrate Tanro and work from within largely explains Zensekitan's willingness to merge under these conditions.

2. Chemical Unions. Several local unions recently withdrew from the Sanbetsu-affiliated All Japan Chemical Workers Union (Zennikka) and a preparatory committee will shortly be convened to organize a new non-Communist chemical workers' union under Sanbetsu Democratization League (Mindo) guidance.

3. Electrical Equipment Manufacturing. Formal inauguration of a Sanbetsu anti-Communist union in this industry is expected shortly.

4. Electric Power. Of Densan's nine regional branches, four voted to withdraw from Sanbetsu and further withdrawals may occur at a special convention scheduled for May.

5. Government Railways. The 1 April elections of Central Executive Committee members of the Government Railway Workers' Union (Kokutetsu) show a slight change in strength of the three principal factions in Kokutetsu, but the potential majority of Communists and their sympathizers is larger. Democratization League

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(Mindo) votes dropped from 59 to 58, Communist votes advanced from 29 to 33, and the leftist-inclined Kakudo (Reform League) gained by 5 (from 31 to 36). The position of 8-10 other members of the Central Executive Committee is not known, nor is the reaction of the incumbent Kokutetsu chairman, vice-chairman and secretary-general who have previously been sympathetic to Mindo.

C. Joint Labor-Management Activities

Central Economic Reconstruction Council. This new body, scheduled for inauguration in April is being sponsored by management representatives, Sodomei and the Democratization League in Sanbetsu (Mindo) and excludes participation by all other Sanbetsu factions and similarly leftist-inclined union groups. The Council is designed to plan various economic reconstruction measures to cope with the new situation arising from enforcement of the 9-point stabilization program and the probable induction of foreign capital.

D. Labor's Political Activities and Trends.

1. Recent weeks have witnessed entry into the Socialist Party of several groups of labor union leaders including those of the Sanbetsu Democratization League, some from Kokutetsu and Tanro and individual officials of other unions and their advocacy of similar action by rank and file members.

2. Relations between labor unions and political parties are being actively pursued from both sides. The internal disagreements amongst Socialist party members are paralleled to some extent within the labor movement, with various factions within the party claiming and receiving support from different groups of unions, and the unions in turn pressing their ideas upon the various political factions as to how the party should be "reconstructed".

3. Leftist and Communist-dominated labor unions are utilizing to the fullest propaganda advantage the recent invitation to Japanese delegates to attend the Moscow Trade Union Convention. Sponsoring unions do not expect permission to attend but SCAP refusal would be denounced as "oppression of labor", etc.

III. Operating Program Developments

A. Public Employment Security Experimental Projects

Analysis of the first six months' operation of the Saitama Prefecture and Kandabashi PESOs indicates substantial progress in the development of efficient procedures which can now be incorporated into the Employment Security Manual and utilized to train personnel of other PESOs. Saitama's nine PESOs considerably increased public use of their services by doubling their employer and worker group contacts and they, as well as the Kandabashi PESO show striking improvement in administrative techniques and in the speed, quantity and quality of placements. Plans are in process for PESO managers throughout Japan to observe methods in the Kandabashi PESO as representative of a metropolitan area, and in Saitama at a medium-sized city PESO and a small town PESO.

B. Unemployment Insurance

Preliminary reports indicate considerable success in the January through March drive to compel compliance and collect delinquent premiums. Twenty thousand employers and 240,000 workers will be covered for the first time, and an audit of 10,000 employers' premium reports to date reveals 2,700 reporting improperly, resulting in a net additional assessment of ¥17,500,000.

IV. Legislative and Administrative Proposals and Procedures

A. Draft Law for Welfare of Handicapped Persons

In commenting on the Welfare Ministry's draft Law for Welfare of Handicapped Persons, PSS/LAB stressed that this Law should properly emphasize programs for their rehabilitation and reorientation into normal employment and social life, rather than special institutions or public funds for their maintenance.

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B. Unemployment Insurance

Unemployment Insurance Law amendments are being prepared for presentation to the Diet, designed to: (1) improve benefit provisions by substituting a straight 60% for the present variable scale, (2) simplify premium collection by reducing the present 2.2% charge to 2% and offsetting this loss by a 10% increase in the taxable wage base, and (3) extend coverage to day workers who are not now covered in industries such as construction and stevedoring and set up a separate system for their benefit with special premium and benefit rates.

C. Work Relief Program

The Labor Ministry's new draft of a proposed emergency work relief program would establish a legal basis for dividing functions between the Public Works Program emphasizing economic recovery first, and manpower utilization second, and a Work Relief Program primarily emphasizing manpower utilization. The Law also clearly defines ESB and Labor Ministry responsibilities in both programs. In the 1949-50 proposed budget the Labor Ministry's existing work relief programs were separated from the Public Works general account under Economic Stabilization Board jurisdiction. The budget provides for a ¥50 billion public works appropriation and an initial ¥800 million work relief appropriation to provide employment for an approximate average of 870,000 and 30,000 persons respectively.

D. Non-Payment of Wages - Labor Standards Law

Coordinated action by the Procurator General and the Labor Standards Bureau to compel payment of delinquent wages is showing results. Preliminary reports from the Tokyo Prefectural Labor Standards Bureau show that under threat of prosecution three large electrical equipment companies paid back wages amounting to ¥39,600,000, and the case of one large employer owing more than ¥5,000,000 was referred to the procurator's office for criminal action. Most coal operators are paying back wages.

E. Labor Law Revisions

ESS/LAB has made its recommendations after analysis of the proposed draft revisions, and the final draft is being checked to ensure no conflict with existing Japanese law.

V. Miscellaneous Economic Developments

A. Unemployment

Employment Security Bureau's January-February report of actual layoffs in private industry, on the basis of 4,000 employer visits, shows 7,480 layoffs in 218 establishments, of which 79% were in manufacturing industries (57% machine and tool).

B. Wage Cuts Accepted

The Sankyo Pharmaceutical Company Employers' Union (3,477 members) at a mass meeting agreed to accept the union-management reconstruction council's proposed plan to lower the wage base in lieu of reducing personnel and closing plants. The plan provides for the lowering of the present ¥9,100 wage base to ¥6,000 in April and May and its increase to ¥6,900 in and after June through reduction of expenses and increase of sales and that management must "act sincerely".

Under an agreement reached by the union and management of the Mitsubishi Precision Instrument Co., 25 March, 650 workers will accept dismissal and separation allowance of ¥35,000 and the balance of 1,250 workers a base wage cut from ¥7,100 to ¥6,000 beginning 1 April.

C. Mass Voluntary Resignations

Fear of unfavorable revision of the existing retirement system in the event of mass discharges has occasioned a wave of voluntary resignations, already estimated to have reached 5,000, amongst government railway workers. A preliminary

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survey indicates that in the Tokyo, Osaka, Hiroshima and Sendai Railway Bureau zones, the majority include elderly employees and those with more than 20 years of service.

D. Wage Stabilization

Reports indicate that wage increase demands from national unions are being countered by employer offers of wage cuts, with removal of subsidies offered as justification for cuts.

E. Wage Trends

January average wages in manufacturing were ¥8,015, a 12% drop from December's year-end high level. In February wages rose to ¥8,145, a 1.6% increase over January, but the lowest percentage increase for any month during the Occupation.

F. Family Income

January income of urban workers' families dropped 33% from December to ¥10,411 but was 4% higher than November. It is interesting to note that the drop in family income was much greater than the drop in wages. In February family cash income rose slightly over 3% to ¥10,774.

G. Cost-of-Living

The Consumer Price Index which rose 2% in January to 475.1 dropped about 2% to 466.2 in February.

H. Family Expenditures

In February family expenditures dropped 3% to ¥10,090, accompanied by an increase in the proportion spent for food (62.6% as compared with 60.3% in January). This proportion, however, is not alarming since it is almost the same as the percentage for November and December, and is lower than any preceding month during the Occupation.

I. Official Prices

Plans to increase the price of staple foods in April by 13 to 17% would lead to a rise in the CPI of about 4% assuming no concomitant increase in black-market prices.

VI. General Conclusions

Withdrawal of present subsidies from industries may result in wage cuts instead of wage increases now being demanded by unions. A combination of wage cuts and increased consumer prices, particularly in staple foods, may result in a potentially dangerous labor situation where leftist influences can capitalize on developments. However, the relative stabilization of wages and the slight decline in consumer prices in recent weeks suggest the possibility that a balance can be achieved for large segments of the economy if adjustments are made for special situations within the framework of the economic stabilization program.

The adherance by the Japanese Government, with ESS backing, to the "three principles", and refusal to go beyond original commitments, plus the threat of loss of subsidies has likewise brought a more realistic approach into labor relations resulting in the settlement of many long-standing disputes on which labor and management hoped to capitalize by making the government eventually assume additional financial responsibility. Labor and management's recognition that economic issues must be resolved within the framework of ability to pay and relative bargaining strength should have a salutary effect on labor relations in general, tending toward the building up of a more legitimate trade union movement capable of securing economic concessions through its own ability, and management in turn making decisions in accordance with its economic interests.

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 10
(27 February — 12 March 1949)

I. Summary of Highlights

No significant changes occurred in labor relations during this period with disputes continuing in the major industries.

Indications are that the move to decentralize Labor Standards Administration has been dropped.

After the conclusion of public hearings on the revisions of the Trade Union and Labor Relations Adjustment Laws, the Labor Ministry submitted revised draft proposals for ESS/LAB analysis and approval.

Action was taken by the Labor Standards Bureau and the Procurator General to initiate prompt prosecution against employers who fail to pay wages.

Coal SCAPIN 1984, dated 10 March will act as a further deterrent to delinquency of wage payments since it makes wages a first claim after taxes. It also strengthens application of the "three principles" of no price increases, no deficit financing and no government subsidies.

Labor Ministry instructions to the prefectural governors on 9 March re-emphasized enforcement of Article 2 of the Trade Union Law and gave unions a maximum of 90 days in which to comply with the regulation that payment of wages by management to full-time union officials was to be discontinued.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining. New issues have arisen in coal with impending termination of the present labor contract on 31 March 1949. Coal Operators Federation proposes a new agreement restoring to it management rights and prerogatives now shared by both parties, e.g. the proposed agreement reserves to management the right to determine the size of working force and to fire for cause; under the old agreement no reduction in personnel could be made without prior agreement of the union. Various other terms restricting the power of the union are also proposed. The union opposes any surrender of power and both Tanro and Zensekitan have countered with demands for wage increases ranging up to 50%. In addition the important issue of full payment of wages for January and February remains unsettled.

2. Metal Mining. This dispute remains unsettled pending determination of the extent of the originally miscalculated wage subsidy in the supplementary budget.

3. Electric Power Industry. Densen rejected the CLRC award accepted by management on 8 March and proposes to intensify its dispute tactics. The chief issues obstructing settlement are: (1) provisional retirement allowances to discharged employees; (2) moratorium on new hiring, and (3) removal of union officials from management payrolls. The third issue presents the most serious obstacle as both the conservative Democratization League representatives and the Communist members are opposed while the CLRC with ESS/LAB support maintains the essentiality of its acceptance. ESS/LAB advised the union that: (1) payment of union officials' expenses is prohibited by existing law and is not a matter for collective bargaining, and (2) SCAP will not permit strikes over this issue.

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4. Central Merchant Marine Committee - Seamen

On 14 March the seamen suspended their week-old "no overtime" strike on a nationwide level and authorized action on a local level to refuse overtime work and enforce safety measures on ships by refusing to overload ships or sail vessels in need of repair. No serious interference with shipping is expected to result.

5. Private Railways. Sporadic wage strikes occurred on local railway lines in Tokyo and in the Osaka-Kobe area 8, 10 and 12 March. Disputes threaten on the Kei Hanshin Railway in Kyoto over wages and on the Nishin Nehon Line in Fukuoka over discharge of 71 union officials.

Tobu - On 18 March the union resumed its "strike" after conciliation by CLRC failed to effect settlement. On advice of ESS/LAB, management furloughed 8,500 of 11,000 employees without pay on 18 March to induce settlement.

Hanshin - The union and management have accepted an LRC award of monthly wage and regional differentials.

6. Tokyo Shibaura Electric Company. A 24-hour strike was staged 15 March with further strikes threatened against: (1) management's proposal to cancel the current agreement and negotiate a new one, and (2) closure of the Kawagishi plant. The union opposes the Holding Company Liquidation Commission's proposed deconcentration order on the ground it will not deconcentrate, but this is not the basis for threatened strikes, as erroneously reported in the press.

7. Disputes Statistics. In January 7,545 workers were involved in 46 labor disputes accompanied by work stoppages or work disruptions compared with the December figure of 579,595 workers involved in 96 disputes. In addition, 376,045 workers were involved in 130 other labor relations cases not accompanied by work stoppages but where negotiations broke down and a third party intervened to assist in settlement.

B. Labor Union Organization and Structure

1. Government Railway Workers' Union. The Government Railway Workers' Union's Central Committee at a four day session called to discuss new union policy in view of impending reorganization of government railways into a public corporation, and anticipated government reduction in personnel, adopted resolutions on: (1) increased wage base demands; (2) new dispute tactic "reflex strife"; (3) opposition to revision of labor laws and the Cabinet's administrative readjustment; and (4) a national convention scheduled for late April.

The Union's Executive Committee informed the Communist Party that "at the present stage" the union cannot approve its proposal for joint struggle and that the union is anxious to enlist the cooperation of various democratic political parties.

2. Zensekitan and Tanro. The two major coal unions are still making proposals and counter-proposals for amalgamation. On 8 March Zensekitan rejected an offer from Tanro.

3. Union Youth Groups. In its continuing program to encourage unified structure of unions, ESS/LAB is discouraging the separate organization and policy making activities of youth groups.

4. Mass Rally. A "People's Rally For The Protection of Livelihood" sponsored by Zenroren, the Democratic Cultural Federation, the Communist and Socialist parties, was held at the Imperial Palace Plaza 15 March with an estimated attendance of 100,000. Resolutions were adopted to oppose wage policies of the Government, mass dismissals and the current rice delivery system.

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III. Operating Program Developments

Decentralization of Labor Standards and Employment Security

Recent Labor Ministry and other Cabinet statements with respect to decentralizing administration of the Labor Standards Law indicate that this plan has been dropped because of the adverse effects on the program. The question of decentralizing the Employment Security Administration is still pending.

IV. Legislative and Administrative Proposals and Procedures

A. Labor Law Revisions

After the conclusion of public hearings on the revisions of the Trade Union and Labor Relations Adjustment Laws, the Labor Minister submitted revised draft proposals for ESS/LAB analysis and approval. These revisions indicate possible modification of many of the restrictive regulations against labor unions in the original proposals. Further drafts of proposed revisions will be supplied.

B. Non-Payment of Wages - Labor Standards Law

To compel employers to pay delinquent wages, the Labor Ministry issued to Prefectural Labor Standards Bureaus strict criteria for determination of violations of Article 24 of the Labor Standards Law with definite orders to institute procuratorial action against offending employers. This replaces the former vague policy of investigating whether "management was able to pay wages". The Procurator General also publicly announced that violators would be promptly prosecuted and dealt with severely.

C. Coal SCAPIN

1984

In view of the coal industry's vital importance to the Japanese economy SCAPIN No. 1984 was issued 10 March to rapidly and effectively rationalize the industry and insure production of 42 million tons of coal for the fiscal year 1949-50 within the "three principles" of no price increases, no deficit financing and no government subsidies.

The SCAPIN directs the Japanese Government to take measures to insure that: (1) all contractual cash wage obligations for time actually worked be paid when due and in full and that such obligations have first priority after taxes on coal company revenues; (2) overtime payments be limited to those actually justified by production requirements and no overtime payments be made to surface or office workers except for emergencies and none to underground and supervisory personnel except for work in excess of 8 hours in one day or 48 hours in one week; (3) no surface, clerical, or administrative workers are to be hired until the overall ratio of underground to surface workers for the entire industry has reached a 60-40 ratio; (4) priority after wages will be accorded payment for expendable operating supplies and equipment and mine equipment purchase programs be reviewed to eliminate excessive purchases; and (5) coal operators adopt a uniform and accurate accounting system with designated mines required to institute this system by 1 April.

If necessary, to insure implementation of the foregoing measures, the Japanese Government will direct the Coal Distribution Kodan to pay revenues from coal sales into special blocked bank accounts for payment of taxes, legitimate wages and supplies of operating mine equipment and other supplies.

D. Central Labor Relations Committee

Twenty-one members were appointed to the CLRC under new procedures in the Trade Union Law governing nominations and appointments of labor relations committees. Dr. Itsutaro Suehiro was reelected chairman and Yasuhiko Nikuni was appointed acting secretary-general of the Committee succeeding Iwao Ayusawa who resigned recently.

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E. Trade Union Law

The Labor Ministry issued instructions to the prefectural governors on 9 March re-emphasizing enforcement of Article 2 of the Trade Union Law. The instruction included a statement that payment of wages by management to any and all full-time union officials were to be discontinued. A maximum discretionary period not to exceed 90 days from 9 March was permitted local policy officials in order to allow specific unions time for readjustment.

F. Amendments to Employment Security Law

Proposed amendments to the Employment Security Law favored by ESS/LAB which are currently under cabinet discussion would result in: (1) setting up regional offices under the national bureau to supervise PESOs directly and thereby remove local administration of the Law from prefectural governors; (2) eliminating PESO liaison agents who were formerly associated with undemocratic recruitment of workers; (3) requiring that government-subsidized vocational training be operated only by "public bodies" instead of permitting operation by agencies "under the control of public authority" which are often private associations operating for profit or serving private business interests; (4) establishing government assistance to a Training-Within-Industry program; (5) strengthening the authority for a youth placement service to be operated in cooperation with schools; and (6) revising the basis for licensing private employment exchanges to distringuish between fee-charging non-profit and fee-charging profit-making employment exchange projects, in conformity with International Labor Organization definitions and standards.

V. Miscellaneous Economic Developments

A. Layoffs and Unemployment

Employment Security Bureau's consolidated March report of scheduled layoffs in private industry for the period 1 January to 28 February shows 4,577 scheduled from 90 plants (2,317 in 22 machinery plants). While no verification of actual layoffs has been received reports are regarded as fairly reliable.

In analyzing the probable effects of a single exchange rate (calculated at 300-350 to 1) on unemployment in the export industries the Labor Ministry estimates that some 140,000 to 190,000 workers will be discharged with textiles accounting for more than half. An analysis by ESS/LAB based on a 350 to 1 rate and on labor cost attributed to export in each industry estimates that some 100,000 workers would become unemployed of whom 40,000 are in raw silk. No allowances were made for temporary subsidies, increased efficiency or other considerations.

B. Women's and Minors' Bureau

As a result of vigorous protests and petitions to high government officials and SCAP by civic and political groups and trade union women's sections the Cabinet's proposal to eliminate the Women's and Minors' Bureau is being abandoned.

C. Women's Day

The controversial issue over the date of celebrating Women's Day arose again this year. Those women's groups primarily under Communist influence celebrated 8 March as "International Women's Day" as observed in Russia and Soviet-dominated countries. The more conservative women's groups and the Women's and Minors' Bureau plan to celebrate Women's Day on 10 April when Japanese women first voted.

VI. General Conclusions

It is significant that many of the present disputes involve not only issues of wages and working conditions, but opposition to rationalization measures and to enforcement of labor laws by the Japanese Government, particularly the severance of union officials from management payrolls and the exclusion of management agents from union membership.

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Economic and Scientific Section
Labor Division

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LABOR DIVISION SEMI-MONTHLY REPORT NO. 9
(13 February - 26 February 1949)

I. Summary of Highlights

Coal and metal mine unions are considering civil action and the Japanese Government criminal action under the Labor Standards Law to enforce full payment of wages.

Public hearings on the proposed revisions of the Trade Union and Labor Relations Adjustment Laws indicate that while labor in general opposes all revisions as "oppressive", management feels that employers should be given more protection.

December disputes statistics show that 579,595 workers were involved in 96 labor disputes accompanied by work stoppages or work disruptions compared with the November figure of 650,460 workers involved in 84 disputes.

The Cabinet's decision on 25 February to decentralize Labor Standards and Employment Security administration threatens to nullify effectively the application of these Laws.

During the 12-month period ending January 1949 the Consumer Price Index rose 60% as compared with the 150% increase in the previous 12-month period. This reflects an increasingly effective governmental stabilization program even though the index continues to rise as evidenced by the 2% January increase over December.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining

The coal mine situation remains tense due to the coal operator's failure to pay the full January wages or pledge full February payment. The unions are considering instituting legal action to enforce full wage payment. In addition, a new dispute arose over a retirement allowance plan which the unions submitted in September 1948.

2. Metal Mining

The scheduled metal miners' five-day strike to force the Government to pay promised subsidies to the operators to enable them to comply with the December wage agreement was cancelled after two days on 23 February on the Government's assurance that it would facilitate the payment of loans and subsidies to mine operators. However, as the promised subsidies total ¥430 million and the supplementary budget only provides for ¥300 million, the issue is still open. The union also threatens to bring legal action against the operators to compel full payment of back wages.

3. Electric Power Industry

Negotiations are still deadlocked in the Denson wage dispute. Although strike orders have been issued in many prefectures there is very little strike activity and a negligible effect on the supply of power to industrial users.

4. Civil Merchant Marine Committee Seamen

The Seamen's Union is threatening to strike to enforce a wage settlement reached with the CMMC on the assumption that Government funds were available but were subsequently declared unavailable.

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5. Disputes Statistics

In December, 579,595 workers were involved in 96 labor disputes accompanied by work stoppages or work disruptions compared with the November figure of 650,460 workers involved in 84 disputes. In addition, 656,664 workers were involved in 161 other labor relations cases not accompanied by work stoppages but where negotiations broke down and a third party intervened to assist in settlement.

B. Labor Union Organization and Structure

Current programs to improve labor agreements have developed that labor is generally opposed to long-term wage clauses because the economic situation and the cost of living are so unstable that wages cannot be fixed for periods of more than a few months. Management seems to concur on this point.

A study of 15 Densan local unions in Kyushu with 6,304 members shows that monthly union dues totaled ¥504,320 while 177 officers and clerks devoting full time to union activities but carried as employees were paid company wages for the same month amounting to ¥896,733.

On 19 February Tanro's central committee proposed a merger plan of its own after deciding that a merger with Zensekitan was not appropriate at this time. This plan would permit Zensekitan locals to join Tanro regional organizations if approved by two-thirds of the Tanro members in the region. However, some Tanro regions will not accept Zensekitan locals under the proposed national merger plan.

III. Operating Program Developments

A. Decentralization of Labor Standards and Employment Security

The Cabinet's decision on 25 February to accept the Administrative Organization Council's recommendation to transfer national governmental functions to prefectures affects two Labor Ministry functions, namely: Labor Standards and Employment Security. ESS/LAB opposes this as it would: (1) completely nullify the past two year's work in developing effective machinery to enforce these Laws; (2) open the way for varying interpretations of the Laws and standards of enforcement which would in turn result in discriminatory treatment of workers in different prefectures, and (3) in Labor Standards particularly, employers would be subject to unfair competition on areas where there was a more lenient enforcement policy.

B. Problems in Operating Programs

ESS/LAB outlined its position to the new Labor Minister, Masaburi Suzuki, on 25 February on basic issues confronting the administration of labor programs as follows: (1) ESS/LAB opposed (a) changing the present centralized administration of the Labor Standards and Bureau of Employment Security programs by transferring the functions to the prefectures and (b) the Finance Ministry's proposals to unify the General Affairs Section of the Labor Standards Bureau with the Inspection Section and to transfer the Safety and Sanitation Sections and the Safety Institute to the Workmen's Compensation Section; (2) ESS/LAB strongly supported the necessity for (a) sufficient appropriation to permit the Bureau of Employment Security to continue administering supplemental rations to casual laborers, (b) promoting an effective Training-Within-Industry program in the Bureau, (c) closer liaison between the Labor Ministry, ESS/LAB, and the CLRC, (d) a strong Bureau of Labor Statistics and an adequate budget for its research and statistics program, (e) maintaining an adequate inspection staff in the Labor Standards Bureau, (f) strengthening the Women and Minor's Bureau, and (g) the Labor Ministry's resisting the Commerce and Industry Ministry's proposal to include subsidiary factories, refineries, etc., as part of the mining establishments under its safety inspection functions under the Mining Act.

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IV. Legislative and Administrative Proposals and Procedures

A. Labor Law Revision

Public hearings on the proposed revisions of the Trade Union and Labor Relations Adjustment Laws which began on 21 February, indicate that in general labor opposes all revisions as being "oppressive" with the leftist-dominated unions the most vocal. On the other hand management feels that more protection should be given to employers. The Social Democratic Party formally decided to oppose the revisions and will present its own plan.

B. Public Works

In anticipation of increased unemployment the Labor Ministry is currently drafting a new law to increase the utilization of unemployed on public works projects. This law would establish a legal basis for expanding the role of local Employment Security Offices in recruiting unemployed workers for projects and authorize the formation of reservoirs of labor-consuming projects in potential centers of unemployment. Such projects would absorb varying amounts of labor and could be discontinued quickly when the need no longer exists.

C. Unemployment Relief Deliberative Council

The Cabinet has formed an Unemployment Relief Deliberative Council to form a policy on unemployment problems with the Labor Minister, Chief Cabinet Secretary and a State Minister as executive officers. Although the Labor Minister has already established a government liaison committee for the same purpose under the Employment Security Law, because of his key position in the new Council it is felt that he can avoid undesirable duplication between the two bodies and maintain the Labor Ministry's primary role in unemployment policy and administration.

D. Non-Payment of Wages -- Labor Standards Law

A conference was held by the Legal Section and ESS/LAB with the Labor Ministry and the Procurator General's office to determine effective measures under the Labor Standards Law provisions to compel employers, particularly coal and metal mine operators, to pay delinquent wages. Article 24 of the Law requires that wages must be paid in cash, in full, and at least once a month on a definite date. The criminal penalty for violation is a maximum ¥5,000 fine. Procurators are reluctant to prosecute unless there is proof that employers are able to pay wages and had willfully refused. SCAP suggested the necessity for: (1) a clear statement of policy on employers' legal responsibilities, (2) interpretive changes in penalty provisions, and (3) prompt prosecution of violators.

E. Labor Relations Committees

Dr. Iwao Ayusawa resigned as Secretary-General of the Central Labor Relations Committee on 22 February and the Labor Minister is now proposing that he be appointed as a neutral member of the Committee.

V. Miscellaneous Economic Developments

A. Cost of Living

The January Consumer Price Index increased 2% over December, the peak month in every year. However, the December increase of approximately 6% was about one-half of the December-November increase in previous years. The effective January price index for staple foods fell 1%. The 2% increase in the index was largely due to a 9% rise in non-staple foods and a 16% increase in miscellaneous items such as movies, magazines, cosmetics, etc.

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B. Family Expenditures

Preliminary figures indicate that family expenditures decreased in January as evidenced by expenditures in Tokyo which dropped from ¥18,149 in December to ¥13,065 in January (approximately the November level). This decrease is due to (1) the usual drop in spending after the December holiday season and expenditure of year-end bonuses and (2) the slimmer January pay checks, particularly of government and Occupation Force workers which were cut by budget limitations.

C. Wage Trends

December average wages in manufacturing reached ¥8,876, a 31% increase over November largely due to the payment of year-end bonuses as regular wages continued the same trend of previous months, rising less than 8%. The sharp downward trend in the ratio of year-end bonuses to regular wages continued in 1948, the 1947 ratio being one-half of 1946 and 1948 being one-half of 1947.

D. Occupation Force Workers

G-4 in its current drive to reduce Occupation yen costs, has issued instructions prohibiting overtime work of Occupation Force employees without prior approval of the next higher echelon and stipulating that all units must effect a 20% reduction in labor costs.

E. Non-Ferrous Metals Survey

The Economic Stabilization Board's production efficiency and manpower utilization survey program for 18 copper, lead and zinc mines and processing plants was approved. The questionnaire will be sent to the companies in March and field work will begin in April.

VI. General Conclusions

Labor relations in major industries are unsettled due to failure of labor and management to agree on wage settlements within the framework of the "three principles". This situation threatens to become intensified within the next 30 days when many labor contracts expire. In the absence of positive action by management to increase production or efficiency of operations, it is doubtful whether present wage levels can be maintained. Any proposal to reduce wage levels will undoubtedly lead to serious labor strife.

If the preliminary proposals by the Finance Ministry for drastic cuts in the Labor Ministry budget remain unchanged, many important labor programs will be seriously curtailed. Also, the Cabinet's acceptance of the Administrative Organization Council's recommendations for decentralization of national programs will seriously handicap effective labor administration in Japan. This matter may receive attention by other nations which are interested in the maintenance of high labor standards to prevent unfair competition from Japanese goods in world markets.

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140.3 - 30 Jan - 12 Feb 49

Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 8
(30 January -- 12 February 1949)

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I. Summary of Highlights

Issues arising out of the application of the "three principles" of no price increases, no subsidies and no deficit financing and the economic stabilization program are currently highlighted in the following labor relations situations: (a) default on January coal mine wages was claimed by the operators as due to shortage of funds necessitating a price increase; (b) the metal mine wage is tied to coal and requires continuation of subsidies in the supplementary budget; (c) a wage agreement in the silk-reeling industry would require an additional subsidy of ¥350 million and (d) the electric power wage settlement is being deliberately delayed in the hope of an increase in rates.

The program for improving labor contracts has resulted in revised contracts, embodying reforms, in the electric power, shipyards, electrical manufacturing and metal mining industries.

The opposition of organized labor to any labor law revisions continued to mount. Public hearings in major cities on the proposed revisions will, however, begin on 21 February.

Mixed reaction was reported from major trade unions on the World Federation of Trade Union's invitation to send delegates to its forthcoming convention in Europe.

II. Labor Relations Developments

A. Major Disputes

1. Coal Mining

Major coal mine operators have defaulted in whole or in part of the January wage and will similarly default on February wages, claiming inability to pay both wages and suppliers without a price increase for coal. Coal operator reports show as of 30 November outstanding balances payable of some ¥13 billion. They claim losses suffered by the end of last year at the rate of ¥400 per ton of coal due to an inadequate price. This resulted, according to the operators, in a loss from April 1946 to 23 June 1948 of ¥23 billion which the government agreed to pay. However, in view of the opposition against offsetting part of the coal deficit by coal price increases, the government agreed to appropriate ¥13.4 billion in subsidies and loans but has not done so. The operators state that tightened controls over bank loans and vigorous collection of taxes further worsened their finances. There is evidence that their position is being exaggerated in order to gain the desired price increases.

2. Metal Mining

The metal miners, promised equal treatment with coal miners through wage subsidies provided in the supplementary budget, are threatening to strike 20 February to force compliance with the December wage agreement. This required the government to pay ¥380 million and the industry an additional ¥50 million to meet the contract wage increase from 1 December 1948 to 1 April 1949, while only ¥300 million has been appropriated for this industry in the supplementary budget. The industry has not yet agreed to pay its share of the increase. In view of the restricted amount provided in the budget, labor is likely now to demand that a fund greater than ¥50 million be raised by the industry.

3. Electric Power Industry

Negotiations are still deadlocked over the August 1948 to 1 April 1949 regular wage with both sides stalling in the hope of a rate increase. The company

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has not raised its previous offer predicated on the release of ¥810 million wage subsidy allotted in the supplementary budget. The union now states that it will accept ¥7,600 only through 1 January although it previously accepted it through March 1949. The Labor Ministry believes the company can pay ¥7,600 by eliminating the payment of full-time union officials' salaries and limiting retirement allowances. TSS proposed to management and labor that a Board of Accountants and Auditors study the company's books to determine ability to pay. They were advised to settle the dispute by 1 March.

4. Silk-Reeling

The wage dispute in this industry was settled 11 February. Both parties accepted the government's mediation proposal which provided for a 50% wage increase retroactive to 1 December which puts them on a par with the cotton industry. In lieu of retroactive wages to 1 August the union agreed to accept work clothes and to reimburse the employer for dormitory and food expenses. The operators, estimating that ¥450 million will be needed to pay this increase, contended that they could pay only ¥200 million and the balance would require government subsidy. The supplemental budget did not include funds to subsidize this industry.

B. Labor Union Organization and Structure

1. Conventions -- Meetings

Japan Teachers' Union. Continuing the present policy of openly admitting Party membership, about 290 delegates, comprising one-third of the Union's Fourth Convention held 2-5 February admitted Communist affiliation. Communists and sympathizers failed by a narrow margin to carry the convention but showed an increase in strength. By majority (non-Communist) vote the Central Committee's activities were approved; at the same time a sub-committee's recommendation on future policies was not accepted. Among policies adopted were: opposition to low wages, job classification and regional dispute tactics.

National Communications Workers' Union (Zentei). Non-Communists were larger in numerical strength at the Central Committee's meeting held 8-10 February but the 200 delegates approved extremist proposed policies and struggle tactics. After reaffirming the policy of regional struggle tactics, the meeting adopted the following: (a) opposition to mass dismissals, (b) revision of the labor laws, (c) mass taxation and (d) transportation and communication rate increases; approval of (a) carrying out an "all people's" struggle, (b) favoring merger of the Socialist and Communist parties, (c) establishing a minimum wage and (d) abolishing the National Public Service Law. Kazuyoshi Dobashi, elected Communist Diet member resigned as chairman but will continue as a union member.

National Communication Workers' Reconstruction League. One hundred thirty-eight delegates from 32 prefectures representing anti-Communist members of the Zentei Union met 1 February to organize a Reconstruction League along democratic lines. The League will act on the assumption that trade union activities should be confined to the economic sphere and refrain from any "ideological struggle".

Council of All-Japan Labor Union (Zenkoku Rodo Kumiai Kaigi), sponsored by the Sodomei and Sanbetsu Democratization Leagues was formally organized to unite all anti-Communist labor unions on a national scale.

2. Union Structure and Collective Bargaining Agreements

The drafting of improved labor contracts in basic industries and improving internal structure and practices in key unions has resulted in revised contracts, embodying reforms long pressed by TSS in the electric power, shipyards, electrical manufacturing and metal mining industries. Contracts are currently being drafted in coal mining, shipping and other basic industries.

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The Japan Express Company and the Private Railroad Companies have notified their respective unions that payment of salaries of full-time union officers will cease on 28 February. The Labor Ministry is advising coal, electric power and other industries to stop such payments as they are in violation of existing law..

C. Labor Education

The Economic Stabilization Board and Labor Ministry will appropriate ¥20,000,000 to produce a two-reel movie on grievance machinery to further educate labor unions and employers.

III. Operating Program Developments

A. Apprenticeship. The Labor Ministry's 1949-1950 budget includes funds to establish a separate Apprenticeship Section within the Bureau of Labor Standards to promote the training of skilled workers as a means of increasing production required by the nine-point economic stabilization program. The Apprenticeship Committee's work in setting apprenticeship standards has done little to effectuate the program and it is essential that the Bureau receive budget for increased staff, publicity programs, etc.

B. Job Analysis. Six more industry job studies were published by the Labor Ministry. The completed studies to date are: light bulb manufacturing, silk spinning, chemical fertilizer industry, metal castings industry, tobacco manufacturing, saw milling, bicycle manufacturing, carpentry, barber-beauticians, printing industry, coal mining, flour milling, roofing, willow products, bicycle repair, straw mat making, telegraph service, telephone service, and cement products manufacturing.

IV. Legislative and Administrative Proposals and Procedures

A. Labor Law Revisions

The proposed revisions of the Trade Union and Labor Relations Adjustment Laws upon which public hearings will begin on 21 February reduce to a minimum the internal regulation of union affairs. Original proposals to regulate them in detail by legislation were shelved in favor of a program of self-regulation. Certain minimum provisions required in union constitutions to insure democratic operation are contained in the proposals. In the event that such requirements are not met, the union may still bargain collectively but will be denied the procedures and remedies afforded under the law. Original proposals relating to registration and deregistration of labor unions are eliminated. The "cooling off" period at present set at 30 days is proposed for a 40-day period in public welfare disputes, with a 30-day preliminary period during which the union will notify the government of contemplated strike action.

A 1 February delegation of labor representatives to the Labor Minister demanded the establishment of a Deliberative Council for the Revision of Labor Legislation to include labor representatives, and that all draft plans for labor law revisions be withdrawn.

B. Labor Standards

On 9 February the Cabinet's Administrative Organization Research Council recommended that prefectural and local Labor Standards Offices be amalgamated into the Prefectural Labor Departments under the jurisdiction of the Prefectural Governors. The Cabinet may not adopt this recommendation but it is significant that efforts are still being made to eliminate the centralized administration which is so necessary for uniform, impartial and effective administration of the Law. Publicity given to such recommendations affects current efficiency of the organization.

V. Miscellaneous Economic Developments

A. Government Enterprise Workers

The Government Railway Workers' Union (Kokutetsu) and government monopoly

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unions (tobacco, salt, camphor) are reinstituting their dissolved Job Classification Committees in preparation for the resumption of collective bargaining rights on 1 April when the recently enacted legislation governing public corporations goes into effect. The unions are expected to demand wage increases based principally on job classification and job requirements. Kokutetsu was the first government union to seriously study job classification as a basis for pay.

B. Occupation Force Workers

A G-4 survey of service procurement demands resulted in formulation of the following policy: (a) reduction in the number of such demands, and (b) transfer of a large number of the 100,000 contractor-employed Japanese Nationals on such services as hotel maintenance, etc., to direct employment with the Japanese Government or "Occupation Force requisitioned labor". This transfer should aid in the elimination of labor bosses among service contractors and effect significant reductions in Occupation yen costs.

C. Developments in Women's Activities

The Zensekitan Union's Women's Section's attempts to eliminate their "protected worker" classification and to obtain equal pay for equal work instead of the current 70% average for women surface workers at coal mines resulted in union and company consideration of these two problems in the currently negotiated agreement.

D. Increasing Level of Technology in Japan

In conjunction with the ESS proposed plan to increase the level of technology, it was suggested that consideration be given to: (1) developing a Training-Within-Industry Program; (2) importing publications concerning safety and sanitation safeguards and improving these safeguards; (3) forming management-labor joint production councils; (4) reducing deliberate material wastage by eliminating the profit from domestic market sales of defective goods; (5) extending the apprenticeship program, and (6) encouraging the government to develop a unified program to increase efficiency in industries essential to the effectuation of the ESP.

E. Training-Within-Industry

To develop a TWI program, the Ministry of Labor formed a small council of industrial engineers to experiment with the translated British Manual on job instruction in one or two factories and provided in next year's budget for 18 TWI instructors to train 800 TWI supervisors in private industry.

F. World Federation of Trade Unions

Reports that Japan's labor unions were invited to send delegates to the forthcoming convention of the WFTU, a Communist-dominated group, have been received with mixed reaction by the National Congress of Industrial Unions and the General Federation of Japanese Trade Unions. The NCIU welcomed the invitation as signifying recognition of Japan's organized labor by other democratic unions in the world. On the other hand, the GFJTU took an indifferent view and thought that the question required further study owing to certain basic changes in the character of the WFTU resulting from the withdrawals of the British, American and Dutch trade union groups.

VI. General Conclusions

There is evidence that the government and employers, with at least the acquiescence of labor are attempting to break the "3 principles" of no price increases, no subsidies and no deficit financing as evidenced in the electric power, coal and metal mining and silk-reeling industries. As far as certain elements within the government and management groups are concerned the objective seems to be to prove that the "3 principles" as an indirect wage stabilization measure are not effective and that, therefore, direct wage controls are essential. The fact is that the ability of industries to pay wages without infringing on the "3 principles" is unknown and cannot be

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readily determined because of the lack of uniformity of accounts and records and the notorious falsification of Japanese employers' books in such circumstances. In the interplay of economic forces in a free economy the question would be determined by exercise of the right to strike by labor. Labor is being urged to forego the right to strike in the interest of the national stabilization program. If it patriotically concurs it will be left defenseless since there is no assurance that labor would receive equitable treatment within the framework of the program. Hence this situation may play directly into the hands of the Communists who are attempting, with some success, to increase their strength in the labor movement.

In connection with the proposed labor law revisions, organized labor's opposition may be lessened because of increased recognition of their implications as a result of the public hearings. It is significant to note that when the present Labor Relations Adjustment Law was introduced, labor violently opposed it but now upholds it and maintains that it requires no amendment.

ESS educational efforts are resulting in better labor contracts and constitutional revisions which will contribute to a sound and democratic trade union movement.

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 7
(16 January --- 29 January 1949)

I. Summary of Highlights

The Densan's (Electric Power Workers) Central Executive Committee decided to accept the CLRC's November mediation proposal of ¥7,600 monthly wage through March 1949.

ESS sponsored a national labor-management conference 27-28 January to discuss measures to achieve economic stabilization within the framework of the nine-point economic stabilization program.

John W. Gibson, Assistant Secretary of Labor, arrived in Japan 2 February for a six day visit to consult with GHQ, the Japanese Government and representatives of major labor unions and employers on labor problems connected with the economic stabilization program, labor relations, and labor laws and administration programs.

The Communist Party's success in the 23 January national election was manifested in their immediate move to increase their influence in the coal mine labor unions.

November average wages in manufacturing reached ¥6,766, a 5.3% increase over October. This increase is approximately half of the previous month's increase

II. Labor Relations Developments

A. Major Disputes

1. Electric Power Industry

By a majority vote of 60-44 Densan's Central Executive Committee on 30 January accepted the Central Labor Relations Committee's mediation proposal of ¥7,600 through March 1949; the Communist elements opposing acceptance. However, as the company is currently offering a basic average monthly wage of ¥6,800 to 1 January and ¥7,100 from January through March, the union decided to negotiate for company acceptance of the CLRC proposal, otherwise to refer the case back to the CLRC for further consideration.

2. Private Railways

Local union-company wage negotiations are still continuing.

3. Civil Merchant Marine Committee

Various Japanese government agencies generally agree that a ¥9,500 wage for shore personnel and ¥10,000 for seamen would be equitable. The Maritime Bureau of the Commerce and Industry Ministry proposed a plan to ESS whereby ¥400,000,000 could be released to pay these increases. However, any action on

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this plan will be delayed until a decision is made by the National Public Service Authority as to the preferred status of the shore personnel who are currently classified as government employees and pending the clarification of the status of seamen.

4. Electrical Appliances

The Tokyo Shibaura Electric Company has decided to cancel its labor union agreement and to resist production control currently in effect in the Kamo (Niigata) and Kawagishi (Nagano) plants and threatening at still other plants. It has also decided to invoke prosecution for criminal acts performed during negotiations.

B. Joint Labor-Management Activities

ESS sponsored a two-day conference 27-28 January to discuss measures to achieve economic stabilization within the framework of the nine-point economic stabilization program. Participants consisted of national representatives of all important labor and management groups. The Japanese government was not represented. Outlines of SCAP programs to implement the nine-point program were presented by interested ESS divisions. Three working panels of management-labor reviewed problems concerned with employment, wages and production, and labor relations.

The following general principles were agreed upon by both labor and management: (1) Increase production and achieve maximum industrial efficiency, and reward increased production with increased remuneration; (2) Stabilize wages within the "three economic principles" of no subsidies, no price revisions and no deficit financing by correcting price structure inequities, improving real wages, abolishing the black market, and equalizing the tax burden; (3) Stabilize labor relations on the basis of equality of sacrifice; (4) Avoid widespread unemployment in executing the nine principles of the economic stabilization program; (5) Improve the present unemployment insurance system; (6) Expand public works; (7) Improve the operation of Public Employment Security Offices and the vocational training program; (8) Favor unified livelihood security system with adequate dismissal and dependency allowances.

Points of disagreement included: (1) The need for a minimum wage; (2) Desirability of direct wage controls; (3) Methods for stabilizing labor relations; (4) Programs for democratization of trade unions; (5) Need for labor law revision.

C. Labor Union Organization and Structure

The Communist Party's success in the 23 January national election was manifested in their immediate move to increase their influence in labor unions. Their major offensive thus far has been in coal where Zensekitan (under Communist leadership) seeking to unify the coal mine labor front proposed that the three national coal unions merge into a new single national union. Tanro decided that such a merger was not appropriate at this time but would defer final consideration of the proposal.

D. Labor Education

The first two of a series of industry-wide conferences of employers to discuss the contents of a good labor agreement were held with representatives

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of the Iron and Steel Employers' Association and of the Textile industry. The employer groups were urged to propose contracts in their negotiations with unions in conformity with the Trade Union Law including specific agreements on wages and grievance machinery.

III. Operating Program Developments

Workmen's Compensation

Workmen's Compensation officials have presented a new personnel budget to provide staff for establishing such sections in each of the 346 labor standards inspection offices. This is expected to facilitate prompt payments and make it possible to check directly with the worker concerned before payment is made to verify the accuracy of claims. It will eliminate benefit payments from prefectural offices and reduce the need for payment of benefits through the employer as proxy for the worker. The budget also provides for additional personnel to audit employers' books as falsified payrolls are believed to have lost the insurance fund millions of yen.

IV. Legislative and Administrative Proposals and Procedures

A. Labor Administration

ESS is currently undertaking close supervision over all cases violating the Press Code which come before local Labor Relations Committees. Local LRCs have been instructed to conform to determinations of Press Code violations which have been established by GHQ or MG officials. LRCs are required to consult with CLRC on all questionable cases and the latter will consult with ESS.

As a further step towards the effective administration of the present labor laws, the Labor Ministry issued regulations defining (1) "substantial support" of unions by employers and, (2) managerial personnel who should be excluded from union membership, in order to establish union self-dependence and separate management agents from union control.

B. Safety in Mines

The Labor Ministry disagrees with the Commerce and Industry Ministry's proposals to expand the coverage of its new mine safety legislation to the mining industry rather than mines only. The "mining industry" as defined by the Commerce and Industry Ministry includes establishments which according to the Labor Ministry properly belong under the Labor Standards Law.

C. Social Security Advisory Council

The Labor Ministry is negotiating with the Welfare Ministry for adequate labor representation on the latter's Social Security Advisory Committee.

V. Miscellaneous Economic Developments

A. Wage Stabilization

The recommendations of the wages and production panel of the national labor-management conference held 27-28 January and subsequent supporting editorial

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comment should aid materially in strengthening the position of the government in applying the "three principles" in order to stabilize wages. Moreover, the conference disagreement between labor and management with regard to direct wage controls may cause the Economic Stabilization Board to modify its position in this regard.

B. Wage Trends

November average wages in manufacturing reached ¥6,766, a 5.3% increase over October. This is approximately half of the previous month's increase of 10%.

C. Public Works

Labor Ministry unemployment policy officials anticipating greater unemployment as a result of "rationalization" of industrial employment and additional repatriation in the 1949-50 fiscal year have requested sufficient appropriations under a Public Works program to provide 125,000 man-years of employment as compared with 25,000 in 1948-49 on Labor Ministry projects for both white collar and urban unemployed.

VI. General Conclusions

Although the national labor-management conference brought forth numerous differences of opinion there were broad areas of agreement which will furnish guidance to the Japanese Government in formulating policy to achieve the objectives of the economic stabilization program. The fact that these representatives cooperated amicably in arriving voluntarily at a clarification of their mutual problems must be considered encouraging. It is hoped that this constructive approach will result in specific achievements in the resolution of labor-management issues at the local operating level.

Communist leadership proposals for a united political front with all groups in opposition to the Yoshida conservative government is likely to have repercussions on a labor union movement in which socialistic elements have been important in holding a middle-of-the-road policy. This drive in the political sphere may carry over into the trade union movement with prospects of success definitely limited at the present time because of the rejection of the Communist proposal by the Social Democratic Party leaders.

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 6
(1 January — 15 January 1949)

I. Summary of Highlights

Labor relations in the first two weeks of 1949 generally followed a pattern of peaceful bargaining without imminent threats of strikes. Realization that the "three economic principles" of no subsidies, no price increases and no deficit financing and the nine-point economic stabilization program will be rigidly enforced has had a sobering effect upon union and management. Labor groups have scheduled meetings to appraise the status of labor in the light of the changing economic and subsidiary policies. Thus far no clear statements of policy have been issued even in communist controlled unions.

The Japanese Government has established an intra-governmental committee to draft proposed revisions in the Trade Union and Labor Relations Adjustment Laws in order to make them more effective instruments in achieving the objectives of the nine-point stabilization program. Public hearings will be held on the proposed revisions.

The results of the new monthly survey of average city worker's family income from July to November show receipts of ¥7,683, 8,559, 9,194, 9,627 and 10,022 respectively. The family head earned on the average over 83% of the total cash income.

Preliminary figures indicate that the Consumer Price Index continued to rise in December.

November disputes statistics show that 650,460 workers were involved in 84 labor disputes accompanied by work stoppages or work disruptions compared with the October figure of 212,526 workers involved in 92 disputes.

II. Labor Relations Developments

A. Major Disputes

1. Electric Power Industry

Negotiations regarding the base "regular wage" from July 1948 through March 1949 were resumed 13 January. The company offered ¥6,800 as a national average monthly standard wage for this period, an increase of about 26% over the previous wage average of ¥5,358. Negotiations are concerned with procedure at present with insistence by management on "regular wage" negotiation and the union on negotiating the January temporary monthly wage. Both sides were advised that until agreement is reached on the regular wage no payment will be made from the ¥810,000,000 wage subsidy allotted in the supplementary budget.

2. Private Railways

On 17 January the Enlarged Struggle Committee of the Union rejected by a vote of 51-46 the Central Labor Relations Committee's mediation plan for settling this wage dispute. The plan provides that the ¥5,366 award of last November be accepted up to 1 January, and that those companies financially able pay an additional 10% thereafter. The union wants the additional 10% applied to all companies. A total of 82 companies and 107,000 workers are involved in this dispute.

3. Civil Merchant Marine Committee

The CMMC seamen's wage issue has again arisen through a dispute involving 4,000 office workers who are organized in a separate union. This group of specialized workers, recruited mainly from private shipping companies on a temporary basis, claims that the new ¥6,307 government wage has wiped out their 60% customary

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wage differential; in fact their present wage of ¥6,237 actually lags behind the new government wage for the same hours of work. The Maritime Bureau estimated that ¥49,000,000 would be needed to restore the 60% differential from 1 January to the end of the fiscal year. However, as the seamen's wage settlement left open wages from 1 January to 31 March to further negotiations, an additional ¥350,000,000 will be required to adjust the seamen's wage in the event that the office workers wage claim was recognized.

4. Tokyo Shibaura Electric Company

This disoute involving 44 plants and 38,000 workers originates in the company's need to put each plant on a self-sustaining basis by laying off some 7,000-10,000 surplus employees. The union, under strong communist domination is opposing the "rationalization" plan and is resorting to acts of violence and duress at some of the plants.

5. Disputes Statistics

In November 650,460 workers were involved in 84 labor disputes accompanied by work stoppages or work disruotions compared with the October figure of 213,526 workers involved in 92 disputes. In addition, 736,231 workers were involved in 145 other labor relations cases not accompanied by work stoppages but where negotiations broke down and a third party intervened to assist in settlement.

B. Labor Union Organization and Structure

As another step in the educational program to improve labor contracts arrived at through collective bargaining, TSS is planning a series of conferences with representatives of various industry-wide employers' associations and major employers.

C. Labor Education

The new system of distribution of printing paper allocations to local unions instead of national unions was simplified by the Paper Allocations Committee. The Committee will deal with existing prefectural union councils rather than with the 35,000 local unions individually.

III. Operating Program Activities

A. Labor Standards

1. Safety

A Labor Standards Bureau, Safety Section report shows that examinations held during 1948 resulted in the issuance of 90,084 licenses by prefectural labor standards offices to acetylene welders, boilermen, crane operators, boiler welders and movie-projector operators. In addition, 35,334 installation tests and inspections were made of boilers, cranes, elevators and acetylene welding apparatus.

2. Hours of Work

The supplemental granting of two 15-minute rest periods per day to government workers by the National Public Service Authority may reduce the pressure by government workers for a change in the 30-minute lunch period as well as strengthen the position of Labor Standards officials who were asked by private employers to justify the 45-minute lunch period required by that Law.

B. Child Labor

Conferences are underway between the Tochigi Prefectural government offices, including officials of the Welfare Section, Labor Standards Bureau, Women's and Minors' Bureau and the Procurator's office to institute a program of joint action for curtailing the "selling" of children and for eliminating the evils connected with

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foster home placement. National conferences are also underway with consideration for using the Tochigi program as a basis for a national program.

IV. Legislative and Administrative Proposals and Procedures

1. Labor Law Revisions

The Japanese Government has established a committee composed of representatives of the Labor and Transportation Ministries, the Economic Stabilization Board, the CLRC and Attorney General's Office to recommend constructive revisions in the Trade Union and Labor Relations Adjustment Laws as a means of improving them in the light of experience and current economic conditions. A series of public hearings will be held in major cities on the proposed revisions before finalizing them for presentation at the next Diet session. At a conference of the leading union representatives on 11 January ESS made it clear that in any revisions the legitimate rights of workers will be fully protected.

2. Enforcement of Existing Labor Laws

The economic stabilization program together with the "three principles" governing wage increases makes it highly desirable to eliminate political or non-economic issues from labor disputes. Pending, therefore, the revision of laws governing labor unions and relations, ESS is undertaking a program to assure that all existing provisions of the laws are adequately enforced. This is being accomplished by guiding revisions in existing Ministry of Labor Ordinances and instructing that Ministry's Labor Policy Bureau to issue directives or interpretive bulletins to their field branches and the Prefectural Labor Relations Committees.

3. Seamen's Employment Security System

On 13 January the Cabinet passed the last of a series of ordinances necessary to implement the Seamen's Employment Security Law which establishes seamen's free public employment security offices in nineteen ports under the direction of the Maritime Bureau. Thus, the law, which theoretically became effective on 1 November is now actually in operation.

V. Miscellaneous Economic Developments

1. Wage Stabilization

Disagreement continues between the Economic Stabilization Board and the Labor Ministry regarding the method of achieving wage stability. The Ministry supports indirect control of wages through full implementation of the "three principles" while ESB, the Ministry of Finance and the "Yen Rate" Committee are pressing for the establishment of direct wage controls. The latter Committee, heavily weighted with industrialists and financiers, contains no labor representation. Although specifically appointed to advise the Prime Minister on the establishment of a single yen rate, the Committee has been making public pronouncements that direct wage controls are essential together with the "rationalization" of industry through the elimination of surplus labor.

2. Cost-Of-Living

Preliminary figures indicate that the cost-of-living continued to increase in December as evidenced by the index for Tokyo which rose by approximately 3.6% over November.

The first results of an average city workers's family income monthly survey conducted by the Cabinet Bureau of Statistics from July-November 1948 indicates that:

(1) Total money income amounted to ¥7,683 in July, ¥8,559 in August, ¥9,194 in September, ¥9,627 in October and ¥10,022 in November; (2) In the average family of 4.6 members, 1.4 have regular employment. The family head directly earned 82.7% in

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July, 83.0 to 83.1 in the three following months and 84.4 in November of the total family income. The balance accrued through earnings of other family members and deficit financing such as withdrawals from savings, borrowings and property sales; (3) The cash income in large cities was 6 to 13 higher than in medium size cities and, except for August, 10 to 17 higher than in small cities; (4) Heads of families employed in the mining industry reported the highest incomes. Above-average incomes were reported for family heads working in gas, electricity and water services, and in some months for manufacturing, transportation and communication.

3. Manpower Utilization

The Economic Stabilization Board plans to reorient the surplus labor studies handled by its Labor Bureau in order to tie them in more concretely with the new economic stabilization program. The new emphasis will consist of examining ways to increase production and lower unit costs in those basic industries receiving government subsidies. The first group to be studied will be nonferrous metals. Close coordination will be maintained with the Labor Ministry.

A 13 January ESS check sheet reviews headquarters policies with regard to "rationalization" of industry. An October 1947 "surplus labor" staff study was reexamined and it was concluded that the unemployment insurance and public works programs which have been in operation would provide a cushion for worker layoffs. It was emphasized, however, that these current programs would not be adequate if large scale, protracted unemployment results.

4. Public Works

Public Works certifications amounting to ¥15,625,413,000 for the final quarter of the present fiscal year have been completed. Next year's appropriation requests have been received and reviewed by ESB. Both ESB and the Finance Ministry propose to scale down these requests to allow a balanced rehabilitation program able to be financed within the limits of a balanced budget.

VI. General Conclusions

Organized labor is expected to oppose any revisions of the Trade Union and Labor Relations Adjustment Laws. Even if the revisions contain nothing but urgent requirements for the present national economy it is likely that labor will label such attempts as prejudicial to its interests.

In reviewing the labor situation in the last quarter of 1948 it is clear that the intermittent strikes in basic industries, particularly coal and electric power, had a very limited effect on general production levels. In view of the sobering effect of the new stabilization policies it is likely that labor will take more considered steps before resorting to strike tactics, and continued increases in output even without changes in individual workers productivity should ensue.

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140.3 - 20 Dec - 31 Dec 48

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT
(20 December - 31 December 1948) NO. 5

I. Summary of Highlights

No significant changes occurred in labor relations during this period. Negotiations are continuing for permanent wage settlements in certain major industries.

Several programs are in process which aim to stabilize Japanese labor relations and remedy deficiencies in Japanese labor union organization.

Increased influence of Communists in the Zensekitan coal union was reflected at the convention specially called to ratify the industry wage agreement.

From January 1948 to September 1948 the index of industrial production in manufacturing industries (excluding textiles) increased about 60% since January while the comparable labor force increased less than 2%.

The Consumer Price Index rose 6.6% in November, significantly reversing the downward trend manifested since August.

II. Labor Relations Developments

A. Major Disputes

The period has been one of general stability in labor relations with no major disputes in progress. However, certain major industries are still negotiating for permanent wage settlements.

B. Labor Union Organization and Structure

1. Improvement of Union Structure and Collective Bargaining Practices

ESS is guiding several concurrent programs to stabilize labor relations and to remedy deficiencies in Japanese labor union organization through improving union procedures, correcting defects in collective bargaining agreements and practices, and strengthening union constitutions with a view toward enhancing the democratic rights of the members. In addition, the programs call for the enforcement of the Trade Union Law, strengthening of the Labor Relations Committees and supervision of the widespread education and information activities of the Ministry of Labor.

ESS is also concerned with improving and simplifying Japanese union structure which is in many respects a confusion of factions. For example, Tanro, one of the major coal unions, is composed of two branches, one independent and the other affiliated with the General Federation of Japanese Trade Unions (Sodomei). Therefore, before Tanro can unify the coal miners into one union it must first unify itself and fix its direction. Some steel unions are affiliated with the National Congress of Industrial Unions (Sanbetsu), GFJTU, or are independent, making collective bargaining on an industry-wide basis extremely difficult.

2. Conventions

Both major coal unions ratified the settlement of the recent coal dispute at their conventions specially called to discuss the agreement. However, the terms of settlement almost split Tanro under moderate leadership. Zensekitan, on the other hand, under extreme leftist domination, after twice rejecting the settlement, ratified it only when the officers, including the Communists, unitedly favored

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it. The influence of the Communists in this union was clearly demonstrated when the Socialist incumbent was succeeded by a Communist for President and the 17 executive officers of the union formally joined the Communist Party en masse. The Communists may thus be about to accept direct responsibility for leadership in union affairs instead of manipulating through false fronts.

III. Operating Program Activities

A. Unemployment Insurance

A drive will be conducted during January, February and March by the Ministry of Labor to compel compliance and collect delinquent unemployment insurance premiums from thousands of middle and small sized firms, legally covered under the Law, who have escaped assessment and, consequently, the payment of premiums.

B. Labor Bosses

The Ministry of Labor has established specific criteria to aid prefectural and local officials in recognizing and taking action against labor bosses in stevedoring firms. These criteria were field tested and a directive covering the subject issued to prefectural governors.

IV. Legislative and Administrative Proposals and Procedures

A. Labor Relations Committees

Central Labor Relations Committee reports of all cases coming before the local labor relations committees show the majority to involve monetary disputes, and small percentages, discriminatory discharge, union demands for "democratization" of management, the closing of plants without union consent, lay-offs due to financial difficulties, etc. Local LRCs appear to be intervening in all types of disputes, regardless of their legal merits. This is evidenced by several decisions where many industries suspended operations for economic reasons. For instance, a committee ordered that a company's assets including raw materials, unfinished products and machinery be distributed to the workers in lieu of retirement or dismissal pay. In other cases, the committees have prohibited employers from executing mass lay-offs dictated by economic necessity.

The CLRC has appeared to be reluctant to furnish legal interpretations as uniform guides to the local committees. The CLRC has contended it lacks authority over the local committees and that, furthermore, in the interests of amity would not care to exercise such surveillance for fear of losing its unofficial influence over the actions of the locals. ESS is insisting on uniformity and, if necessary, will insist that cases of national importance be brought into the Central Committee for review or reversal.

B. Trade Union Law

An amendment to ordinances implementing the law governing appointments to the LRC was promulgated 1 December. It provides that labor and management submit their candidates for appointment to the Ministry of Labor or prefectural governor and that the administrative authorities in turn submit a slate of neutral members to labor and management for their concurrence. The pressure which heretofore labor and management were able to exert on the appointing authorities under the old system to compel appointment from a list in the order of their nomination, is nullified by this new ordinance.

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V. Miscellaneous Economic Developments

A. Output of Labor

From January 1948 to September 1948 production in manufacturing industries, excluding textiles increased from about 53% to 86% of the 1930-1934 level, or an increase of about 60% since January, while the comparable labor force increased less than 2%, from 9,200,000 to 9,360,000. This indicates that production per worker increased about 58% during 1948. Thus, surplus labor is not as great a drain on the economy as it was in 1947 and certainly is not to be compared with the situation of two years ago when the index of production in manufacturing industries (excluding textiles) was only half what it is now.

B. Government Wages

The Diet has formally adopted the ¥6,307 wage effective 1 December as the basis for government workers' wages to be paid during the current fiscal year. However, to pay this wage within the supplementary budget which was compiled on the basis of ¥5,300 effective 1 November, certain adjustments were made. Working hours were extended to 48 which will permit reductions in government employment; the wage level would be dropped to ¥5,434 in January and February rising again in March; and family allowances were decreased from the original NPA recommendation of ¥1,250 per dependent to ¥600 each for wife and first child and ¥400 each additional dependent.

C. Occupation Force Workers

The above wage level applied to Occupation Force office, professional, and domestic employees resulted in a 50% increase in base pay over the old scale for December, 25% increase for January and February and a 50% increase in March and April. Although the overall increase in government workers' pay indicated a 60% increase in base pay for Occupation Force workers, adjustment for the increase in hours resulted in the 50% figure. Family and area allowances are the same as government workers.

D. Cost-Of-Living

The drop in the October Consumer Price Index to 406.3 from the August figure of 420.5 was followed by a sharp increase to 433.0 in November. One explanation offered for the increase is the distribution of the staple food ration for the first ten days of November during October in order to allow a changeover in rationing books from the 2.5 to 2.7 "go" system. It is said that as a result, most people consumed this advance ration during October and larger than normal blackmarket purchases were made in early November when no staple food was distributed through ration channels, causing the index to rise.

E. Prison Labor

Although final details of the enforcement of prevailing wage requirements for users of prison labor are still unsettled monthly reports from the Attorney General's Office show a steady rise in the average daily wage from ¥87 in September, ¥91.5 in October and ¥117 in November and a steady decline in the total number of prisoner man-days worked on contracts from 280,000, 258,000 and 216,000 respectively.

F. Wages

The Ministry of Labor's December publication of prevailing wages for the construction and non-motor land transportation (wagons, carts, etc.) industries indicates an over-all increase of 27% above rates published in August.

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VI. General Conclusions

Although labor calm continues it may only be a breathing spell pending the clarification and introduction of basic programs to carry out the new economic stabilization policies. Within the framework of such programs labor may be expected to bargain for what it considers its legitimate claims on industry. Although the coal and metal mines wage issues have been finally settled, the limited duration of the agreements will require resumption of new contract negotiations to become effective 1 April 1949. Unless the new economic programs assure the necessary stability to workers livelihood the new contracts will be difficult to negotiate without recourse to possible dispute tactics.

Many moderate union leaders accept in principle, proposals for revisions in union structure and internal union practices. They fear however, that strong support for such revisions may give the extremists greater influence in many unions by their ability to capitalize on the issues. The moderates are therefore reluctant to go on record in favor of the proposed revisions. Management, on the other hand, finds it difficult to withdraw entirely from its traditional paternalism and therefore also resists certain reforms. However, certain signs of progress are evident in that the coal and maritime unions have already accepted the principle that striking workers shall not be paid and general acceptance of that principle may be expected.

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140.3 - 5 Dec - 19 Dec 48

Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 4
(5 December — 19 December 1948)

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I. Summary of Highlights

The nine-point economic stabilization program embodied in the directive transmitted by SCAP to the Japanese Government has had a profound effect on labor relations. The implications of these documents were emphasized to the major unions and industries representatives and both parties to major disputes were strongly advised to come to a peaceful settlement. The immediate result was that the coal unions reached a settlement, the 10-day old seamen's strike was cancelled, the electric power workers dispute tactics and the textile union's projected strike were called off. The suspension of these actions cannot, however, be construed as permanent settlements. Other disputes settled during this period include those in steel and shipyards.

The effect of the new nine-point economic stabilization program may be sharp reductions in the work force and subsequent widespread unemployment.

The Ministry of Labor has proposed to amend the Unemployment Insurance Law by (a) raising average unemployment insurance benefit rates, (b) reducing premium rates, and (c) extending coverage to some industries not now covered.

The CLRC on 22 December agreed to follow the "three principles" of no government subsidy, no rate increase and no deficit financing in rendering awards.

Despite a drop in the October Consumer Price Index, October wage payments rose 10% over September to average ¥6,423.

II. Labor Relations Developments

A. Major Disputes

1. Electric Power Industry

As of 24 December, a temporary settlement was reached. Densan workers agreed to accept the year-end allowance offered by management and to continue negotiations for a wage increase without striking.

2. Coal Mining

Agreement was reached 23 December providing for an increased base wage of ¥5,400 for surface workers and ¥7,880 for underground workers conditioned on a 10% monthly production increase over the April average of about 5.9 tons per man. For mines which cannot increase production by 10% due to unsatisfactory conditions a lower percentage increase would be acceptable.

3. Metal Mining

A settlement on approximately the same terms as effected in the coal industry is anticipated. In protest against hazardous conditions in the

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mines workers went on a safety campaign 15 December. The Cabinet decided on 21 December that the responsibility for mine safety will be lodged with the Ministry of Commerce and Industry.

4. Seamen

The 10-day old seamen's strike was called off at midgnight 20 December. The dispute was complicated by the Diet discussion of the government workers' wage issue. The Cabinet approved a ¥9,480 seamen's wage on the basis of an expected ¥5,330 wage for government workers. Since additional funds could not be found to pay this higher wage the seamen ended their strike realizing that a ¥7,671 wage was the limit for which provision was made in the supplementary budget. The Union has accepted the principle that henceforth no wages will be paid to striking workers and that only skeleton crews will be maintained aboard for security purposes.

5. Shipyards

Disputes in most of the major shipyards over year-end bonuses were settled except at the Mitsubishi-Yokohama Yard due to management's insistence that the large Struggle Committee be union instead of company financed as a prerequisite to settlement.

6. Private Railways

The Union following its special convention rejected the CLRC's mediation wage plan and voted for but subsequently cancelled a 24-hour strike 22 and 23 December. The operators also rejecting the award contended that only certain companies could pay it though the union maintains that the employers have refused to submit supporting financial data. ESS recommended local union-company negotiations under national union supervision.

7. Other Disputes

The wage dispute involving 14,350 employees of six divisions of the Japan Steel Tube Company was settled 10 December by a wage increase based on increased production. Negotiations are continuing on year-end bonuses and retirement allowances.

Threatened strikes in the cotton spinning and chemical fibres industries after rejection of the CLRC's 6 December wage award were cancelled and negotiations are continuing.

B. Labor Union Organization

1. Conventions

The Democratization League of the NCIU held its 2nd national convention 10-11 December to organize a new federation with 220 delegates in attendance. The main decisions of the convention included: (1) the formation of a new NCIU, (2) opposition to revision of the National Public Service Law, (3) "struggle declaration" against the Communist Party, and (4) a request that CIO and AFL (American) Labor Committees visit Japan.

2. Labor Union Agreements

ESS is surveying labor agreements in key industries to emphasize the need for strengthening their terms, especially with regard to inclusion of

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no strike clauses; establishing clear-cut grievance procedures; definition of managerial and union responsibilities; establishing definite expiration dates and renegotiation procedures; and other improvements. A campaign to improve trade union practices is also in progress.

C. Labor Education

The Ministry of Labor is planning a series of 10 regional one-week winter schools. The discussions will be primarily on the operation of local unions.

III. Operating Program Activities

A. Labor Standards

All public enterprise workers not otherwise exempted by law are covered by the NPSL, effective 3 December, which specifically prohibits inspection by the Ministry of Labor of government working conditions. The Public Corporation Law, effective 1 April 1949, however, exempts railroad workers from provisions of the NPSL and reapplies coverage of the Labor Standards Law. The problem of inspections for railroad workers up to April 1949 may be resolved by National Personnel Authority permission to the Labor Standards Bureau to conduct such activities.

B. Workmen's Accident Compensation Program

October coverage added 9,000 new employers to the 171,000 already liable.

Despite the highly successful October drive the system's reserve fund remains precarious as premium collections were based on estimated prevailing wage levels early in 1948 while benefit payments were based on the much higher actual prevailing wages. Employers will therefore be required to pay as additional premiums the difference between the original estimate and the actual wages paid during the period 1 April 1948 to 31 December 1948 and quarterly thereafter.

C. Ministry of Labor Research and Statistics Coordination

An inter-Bureau Technical Coordinating Committee has been established to coordinate statistical and research matters.

IV. Legislative and Administrative Proposals and Procedures

A. Unemployment Insurance

The Ministry of Labor has proposed to amend the Unemployment Insurance Law by (a) raising average unemployment insurance benefit rates from 60 to 70 percent of the prior wages, (b) reducing premium rates, and (c) extending coverage to some industries not now covered such as construction which employs many casual or day-laborers who are most subject to unemployment and dependence on labor bosses. Benefit payments and premium collections for these industries and workers would in general follow the "stamp plan", used in Great Britain.

B. Labor Administration

Following a meeting of 14 December called by ESS to discuss Labor Relations Committee responsibilities toward the government's economic stabilization

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policy, the Committee on 22 December agreed that it would attempt to follow the "three principles" in rendering awards. This policy will also serve as a standard for the Prefectural Labor Relations Committees.

V. Miscellaneous Economic Developments

A. Cost-of-Living

Despite a drop in the October Consumer Price Index (see previous report) October wage payments rose 10% over September to average ¥6,423.

B. Wages

The government has formally adopted the ¥6,307 wage recommended by the National Personnel Authority as the basis for government workers' wages to be paid during the current fiscal year. Coupled with the increase is an extension of working hours which should permit reductions in government employment.

C. Unemployment

Employment has slightly but steadily increased for the last several months. However, the effect of the new nine-point economic stabilization program coupled with the proposed reduction in employment will undoubtedly result in severe repercussions. First preliminary estimates indicate that about 1½ to 2½ million workers will be displaced, primarily industrial and office workers.

VI. General Conclusions

1. The nine-point economic stabilization policy embodied in the directive transmitted by SCAP necessitates immediate application of a program to achieve wage stability. ESS proposed the formal adoption, as basic government policy, of the "three principles" as a means of accomplishing this objective.

2. Implications of the stabilization program leading to increased unemployment through rationalization will require careful consideration. Proposed measures to deal with the problem consist of enhanced unemployment insurance benefits, public works designed to fit the needs of urban workers, welfare and other relief programs and improved procedures to increase occupational and geographic labor mobility.

3. Although unions have been cooperative in calling off strikes there is no guarantee that this situation will continue. Unless management endeavors to meet the union's legitimate demands in relation to rising cost-of-living or other inequities, disputes activities may be resumed.

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140.3 - 16 Nov - 4 Dec 48

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI-MONTHLY REPORT NO. 3
(16 November -- 4 December 1948)

I. Summary of Highlights

Major disputes continuing during this period included coal, electric power, maritime and steel. A new dispute developed in shipbuilding. Strikes settled include the metal mines over emergency allowances and that at the Yawata Steel Plant, both on 6 December. No major industry strike had to date crippled the industry. Constant press references to strike tactics have carried the impression of a far more serious situation than actually prevails.

Under the injunction that no subsidy will be granted until they have reached a concrete conclusion, the coal operators and unions resumed negotiations and the operators submitted a more favorable counter-proposal.

Recently held Conventions of the NCIU, All-Japan Electric Power Workers' Union and All-Japan Chemical Workers' Union were controlled by extremists.

A highly successful anniversary celebration of the Employment Security and Unemployment Insurance Laws was held the first week in December.

The Government's economic stabilization policy of no subsidies, deficit financing or price increases has been receiving considerable publicity. However, these "three principles" still remain a relatively informal statement of policy.

A sharp decrease of 5% in the October Consumer Price Index represents the first significant decline since August 1947.

II. Labor Relations Developments

A. Major Disputes

1. Electric Power Industry

The union agreed to accept the company's offer of a 30% wage increase from July through November (40% for the six largest cities) and to discontinue dispute tactics pending the union's convention held 2 December where through an extremist victory the regional strike policy was reaffirmed. The union still demands payment of the Central Labor Relation Committee's mediation award of 42½% which is contingent upon the amount of government subsidy and rate increase permitted, and increases in the year-end bonus and family allowances.

2. Coal Mining

Negotiations are currently underway after the suspension of piston strikes when the operators made a new offer for pit workers of ¥7,760 monthly including tax, based on 6.84 tons monthly production per man. The Union's willingness to negotiate is an advance over their previous refusal to discuss basic wages in conjunction with production. The Unions however, announced that local strikes might be undertaken without prior notice, but indications are that there will be no immediate strike action.

One-third of the miners stopped work during the second round of strikes from 30 November-2 December. Some 396 mines were involved resulting in a production loss estimated at 105,932 tons. Piston strikes beginning 23 November resulted in estimated coal losses of between 5% and 6% of production goals. November coal output totalled 2,955,000 metric tons or 95.5% of goal.

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3. Metal Mining

The union's nationwide 48-hour strike of 2 December over an emergency allowance was settled 6 December. Wage negotiations are continuing but agreement hinges on a future coal settlement.

4. Seamen

The Seamen's Union in protest against the Civil Merchant Marine Committee's failure to adhere to that part of the Seamen's Labor Relations Committee's mediation award of last October which the union was willing to accept, went on a series of strikes affecting all non-occupation force vessels. The strikes were suspended 8 December. The award provided for a 30% wage increase from June through October which the union agreed to accept only through August and to negotiate for a subsequent increase. The Government on 7 December approved an additional increase over the 30% of 23.6% from 1 November to 31 March 1949 without, however, providing the ¥800 million additional funds. Budget action by the Diet is therefore necessary.

5. Shipyards

Spasmodic strikes are in process in five major shipyards affecting non-occupation vessels when the union rejected management's offer to pay half of its demand for increased year-end bonuses.

6. Private Railways

The union has rejected the original CLRC mediation proposal and proposes to resort to struggle tactics.

7. Other Disputes

The three-month minimum wage dispute in the Japan Steel Manufacturing Company's Yawata plant was settled 3 December by a wage increase of ¥1,500 to be paid on a merit basis. Threatened strikes over wages in the six divisions of the Japan Steel Tube Company were temporarily suspended.

The woolen textile and cotton spinning industries are negotiating for increased wages, the latter under negotiation by the CLRC.

8. Disputes Statistics

In October 212,526 workers were involved in 92 labor disputes accompanied by work stoppages or work disruptions compared with the September figure of 101,520 involved in 106 disputes. In addition 554,131 workers were involved in 147 other labor relations cases not accompanied by work stoppages but where negotiations broke down and a third party intervened to assist in settlement.

B. Labor Union Organizations

Conventions

The friction between NCIU Democratization League members and extremists resulted in a split at the Union's national convention held 19-22 November. The domination by extremists including election of party members and sympathizers to all top offices, resulted in an overwhelming vote that the League was "anti-labor" and consequently should be dissolved. The protesting League's delegates who advocated the removal of Communist factions thereupon walked out of the convention and subsequently conferred re the organizing of a new NCIU. The NCIU will possibly lose from 20% to 30% of its 1,100,000 membership but will at the same time eliminate practically all internal opposition.

The Convention resolved to: (1) establish a minimum wage system; (2) form a united labor front through rejection of "anti-laborites" and "diversionists" and struggle against "national and local powers" and (3) elect truly "democratic" people's representatives. It also decided unanimously to send delegates to

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the World Trade Union Congress in February.

The All-Japan Electric Power Workers' Union's extremist faction overrode by a 5-4 vote the Democratization representatives by securing adoption of its "regional struggle" policy at an extraordinary national convention held 29 November-2 December to decide struggle policy with regard to the current dispute. The democratization League attempted without success to require regional struggles to occur only with approval of union headquarters and that such struggles be part of a collective dispute action. The extremists charged the League faction with being anti-labor and reactionary. At the same time the League was defeated on its motion to democratize the union by expelling all Communists. Motions were adopted to boycott in the coming general election all pro-National Public Service Law revision Diet members and to establish "union autonomy" provided that "this does not necessarily mean rejection of the Communist Party."

With an estimated two-thirds of the 145 delegates inclined to the extreme left, the third annual convention of the All-Japan Chemical Workers' Union held 14-17 November followed the Communist line in general, and elected top leaders believed to be Communists.

C. Labor Education

A 1949 labor education program for Japanese unions is being prepared by ESS, CI&E and the Labor Ministry. The first quarter program will concentrate on Democratic Trade Unionism and the second quarter on Good Labor Relations. A Command Letter providing for the inauguration of nationwide programs of labor information and education with increasing emphasis on projects to be carried out by the Japanese themselves was issued to the Eighth Army.

III. Operating Program Activities

A. Labor Bosses

Local PESOs are now concentrating on eliminating bosses from government projects involving construction, maintenance work, public works and snow removal projects where minimum compliance has been obtained. The Labor Minister notified other ministries that continuation of this illegal practice will result in publicity and prosecution of the responsible government officials. A joint directive from the Labor Ministry and the ESB ordered prefectural governors to eliminate bosses from all prefectural construction projects.

B. Manpower Freeze in Coal Mines

The six month employment "freeze" to limit total employment and increase the proportion of underground workers resulted in a decrease in total employment from 516,769 on 30 April to 510,325 on 30 September. Underground employment increased by 3,745 to reach 52.6% of total employment while surface employment declined by 10,189. The goal of 60% underground workers will be the primary objective of the next six months' employment stabilization program.

C. Labor Standards

A number of unions, notably Densan, incorrectly contend that non-payment of wages during strikes violated the Labor Standards Law and therefore wages should be paid during strikes. However, because one prefectural Labor Relations Committee acquiesced, ESS informed that Committee that interpretation of the Labor Standards Law is not within its purview. The Ministry of Labor will further publicize its interpretation of this point.

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Enforcement of the Labor Standards Law against Chinese violators, heretofore weak because of their special extra-legal status, is being materially strengthened by the cooperation of MG in obtaining entry of premises for inspectors and facilitating the prosecution of violators in provost courts.

D. Workmen's Compensation Activities

During September both coverage (171,000 establishments) and the amount of premiums collected (¥262 million) were higher than in any previous month and exceeded benefit payments by ¥117 million. The number of benefit recipients (36,000) dropped slightly though payments (¥145 million) showed a slight increase.

E. Prison Labor

The government's policy that users of prison labor must reimburse the government at prevailing rates of pay has finally been implemented by the Attorney General's Office which provides that the middle of the range of the Labor Ministry's published list of prevailing wages be used as a basis for wage determination in prison labor contracts. Provisions have also been made for inclusion of escalator clauses in such contracts to recognize changes in subsequent revisions of the published prevailing wages.

F. School Work Shop Program

Extensive possibilities exist of using school workshops to: (a) undercut wages and working conditions, (b) permit unfair competition to legitimate employers, and (c) employ minor workers under harmful conditions. These possibilities have been stressed by ESS to CI&E in relation to the Education Ministry's proposals for expanding existing "welfare" school workshop programs (where students work after school to produce goods for themselves or to obtain wages and not for training purposes). Final policy by CI&E and ESS has awaited the completion of an Education Ministry survey to determine the nature and extent of such "welfare" programs. ESS insists that any standards to regulate this situation provide the following safeguards: (a) designation of legal responsibility for violations of the Labor Standards Law, and (b) the ensuring of adequate machinery for paying prevailing wages.

IV. Legislative and Administrative Proposals and Procedures

An Employment Security Interdepartmental Committee was established by a Cabinet Order of 19 November to implement provisions of the Employment Security Law which requires the Labor Minister to coordinate national employment policy matters. The Committee will meet formally at least once a quarter. Informal liaison will be maintained with pertinent Committee members on specific problems.

Labor Administration

Up to the present time the Labor Relations Committees have made awards in wage disputes beyond industry's capacity which has forced the industry to turn to the Japanese Government for supplementary financial assistance. These awards are substantially responsible for a large part of the present national inflation by pressure on prices and governmental deficit financing. The Committees nevertheless, have operated without recognition of any responsibility for the ultimate effect of their actions upon national economic stabilization policy.

ESS/LAB is meeting with the entire CLRC membership 14 December to present this problem and request the adoption and publicizing of a more realistic policy on economic issues.

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V. Miscellaneous Economic Developments

A. Cost-of-Living

The Consumer Price Index for October shows a sharp decrease from 420.5 in August to 407.3 in October caused primarily by the drop in the price index for staple foods due to: (1) bumper sweet potato crop and advanced distribution, (2) larger amount of rice in the staple ration, (3) large increase in supplementary rations from imported foods, and (4) falling off of blackmarket purchases of staple foods.

B. Wages

The government has submitted to the fourth Diet session a bill which would provide government workers with a monthly average wage of about ¥5,300, the figure used in compiling the supplementary budget. The TNPC recommendation of ¥6,307 is being submitted as "information" to the Diet.

A survey of prevailing wages in the construction industry indicates a 32% increase between August and December 1948.

VI. General Conclusions

There are reliable indications that both labor and management are cooperating in certain industries to break down the "three principles" stabilization policy and force the Japanese Government to reinstate the system of subsidies, government loans and price increases. For its part, industry has refrained from discouraging labor's adoption of dispute tactics and has refrained from making reasonably conciliatory settlement offers. The budget inclusion of four billion yen for wage subsidies for Diet consideration has been greeted by industry and labor as the first crack in the ultimate breakdown of the stabilization policy. Both labor and management have been advised that they may expect no part of any proposed subsidy unless and until they have reached a concrete solution to their disputes.

The ability of the extremists to maintain control in major unions and press for positive dispute policies suggests a clear split with the moderate or democratization groups. This lack of unity may forecast the regrouping of union membership into a clearly marked moderate and extremist organizations.

The sharp drop in Consumer Price Index for October indicates a lowering of the cost-of-living. If there are no significant increases; union wage demands, which have heretofore been based on the rising cost of living, may be shifted to some other criterion, probably either the attainment of a theoretical standards of living or participation in the fruits of any general increase in national production.

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Economic and Scientific Section
Labor Division

LABOR DIVISION SEMI MONTHLY REPORT NO. 2
(1 November — 15 November 1948)

I. Summary of Highlights

Although the electric power and coal disputes remained unsettled, the government submitted proposals to ESS to finance the electric power wage increase and in the coal dispute the operators made a counter-proposal.

The left-wing retained control of the All Japan Communications Workers' Union as a result of the convention elections; however, the Democratization League showed marked increase in strength.

The coal mine employment freeze was extended through April 1949.

The Temporary National Personnel Commission's recommendation of a ¥6,307 average wage for government workers was opposed by the government and employers as too high.

Cabinet Bureau of Statistics survey reveals that selected city wage earners' incomes averaged ¥9,944 in September, of which only 77 percent was secured from the wages or salary of the principal wage earner.

II. Labor Relations Developments

A. Major Disputes

1. Electric Power Industry

The Central Labor Relations Committee's mediation award in the electric power dispute, announced 8 November, has since been considered by labor and management. Emergency strike orders calling for strengthening of disputes tactics were issued on 11 November and on 17 November it was reported that the union had rejected the CLRC award. The company claimed that its acceptance of the award is contingent solely upon new sources of revenue and the government's decision in the matter.

The government presented ESS with two proposals to finance a new wage level. The first would fully meet the CLRC award with the cost of the wage increase for the nine-month period from July 1948 to March 1949 estimated at ¥3,449,557,000, the financing of which provided that: (a) the company absorb 13% of the wage increase by reducing operating costs such as adjusting retirement allowances, reducing the number of full-time union officials and postponing the replacement of turnover; (b) the balance be met equally by a power rate increase for household and business users, exclusive of manufacturing, and a government subsidy.

The alternate proposal suggested a 15% increase over the March 1948 base wage which the government estimated would maintain the March wage level taking into consideration the tax reduction. The cost of this increase was estimated at ¥1,334,626,000 of which 28% would be absorbed by the company and the balance met entirely by power rate increases.

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2. Coal Mining

Coal mine operators who originally insisted that they were unable to meet any wage increase without coal price increase or subsidy even with maximum production at present capacity, on 17 November made a counter-offer in the wage negotiations based on increased production per worker which proposed: (a) an increase of ¥1,200 monthly per worker for a 20% increase over the present average 5.98 ton production per man, per month; (b) for production over 5.98 tons but less than 20% an increase based on a sliding scale, and for production over 20% corresponding adjustments subject to negotiations.

Initial response of the workers to the proposal was negative; however, upon further consideration, the workers expressed that the offer did not give them full share of the benefits, and the proposal is still being discussed between management and labor with government attempting to mediate.

Between 12 and 17 November, groups of miners in 98 mines employing some 97,000 workers engaged in sporadic one and two-day strikes causing a drop in production estimated at 20,000 tons daily. Further strikes were postponed until 23 November.

3. Metal Mining

The settlement of the metal mine dispute hinges largely on the settlement of the coal dispute in which wage demands are similar. The operators notified the union they were unable to meet their demands for increased wages without an increase in prices of ore or government subsidy, and the union called a 24-hour nationwide strike on 15 November.

4. Imperial Oil

The Imperial Oil Company dispute was settled 17 November when both parties signed an agreement to withdraw the case from arbitration and reached a compromise on increased wages and discharge of workers. The final settlement will result in the discharge of some 2,330 surplus workers, including those over 55 who will be retired, with the company paying the dismissal and retirement allowances.

5. Private Railways

During mediation before the CLRC the operators indicated that they were financially able to pay the recommended wage increase without an increase in rates. Inquiry, however, revealed that in 1947 private railways received a subsidy of ¥156,000,000 and are currently asking for an additional ¥914,000,000. This was brought to the attention of the CLRC with the suggestion that their announced award be reconsidered.

B. Labor Union Organization

1. Communication Workers' Union Convention

The left wing-retained control of the All-Japan Communication Union as a result of the national convention elections 10 - 13 November, however the Democratization League showed marked increase in strength. Chairman Kazuyoshi Dobashi was reelected for the sixth consecutive time and Kanji Yamaguchi of the Democratization League was elected as one of the three vice-chairmen.

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The motion for non-confidence in the Dobashi regime on charges of alleged irregularities in union finances raised by the League members, while defeated, received a vote of 260 to 190 and resulted in suspension of four union officials. Principal convention decisions were support of a ¥7,300 average wage for communication workers and opposition to the revision of the National Public Service Law.

2. Government Workers' Demonstration

Despite a warning of disciplinary action against demonstrations and rallies during office hours as violations of Government Ordinance 201, some 7,000 government workers and sympathizers held a rally in Tokyo 8 November between 1200 and 1500. Procuratorial authorities, however, were examining whether violations actually occurred and if participants were subject to disciplinary measures. A second rally was held 18 November.

III. Operating Program Activities

A. Coal Mine Employment

The six-month coal mine "freeze", successful in maintaining employment at the 30 April level, was extended on 28 October for another six months.

B. Vocational Training

In order to benefit from demonstratively effective Training-Within-Industry programs, $8,000 was requested through ESS to send two Japanese officials to England for a five-months course offered to foreign government representatives.

C. Unemployment Insurance

The Bureau of Employment Security is considering recommending raising average unemployment insurance benefit rates from 60% to 70% of the prior wages as many unemployed do not bother to draw benefits because they are so small and because of the large accumulated reserve fund. The advisability of reducing premium rates is also being considered in this connection.

D. Workmen's Compensation

In order to collect delinquent premiums, large scale attachments of property in Hokkaido, the principal area of delinquency, was accomplished including a ¥15,000,000 attachment at the Hokkaido Coal Mine and Steamship Co.

E. Labor Standards Law

Vigorous enforcement of the Labor Standards Law is limited by the ineffectiveness of yen fines due to continued inflation. Employers seem more concerned over the loss of face resulting from prosecution and conviction, hence the few prison sentences imposed indicate that the law can be successfully enforced.

IV. Legislative and Administrative Proposals and Procedures

Ordinances implementing the Seamen's Employment Security Law were issued 10 November establishing immediately seamen's free public employment security offices in nineteen ports under the Maritime Bureau, Ministry of Transportation, and discontinuing the existing offices operated by the government-subsidized Seamen's Foundation.

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V. Miscellaneous Labor Economic Developments

A. Wages

The Temporary National Personnel Committee's recommendation of a ¥6,307 monthly average wage level for government workers includes within it a ¥1,250 family allowance per dependent on the premise that the family allowance must be sufficient to maintain the dependent. If adopted, this principle may stimulate demands for higher family allowances in private industry inasmuch as family allowances in both government and private industry heretofore have been far below the actual cost of maintaining family members.

B. Cost of Living

The average city worker's family income as a result of a preliminary Cabinet Bureau of Statistics sample survey in twenty selected cities totalled ¥9,944 in September. The family head received 77% (¥7,637) of this total income directly as earnings from his job. The balance accrued through wage receipts of other family members, withdrawals from savings, property sales and borrowings.

VI. General Conclusions

The Diet may not accept the recommended ¥6,307 average wage level for government workers because it cannot be met from existing revenue sources. A recommendation of ¥5,300 by the Finance Ministry and opposition from employers who fear the pressure on private industry wages if the TMPC recommendation is adopted suggests that the Diet will establish a wage level somewhere closer to ¥5,300.

The stiffening attitude of ESS and the Japanese Government against subsidies, loans and price increases to finance wage increases appears to have some effect on negotiations between management and labor. Some consideration is being given to proposals for financing wage increases through increased efficiency as instanced by the coal operators' proposal to increase wages in relation to increased production and the agreement reached in the Imperial Oil Company dispute to shut down unprofitable operations. However, it is evident that both management and labor are holding out in the hope that the position of ESS and the government will revert to the old system of subsidies or price increases.