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GHQ/SCAP Records(RG 331)
Description of contents

(1) Box no. 2042

(2) Folder title/number: (12)
Compensation - 1948: I:

(3) Date: Mar. 1948 - Dec. 1948

(4) Subject:

Classification	Type of record
324, 744	e

(5) Item description and comment:
With a List of Papers

(6) Reproduction: (Yes) No

(7) Film no. Sheet no.

File Under _____ Page _____

NO.	FROM	DATE	TO	SYNOPSIS
72	B.Hoover	Dec 18 '48	M.Salter	Schedule of rates (pay)
73	M.Salter	Dec 19 '48	M.Salter	Bill Concerning Salary for Government Officials Proposed by House of Representatives
74	M.Salter	Dec 19 '48	Memo for Rec.	Conference on Bill Concerning Salary for Government Officials Proposed by House of Representatives
75	J.B.Bettis	Dec 27 '48	M.Salter	Proposed Regulations Covering Standards for Initial Appointments, Promotions and Within-Grade Salary Advancements
76	M.Salter	Dec 29 '48	Memo for Rec.	Implementation of New Pay Law
77	M.Salter	Dec 30 '48	Memo for Rec.	Interpretation of New Pay Law
78		Dec 30 '48	Report	Discrepancies in Published Version of Bill to Amend the Bill for Partial Amendment to the Law Administering the New Pay of Government Officials
79	M.Salter	Dec 31 '48	Memo for Rec.	Proposed Promotional Policy
80	M.Salter	Dec 31 '48	Memo for Rec.	Instructions from Office of New Pay Administration to Chiefs of Agencies regarding conversion to ¥6307 Base.

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NO.	FROM	DATE	TO	SYNOPSIS
50	W.P.MacCoy	Nov 10 '48	Memo for Rec.	The New Pay Program Suggested by NPA
51	W.P.MacCoy	Nov 12 '48	B.Hoover	Press Report from Jiji Shimpo - 11 Nov 48 RE Finance Minister's Proposed Salary Rate
52	M.Salter	Nov 17 '48	W.P.MacCoy	National Personnel Authority Documents on Compensation Program
53	Chairman of Temporary National Personnel Commission to Prime Minister	Nov 22 '48	CSD	On Question of Recommending the Adjustment of Salaries of Government Employees under Provision of Article 67 of the NPSL
54	M.Salter	Nov 19 '48	W.P.MacCoy	Proposed Amendments to New Pay Law
55	W.P.MacCoy	Nov 26 '48	M.Salter	Proposed Amendments to New Pay Law
56	W.P.MacCoy	Nov 29 '48	J.Williams	Proposed Pay Bill
57		Nov 29 '48	Draft	Final Draft Law amending the Law Administering of New Pay
58	M.Salter	Nov 29 '48	Memo for Rec.	Discussion concerning Proposed Compensation
59	CSD	Dec 1 '48	J.R.Bell	Organization and Division of Work - Salary and Wage Section
60	N.Borthick	Dec 6 '48	M.Salter	Recommendations forcorrective adjustment in base pay
61	M. Salter	Dec 7 '48	Memo for Rec.	¥5330 Wage Level
62	M.Salter	Dec 9 '48	Memo for Rec.	Diet Presentations on Compensation Program
63	B.Hoover	Dec 10 '48	J.Williams	Bill Concerning Salaries and Other Pays of Government Workers from November 1948 Onwards. (This is the bill Submitted as a "Government Bill".
64	J.Bettis	Dec 10 '48	Memo for Rec.	Bill Concerning Salaries of Government Officials Allocated to the Grade 15 Service
65	J.Bettis	Dec 10 '48	Memo for Rec.	Bill Concerning Salary and Other Compensations for National Public Service Personnel in Special Government Service
66		Dec 10 '48	Draft re:	Recommendations on pay made by NPA
67	M.Salter	Dec 14 '48	W.P.MacCoy	Report re Budget Committee Fight for more funds
68	W.P.MacCoy	Dec 14 '48	B.Hoover	First Hourly Report on New Pay Plan
69	W.P.MacCoy	Dec 14 '48	B.Hoover	Hourly Report on New Pay Plan - 1530 Hours
70	W.P.MacCoy	Dec 17 '48	Memo for Rec.	Meeting of Chairman of Personnel Affairs Committee, Chairman of Budget Committee and Members of House of Representatives
71	W.P.MacCoy	Dec 17 '48	Memo for Rec	Meeting with Members of Opposition Parties of House of Representatives on Proposed Pay Bill

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NO.	FROM	DATE	TO	SYNOPSIS
24	G.Peterson	Jun 28 '48	W.P.MacCoy	Bill Concerning Salaries and Other Pays of Government Workers from June 1948 onward
25	T.Eliot	Jul 29 '48	W.P.MacCoy	Information secured relative to wage study to be made by National Personnel Commission
26	J.Bettis	Aug 6 '48	M.Salter	Conference in Regard to Dates of Payment of Japanese Personnel
27	CSD	Aug 10 '48	Memo for Rec.	New Pay Plan
28	J.Bettis	Aug 16 '48	Memo for Rec.	Conference in regard to Additional Pay Allowances for Kodan Employees
29	M.Salter	Aug 18 '48	Memo for Rec.	Work Program on Compensation Study
30	NBorthick	Aug 30 '48	M.Salter	Basis of Payment of Compensation to Japanese Government Employees at Present Time.
31	W.P.MacCoy	Sep 1 '48	Memo for Rec.	ESS/LD Statement from Mr. Ueno
32	T.Eliot	Sep 1 '48	Memo for Rec.	Relationship Between the Office of New Pay Administration under the Prime Minister and the Allowance Bureau of Finance Ministry
33	T.Eliot	Sep 15 '48	Memo for Rec.	Interorganizational Administrative Contacts on Pay Matters
34	M.Salter	Sep 18 '48	B.Hoover	Compensation Study
35	Hasumi	Sep 21 '48	Statement	Re Investigation-(leakage of information)
36	W.P.MacCoy	Sep 23 '48	M.Salter	Action to be taken on New Pay Law
37	M.Salter	Sep 28 '48	W.P.MacCoy	Continuation of Provisions of New Pay Law
38	M.Salter	Oct 8 '48	W.P.MacCoy	Pay Adjustments to 3791-yen basis
39	M.Salter	Oct 13 '48	W.P.MacCoy	Status of Conversion to ¥3791 Basis
40	W.P.MacCoy	Oct 14 '48	Memo for Rec.	Ministry of Finance Plan for Temporary Wage Increase
41	Dr.Asai	Oct 23 '48	W.P.MacCoy	Transmitting petition which asked that payment for compensation be expedited
42	W.P.MacCoy	Oct 25 '48	M.Salter	Demand for 2.8 Month Supplementary Pay
43	W.P.MacCoy	Oct 26 '48	Gen.Whitney	Compensation Study - Plan of Operation
44	W.P.MacCoy	Oct 26 '48	Gen.Whitney	Re personnel in ESS
45	W.P.MacCoy	Oct 28 '48	Gen.Whitney	New Pay Program
46	M.Salter	Oct 29 '48	Memo for Rec.	Progress in Application of New Pay Law
47	W.P.MacCoy	Oct.29 '48y	Gen.Whitney	New Pay Program
48	N.Borthick	Nov 2 '48	Memo for Rec.	Percentage increases actually resulting from the pay adjustment from the 1600-yen base to the 2920-yen base, as reported by Mr. Sekai
49	M.Salter	Nov 9 '48	W.P.MacCoy	Report on Adjustment of Compensation for Government Employees

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NO.	FROM	DATE	TO	SYNOPSIS
1	B.Hoover	Mar 19 '48	J.Williams	Law Concerning Salary and Other Pays Granted to Government Workers
2	B.Hoover	Apr 1 '48	J.Williams	Amendment to "Law Concerning Salary and Other Pays of Government Workers," enacted 20 Mar 48
3	C.Marcum	Apr 13 '48	Chief,CSD	Conference between representatives of the Finance Ministry, ESS/LA and CSD, GS
4	M.Salter	Apr 19 '48	B.Hoover	Final Settlement of the Pay Issue
5	B.Hoover	Apr 19 '48	Gen.Whitney	Conference with Mr. James Killen, Chief Labor Division, ESS
6	Compensation Bureau,Finance Ministry	Apr 28 '48		Draft Laws for Reference in Connection with the Execution of a New Pay Plan of the Government Personnel
7	B.Hoover	Apr 29 '48	J.Williams	Law Administering the New Pay Plan
8	W.P.MacCoy	May 1 '48	B.Hoover	Chronology of passage of law concerning salary and other pays granted to government workers (Law No. 12)
9		May 1 '48	Conf.CSD & Japanese Govt.Officials	Re Law Administering the New Pay
10	M.Salter	May 8 '48	B.Hoover	Discussion of the Proposed New Wage Committee
11		May 11 '48	Proposed Law by CSD	Law Administering the New Pay
12	M.Salter	May 11 '48	B.Hoover	Discussion of Proposed New Wage Committee
13	GS	May 12 '48	ESS	Draft Legislation to Law Administering the New Pay
14	W.P.MacCoy	May 12 '48	B. Hoover	Conference on New Pay Bill
15	ESS	May 12 '48	Report	Analysis of Civil Service Division Redraft of Japanese Government "Law Administering the New Pay".
16	W.P.MacCoy	May 12 '48	Dr.Asai	Proposed Assignment of Mr. Sato to Wages Committee
17	ESS	May 13 '48	Memo for Rec.	Japanese Government "Draft Bill for Law Administering the New Pay."
18	J.B.Bettis	May 14 '48	B.Hoover	Press Summary No. 613 - 14 May 48 - Review
19	W.P.MacCoy	May 14 '48	J.Williams	Law Administering the New Pay Plan
20	W.P.MacCoy	May 17 '48	J.Williams	Law Administering the New Pay Plan
21	G.W.Peterson	May 21 '48	W.P.MacCoy	Guaranteed Minimum Wage by Age - Cabinet Order
22	W.P.MacCoy	Jun 8 '48	B.Hoover	Meeting with Mr. Fukushima, Deputy Chief, Cabinet Secretariat - 7 June 1948
23	M.Salter	Jun 1 '48	Memo for Rec.	Change in date of salary payment

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Files
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CIVIL SERVICE DIVISION
Government Section

December 31, 1948

MEMORANDUM FOR: The Record

SUBJECT : Instructions from Office of New Pay Administration to Chiefs of Agencies regarding conversion to ¥6307 Base.

1. A conference was held this morning between Mr. Hatayama of the Office of New Pay Administration, Mr. Salter and Mr. Bettis.

2. Mr. Hatayama presented a draft of instructions to be issued by Chief of the Office of New Pay Administration to the Chiefs of agencies and Vice-Ministers as to the determination of salary rates under the ¥6307 pay level. The draft was carefully reviewed and amendments and corrections were made. It was agreed that as adjusted, instructions could be issued.

3. The principle points in question were:

1. The effective date for the conversion had been indicated as January 1, 1949. This was corrected to show December 1, 1948.
2. The document was predicated on "suggestions from authorities". The implication in Japanese was that GHQ had ordered this conversion to ¥6307. This was deleted and the phrasing was adjusted to predicate the instructions and conversion on law.
3. A series of five recommended actions were listed, specifically pointing out that the recomputations were to be made in accordance with the amendments to the New Pay Law and under the standards provided under the original New Pay Law. Furthermore, these recomputations were to be completed not later than January 25, 1949 (the original date of this document was January 31, 1949). It was also pointed out that compliance with this recomputation and future administration of compensation under the New Pay Law would be insisted upon and if necessary, the ~~channel~~ normal provisions of the law would be invoked (reference to future administration of compensation was not in the original document but was added at the suggestion of this office).

4. In order to record the fact that unauthorized pay increases were not to be lightly passed over, a brief phrase was included as follows: "Measures may be taken in some way or other in the future to adjust the unauthorized benefits." This was supported in the original document by a threat by the Office of New Pay Administration. This was deleted and the ~~above~~ following phrase was added to "the above" and "to maintain a secure equilibrium among various ministries as well as among employees." This latter phrase was added in order to give some indication to ministries that the future situation was not necessarily a static situation.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:vr

January 4, 1949

Mr. Hatayama of the Office of New Pay Administration submitted today an English and Japanese copy of the final instructions to be issued to Chiefs of Agencies. The instructions and corrections as developed on December 31 were incorporated completely. A copy of the final draft is attached hereto.

Instruction from Ch. of ONPA.
to Vice-Ministers.

Submitted by Hatoyama
12/31/48 ONPA

Discussed by Salter + Bolles
agreed to as corrected
30 December, 1948
WS.

As to the Determination of Salary Rates under the 6,307 yen Pay Level

Facing with the new task of carrying out the base pay conversion into new system on the basis of the Law for Partial Amendment to the Law Administering the New Pay (Law No. 265 of 1948) ~~to become effective as from January 1, 1949~~, the Office of New Pay Administration, ~~having suggestions from the authorities~~, has now come to suspend the adjustment measures of ~~illegal~~ base pay conversion for 2,920 yen pay level, disapprove all ~~such~~ illegal measures taken by Ministries and agencies which are in conflict with the purport of the Law Administering the New Pay (Law No. 46 of 1948), Cabinet Order issued thereunder and rules and regulations of the Office of New Pay Administration, and to carry out the recomputation of compensation of employees in the Government service as provided for in the Article 10 of the Law No. 265. In order to observe these principles, all Ministries and agencies will ~~be requested to~~ take necessary steps in lines ~~suggested~~ below:

1. To carry out the said recomputation of compensation, all unauthorized measures be eliminated;

2. The recomputation of compensation be made after ~~the~~ increase of salaries is effected pursuant to Cabinet Order which will be promulgated shortly;

3. The recomputation of compensations be completed ~~by~~ January ~~31~~, 1949 as prescribed in the Article 10, Paragraph 5 of the Law No. 265;

4. A severe penal step be taken pursuant to Article 31 of the Law No. 265 of 1948, in order to prevent violation of the laws and regulation

Instruction from Ch. of ONPA.
to Vice-Ministers.

Submitted by Hatoyama
12/31/48 ONPA.
Discussed by Salter + Bettes
agreed to as corrected
30 December, 1948

As to the Determination of Salary Rates under the 6,307 yen Pay Level

Facied with the new task of carrying out the base pay conversion into new system as of Dec. 1948 on the basis of the Law for Partial Amendment to the Law Administering the New Pay (Law No. 265 of 1948) ~~to become effective as from January 1, 1949~~, the Office of New Pay Administration, ~~having suggestions from the authorities~~, has now come to suspend the adjustment measures of ~~illegal~~ base pay conversion for 2,920 yen pay level, must suspend and disapprove all ~~such~~ illegal measures taken by Ministries and agencies which are in conflict with the purport of the Law Administering the New Pay (Law No. 46 of 1948), Cabinet Order issued thereunder and rules and regulations of the Office of New Pay Administration, and to carry out the recomputation of compensation of employees in the Government service as provided for in the Article 10 of the Law No. 265 of 1948. In order to observe these principles, all Ministries and agencies will ~~be requested to~~ take necessary steps in lines ~~suggested~~ recommended below:

1. To carry out the said recomputation of compensation, all unauthorized measures be eliminated;

2. The recomputation of compensation be made after ~~the~~ any increase of salaries is effected pursuant to Cabinet Order pertaining to initial salaries, salary merge within grade, Promotion which will be promulgated shortly;

3. The recomputation of compensations be completed ~~by~~ not later than January 25, 1949 as prescribed in the Article 10, Paragraph 5 of the Law No. 265;

4. A severe penal step be taken pursuant to Article 31 of the Law No. 265 of 1948, in order to prevent violation of the laws and regulation

relating to the recomputation of compensations and administration of compensation on the part of ~~personnel~~ concerned officers; and

5. The recomputation of compensations be audited by the pertinent auditors of the Office of the New Pay Administration and other agencies concerned.

Measures may be taken in some way or other in future to adjust the unauthorized benefits and losses.

When the recomputation of compensation is completed, an adequate measure may be taken in future ~~by the Office of New Pay Administration~~ in order to maintain a fair equilibrium of pay among various Ministries as well as among employees.

4 Jan '49

MEMORUNDUM TO: Chiefs of the Ministries and Agencies

FROM: Chief of the Office of New Pay Administration

SUBJECT : As to the Determination of Salary Rates under the 6,307 yen Pay Level; dated 30 December, 1948

Faced with the new task of carrying out the base pay conversion into new system as of December 1, 1948 on the basis of the Law for Partial Amendment to the Law Administering the New Pay (Law No. 265 of 1948), the Office of New Pay Administration must suspend and disapprove all illegal measures taken by Ministries and agencies which are in conflict with the purport of the Law Administering the New Pay (Law NO. 46 of 1948), Cabinet Order issued thereunder and rules and regulations of the Office of New Pay Administration, and to carry out the recomputation of compensation of employees in the Government service as provided for in the Article 10 of the Law No. 265 of 1948.
In order to observe these principles, all Ministries and agencies will take necessary steps in lines recommended below:

1. To carry out the said recomputation of compensation, all unauthorized measures be eliminated;

2. The recomputation of compensation be made after any increase of salaries is effected pursuant to Cabinet Order pertaining to initial salary, salary increase within grades, promotions, etc. which will be promulgated shortly;

3. The recomputation of compensation be completed not later than January ~~31~~ 25, 1949 as prescribed in Article ~~10, Paragraph 5~~ 12 of the Law No. 265;

4. A severe penal step be taken pursuant to Article 31 of the Law No. 265, 1948, in order to prevent violation of the laws and regulation

relating to the recomputation of compensations and the administration of compensation on the part of officers concerned;

5. The recomputation of compensations be audited by the pertinent auditors of the Office of the New Pay Administration and other agencies concerned.

Measures may be taken in some way or other in future to adjust the unauthorized benefits and to maintain a fair equilibrium of pay among various Ministries as well as among employees.

CIVIL SERVICE DIVISION
Government Section

Bettis
all the records
in files.

December 31, 1948

MEMORANDUM FOR: The Record

SUBJECT : Proposed Promotional Policy

1. Conference was held this morning between Mr. Hatayama of the Office of New Pay Administration, Mr. Salter and Mr. Bettis.

2. Mr. Hatayama submitted a draft of a proposed Cabinet Order which would deal with initial salaries, increase of salary within grade and promotions. The Cabinet Order was based on Article 16 of the New Pay Law prior to its amendment. With the exception of rewording, no change in content from the draft as previously agreed upon early in December had been made.

3. The proposed order was reviewed and cleared by this office. It was pointed out that as a Cabinet Order, it would have to go through the normal channels of handling such a document in the Japanese Government and GHQ. Mr. Hatayama pointed out that the document had already been cleared by the Attorney-General's Office and would normally be submitted to Government Section. This office stated that it would inform Dr. William's office that they had no objection to the document. It was also pointed out that Mr. Reed of ESS had indicated that he would clear this document since provision had been made for such a policy in the New Pay Law amendments and that estimates for the remainder of the fiscal year had included such a policy.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:vr

12/30/48

DISCREPANCIES in PUBLISHED VERSION of Bill to Amend the Bill for Partial Amendment to the Law Administering the New Pay of Government Officials.

1. Heading.
   Published: Law for Partial Amendment to the Law Administering the New Pay of Government officials.

   Typed: Bill to Amend the Bill for Partial Amendment to the Law Administering the New Pay of Government Officials.

2. Introduction.
   Published: First and second paragraphs omitted

3. Art. 1, Par. 3, Line 3.
   Published: Article 29.

   Typed: Article 20.

4. Art. 2, Par. 3, Line 9
   Published: The purposes of this Law

   Typed: The purpose of this Law

5. Art. 5, Par. 2, Line 2.
   Published: The Chief Cabinet Secretary

   Typed: The Director-General of the Cabinet Secretariat

6. Art. 6. Heading.
   Published: None

   Typed: (Payment of Compensation)

7. Art. 8, Par. 2, Line 2.
   Published: Article 18

   Typed: Article 12

8. Art. 10, Par. 4, Line 1
   Published: received

   Typed: receives

9. Art. 15, Par. 1, Line 2
   Published: position

   Typed: positions

10. Art. 17, Par. 1, Line 2.
Published: especially high

Typed: specifically high

11. Art. 21, Par. 1 (2), Line 7.
Published: 123 percent

Typed: 125 percent

12. Art. 33, Par. 1, Line 5.
Published: for period subsequent to December 1, 1948

Typed: for period subsequent to November 1, 1948

13. Art. 36, Par. 1, Line 5.
Published: Cabinet Order concerning the Guaranteed Minimum Wage by Age from June, 1948 onwards (Cabinet Ofer 234)

Typed: Cabinet Order concerning Minimum Subsistance Pays by Age from June 1938 onward (Cabinet Order No. 234, 1948)

14. Art. 38 and 39 are missing from Published document.

15. Appendix No. 1, Page 15, Line 9, Column 10.
Published: 8795

Typed: 8796

16. Appendix No. 2, Page 16, Line 5, Column 9.
Published: 7650

Typed: 7638

17. Appendix No. 2, Page 16, Line 6, Column 4.
Published: 5313

Typed: 8313

18. Appendix No. 2, Page 16, Line 6, Column 5.
Published: 8706

Typed: 8796

19. Appendix No. 2, Page 16, Line 8, Column 1.
Published: 9300

Typed: 9306

20. Appendix No. 3, Page 17, Line 1, Column 1.
Published: 3565

Typed: 3365

21. Appendix No. 4, Page 18, Line 5, Column 2.
Published: 7863

Typed: 4863

22. Appendix No. 4, Page 18, Line 11, Column 6.
Published: 12659

Typed: 12595

23. Appendix No. 4, Page 18, Line 6, Column 7.
Published: 6260

Typed: 6269

24. Appendix No. 4, Page 18, Line 6, Column 8.
Published: 6648

Typed: 6448

25. Appendix No. 5, Page 19, Line 7, Column 3.
Published: 3760

Typed: 5760

26. Appendix No. 5, Page 19, Line 4, Column 8.
Published: 4334

Typed: 4344

27. Appendix No. 5, Page 19, Line 7, Column 9.
Published: 3823

Typed: 6823

28. Appendix No. 6, Page 20, Line 6.

Published:	7426	Published:	8840
Typed:	7226	Typed:	8844

29. Appendix No. 6, Page 20, Line 8.

Published:	2920	Published:	2800
Typed:	2926	Typed:	2860

30. Appendix No. 6, Page 20, Line 10.

Published:	8313
Typed:	8312

Files II, 8-

CIVIL SERVICE DIVISION
Government Section

December 30, 1948

MEMORANDUM FOR: The Record

SUBJECT : Interpretation of New Pay Law

1. Mr. Keitoku of the Office of New Pay Administration and Mr. Hasume of the National Personnel Authority presented the attached statement, the interpretation of the New Pay Law.

2. The first point at question was a misunderstanding as to the effective date of the Law. It was clearly emphasized that such date was December 1, 1948. There was some misunderstanding as to the possibility of changing Special Work Allowance. This is strictly illegal since these allowances are now frozen by the incorporation of the Cabinet Order covering such allowances in the New Pay Law. Further discussion of method of payment of over-time was required.

3. It was pointed out that pay in general would follow this pattern:

December: ¥3709 pay level plus 66.3%.

January: ¥6307 pay level minus or plus adjustment in December pay based on the difference between the above computation and what it should have been at ¥6307 minus retirement and pension deductions, minus 17½%, minus income tax.

February: ¥6307 pay level minus retirement and pensions, minus 17½%, minus income tax.

March: ¥6307 pay level minus retirement and pensions, minus income tax.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:vr
Att:

12/30/48.

December 29, 1948

Legal interpretation in the administration of the Law for Partial Amendment to the Law Administering the New Pay of Government Officials Kaitoku + Hasuma.

Article 10:

Paragraph 1.

1. This paragraph is to be interpreted as becoming effective on and after ~~January~~ Dec. 1, 1948 (vide Paragraph 6).
2. "The monthly amount of pay" of those who have been hitherto subject to "the guaranteed minimum wage by age" is to be interpreted to mean the amount of pay to which they are properly entitled and not the amount of the guaranteed minimum wages.
3. It is to be interpreted that "the recomputation" is to be effected by the chief of the office of New Pay Administration. (make reference to Article 12) regulations

Paragraph 6.

1. This paragraph is to be interpreted as becoming applicable from December 1, 1948 pursuant to the provision of Article 32, no accurate account being otherwise required.
2. The base pay for December which is to form the basis for pension, retirement allowance, overtime allowance, etc. is to be interpreted to mean the base pay on the pay level of ~~¥ 3,791.~~ 6307

This & 32 are somewhat in conflict. (35 also)

Article 12:

Appropriate revisions are to be made in detailed regulations for issue of base pay so that employees may receive their base pay not later than the 25th day of ~~the~~ each month. Jan.

needless Art 14.

Article 18:

1. Steps are to be taken to provide that, in order to

maintain a proper balance with the Cabinet Order concerning the Special Work Allowances to Government Employees, any special work allowances that may be newly found necessary in any agency involved or in another agency may be introduced by revising the Cabinet Order referred to.

2. As the present amount of special work allowances is the amount in force when the pay level was ¥ 2,920, it is to be provided than an increase may be authorized within the limitation of revenue sources for the pay level of ¥ 6,307.

Article 21:

1. It is to be interpreted that "work in excess of the regular work hours" includes the work on Sundays and on off-days of the employees who work in shifts.

Note: According to the above interpretation the rate of overtime allowance for work on Sundays and off-days is 100 percent for that portion in excess of the regular work hours up to the actual eight hours of work and 125 percent for that portion exceeding the actual eight hours of work. This is not in line with the actual condition, and an amendment bill to propose the issue of such allowance at the rate of 125 percent for all cases is to be presented to the next Diet session.

2. It is to be interpreted that overtime allowance is issuable for day-watch duty and night-watch duty, too.

Note: The above interpretation is not considered proper from the standpoint of the nature of day-watch duty and night-watch duty. An amendment bill to propose the issue of a fixed amount to those on such duty is to be presented to the next Diet session.

3. It is to be interpreted that overtime allowance is not

issuable, as a general rule, for work on the days of leave of absence based on Cabinet Ordinance (20 days) and on non-work days at the year-end and the new year time.

Note: The above interpretation does not fit the actual situation in some cases. After re-examining this question, an amendment bill to propose some relief measures or other is to be presented to the next Diet session.

Article 22:

1. It is to be interpreted that overtime allowance is issuable for work performed outside of the regular work hours.

Note: Under the above interpretation there may arise cases where the rate of issue for the hours worked in excess of the regular work hours might fall below 100 percent, a situation which does not fit the actual condition. An amendment bill to propose elimination of such cases is to be presented to the next Diet session.

2. It is to be interpreted that the relationship between holiday pay and overtime allowance is as follows:

(1) In case a holiday falls on Sunday, holiday pay is not issuable, but overtime allowance is paid, and the rate of its payment is 100 percent for the portion up to the actual eight hours of work and 125 percent for the portion above the actual eight hours of work.

(2) In case a holiday falls on Saturday holiday pay of 125 percent is issuable for the regular work hours and overtime allowance is paid at the rate of 100 percent for the portion up to the actual eight hours of work and 125 percent for the portion in excess thereof.

Note: The above interpretation does not fit the actual

condition, and in order to prevent that the rate of issue may not be lowered as mentioned above, an amendment bill is to be presented to the next Diet session.

Article 32:

It is to be interpreted that the base pay for January and February to be used as the basis for pension, retirement allowance, overtime allowance, etc is to be the new pay level of ¥ 6,307.

CIVIL SERVICE DIVISION
Government Section

29 December 1948

MEMORANDUM FOR: The Record

SUBJECT : Implementation of the New Pay Law

1. A conference was held this afternoon with Mr. Hatayama of the Office of New Pay Administration, Mr. Bettis and Mr. Salter to discuss the implementation of the amendments to the new pay law.

2. Two basic groups of adjustments have, over a period of time, been proposed for implementation prior to January 1, 1949. They are:

(a) General adjustments affecting all employees.

1. A downward change in the basic standards for the allocation of positions. This would have the affect of permitting higher rates of pay than now are officially authorized under present regulations of the Office of New Pay Administration.

2. The issuance of a Cabinet Order establishing a promotional policy for within-grade salary advances and for grade to grade promotions and for initial appointment.

(b) Individual types of adjustment that would affect special groups of employees.

1. The Ministry of Communications feels that employees in grades 5, 6 and 7 are not treated in a salary manner equivalent to those in the same grades in the Ministry of Transportation. It is felt that such employees in the Ministry of Communications should be permitted a slightly upward movement in their salary rates.

2. At the time of instituting the salary grading system, the general pattern permitted a step higher rate of pay for those doing the same work but working 44 hours instead of a lesser work-week; a two to three step higher rate of pay where employees were on a 48 hour work-week. It is proposed that those employees working less than the minimum 40 hour work week, in being placed on a 40 hour work week be given a slight upward advancement in salary.

3. It was pointed out to Mr. Hatayama that the attainment of a 6307 yen wage base is quite an accomplishment but that at the same time it will require careful and tight administration. Under such circumstances it is not felt advisable to approve any adjustments other than that of implementing the promotional policy as presently proposed. The mal-administration that has occurred in the past six months is directly attributable to the pressure of special interests exerted either on the Office of New Pay Administration or directly on the top officials of ministries. Such a pattern of administration must be eliminated. It is the purpose of Article 10 of the amendments to the New Pay Law to carry out this policy.

4. Mr. Hatayama was asked to convey these thoughts to the conference of personnel officers which will meet this afternoon and to point out further that penalties are now provided both in the New Pay Law and the National Public Service Law and that there will be no hesitation to invoke these penalties should audit, inspection, or investigation reveal any violations in the application of laws or regulations pertaining to pay.

MACDONALD SALTER,
Chief, Compensation, Classification Branch.

MS:mvb

Dr. Imai reported back this afternoon to Mr. Salter and Mr. Bettis to state that they accepted in full the recommendations of this office with respect to the pay adjustment and would do all they could to expedite and enforce pay adjustments as provided by the New Pay Law.

One suggestion was made by Dr. Imai that recognition be made in the regulations of unauthorized pay by indicating that such unauthorized pay will be liquidated in the future against separation pay, restriction of promotions, or such like action. It was pointed out that this office had no intention by implication or otherwise to condone unauthorized pay increases but did recognize that any action to collect such illegal pay at this time was strictly impractical. Such a suggestion as that proposed by Dr. Imai could not be objected to provided that any implementation in this respect would be cleared in advance by this office.

M. S.

CIVIL SERVICE DIVISION
Government Section

27 December 1948

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

SUBJECT : Proposed Regulations Covering Standards for Initial Appointments, Promotions and Within-Grade Salary Advancements.

1. Attached is draft of proposed regulations covering standards for initial appointment, promotions and within-grade salary advances.

2. These regulations have been drafted by the Office of New Pay Administration after many conferences with Compensation Branch of this office over a period of two months.

3. Under the provisions of Law 46 of 1948, as amended, these regulations may be put into effect by a Cabinet Order or by rules of the National Personnel Authority.

4. Due to the fact that promotions have not been authorized during the past twelve months, the Office of New Pay Administration is anxious to have these regulations put into effect at the earliest possible date. Also, some government agencies have disregarded directives of the Office of New Pay Administration and have effected promotions while others have not. This has resulted in inequities and in an accompanying morale problem.

5. It is recommended that consideration be given to the clearance of these regulations at the earliest possible date.

J. B. BETTIS,
Compensation Specialist.

JBB:mvb

General Headquarters
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section
Civil Service Division

19 December 1948

MEMORANDUM FOR THE RECORD

SUBJECT: Conference on Bill Concerning Salary for Government Officials Proposed by House of Representatives

At the request of the House of Representatives' Committee handling this bill, a meeting was held in this office at 1300 today to discuss the matter of overtime and potential pay adjustment in March proposed under this law.

It was pointed out that Articles 19 and 21 to 24,inclusive, were involved and related with respect to the payment of overtime to cover govt. employees. At the request of the Diet members, the attached redraft of Articles 21 to 24, inclusive, were prepared.

It was pointed out that paragraph 2 of Article 32 as presently worded was almost impossible of financial administration and would result in inequitable distribution to employees. The appropriations go to specific ministries so in certain cases some employees where a ministry had exhausted its funds would get no refund, while in other ministries where funds were left over employees would get a refund in accordance with the size of the balance.

The committee considered these matters together with the possibility of changing Article 19 to provide a minimum of 40 hour work week. No decision was reached.

The committee adjourned to discuss the matter with their various parties.

At 17:17 Mr. Shima called by phone to state that the parties had agreed on the changes discussed above and would modify:

1. Article 19 to provide for a minimum work week of 40 hours.

2. Articles 21 to 24, inclusive, to be adjusted in accordance with the attached sheet.

3. Article 32, paragraph 2, to be deleted.

The members of the House of Representatives who were present were:

T. Maeda, T. Ono, K. Matsuzawa, T. Hirakawa, T. Kawasaki, T. Kikukawa, Y. Ohkawa, and Shima, the interpreter.

MS:mta

MacDONALD SALTER

Article 19 40 hr minimum

12/19/48 1300-1615.
In accordance with Hse of Rep. Ptg

Article 21. Employees required to work in excess of the regular work hours shall be paid the amount obtained by multiplying their hourly amount of compensation prescribed in Article 24 by the rates given below for all hours worked in excess of the regular hours.

(1) That portion in excess of the regular hours until it reaches the actual eight hours of work - 100%.

(2) That portion exceeding the actual eight hours of work - 125%.

In case the work includes time between 10:00 P.M. and 5:00 A.M. on the following day - 150%.

Article 22.

(2.) Employees who are required to work on legal holidays during their regularly scheduled hours of duty, shall be paid 125% of their hourly amount of compensation prescribed in Article 24 for the regular scheduled hours of duty, by way of holiday pay. No additional payment shall be made for the work performed outside of the regularly scheduled work day.

Article 23. Employees who are required to work between 10:00 P.M. and 5:00 A.M. on the following day of a regularly recurring work schedule, shall be paid 25% of their hourly amount of compensation prescribed in Article 24 for all hours thus worked by way of night allowance.

Article 24. The hourly amount of compensation prescribed in the preceding four articles shall be the monthly amount of base pay plus area allowances multiplied by twelve and then divided by fifty-two times the number of work hours in a week.

Art 32 §2.

CIVIL SERVICE DIVISION
Government Section

December 19, 1948

MEMORANDUM FOR: The Record

SUBJECT : Bill Concerning Salary for Government Officials Proposed by House of Representatives.

1. A phone call was made by Mr. Salter to Mr. Reed at his home to ask for an explanation as to why this bill was objected to by ESS.

2. Mr. Reed pointed out that their estimates of the additional cost for overtime ran to 1.7 billion yen and was based on a comparative analysis between this bill and the bill proposed by the government. The difference is represented by the additional cost of 1.7 billion. Mr. Reed took into account in making his analysis the different basis for computation of the hourly rate and the fact that the government bill proposed a forty-hour minimum work week which would reduce overtime costs.

3. Mr. Reed pointed out that the article in the opposition bill dealing with the distribution of potential surplus funds was an unworkable provision. Since funds are appropriated to ministries any surpluses in salary and wage accounts of ministries would be redistributed by ministries. This would undoubtedly result in the employees in some ministries getting no benefits and other ministries having substantial surplus to distribute.

4. Further discussion concerning the provisions of this bill indicated that Mr. Reed's estimate of cost lead him to believe that the government bill would result in a surplus of funds in contrast to the opposition bill, which would leave no surplus. Furthermore, it was urgent to pass a pay bill and the government bill appeared to be the best of the two. For the above reasons, the government bill had been cleared by ESS.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:vr

new pay

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

18 December 1948
1715 Hours

MEMORANDUM FOR MR. MacDONALD SALTER
Chief, Classification and Compensation Branch

As a matter of first priority, please have your men immediately calculate a schedule of rates which will produce a monthly pay of Y6307 and as such be acceptable to Mr. Reed of ESS and will, on calculations of the Office of New Pay Administration, be within Y6307 per month.

We must have this schedule immediately, within the next half hour, if possible.

BLAINE HOOVER
Chief
Civil Service Division

BH/hm

file 17-13-49

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

17 December 1948

MEMORANDUM FOR THE RECORD

SUBJECT : Meeting with Members of the Opposition Parties of the House of Representatives on the Proposed Pay Bill.

1. At 2015 hours on 11 December, members of the Opposition Parties, i.e., Social Democrats, Democrats, and People's Cooperative parties, met with Messrs. Hoover, MacCoy, Salter, Peterson and Bell to discuss the proposed pay bill. The members of these three parties wished to support the plan proposed by the National Personnel Authority which had as its key note, establishing a salary basis of ¥6,307 per month.

2. These parties were represented by Mr. T. Hirakawa, People's Co-operative, serving on the Personnel Committee; Mr. K. Matsuzawa, Social-Democratic, serving on the Personnel Committee and Vice-Chairman of the party's Political Research Committee; Mr. T. Maeda, Social Democratic, serving on the Personnel Committee and the Labor Committee; Mr. S. Katsumata, Social Democratic, serving on the Personnel Committee, the Budget Committee and Manager of the party's Political Research Committee; Mr. I. Akamatsu, Social-Democratic, serving on the Personnel Committee and as Information Chief for the party; Mr. T. Kikukawa, Social-Democratic, serving on the Personnel Committee, the Budget Committee, and Chairman of the Labor Committee; Mr. T. Ikezumi, Democratic Party, serving on the Personnel Committee; Mr. T. Ono, Democratic party, serving on the Personnel Committee and Managing Director of the Party.

3. During the afternoon, the members of these three parties had met and agreed on the stand that they were to take together. They also met with representatives of other small minority parties, to explain their stand and to enlist the aid of the minority parties. The points which the three Opposition Parties had agreed upon were as follows:

a. ¥6,307 per month basis;
b. Family allowances, ¥600 to the wife; ¥600 to the eldest child and ¥400 to each other child.
NOTE: The difference in Yen between this plan and the NPA, to be added to the base salary.
c. Area allowances to remain as in presently existing system for time being, i.e. Special Area -- 30%; Area A -- 20%; Area B -- 10%; Area C -- 0.
NOTE: Designation of areas to be handled by establishment of a Committee in NPA for study of the proposal and presentation of recommendations to the Diet for final action.

d. Temporary allowances for year-end, to be a grant of one month's pay figured at the ¥6,307 basis.

4. Mr. Hoover pointed out that the biggest problem the Japanese government was facing was the question of revenue. He inquired as to whether the Diet, through the three committees represented at the meeting had found any additional revenue with which to reach the suggested increase in salary. Mr. Matsuzawa stated that it was their feeling that the matter of revenue was not to be deliberated by the Personnel Affairs Committee but rather by the Budget Committee. Mr. Hoover pointed out that according to the figures furnished by the Ministry of Finance, there were 3,251,989 government employees who would be affected by the pay raise. Since we had been advised by the Public Finance Division of ESS that the present budget provided for ¥26.5 billion, this would mean that there was available ¥8,148 per employee.

5. Mr. Hoover called the group's attention to the fact that if the proposed government rate of ¥5,330 were accepted as effective 1 November, that then, when the government reached the commencing of the new fiscal year on 1 April 1949, the pattern would have been established and the rate set; thus the new budget would be figured on the basis of ¥5,330 per month per person and thus cause the employees to lose consideration for the proper salary rate which should have been established in this Diet session. Therefore, if it was the intention of the Diet to grant the proper pate for government employees during the next year, it was practically imperative that that rate be established by this Diet.

6. Mr. Matsuzawa indicated that their group had uncovered what they felt was possibly additional sources of revenue to meet the increased cost of the recommended salary increases. He listed these as follows:

1) Surplus from last fiscal year, ¥5 hundred million; ¥3.3 billion refund of local grants;
2) ¥1.1 billion from taxes due to increase in production;
3) ¥7.5 billion increase of excise tax on sugar.
NOTE: This figure includes increase ¥4.5 billion;
4) ¥8.4 billion from increase of tax on juridical persons;
NOTE: This includes increase of ¥3.4 billion.
5) ¥2.9 billion increase on rates from income tax.
NOTE: This increase arises from the difference estimated between ¥5,330 and ¥6,307;
6) ¥3.9 billion from commodity tax. NOTE: The Committee claims that this additional amount comes from a mis-estimate by the Ministry of Finance.

7. The meeting was brought to a close with the understanding that the Japanese committee members would attempt to clarify with Public Finance Division, ESS, the availability of the suggested additional revenue.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM/hm

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

17 December 1948

MEMORANDUM FOR THE RECORD

SUBJECT : Meeting of the Chairman of the Personnel Affairs Committee, Chairman of the Budget Committee and Members of the House of Representatives.

1. At 1900 hours on 12 December, the Chairman of the Personnel Affairs Committee, the Chairman of the Budget Committee and representatives of the Opposition parties of the House of Representatives met with Messrs. Hoover, MacCoy, Salter, Bell and Peterson to discuss the Pay Bill.

2. In opening the conference, Mr. Hoover asked Mr. Komabashi, Chairman of the Budget Committee how much more revenue the government would receive from a difference in salary of ¥5,330 and ¥6,307. Mr. Komabashi stated that he did not know and would have to return to his office to secure the figures. Mr. Hoover pointed out that we fully recognized that it was necessary to keep the salary expenditure within the budget figure of ¥26.5 billion.

3. The point was made that if salaries increased to ¥6,307 effective 1 January 1949 and ¥601 is given in lump sum for the last week in ~~January~~ Dec., or if ¥6119 is given effective 16 December 1948, either plan can stay within the ¥26.5 billion. Mr. Kokuda, Chairman of the Personnel Affairs Committee stated that he believed the government plan of ¥5,330 is the best of the two plans but admits that committee opinion is divided. NOTE: The Democratic-Liberal (government party) is in favor of the ¥5,330, while the Social-Democratic, the Democratic, and the People's Cooperative parties want ¥6,307. In other words, they are split on political lines rather than on consideration of what is best for the employees and how it could be handled.

4. Mr. Komabashi stated that he had three points he wished to make:

1) He objects to anything other than ¥5,330 basis;
2) He objects to the area allowances plan proposed by the NPA, and,
3) He wants part of any raise to be granted to the employees to be handled partly in "payment-in-kind."

5. During the meeting Mr. MacCoy received word that Dr. Asai wished to speak to him personally, and left the meeting to discuss a late report from the Diet which Dr. Asai wished to convey. This was to the effect that political alignments were shifted and it now appeared that with the election of a new President of the Democratic Party to replace Tomabechi, that the Democratic Party would be led into the government camp and therefore might swing its affiliations on the pay bill from those identical with the Social-Democratic and People's Cooperative parties to give its backing to the government party. This of course, would produce a stalemate.

6. Members of the Social-Democratic party arrived at the meeting about two hours late and it was our understanding that they had been discussing matters with Mr. Reed, Chief of Public Finance Division, ESS. Representatives of the Social-Democratic party stated that they did not wish to set the change in rate any later than 1 November. Dr. J. W. Williams, Chief of the Parliamentary and Political Division, Government Section made two points:

1) That there will be no bill which will set the effective date prior to 1 December 1948, and,
2) There will be no bill that does not include the scientific formula proposed by the NPA.

Dr. Williams stated that this was a decision of GHQ, not Government Section, nor ESS, and that those two sections have no say in it. These two points were orders given to both sections.

7. In considering the amount of money available in the present budget, plus the increase in revenue which have been suggested by the Social-Democrats, the pay raise at the rate of ¥6,307 per month could be inaugurated 1 January 1948. If the group wishes to compromise, however, using the same budget and suggested additional revenue, the effective date could be set at 16 December 1948 at the rate of ¥6,119 per month. This would have three advantages:

a) Would establish an increased rate for the new fiscal year;
b) Would produce no difficulties with securing GHQ approval because it was not established retroactively, and,
c) Stays within the present budget and will therefore not need additional clearance through the Finance Division, ESS.

This was placed before the Japanese committeemembers for consideration.

8. Mr. Hoover called attention to the fact that there was a figure of ¥6 billion established for Public Workers and that the Diet members might wish to consider reducing this figure and utilizing the money for the pay increase. The Japanese were not enthusiastic over this suggestion.

Mr. Hoover pointed out that the Japanese government would need ¥2 billion one hundred thirty-eight million additional funds to bring their monthly figure from ¥6,119 to ¥6,307 for the remaining three and one-half months of the fiscal year.

9. The meeting adjourned with the understanding that the Japanese would make furtuer attempts to reach an agreement on where they could find sufficient revenue to meet the ¥6,307 figure.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM/hm

CIVIL SERVICE DIVISION
Government Section

14 December 1948

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

SUBJECT : Hourly Report on the New Pay Plan - 1530 Hours.

Dr. Asai called to advise that the Budget Committee had received ESS disapproval of the use of the suggested items to finance the New Pay Plan, i.e. sugar tax surplus from last F.Y., etc.

Dr. Asai also reported that the Bill had not been reported out of Committee to the Diet as yet and that the Diet was occupying itself with discussing possible disciplinary measures to be taken in the case of last night's actions of the Finance Minister.

Mr. Okawa called to say that Mr. Katsumada discussed the matter of the use of the ¥3 billion surplus from last F.Y. with Mr. Reed and was informed that this money could not be used to pay the increase in salaries because it was needed to finance the retirement of bonds which were due within this fiscal year. Mr. Katsumada then went to the Director of ESB and the Ministry of Finance and secured the information that this was not correct in that their figures indicate that the bonds which have to be retired this fiscal year amount to only ¥5 hundred million and that therefore there would be at least ¥2.5 billion remaining to be used toward the increase in salaries. The office of the Director of ESB and the Office of the Ministry of Finance concurred in this information and further stated that there were some so-called small loan bonds that might have confused Mr. Reed but that these did not have to be paid off within this fiscal year. Therefore, in the opinion of both the Ministry of Finance and the ESB, the ¥2.5 billion could be utilized.

More to follow -- (I hope!)

W.P.M.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM/hm

new Copy

Government Section
Civil Service Division

14 December 1948

noted
Murray

MEMORANDUM FOR MR. BLAINE HOOVER
Chief, Civil Service Division

SUBJECT: First Hourly Report on New Pay Plan

Dr. Asai called at 1145 to advise that the first information had come from the Personnel Affairs Committee. It seems there is relatively little new over what we knew at midnight last night. However, the report is as follows:

1. Committee members are very pessimistic over the possibility of passing the Pay Plan in view of budget information because the source of revenue seems to be very difficult to accomplish.

2. The feeling is that either the Government Pay Bill or the NPA Bill, which ever is finally agreed upon, will be made effective as of 20 December.

3. The Democratic Party is still giving very strong indications of swinging over to back the Government Pay Bill.

4. The People's Cooperative Party have indicated that they will fight side by side with the Social Democrats with the Pay Plan. Their leadership has indicated that your statements concerning the method of handling the educational personnel made in last night's meeting so impressed them that they are, therefore, interested in supporting your recommendations.

5. ESS has, apparently, sent official word to the committee that it is adamantly opposed to increasing the budget.

So endth the report for the nonce.

WPM:MTA

W. PIERCE MacCOY

New Pag

13:15, 14 December 1948

TO: W. Pierce MacCoy

FROM: MacDonald Salter

Mr. Sato came in to report that Dr. Asai understood Budget Committee had given up hope of securing additional funds with ESS approval.

The Social Democrats and the People's Cooperative continue to fight for the 6307.

ROUGH DRAFT

WPM/hm
10 December 1948

Reference is made to the pay recommendations which have previously been presented by the National Personnel Authority to the Cabinet and which we understand have been furnished to interested committees in the Diet. Since the presentation of this pay recommendation to the Cabinet, the revisions to the National Public Service Law have come into effect, making it incumbent upon the National Personnel Authority to officially refer the matter to the attention of both the Diet and the Cabinet simultaneously. Acting thereon, the recommendations of the National Personnel Authority, on matters relating to government compensation are hereby officially called to your attention. The recommendations previously submitted have been carefully developed to meet the technical requirements of good pay administration. With respect to the pay rate particularly, many different suggestions have come to the attention of the National Personnel Authority that are unsound and if any such have come to the attention of the Diet or the Cabinet or any appropriate committee thereof, the National Personnel Authority is prepared to discuss not only the necessary technical devices contained in these recommendations, but also technical weaknesses in compensation recommendations which should be avoided and to cooperate in any other manner to assist you in your deliberations.

CIVIL SERVICE DIVISION
Government Section

10 December 1948

MEMORANDUM FOR THE RECORD

SUBJECT: Bill Concerning Salary and Other Compensations for National Public Service Personnel in the Special Government Service

Conference was held on 9 December 1948 with Mr. Hatoyama of the Allowance Bureau, Ministry of Finance, in regard to proposed legislation for personnel in the special government service.

Exceptions were taken to Items 14 and 16 under Article 1 of the proposed law as follows: Item 14 referred to "persons holding secretaryships" and it was suggested that this item be changed to read"persons holding confidential secretaryships as defined in Article 2, paragraph 3.8 of the National Public Service Law as revised". Item 16 referred to "the other personnel to be designated by Cabinet Order", and change was suggested as follows: "the other personnel as defined in Article 2, National Public Service Law as revised, to be designated by Cabinet Order".

Article 1, Item 12, includes the chairman and commissioner of the Fair Trade Commission. Some differences of opinion have arisen as to whether or not these positions should be included under this law. Mr. Hatoyama was informed that it was the feeling of this office that these positions should be included under this law rather than having the salaries set by Cabinet Order as is presently provided under paragraph 1 of Article 36, Law No. 54, 1947. This item was to be further discussed with the Finance Division of ESS.

This law is to be discussed by the Cabinet at today's session and it is anticipated that it will be presented to the Diet on 11 December 1948.

JESSE B. BETTIS
Compensation Specialist

JB:jd

CIVIL SERVICE DIVISION
Government Section

10 December 1948

MEMORANDUM FOR THE RECORD

SUBJECT: Bill Concerning Salaries of Government Officials Allocated to the Grade 15 Service

Proposed legislation was presented to this office by Mr. Hatoyama of the Allowance Bureau, Ministry of Finance, on 8 December 1948.

The bill as originally presented would have provided for the establishment of rates of pay for grade 15 of the wage schedules as provided under Laws 46 and 95 of 1948.

The bill also provided for payment of salaries as enumerated to a specified group of government officials.

It was suggested that the wording of the law be re-arranged in order that salary step rates for grade 15 would not be established except to cover the specific positions provided in the law and that application of the salary schedule would not be made to other positions in the government service except as may be provided in subsequent laws.

Revised bill was presented to this office on 9 December 1948 and no objections were interposed by this office to the law.

After the discussion with Mr. Hatoyama, Col. Battey of the Public Safety Division, G-2, GHQ, FEC, called by telephone and stated that he was interested in the Director-General of the Maritime Safety Board being included in this law and requested that we convey this information to the Allowance Bureau. Mr. Watanabe was advised on 10 December 1948 as to the wishes of G-2 in this matter, but no recommendations were made by this office.

It was suggested to Mr. Hatoyama that specific applications of the four rates provided in the law be made to the individual positions and that provisions for same be set out in the law. This suggestion was agreed upon and a revised law is to be submitted to this office and to the Vice-Ministers' conference today.

JB:jd

JESSE B. BETTIS
Compensation Specialist

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Government Section

10 December 1948

MEMORANDUM FOR : Dr. Justin Williams
Chief, Parliamentary and Political Division

SUBJECT : Bill Concerning Salaries and Other Pays of Government Workers from November 1948 Onwards. (This is the bill Submitted as a "Government Bill."

This bill is objectionable for the following reasons:

1. In view of living costs, prevailing rates of pay and other factors pertinent to wage determination, it provides inadequate compensation for government employees.

2. The bill favors the upper bureaucracy as against the mass of government employees and is basically unscientific and inequitable.

3. The bill fails to set up necessary safeguards against loose administration in government pay matters.

4. The bill fails to recognize compensation as a matter of public policy and to bring together in one legislative instrument, to the extent desirable, all matters relating to compensation.

In our opinion, passage of this law at this time will fail to give the government employees adequate financial relief, leave justification for discontent on the part of government employees, make them further subject to subversive influences, perpetuate loose and possibly fraudulent pay administration, make necessary further legislation on compensation at the earliest possible date, delay operations under the National Public Service Law, and due to its inadequacy will deal a most damaging blow to the prestige of the National Personnel Authority and the civil service system at their very inception.

BLAINE HOOVER
Chief
Civil Service Division

BH/hm

CIVIL SERVICE DIVISION
Government Section

8 December 1948

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

SUBJECT : Comments on "Bill Concerning Salaries and Other Pay of Government Workers from November 48 Onwards"

The Allowance Bureau, Ministry of Finance, admits that this bill was prepared very hurriedly and was designed in an attempt to raise salaries in conformance with an allowable supplementary budget estimate of ~~23.2~~ 26.5 billion yen for the period from November 1 to March 31, 1949, inclusive.

This bill

(1) Is merely a pay raise based on mathematical calculations that have the semblance of good reasoning.

(2) The pay raise is interpreted as one which will apply to all government workers and this bill is one of five such bills. The NPA bill includes a ceiling limitation on take-home pay and was designed to adjust the pay of government workers in the regular service only.

(3) The coverage of this bill is not quite as broad as that of the NPA which is predicated upon the NPSL definition of "regular service". (This will include procurators and assistant procurators, Diet and judicial staff members.)

(4) This bill makes no attempt to bring together in a policy document matters relating to compensation of government workers. It perpetuates loose administration in government pay matters.

(5) The proposed salary schedules are an upward revision of the current salary schedules based on a percentage adjustment determined by fallacious methods.

a. The adjustment of the schedules was partially based on a movement upward of the Consumer Price Index. This is not a sound or realistic index with respect to cost of living since it includes luxury foods, and such other items as tobacco, alcoholic beverages, and confections. Furthermore, the staple foods in the index are computed on the basis

of brown rice equivalent which results in an index of price relatives not taking into account changes in consumption pattern affected by price changes.

b. The use of the percentage change in the Consumer Price Index as a means of adjusting upward a base rate computed on an entirely different basis (market basket method) assumes them to be equivalent and is a fallacious method.

c. The Consumer Price Index adjustment was based on actual change in the index over three months but projected for additional months.

(6) Since the adjustment in schedules gives a flat 32% increase for all salary rates, it results in a better treatment for the higher grade employees at the expense of the lower grade employees.

(7) The original Law No. 46 of 1948 provides no penalty provisions which has resulted in the deliberate payment by ministries of salaries inconsistent with the regulations for pay administration promulgated under the New Pay Law. The NPA Law provides a penalty clause.

(8) No mention is made of the need for adjustment of the area allowance system which has generally been recognized both by the studies of the NPA and the Area Committee of the Office of New Pay Administration as being incorrect at this time.

(9) The family allowances proposed in this bill were determined arbitrarily without resort of any kind to any realistic basis for computation. Available funds were the controlling factor.

(10) This bill continues the minimum wage by age.

Some of the provisions that are present in the NPA proposed legislation but are not present in this bill are:

(1) Brings together all matters pertaining to the compensation of government workers and makes such compensation a matter of public policy.

(2) Provides for standards for hours of work, overtime pay, night differential, holiday pay and differences in working conditions consistent with the Labor Standards Law.

of brown rice equivalent which results in an index of price relatives not taking into account changes in consumption pattern affected by price changes.

b. The use of the percentage change in the Consumer Price Index as a means of adjusting upward a base rate computed on an entirely different basis (market basket method) assumes them to be equivalent and is a fallacious method.

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(10) This bill continues the minimum wage by age.

Some of the provisions that are present in the NPA proposed legislation but are not present in this bill are:

(1) Brings together all matters pertaining to the compensation of government workers and makes such compensation a matter of public policy.

(2) Provides for standards for hours of work, overtime pay, night differential, holiday pay and differences in working conditions consistent with the Labor Standards Law.

(3) Provides salary rates predicated upon a scientific method of progression recognizing a series of official rates as being the only base rates usable in the government service.

(4) Establishes a maximum for area allowance rates and recognizes the need for a scientific study of this whole problem.

(5) Provides for maintenance allowances.

(6) Defines dependents.

(7) Establishes method for computing hourly rates.

(8) Provides a maximum salary which would make possible the treatment of the regular service at this time without requiring any increase in salaries of other high grade officials covered by other laws.

MacDONALD SALTER, CHIEF
Classification and Compensation Branch

MS:jb

Rosemary
Asst Hoover
Alternate
files

CIVIL SERVICE DIVISION
Government Section

December 9, 1948

MEMORANDUM FOR: The Record

SUBJECT : Diet Presentations on Compensation Program

1. Mr. Hasume, Head of the Salary and Wage Section of the National Personnel Authority was called before the Budget Committee of the House of Representatives and the Budget Committee of the House of Councillors to discuss the Wage Bill proposed by the National Personnel Authority. He presented the attached charts dealing with the comparative study of compensation received by private and public employees. One chart indicates the coverage and methodology used in conducting the private employment survey. The other chart indicates the comparative results, showing government approximately fifty percent below industry in over-all take-home wage pay.

2. An additional table showing the estimate of expenditures for base pay, family allowance, area allowance and special allowances had been made available several weeks ago to the Cabinet. Certain errors in the computations of this table are noted. The net results, however, with respect to total cost of the program does not change significantly.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:vr
Att:

CIVIL SERVICE DIVISION
Government Section

7 December 1948

MEMORANDUM FOR THE RECORD

Subject: ¥5330 Wage Level

The Allowance Bureau, Ministry of Finance, has submitted to date in very rough draft the following statement concerning the ¥5330 salary level.

"General View on Process Establishing 5330
Wage Level for Government Workers

"1. While the National Personnel Authority recommended a wage plan for government workers to the Cabinet where it was deliberated, the question about the supplementary budget for the fiscal year which included an expenditure for increasing the wage level of government workers which had been discussed between ESS, GHQ, and the Ministry of Finance presented a problem. Competent officials of the Ministry of Finance were ordered to refrain from drafting a concrete plan dealing with the improvement of wages for workers until a decision had been reached at the Cabinet meeting on the recommendations of the National Personnel Authority and a draft of the supplementary budget.

"2. On the evening of November 26, ESS, GHQ, suggested in the draft of the supplementary budget expenditures for the improvement of wages estimated at ¥ 23,200 millions. At the Cabinet meeting which was held on November 27, it was decided to draft hastily a bill concerning the salaries of government workers on the basis of the suggestion from ESS and on the same day the Allowance Bureau was ordered to draft said bill which would be immediately submitted to a Cabinet meeting.

"3. As the Allowance Bureau had very little time to deliberate on this question, particularly of the pay structure, its draft can not be necessarily said to be a complete one.

"4. The average amount of salary for the workers was determined in considering the ¥ 23,200 millions estimated in the supplementary budget as a necessary appropriation from November this year to March 1949. The total number of government workers numbered 3.030 thousands. Thus it was computed: ¥ 23,200 millions ÷ 5 ÷ 3.030 thousands = ¥ 1531.

rough estimate
better 3.01 thousands

This ¥ 1531 is the additional amount per head. Adjusting the present amount of ¥ 3791 to ¥ 3800, ¥ 3800 + ¥ 1530 = ¥ 5330.

"5. As to base pay especially for the salary schedule a fundamental survey could not be done due to lack of time and consequently

a. The form of the present salary schedule was continued.

b. All salary rates of the present salary schedules were increased by 32% which was computed as follows:

(1) The critical point in the National Personnel Authority plan was step 1 of grade 4 or ¥ 2470 per month. This figure was taken.

(2) To compute real income, expense for income tax, contribution to the national treasury, etc. was deducted from the above figure. ¥ 2470 - ¥ 230 = ¥ 2240.

(3) To estimate the upward trend of the consumer price index in all the cities and towns for the period from July to November, it was presumed that 426.6 would be the consumer price index for November (as ¥ 2240 is the figure determined on the basis of July). 426.6 + 394.7 = 1.0808. Applying this figure the adjustment to November will be ¥ 2240 x 1.0808 = ¥ 2420.9.

(4) To take into account 5% allowance because the commodity price may go up in the future: ¥ 2421 x 1.05 = ¥ 2542.

(5) To take up expense for income tax, contribution to the national treasury: ¥ 2542 + ¥ 288 = ¥ 2830.

(6) In understanding that this ¥ 2830 includes 10% reflected in B area allowance (since the amount of salary for step 1, grade 4 of the National Personnel Authority plan is based on living costs in B area): ¥ 2830 + 1.10 = ¥ 2572.70. This figure is estimated as base pay of grade 4, step 1 for C area.

(7) As salary for grade 4, step 1 in the present schedule is ¥ 1950 under the 3791 base, the increase ratio to the present salary is: ¥ 2573 ÷ ¥ 1950 which equals 1.3194 which equals 1.32; 32% is calculated as the increase in rate and subsequently the new base rate is established by multiplying the amount of present salary by 132%: ¥ 3875 average base pay.

"6. Family allowance is estimated in taking base pay ¥ 3875 and the area allowance ¥ 620 (average rate throughout the country is computed at 16% as described below) from ¥ 5330 which leaves ¥ 835. As this figure includes area allowance ¥ 835, an area allowance of ¥ 115 (16%) is deducted resulting in a family allowance in C area of ¥ 720. There are many means to divide it among the members of families. Making reference to example of private concerns and in consultation with officials in respective ministries, it was determined to be divided between worker's wife and other dependent members. In considering that necessary living costs (in referring to consumer price survey for September) can be covered by the base pay, family allowance, and area allowance, family allowance is divided to be composed of ¥ 600 to the wife and ¥ 400 to the other dependents: ¥ 600 multiplied by .5 plus ¥ 400 multiplied by 1.05 equals ¥ 720.

"7. As to the area allowance the Wage Deliberation Committee which met this fall arrived at the conclusion that the maximum rate be approximately 40% and that nine categories (with 5% differential) be utilized. Adopting this area allowance is roughly estimated at 16% of average throughout the country: to total sum of base pay ¥ 3875 and family allowance ¥ 720 area allowance is estimated at ¥ 735.

"8. As there was no time to survey the various special work allowances, the amount recommended by the National Personnel Authority (¥ 140 per person) was employed, but this allowance having been treated differently from other allowance in budgetary consideration has resulted in a ¥ 5330 base. Even if it is separated from the base this allowance is not considered to be appropriate from the prevailing budget of the respective ministries."

MacDONALD SALTER, CHIEF
Classification and Compensation Branch

MS:jb

CIVIL SERVICE DIVISION
GOVERNMENT SECTION

Replace with Orig

6 December 1948

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

SUBJECT : Recommendations for corrective adjustment in base pay

Shortly after November 2, when Mr. Roser and I made our analysis of the table submitted by Mr. Sekai showing the percentage of increase by grades actually effected for each ministry and agency under the adjustment of base pay from the ¥1600 to the ¥2920 base, we made recommendations for correcting in part the resulting inequities and inconsistencies.

The grading standards and the compensation schedules approved by the Office of New Pay Administration were intentionally devised so as to provide for an increase in base pay ranging from 65% to 120%, from the lowest to the highest grades, and an average of 82%. As a result of this fact and also the unauthorized pay increases made by the ministries and agencies, the actual increases made ranged from 64.2% increase for grade 1 in some agencies to 238.5% for grade 14 in a number of agencies.

The present salary situation is in a state of chaos, abounding in all sorts of inequities, and it is felt that it would be impossible to bring order out of the present situation by attempting to require adjustments of past violations of the grading standards and regulations issued by the Office of New Pay Administration. It is noted that the Office of New Pay Administration does not recommend this but rather proposes revisions of the old grading standards primarily to liberalize them and to cover the previous violations. Such measures would again open attempts at regrading for special groups of employees and would probably result in additional inequities, with higher salaries for employees in general. Administratively it would be just as difficult to control these adjustments as it was when the first grading was done.

Until such time as a position-classification plan can be developed and installed, the relationship of salaries existing at the time of the ¥1600 base is the most logical and equitable base that can be used to figure the various salary adjustments provided for since that time.

In making the recommendations given below, the following factors were considered:

1. Before the currently proposed pay adjustment is made, the present inequities in base pay should be corrected.

2. The employees at the lower levels, who are most seriously affected by the high cost of living, were adversely affected both percentage- and yen-wise by the regulations and procedures adopted by the Office of New Pay Administration.

3. The present state of chaos cannot be corrected by measures similar to those that brought on the inequities.

4. Any correction must be made in such a way that it can be controlled.

(a) It must be an adjustment that can be made objectively. (b) It must be capable of being administered quickly. (c) It must lend itself to a quick post-audit check.

5. The adjustment should be made at the time of giving the currently proposed pay increase in order to avoid pay cuts whenever possible; or it might be decided that no one should receive a pay cut although many might not receive an additional increase.

6. Since the present grades are not based upon position-classification, they should be recognized as being pay grades with no relation to classification grades.

RECOMMENDATIONS FOR CORRECTIVE ADJUSTMENT IN BASE PAY.

1. Take the employee's pay as of the ₹1600 base as the starting point.

2. Add 82% (which was said to be the average increase under the adjustment to the ₹2920 base).

3. Add 30% (which was the percentage increase authorized at the time of adjustment to the ₹3790 base).

4. Add whatever percentage increase is specified under the pay adjustment now under consideration.

5. If the employee's present salary is less than the amount arrived at under step 4:

a. Increase salary to this amount.

b. Place the employee's position in the lowest grade which has as one of the pay rates the amount arrived at under step 4. If it falls between two pay rates, raise to the higher.

6. If the employee's present salary is more than the amount arrived at under step 4:

a. Either (1) reduce salary to this amount; or (2) leave salary as is.

b. Place the employee's position in the lowest grade which has as one of the pay rates the amount arrived at under step 4. If the salary was reduced in accordance with 6a(1), raise to the higher rate if the amount falls between two pay rates.

NB

NORA M. BORTHICK

Classification Specialist

1) Shirien Mun
2) Bettis

CIVIL SERVICE DIVISION
Government Section

1 December 1948

MEMORANDUM FOR: Mr. James R. Bell, Chief, Organization Branch

SUBJECT : Organization and Division of Work - Salary and Wage Section

A conference was held today between Messrs. Bell and Salter and Mr. Hasumi and Mr. Morito in which the following matters were discussed.

It was clearly pointed out that Salary and Wage Section is an integral part of the Bureau of Compensation. The head of this section will be on a coordinate level with section heads responsible for certain classification work. Together with the Chief of the Bureau, this group will be responsible for the planning, directing and coordinating of the whole bureau program and its operations.

It is not felt necessary to appoint as such an assistant section head, nor to appoint assistant unit heads. If "assistants" as such are needed they should merely be designated as an administrative expediency from among unit heads or technicians. This will prevent any unnecessary layering of administration.

Certain staff functions will be performed as a service to the Salary and Wage Section by a Staff Service Section of the Bureau of Compensation. For example, the procurement and handling of supplies, space and typing service are more efficiently and economically handled in this manner. It is anticipated also that a unit will be established under the Chief of the Bureau for the purpose of acquiring and compiling personnel statistics of the national government.

The organization of the Salary and Wage Section will basically reflect four units:

1. Office of the Chief of the Section - which will be established to handle staff services and matters pertaining to the coordination of the section.

2. Pay and Leave Administration Unit - which will be concerned with the application of the overall compensation plan and for certain other enforcement and administrative activities relating to pay administration.

CIVIL SERVICE DIVISION
Government Section

noted BHT

November 29, 1948

MEMORANDUM FOR: The Record

SUBJECT : Discussion concerning Proposed Compensation

noted WRR 11/29/48

1. Late Friday afternoon, November 26, a brief discussion with Public Finance Division, ESS revealed the following:

1. Their initial review of the proposed supplementary budget indicated the Ministry of Finance had probably underestimated revenues.

2. The proposal for pay adjustment ~~on the~~ on the basis of ¥5300 was not being criticised, in fact, it was indicated that this was probably a correct figure since the average industrial wage adjusted to government working conditions and projected to November, gave an average of approximately ¥5300.

2. Mr. Sato, Director-General of National Personnel Authority summed up the week-end situation this morning as follows:

1. The Cabinet apparently is going ahead on ¥5300 basis for adjustment of government salaries. This will include:

   a. A 32% increase on base pay for all employees.
   b. Family Allowance raised to ¥600 for the spouse and ¥400 for each additional dependent.
   c. An increase in Area Allowance to a maximum of 40% with a series of additional issuing rates, each 5% below the other, indicating the establishment of more than four Area Allowance groups.

2. The Vice-Minister of Finance stated they had prepared legislation on the basis of ¥5300 and was seeking the review of National Personnel Authority.

3. The Ministry of Finance was purported to have indicated that if Government Section and ESS would agree on ¥6307 that this figure would be incorporated as a basis for pay adjustment in the supplementary budget.

3. Mr. Sato was advised that as far as the National Personnel Authority was concerned that they should remain absolutely consistent with their recommendations to the Prime Minister on the pay adjustment. Any variation from these recommendations must be the responsibility of the Cabinet and not of the National Personnel Authority, otherwise they might compromise themselves.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:vr

Final draft 29 Nov. 1948.

Law amending the Law Administering the New Pay

Law Administering the New Pay (Law No. 46 of 1948) shall be amended as follows:

(Object and Effect of this Law)

Article 1. The object of this Law is to provide temporarily for matters concerning the base pay, compensation schedule and its adjustment, family allowance, area allowance, special work allowance, work hours, overtime allowance, holiday pay, night allowance and issuance of regulations concerning the administration of compensation prescribed for workers in the regular government service as defined in Article 2 of the National Public Service Law (Law No. 120, 1947) (hereinafter referred to as "worker" or "workers"), and otherwise to promote uniformity in personnel and compensation policy within the government service.

2. The provisions of this Law shall not be construed as repealing, amending or superseding in any particular any provision of the National Public Service Law. Any provisions of this Law in conflict with any provisions of the National Public Service Law inclusive of laws based thereon or rules of the National Personnel Authority shall be null and void. All provisions of this Law shall become null and void on December 31, 1949 or on any earlier date as may be provided by law.

3. The classification plan as provided by Article 9 of this Law shall be construed as being and meeting the requirements of the plan submitted to the Diet for approval in accordance with Article 29 and otherwise of the National Public Service Law and shall remain in effect until subsequent modifications are recommended to the Diet for enactment by the

National Personnel Authority.

(Powers of the National Personnel Authority)

Article 2. The National Personnel Authority shall have the following powers in connection with the enforcement of this Law.

(1) To make rules and issue directives that may be found necessary in the administration of this Law.

(2) To determine the scope of the compensation schedules provided in Article 9.

(3) To make studies with the amounts of base pay as provided in Article 9 for the various grades with a view to recommending to the Diet and to the Cabinet any readjustments deemed by the National Personnel Authority to be just and reasonable, to make investigations upon all matters touching on the administration of this Law and its practical effect while, at the same time, the National Personnel Authority may direct the adjustments on the basis of those invstigations; and, whenever it deems it necessary, to report its conclusion of the studies and investigations to the Diet and to the Cabinet with its recommendations which may be deemed appropriate for the accomplishment of the purposes of this Law.

(4) To provide rules and to issue directives concerning the base pay of newly appointed ~~employees~~ *workers* and standards for the adjustment of the base pay for purposes of promotion or demotion from one grade to another and of within-grade salary advancement.

(5) To make continuous studies and investigations of the cost of living in urban areas throughtout the country for the purpose of determining appropriate issuing rates for area allowances and to adjust such issuing rates in accordance with the limitations provided in Article 17

Paragraph 4..

(6) To receive appeals and conduct hearings for those workers who appeal against the decision of the Office of New Pay Administration with respect to their base pay.

(Administrative Agency)

Article 3. In order to ensure the thorough-going enforcement of this law and attain its objectives, the Office of New Pay Administration shall be established temporarily under the jurisdiction of the Prime Minister.

Article 4. The Office of New Pay Administration shall be responsible for the coordination and integration concerning the determination of base pay under this Law and other matters within the administrative sphere in which it is empowered to act by this Law.

Article 5. The Office of New Pay Administration shall have one Chief, one Deputy Chief, and several staff officials.

2. The post of Chief of the Office of New Pay Administration shall be filled by the Director-General of the Cabinet Secretariat and of its Deputy Chief by the Director of the Allowance Bureau of the Ministry of Finance.

3. The staff officials shall be appointed by the Prime Minister from among the workers who are in charge of pay administration in the various government agencies partly to serve in the Office of New Pay Administration.

4. The Chief shall preside over the affairs of the Office.

5. The Deputy Chief shall assist the Chief and administer the affairs of the Office.

6. The staff officials shall deal with the affairs of the Office by order of their superiors.

(Payment of Compensation)

Article 6. Compensation authorized under this Law shall be paid in cash except as provided in Article 8, Paragraphs 3 and 4.

2. No compensation shall be paid or delivered to workers

except as provided by law.

3. No worker receiving compensation under the provisions of this Law may receive in cash a total compensation in excess of ¥29,000 per month.

4. Any reimbursement of actual expenses incurred as incident to employment shall not be included in compensation.

(Base Pay)

Article 7. The base pay for all workers shall be based on the complexity and difficulty of their duties and responsibilities, taking into consideration hardships, work hours, environments, and other working conditions.

Article 8. The compensation schedules attached as appendixes provided in Article 9 shall include base pay for all grades. Base pay shall represent the total remuneration for fulltime employment on the basis of work hours prescribed in Article 19 (hereinafter referred to as "regular work hours") but not including family allowances, area allowances, over time allowances, holiday pay and night allowances as provided by this Law.

2. The amounts of adjustment of base pay under the provisions of Article 15 and special work allowances as provided in Article 12 shall form a part of base pay.

3. Where housing, lodging, meals, uniforms, or other like allowances in kind are provided, any of such allowances in kind shall be treated as part payment of compensation and deducted from the base pay to the extent of its full cash calue as determined by the appropriate authority designated by law.

4. The provisions of the preceding paragraph shall not apply to the workers enumerated below, provided that the regular duties of the position held by such workers include the special services referred to below and are rendered ouside of regular work houfs. The value of quarters furnished such workers shall

be determined and included as part of the total amount of compensation fixed for each of such positions.

(1) Those who are required to be available outside of their regular work hours in the prevention of loss of life or property.

(2) Those who are required to perform emergency service in connection with research projects or laboratory experiments.

(3) Those, whose regular duties require them to work in isolated and remote areas.

(4) Those who are responsible custodians of government buildings and must live on the premises to carry out their duties.

Article 9. The jobs of workers shall be divided into 15 grades, and descriptions of key jobs illustrative of the various levels of work for the respective grades shall be provided by the Chief of the Office of New Pay Administration.

2. The compensation schedules authorized under this Law shall consist of the general salary schedule and special salary schedules enumerated below, and no other salary schedule of any kind shall be recognized.

I. The general salary schedule (Appendix 1).

II. The special salary schedules:

(1) Salary schedule for tax collectors and ecnomic investigators (Appendix 2)

(2) Salary schedule for police and prison workers (Appendix 3)

(3) Salary schedule for seamen (Appendix 4)

(4) Salary schedule for railway enterprise workers (Appendix 5).

3. The amounts as prescribed in the above compensation schedules shall be the monthly amounts.

4. The general salary schedule shall be applicable to all workers except those covered by any of the special salary schedules. However, the workers as prescribed in Articles 11, 28, 29 and 35 shall not be subject to any of the compensation schedules.

Article 10. The following rules shall govern in determining the amount of base pay in compensation schedules for the workers covered by the compensation schedules prescribed in the preceding Article.

I. The pay step for the purpose of applying the rate of increase as provided in Item 2 shall be the pay step mentioned in Appendix 6 which corresponds to the monthly amount of base pay as of November 1, 1948.

However in cases where the worker's monthly amount of base pay as of November 30, 1948 falls between two of the standard pay steps in Appendix 6, he shall be considered as coming under the lower of these two standard pay steps, and where the monthly amount of base pay falls above Pay Step 70, it shall be construed as Pay Step 70.

II. The rates of increase for the respective pay steps determined as provided in the preceding item are as follows:

Pay Step	% Rate of Increase
1 - 5	0.35 %
6 - 31	0.30
32 - 50	0.275
51 - 66	0.24
67 - 70	0.20

III. The amount of pay increase for each pay step shall be the monthly amount of base pay as of November 30, 1948, multiplied by the above rate.

IV. If the worker's monthly amount of base pay as of

November 30, 1948, plus the pay increase, is equal to one of the amounts of base pay shown in Appendix 6, he shall be paid the base pay at the pay step corresponding to that amount and if the said amount is not identical with any of the amounts of base pay shown in Appendix 6, the worker shall be paid at the next higher pay step, provided that the amount shall not exceed ~~¥15,504.~~ 16,996

V. In case the pay step determined by the above method is lower than the former pay step, the worker shall receive the new base pay at the same pay step as the former one.

2. Even in cases where a worker, under the provisions of the preceding paragraph, is subject to one of the compensation schedules as prescribed in Article 9, the grade in which he is allocated shall remain unchanged.

3. Even if the amount of new base pay of the worker exceed the maximum for the salary range for his grade shown in the compensation schedule to which he is subject, the new amount of base pay determined by the method prescribed in Paragraph 1 shall be paid.

4. In cases where a worker receives the new amount of base pay as provided in the preceding paragraph, he shall not be given any additional? pay increase, so long as he remains in the same grade.

Article 11. Those positions carrying the monthly amount of base pay as of November 1, 1948 over ¥15,504 shall continue to carry their present base pay without any change.

Article 12. The Speaker of the House of Representatives, the President of the House of Councillors, the Prime Minister, the Attorney General, various Ministers, the President of the Supreme Court, the President of the Board of Audit or the President of the National Personnel Authority (hereinafter referred

to as "Chief of Agencies") and those delegated by the Chief of Agencies shall, upon the promulgation of this Law and subject to the regulations of the Office of New Pay Administration, make appropriate application of this Law so that workers may receive their base pay on the basis thereof no later than the 25th day of the month following the month in which the law is promulgated.

Article 13. Regulations concerning the base pay of workers newly recruited or those promoted or demoted from one grade to another, and the standard of their within-grade pay advancement shall be established by Cabinet Order until such time as rules are provided by the National Personnel Authority. with respect thereto

Article 14. The procedures for payment of base pay under this Law shall be the same as those provided in the Ordinance concerning Salary of Government Service Officials (Imperial Ordinance No. 192, 1946). Provided, however, that workers who have heretofore been paid their base pay twice a month according to regulation or oftener or custom may continue to be so paid.

(Adjustment of Amount of Compensation)

Article 15. If the National Personnel Authority deems that the amounts of the compensation schedules prescribed in Article 9 are inadequate for the position having characteristics listed below, it is authorized to establish on account of such characteristics reasonable schedules of adjustments of the monthly amounts of base pay ~~prescribed~~ shown in such compensation schedules, provided that nothing contained herein shall preclude it from taking such characteristics into consideration in allocating a given position to a grade in compensation schedules prescribed in this Law when such special characteristics are uniformly present in each position involving the same type of work in the same grade. In which event no adjustment of the monthly amount of base pay is authorized under the provisions of this Article.

(1) Those positions wherein the duties and responsibilities would allocate them within the compensation schedule prescribed herein, but which are located at isolated, remote, or inaccessible places when compared

with the usual location of positions of the same grade.

(2) Those positions wherein the duties involve physical hardships or hazards which are excessive when compared with these usually involved in positions of the same grade.

2. The amount of adjustment as prescribed in the preceding paragraph shall not exceed 25% of the monthly amount of base pay ~~of the worker~~ before adjustment.

(Family Allowance)

Article 16. Family allowances shall be paid to all workers who have families dependent upon them.

2. Family allowances shall be paid at the rate of ¥ 1,250 for each dependent.

3. For the purpose of payment of family allowance, the persons listed below who have no other means of livelihood and are primarily dependent upon the workers for their support, shall be ~~considered as~~ dependents.

(1) Spouse (including ~~a spouse~~ one who, though not registered, is actually under marital status with the worker).

(2) Children and grandchildren under eighteen years of age.

(3) Parents and grandparents over sixty years of age.

(4) Younger brothers and sisters under eighteen years of age.

(5) Those who are crippled or disabled.

(Area Allowance)

Article 17. Area allowance shall be paid to all workers who serve in the areas allocated where the cost of living is specifically high.

2. The monthly amount of area allowance shall be computed by multiplying the monthly total of base pay and family allowance by the established issuing rates.

3. The issuing rates of area allowances and the allocation of areas shall be determined by the National Personnel Authority according to the cost of living.

4. The monthly amount of area allowance shall not exceed 50% of the monthly total of base pay and family allowances.

5. Area allowances are subject to adjustment by the National Personnel Authority as provided under Article 2, Item 5, and within the limitations prescribed by the preceding paragraph.

(Special Work Allowance)

Article 18. The special work allowance presently in effect on the effective date of this Law shall be in accordance with the Cabinet Order concerning the Special Work Allowances to be granted to Government Workers (Cabinet Order No.323, 1948) as to their kinds, the coverage of those receive them, the amount of allowances and the method of their issue, until such time as they are incorporated into base pay in compensation schedules or adjustments are authorized under the provision of Article 15.

(Work Hours)

Article 19. The work hours shall be established by Cabinet Order with the limitations of neither less than forty hours nor more than forty-eight hours per week, exclusive of the rest periods.

2. The Chiefs of Agencies may change or prolong the work hours as prescribed in the preceding paragraph with the approval of the Cabinet within the limitations of neither less than forty hours nor more than forty-eight hours per week.

3. The administrative work week will, insofar as possible, be scheduled over a period of not to exceed six work days, Monday through Saturday, so that Sunday is non-work day. Chiefs of agencies may, when due to public necessity, and to meet the needs of the particular agency, designate other days as the non-work day for individual workers.

(Reduction of Compensation)

Article 20. Workers absent from their duties shall have their compensation reduced by its hourly amount as provided in Article 24 for each hour of absence from duties, except when they are given specific authorization for such absence.

(Overtime Allowance)

Article 21. Workers required to work in excess of the regular work hours shall be paid 150% of their hourly amount of compensation prescribed in Article 24 for all hours worked in excess

of the regular work hours.

(Holiday Pay)

Article 22. All workers shall be paid their regular compensation for legal holidays falling within the regular work week.

2. Workers who are required to work on a legal holiday during their regularly scheduled tour of duty shall be paid 150% of their hourly amount of compensation prescribed in Article 24 for all regularly scheduled hours of duty by way of holiday pay. No additional payment shall be made for work performed outside the regularly scheduled work day.

3. "Legal holidays" referred to in the preceding two paragraphs shall be those designated by the Law concerning the National Holidays (Law No. 178, 1948).

(Night Allowance)

Article 23. Workers who are required to work between 6 p.m. and 6 a.m. on the following day on a regularly scheduled tour of duty shall be paid 10% of their hourly amount of compensation prescribed in Article 24 for all hours thus worked by way of night allowance.

(Computation of the Hourly Amount of Compensation)

Article 24. The hourly amount of compensation prescribed in the preceding four articles shall be the monthly amount of base pay multiplied by twelve and then divided by fifty-two times the number of work hours in a week.

(Revision of Base Pay)

Article 25. The Chief of the Office of New Pay Administration may revise or order to revise base pay for individual workers established by the Chiefs of Agencies or other delegated authority in accordance with Article 12 when it is found that such base pay does not conform to the provisions of Article 9 or 10.

(Request for Reconsideration)

Article 26. A worker who is not satisfied with the decision of a base pay allotted to him as prescribed in Article 10 (inclusive of the revision of base pay as provided in the preceding article) may request the Chief of the Officeof New Pay Administration for reconsideration.

2. Upon receipt of the request referred to in the preceding paragraph the Chief of Office of New Pay Administration shall be obligated to settle the issue correspondingly to the instances prescribed in the preceding article, and to notify the worker who has appealed and the government agencies concerned.

Article 27. If the worker is still dissatisfied with the decision referred to in the preceding article, Paragraph 2, he may appeal against the decision to the National Personnel Authority.

Procedures of Authority →

2. The provisions of Paragraph 2 of the preceding article shall apply correspondingly to the preceding paragraph. In this case the "Chief of the Office of New Pay Administration" and "the government agencies concerned" shall be taken to read, respectively, "the National Personnel Authority" and "the Office of New Pay Administration and the government agencies concerned."

(Compensation for Non-Full-Time Workers and Others)

Article 28. Committee-men, advisers and consultants who are not required to perform full-time service may be paid an allowance not exceeding ¥ 1,000 per day by Chiefs of Agencies with the approval of the Chief of the Office of New Pay Administration and shall be paid no other compensation.

Article 29. Workers who are subject to the prevailing wage rate by occupation category under the provisions of the Law concerning the Protection of the Government against Unjust Claims and Others (Law No. 171, 1947), Article 2, Paragraph 2 shall be paid their compensation on the basis of that Law notwithstanding the provisions of this Law.

(Review of Amounts and Rates of Compensation)

Article 30. In order to determine whether or not revisions in the amounts or rates of compensation are necessary, the Diet shall make periodical reviews of the amounts and rates of compensation on the basis of investigations made by the National Personnel Authority, taking into account changes in the economic factors originally utilized in the enactment or revision of this Law. To this end, the National Personnel Authority shall investigate the facts, utilizing accurate and appropriate statistical data offered by the Bureau of Statistic of the Prime Minister's Office, the Ministry of Labor, and other agencies of government, and prepare recommendations on compensation.

(Penal Provisions)

Article 31. Any person who violates the provisions of this Law with intent to make payment of or withhold compensation in violation thereof shall be sentenced to not to exceed one year in penal servitude or fined not to exceed thirty-thousand yen.

Supplementary Provisions

Article 32. The present Law shall come into force as from January 1, 1949, provided that the provisions concerning payment of the base pay, family allowance, area allowance and special work allowance in this Law shall apply as from November 1, 1948.

Article 33. Payments previously made to workers under the provisions of the Law concerning Salaries and Other Pays of Government Workers from June, 1948, Onwards (Law N.95, 1948) for the period subsequent to November 1, 1948 shall be regarded as part-payment under this Law.

Article 34. The present allocations of areas for area allowance shall remain unchanged until the National Personnel Authority on the basis of scientific analyses makes changes in accordance with the provisions in Article 17, Paragraph 3.

2. The rates of area allowances shall be 50% for Special Area, 10% for A Area and 0% for B and C Area, respectively, until the National Personnel Authority on the basis of scientific analyses makes changes in accordance with the provisions of Article 17, Paragraph 3. Provided, however, that the rate for special Area shall continue to be 30% for the time being and that, when the National Personnel Authority has made appropriate adjustments, the difference shall be paid on the basis thereof retroactively as from November 1, 1948.

Article 35. The treatment of compensation for unrepatriated workers shall follow the instances heretofore in force, notwithstanding the provisions of this Law.

adjusted.

Article 36. The following laws and orders shall be abolished:

Law concerning Salaries and Other Pay of Government Workers (Law No. 12, 1948).

Law concerning Salaries and Other Pays of Government Workers from June, 1948. Onwards (Law No. 95, 1948).

Law concerning the Salary and Others for the Public Procurators (Law No.76, 1948)

Law concerning the Salary and Others for the Public Procurators and Others from June 1948 (Law No.97, 1948)

Dajokan Tatsu (Government Order) No.27, 1873 (Concerning Sundays as Holidays).

Cabinet Order concerning the Guaranteed Minimum Wage by Age from June, 1948 Onwards (Cabinet Order No.234, 1948).

2. Such parts of the Law concerning Compensation Granted to Public Servants under the Labor Standards Law and the Other Laws (Law No.167, 1947) and Cabinet Ordinance No.6, 1922 (Concerning Work Hours in Government Agencies and Leaves of Absence) as are in conflict with this Law shall lose their effect.

Article 37. A part of the National Public Service Law shall be amended as follows:

"Article 14 of the Law Administering the New Pay (Law No.46 of 1948)" referred to in the National Public Service Law, Article 29, Paragraph 5 shall be amended as "Article 9 of the Law Administering the New Pay (Law No. ( ) of 1948)".

EXHIBIT ~~C~~ IV-B

GENERAL SALARY SCHEDULE

GRADE	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
1	1809 (1300)*	1866 (1370)	1925 (1430)	1986 (1500)	2049 (1560)	2114 (1630)				
2	1925 (1430)	1986 (1500)	2049 (1560)	2114 (1630)	2181 (1690)	2250 (1760)	2321 (1820)			
3	2181 (1690)	2250 (1760)	2321 (1820)	2394 (1890)	2470 (1950)	2548 (2020)	2629 (2080)			
4	2470 (1950)	2548 (2020)	2629 (2080)	2712 (2150)	2798 (2210)	2886 (2280)	2977 (2340)			
5	2798 (2210)	2886 (2280)	2977 (2340)	3071 (2410)	3168 (2470)	3268 (2540)	3371 (2600)	3478 (2670)	3588 (2730)	3701 (2800)
6	3371 (2600)	3588 (2730)	3818 (2860)	3939 (2990)	4064 (3120)	4193 (3250)	4326 (3380)	4463 (3510)	4604 (3640)	4750 (3770)
7	4193 (3250)	4326 (3380)	4463 (3510)	4604 (3640)	4750 (3770)	4900 (3900)	5055 (4030)	5215 (4160)	5380 (4290)	5550 (4420)
8	4900 (3900)	5055 (4030)	5215 (4160)	5380 (4290)	5550 (4420)	5725 (4550)	5906 (4680)	6093 (4810)	6286 (4940)	6485 (5070)
9	5725 (4550)	5906 (4680)	6093 (4810)	6286 (4940)	6485 (5070)	6690 (5200)	6902 (5330)	7120 (5460)	7345 (5590)	7577 (5720)
10	6690 (5200)	7120 (5460)	7577 (5720)	7817 (5980)	8064 (6240)	8319 (6500)	8582 (6760)			
11	8319 (6500)	8582 (6760)	8853 (7020)	9133 (7280)	9422 (7540)	9720 (7800)				
12	9720 (7800)	10,027 (8060)	10,344 (8320)	10,671 (8580)	11,008 (8840)	11,356 (9100)				
13	11,356 (9100)	11,715 (9360)	12,085 (9620)	12,467 (9880)	12,861 (10,140)	13,268 (10,400)				
14	13,268 (10,400)	12,688 (10,920)	14,121 (11,440)	14,568 (11,960)	15,029 (12,480)	15,504 (13,000)				

* The corresponding salary rate on the 3791 yen base is shown in parentheses.

1 October 1948

~~EXHIBIT B~~

SALARY SCHEDULE FOR TAX COLLECTORS AND ECONOMIC INVESTIGATORS

GRADE	Pay Steps 1	2	3	4	5	6	7	8	9	10	11	12
1	2181 (1690)*	2250 (1760)	2321 (1820)	2394 (1890)	2470 (1950)	2548 (2020)	2629 (2080)	2712 (2150)	2798 (2210)			
2	2629 (2080)	2798 (2210)	2977 (2340)	3168 (2470)	3371 (2600)	3588 (2730)	3818 (2860)	3939 (2990)				
3	3371 (2600)	3588 (2730)	3818 (2860)	3939 (2990)	4064 (3120)	4193 (3250)	4326 (3380)	4463 (3510)				
4	4193 (3250)	4326 (3380)	4463 (3510)	4604 (3640)	4750 (3770)	4900 (3900)	5055 (4030)	5215 (4160)	5380 (4290)	5550 (4420)	5725 (4550)	5906 (4680)
5	5055 (4030)	5215 (4160)	5380 (4290)	5550 (4420)	5725 (4550)	5906 (4680)	6093 (4810)	6286 (4940)	6485 (5070)	6690 (5200)	6902 (5330)	7120 (5460)
6	5906 (4680)	6286 (4940)	6690 (5200)	7120 (5460)	7577 (5720)	7817 (5980)	8064 (6240)					
7	7120 (5460)	7577 (5720)	7817 (5980)	8064 (6240)	8319 (6500)	8582 (6760)	8853 (7020)					
8	8064 (6240)	8319 (6500)	8582 (6760)	8853 (7020)	9133 (7280)	9422 (7540)	9720 (7800)					
9	9133 (7280)	9422 (7540)	9720 (7800)	10,027 (8060)	10,344 (8320)	10,671 (8,580)						

* The corresponding salary rate on the 3791 yen base is shown in parentheses.

1 October 1948

Exhibit II-C

~~EXHIBIT E~~

SALARY SCHEDULE FOR POLICE, FIRE-FIGHTERS AND PRISON GUARDS

GRADE	Pay Steps 1	2	3	4	5	6	7	8	9	10	11
1	2798 (2210)*	2886 (2280)	2977 (2340)	3071 (2410)	3168 (2470)	3268 (2540)	3371 (2600)	3478 (2670)	3588 (2730)	3701 (2800)	3818 (2860)
2	3588 (2730)	3818 (2860)	3939 (2990)	4064 (3120)	4193 (3250)	4326 (3380)	4463 (3510)	4604 (3640)	4750 (3770)	4900 (3900)	
3	4193 (3250)	4326 (3380)	4463 (3510)	4604 (3640)	4750 (3770)	4900 (3900)	5055 (4030)	5215 (4160)	5380 (4290)	5550 (4420)	
4	4900 (3900)	5215 (4160)	5550 (4420)	5906 (4680)	6286 (4940)	6690 (5200)	7120 (5460)				
5	5906 (4680)	6286 (4940)	6690 (5200)	7120 (5460)	7577 (5720)	7817 (5980)	8064 (6240)				
6	7120 (5460)	7577 (5720)	7817 (5980)	8064 (6240)	8319 (6500)	8582 (6760)	8853 (7020)				
7	8064 (6240)	8319 (6500)	8582 (6760)	8853 (7020)	9133 (7280)	9422 (7540)	9720 (7800)				
8	8582 (6760)	8853 (7020)	9133 (7280)	9422 (7540)	9720 (7800)	10,027 (8060)	10,344 (8320)				

* The corresponding salary rate on the 3791 yen base is shown in parentheses.

1 October 1948

Exhibit ~~XI~~ -D

EXHIBIT F

SALARY SCHEDULE FOR RAILWAY ENTERPRISE WORKERS

GRADE	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
1	1925 (1430)*	1986 (1500)	2049 (1560)	2114 (1630)	2181 (1690)	2250 (1760)			
2	2181 (1690)	2250 (1760)	2321 (1820)	2394 (1890)	2470 (1950)	2548 (2020)			
3	2470 (1950)	2548 (2020)	2629 (2080)	2712 (2150)	2798 (2210)	2886 (2280)			
4	2798 (2210)	2886 (2280)	2977 (2340)	3071 (2410)	3168 (2470)	3268 (2540)	3371 (2600)	3478 (2670)	
5	3371 (2600)	3478 (2670)	3588 (2730)	3701 (2800)	3818 (2860)	3939 (2990)	4064 (3120)	4193 (3250)	
6	3818 (2860)	3939 (2990)	4064 (3120)	4193 (3250)	4326 (3380)	4463 (3510)	4604 (3640)	4750 (3770)	4900 (3900)
7	4463 (3510)	4604 (3640)	4750 (3770)	4900 (3900)	5055 (4030)	5215 (4160)	5380 (4290)	5550 (4420)	5725 (4550)
8	5215 (4160)	5380 (4290)	5550 (4420)	5725 (4550)	5906 (4680)	6093 (4810)	6286 (4940)	6485 (5070)	6690 (5200)
9	6093 (4810)	6286 (4940)	6485 (5070)	6690 (5200)	6902 (5330)	7120 (5460)	7345 (5590)		
10	6902 (5330)	7120 (5460)	7345 (5590)	7577 (5720)	7817 (5980)	8064 (6240)			
11	7577 (5720)	7817 (5980)	8064 (6240)	8319 (6500)	8582 (6760)				
12	8582 (6760)	8853 (7020)	9133 (7280)	9422 (7540)	9720 (7800)				

* The corresponding salary rate on the 3791 yen base is shown in parentheses.

1 October 1948

Exhibit XI-E

~~EXHIBIT G~~

SALARY SCHEDULE FOR SEAMEN

GRADE	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
1	2181 (1690)*	2250 (1760)	2321 (1820)	2394 (1890)	2470 (1950)				
2	2321 (1820)	2394 (1890)	2470 (1950)	2548 (2020)	2629 (2080)	2712 (2150)	2798 (2210)		
3	2629 (2080)	2712 (2150)	2798 (2210)	2886 (2280)	2977 (2340)	3071 (2410)	3168 (2470)	3268 (2540)	3371 (2600)
4	3168 (2470)	3371 (2600)	3588 (2730)	3818 (2860)	3939 (2990)	4064 (3120)	4193 (3250)	4326 (3380)	
5	3818 (2860)	3939 (2990)	4064 (3120)	4193 (3250)	4326 (3380)	4463 (3510)	4604 (3640)	4750 (3770)	
6	4326 (3380)	4463 (3510)	4604 (3640)	4750 (3770)	4900 (3900)	5055 (4030)	5215 (4160)	5380 (4290)	
7	5215 (4160)	5380 (4290)	5550 (4420)	5725 (4550)	5906 (4680)	6093 (4810)	6286 (4940)	6485 (5070)	
8	6286 (4940)	6485 (5070)	6690 (5200)	6902 (5330)	7120 (5460)	7345 (5590)	7577 (5720)		
9	7577 (5720)	7817 (5980)	8064 (6240)	8319 (6500)	8582 (6760)	8853 (7020)			
10	8319 (6500)	8582 (6760)	8853 (7020)	9133 (7280)	9422 (7540)	9720 (7800)			
11	9720 (7800)	10,027 (8060)	10,344 (8320)	10,671 (8580)	11,008 (8840)	11,356 (9100)			
12	11,356 (9100)	11,715 (9360)	12,085 (9620)	12,467 (9880)	12,861 (10,140)	13,268 (10,400)			

* The corresponding salary rate on the 3791 yen base is shown in parentheses

1 October 1948

Exhibit ~~H~~ - F

EXHIBIT G

RULES FOR CONVERSION TO THE NEW STANDARD SALARY RATES

1. From the Salary Rate Conversion Table determine the number of the pay step at which the employee was paid on the 3791-yen base as of October 1, 1948. If the employee's salary rate as of October 1, 1948, falls between two of the standard salary rates for the 3791-yen base, he will be considered as though paid at the lower of these two standard rates for the purpose of determining the number of the pay step used in making the computations outlined herein.

2. From the following table determine the appropriate percentage increase for this pay step:

Pay Steps	Percentage Increase
1 - 5	35%
6 - 31	30%
32 - 50	27½%
51 - 66	24%
67 - 70	20%

3. Increase the employee's salary rate as of October 1, 1948, by this percentage.

4. (a) If the employee's salary rate as of October 1, 1948, increased by the percentage increase specified for his pay step is one of the new standard rates shown on the Salary Rate Conversion Table, he will be paid at such standard rate.

(b)

Exhibit XI-G

(b) If the employee's salary rate as of October 1, 1948, increased by the percentage increase specified for his pay step falls between two of the new standard rates shown on the Salary Rate Conversion Table, he will be paid at the next higher rate, provided that no employee shall be paid in excess of the maximum of $ 15,504 .

5. In every instance the classification grade of the employee's position will remain the same. If the employee's new rate of pay is in excess of the maximum step for the salary range for his grade as shown on the appropriate adjusted pay schedule, he will be carried at such rate but will be ineligible for additional within-grade increases.

(c) If the employee's salary rate as of October 1, 1948, increased by the percentage increase specified for his pay step falls between the standard rate shown on the Salary Rate Conversion ~~Table~~ ~~would~~ provide ~~an increase of $ 1~~

and in no case shall an employee be converted so that his new step rate will be below that which he originally held.

~~EXHIBIT A~~

~~EXHIBIT A~~

SALARY RATE CONVERSION TABLE
GOVERNMENT OF JAPAN

Step Number	Current* Salary Rate	New Salary Rate	Step Number	Current* Salary Rate	New Salary Rate	Step Number	Current* Salary Rate	New Salary Rate
1	1300	1809	24	2800	3701	48	5980	7817
2	1370	1866	25	2860	3818	49	6240	8064
3	1430	1925	26	2990	3939	50	6500	8319
4	1500	1986	27	3120	4064	51	6760	8582
5	1560	2049	28	3250	4193	52	7020	8853
6	1630	2114	29	3380	4326	53	7280	9133
7	1690	2181	30	3510	4463	54	7540	9422
8	1760	2250	31	3640	4604	55	7800	9720
9	1820	2321	32	3770	4750	56	8060	10027
10	1890	2394	33	3900	4900	57	8320	10344
11	1950	2470	34	4030	5055	58	8580	10671
12	2020	2548	35	4160	5215	59	8840	11008
13	2080	2629	36	4290	5380	60	9100	11356
14	2150	2712	37	4420	5550	61	9360	11715
15	2210	2798	38	4550	5725	62	9620	12085
16	2280	2886	39	4680	5906	63	9880	12467
17	2340	2977	40	4810	6093	64	10140	12861
18	2410	3071	41	4940	6286	65	10400	13268
19	2470	3168	42	5070	6485	66	10920	13688
20	2540	3268	43	5200	6690	67	11440	14121
21	2600	3371	44	5330	6902	68	11960	14568
22	2670	3478	45	5460	7120	69	12480	15029
23	2730	3588	46	5590	7345	70	13000	15504
			47	5720	7577			

* As Provided Under New Pay Law (Law No. 46 of 1948) For ¥ 3791 Base.

Exhibit ~~XI~~ A

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

29 November 1948

MEMORANDUM FOR : Dr. Justin Williams
Chief, Parliamentary and Political Division

SUBJECT : Proposed Pay Bill.

1. The Civil Service Division requests that no new proposed pay bill receive Government Section approval without being referred first to the Civil Service Division for study and comments.

2. The Civil Service Division requests such consideration in this matter since it feels that through the action of any measures to affect the public servants, that it has primary technical interest in any such program, law or Cabinet Order designed to so affect the status of the public servants.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM/hm

-5 b-

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

26 November 1948

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

SUBJECT : Proposed Amendments to New Pay Law.

1. Mr. Hoover has made a cursory survey of the proposed amendments attached to your memorandum and reiterates that you have full responsibility and authority for the Civil Service Division, Government Section, to discuss this subject matter with the Japanese, review legislation submitted by the Japanese in the name of the Civil Service Division and assist in drafting such legislation where needed.

2. It is requested only, that you clear any major policy matters with the Chief's office before making final commitments on such policy for the division.

WPM/hm
Attachment

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

CIVIL SERVICE DIVISION
Government Section

November 19, 1948

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

SUBJECT : Proposed Amendments to New Pay Law

1. Attached herewith is a copy of the proposed amendments to the New Pay Law:

1. To implement the recommendations of the Pay Adjustment report.

2. To consolidate in a single document all factors pertaining to compensation and for the first time, make compensation a matter of determination as a public policy.

2. Attached is a draft of the New Pay Law as it will appear, if the proposed amendments are adopted in toto.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:vr
Att:-2

approved by BH 11/24/48

CIVIL SERVICE DIVISION
Government Section

November 19, 1948

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

SUBJECT : Proposed Amendments to New Pay Law

1. Attached herewith is a copy of the proposed amendments to the New Pay Law:

1. To implement the recommendations of the Pay Adjustment report.

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2. Attached is a draft of the New Pay Law as it will appear, if the proposed amendments are adopted in Toto.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:VF
Att:-2

PROPOSED AMENDMENTS TO LAW ADMINISTERING THE NEW PAY
(Law No. 46 of 1948)

(Purpose of this Law)

Article 1. Delete entire Paragraph 1 and substitute in place thereof the following:

"1. The purpose of this Law shall be to establish the amount of pay and allowances, to provide compensation schedules, regulations concerning the adjustment of pay to the schedules, to establish hours of work, rates for overtime and holiday pay and for night differential, and to provide for the issuance of regulations concerning the administration of compensation for employees in the regular government service as defined in Article 2 of the National Public Service Law (Law No. 120 of 1947) as revised, and otherwise to promote uniformity in personnel policy within the service."

Delete second sentence in Paragraph 2.

Delete in the third sentence of Paragraph 2 "31 December 1948" and substitute therefor "31 December 1949".

(Administrative Agency)

Article 2. Delete in lines 1 and 2 "Area Allowances Committee, and New Pay Grievance Committee".

Re-number to Article 3.

Add a new Article 2 as follows:

"Article 2. The National Personnel Authority shall:

(1) Make rules and directives that may be found necessary in the administration of this Law.

(2) Determine the scope of the compensation schedules provided in Article 14 of this Law.

(3) Make studies with the rates of compensation as provided in Article 14 of this Law for the various grades with a view to recommending to the Cabinet and to the Diet any readjustments deemed by the National Personnel Authority to be just and reasonable and whenever the National Personnel Authority deems it necessary to make investigations upon all matters touching on the administration of this Law and its practical effect. The Authority may after such study or investigation

order remedial action and when it deems it necessary report its conclusion to the Cabinet and to the Diet with its recommendations for the more effectual accomplishment of the purposes of this Law.

(4) Provide rules and directives concerning base pay of newly appointed employees and standards for the adjustment of base pay for purposes of promotion or demotion from one grade to another grade and for within-grade salary advancements.

(5) Make continuous studies and investigations of the cost of living in urban areas throughout the country for the purpose of determining appropriate issuing rates for area allowances and may revise such issuing rates in accordance with the limitations provided in Item 4 of Paragraph 9 of this Law.

(6) Receive appeals and conduct hearings for employees who desire to appeal the decision of the Office of New Pay Administration with respect to their rates of pay."

Article 3. Re-number to Article 4.

Article 4. Re-number to Article 5.

Article 5. Delete entire Paragraph 1 and substitute in place thereof the following:

"1. Compensation authorized under this Law shall be paid in cash except as provided in Article 7 of this Law, and no compensation shall be paid or delivered to personnel of the service except as provided by law."

Re-number to Article 6.

Article 6. Delete entire Article.

Article 7. Delete entire Paragraph 1 and substitute in place thereof the following:

"1. The compensation schedules as provided in Article 14 and attached as an appendix to this Law include all base pays. Base pay shall represent the total remuneration for full-time employment, but not including family allowances, area allowances, any special allowances or differentials provided in this Law, any authorized payment for regular over-time service, night differential, or payment for work on legal holidays, nor any reimbursement of actual necessary expenses authorized and incurred as incident to employment.

"2. Where housing, lodging, meals, uniform, or other such allowances are provided, such compensation will be treated as part payment to be deducted from the money, salary, or wage of the employee receiving such compensation to the extent of its full cash value as determined by the appropriate authority designated according to law.

"3. The provisions of the preceding paragraph shall not apply to those employees:

(1) who, in the public interest, are required to be available outside of their regular working hours for emergency service in the prevention of loss of life or property,

(2) who are required to perform emergency service in connection with research projects or laboratory experiments,

(3) whose regular duties require them to work in isolated and remote areas, and

(4) who are responsible custodians of government buildings and must live on the premises to carry out their duties;

Provided that, the regular duties of the position held by such employees shall include the special services referred to in this paragraph and are rendered outside of regular working hours. The value of quarters furnished such employees will be determined and included as part of the total rate of compensation fixed for each of such positions."

Article 8. Delete entire Paragraph 1 and substitute in place thereof the following:

"1. Family allowances will be paid to all employees who have families dependent upon them.

"2. Family allowances shall be paid at the rate of ¥ 1,250 for each dependent.

"3. For the purpose of payment of family allowance, dependents shall be defined as including: wife; children eighteen years of age or under; parents or grandparents who are sixty years of age or over; younger brothers or sisters eighteen years of age or less; grandchildren eighteen years of age or less; and those who are crippled or disabled;

Provided that, those persons defined above must not have other means of livelihood and are primarily dependent upon the employee for their support."

Article 9. Delete the entire Article and substitute in place thereof the following:

"1. Area allowances shall be paid to employees who serve in those areas where the cost of living is determined to be exceptionally high.

"2. The monthly amount of area allowances shall be computed by multiplying the monthly total of base pay and family allowance by the established issuing rate.

"3. The allocation of areas and the issuing rates of area allowances shall be established according to the cost of living and shall be determined xxxxx by the National Personnel Authority.

"4. The issuing rates for area allowances shall not exceed 50% of the total base pay and family allowance.

"5. Area allowances are subject to adjustment by the National Personnel Authority as provided under Article 2, Paragraph 5, and within the limitations prescribed by Paragraph 4 of this Article."

Article 10. Delete entire Article 10 and substitute therefor the following:

"1. The Prime Minister, President of the Supreme Court, respective Ministers, Attorney General or President of the Board of Audit (hereinafter referred to as "Chief of Agencies") and those delegated by the Chief Agencies shall, upon the promulgation of this Law and subject to the regulations of the Office of New Pay Administration, make appropriate application of this Law and the compensation schedules so that employees shall receive pay on the basis thereof no later than the 25th day of the month following the month in which the Law is enacted."

Article 11. Delete entire Article and substitute in place thereof the following:

"1. In determining the compensation to be paid employees occupying positions covered by the compensation schedules prescribed in Article 14 of this Law the rules for determining the appropriate base pay recommended in the report of the Temporary National Personnel Commission to the Prime Minister on the adjustment of compensation of government employees shall be used."

Article 12. Delete entire Article and substitute in place thereof the following:

"1. If the National Personnel Authority shall at any time determine that the rates of the compensation schedules prescribed in Article 14 of this Law are inadequate for the positions having characteristics

described below, the National Personnel Authority is authorized to establish on account of such characteristics reasonable schedules of adjustments of the base rates prescribed in such compensation schedules, but the adjustments in the base pay for any such positions shall not exceed 25% of the base pay of the class to which the position is allocated. The positions having special characteristics which may be considered under the provisions of this Article are:

(1) those wherein the duties and responsibilities would allocate them within the compensation schedule prescribed herein, but which are located at isolated, remote, or inaccessible places when compared with the usual location of positions of the same class, or

(2) those positions wherein the duties involve physical hardships or hazards which are exessive when compared with those usually involved in positions of the same class;

Provided that, nothing contained herein shall preclude the National Personnel Authority from taking the factor of isolation, hardships or hazard into consideration in allocating a given class to a grade and under compensation schedules herein when such special characteristics are uniformly present in each position in the class, in which event no adjustment is authorized under this section in the rates so determined.

"2. Special work allowances will be considered as coming within the provisions of the preceding paragraph of this Article.

"3. The kind of special work allowances, the coverage of those who receive them, and the allowance rates shall be determined by the National Personnel Authority."

Article 13. Add in the second line after the word "responsibilities," the following phrase "taking into consideration".

Article 14. Delete all of Paragraphs 2 and 3 and substitute a new Paragraph 2 as follows:

"2. The compensation schedules authorized under this Law shall consist of a general schedule and four special schedules.

(1) The general salary schedule attached as Appendix A to this Law for all workers in the regular government service except those subject to the special schedules.

(2) The special salary schedules shall consist of:

a. Salary schedule for tax collectors and economic investigators (Appendix B).

b. Salary schedule for police and prison workers (Appendix C).

c. Salary schedule for seamen (Appendix D).

d. Salary schedule for railway enterprise workers (Appendix E).

"3. No other base rates or salary schedules will be authorized on and after the effective date of this Law."

Article 15. Delete the entire Article.

Article 16. Re-number to Article 15 and add at the end of the Article the following phrase "until such time as rules are provided for the National Personnel Authority."

Article 17. Re-number to Article 16.

Article 18. Delete the entire Article and substitute therefor the following:

"1. Employees absent from their duties without proper authorization and employees occupying positions not requiring full time service shall have their monthly rate of pay, including allowances, reduced proportionately."

Re-number to Article 17.

Article 19. Delete the entire Article and substitute therefor the following:

"1. The administrative work week shall be established by Cabinet Order and shall not consist of less than forty hours nor more than forty-eight hours duty, exclusive of lunch periods.

"2. Chiefs of Agencies may request establishment of an administrative work week within the limitations prescribed in the preceding paragraph to meet the particular needs of the agency."

Re-number to Article 18.

Article 20. Delete entire Article and substitute in place thereof the following:

"1. Employees required to work in excess of the administrative work week as established by Cabinet Order shall be paid at not to exceed one and one-half times their regular hourly rate of base pay for all hours worked in excess of the administrative work week.

"2. All employees subject to the provisions of this Law shall be paid their regular basic compensation for legal holidays on which no work is performed.

"3. Employees referred to in the preceding paragraph who are required to work on a legal holiday during their regularly scheduled tour of duty will be paid at the rate of one and one-half times their hourly rate of base pay for all regularly scheduled hours of duty falling on that legal holiday. No additional payment will be made for work performed outside the regularly scheduled work day.

"4. Legal holidays coming within the provisions of this Article shall be those designated by Law No. 178 of 1948."

Re-number to Article 19.

Article 21. Delete the entire Article and substitute therefor the following:

"1. For the purpose of conversion of monthly salary rates of pay to an hourly rate of pay, the following procedure shall be used:

(1) Multiply the monthly base salary by twelve and divide this sum by fifty-two times the number of hours in the administrative work week.

(2) Hourly rates of pay based on the administrative work week for the various rates in the salary schedule will be published by regulation."

Re-number to Article 20.

Add a new Article 21 as follows:

"Article 21.

1. Employees covered by this Law shall receive extra compensation in an amount not to exceed ten per cent of their hourly rates of base pay for each hour of work performed between the hours of 6 p.m. and 6 a.m. within their administrative work week during a regularly scheduled tour of duty."

Article 22.

In line 2 of Paragraph 1, delete all after the phrase "order to be revised" and add the following "salary rates for individual employees established by the Chiefs of Agencies or other delegated authority in accordance with Article 10 of this Law when it is found that such salary rates are not in compliance with the provisions of Article 11 or 14 of this Law."

Article 23.

In line 2 of Paragraph 1, delete "Article 15" and substitute therefor "Article 12".

Article 24.

In line 2, Paragraph 1, delete all after the phrase "Paragraph 2," and substitute in place thereof the following "he may appeal the decision to the National Personnel Authority."

In line 1, Paragraph 2, delete "New Pay Grievance Committee" and substitute therefor "National Personnel Authority".

In line 2 after the phrase "receipt of such" delete "request" and substitute therefor "appeal".

In the last sentence of Paragraph 3, delete "New Pay Grievance Committee" and substitute therefor "National Personnel Authority".

Article 25.

Re-number to become Article 26.

Add a new Article 25 as follows:

"Article 25.

1. In order to determine whether or not revisions in the schedules provided under Article 14 are necessary, periodical reviews will be made by the Diet of such schedules on the basis of investigations made by the National Personnel Authority taking into account changes in the economic factors originally utilized in the establishment and development of the schedules. For this purpose, the National Personnel Authority will maintain a research staff to collect facts, make analyses, and prepare recommendations bearing on all phases of government wage policy, utilizing available, timely, and reliable statistics that may be furnished by the Bureau of Statistics, the Ministry of Labor, and other agencies of government having pertinent and timely information. When conditions warrant, the National Personnel Authority will recommend adjustments of existing rates of pay in accordance with the provisions of Article 67 of the National Public Service Law as amended (Law 120 of 1947) in order that such rates of pay may at all times be just and reasonable."

SUPPLEMENTARY PROVISIONS

Article 26. Delete entire Article and substitute in place thereof a new Article 27 as follows:

"Article 27.

1. Allocation of areas will remain as they are and the issuing rates of 50% for special areas, 10% for A areas and 0% for B and C areas shall be applied in the payment of area allowances until the National Personnel Authority on the basis of scientific analyses makes changes in accordance with Article 9 of this Law."

Article 27. Re-number to become Article 28.

In line 2 of paragraph 1, delete all after the phrase "wage by age" and substitute in place thereof "shall be as provided in Cabinet Order No. 134 of 1948."

Article 28. Delete entire Article.

Article 29. Delete entire Article and substitute in place thereof the following:

"1. Any person who violates the provisions of this Law with intent to make payment of or withhold salaries in violation hereof shall be sentenced not to exceed one year in penal servitude or fine not to exceed ¥30,000 or both. Where violations of this Law are related to actions directed by the National Personnel Authority, the penal provisions of the National Public Service Law shall be applied. (Law 120 of 1947 as amended)."

Article 30. Re-number to Article 32. Add at the end of Paragraph 1 the following laws:

"The Law concerning salaries and other pays of government workers from June, 1948, onward (Law 94 of 1948).

"Ordinance concerning special allowance for officials and employees in the particular localities, (Imperial Ordinance No. 405, 1920)

"Such parts of the Law concerning compensations granted to public servants under the Labor Standards Law and the other laws (Law No. 167 of 1947) as are in conflict with this law."

Add a new Article 30 as follows:

"1. Payments previously made to employees under the

provisions of Law No. 95 of 1948 for the period subsequent to the effective date of the pay adjustment provided in this Law shall be regarded as part-payment under this Law."

Add a new Article 31:

"No employee receiving compensation under the provisions of this Law may receive a total compensation in cash in excess of ¥25,000 per month."

LAW ADMINISTERING THE NEW PAY
(Law No. 46, 1948)

May 31, '48

(Purpose of this Law)

Article 1.

1. The purpose of this Law shall be to establish the amount of pay and allowances, to provide compensation schedules, regulations concerning the adjustment of pay to the schedules, to establish hours of work, rates for overtime and holiday pay and for night differential, and to provide for the issuance of regulations concerning the administration of compensation for employees in the regular government service as defined in Article 2 of the National Public Service Law (Law No. 120 of 1947) as revised, and otherwise to promote uniformity in personnel policy within the service.

2. The provisions of this Law shall not be construed to repeal, amend or supersede in any particular any provisions of the National Public Service Law as existent or at any time amended. All provisions of this Law shall become null and void on 31 December 1949 or at any earlier date as may be provided by law.

3. The classification plan as provided by Article 14 of this Law shall be construed as being and meeting the requirements of the plan submitted to the Diet for approval in accordance with Article 29 and otherwise of the National Public Service Law (Law No. 120, 1947) and shall remain in effect until subsequent modifications are presented to the Diet for approval by the National Personnel Commission.

Article 2.

The National Personnel Authority shall:

(1) Make rules and directives that may be found necessary in the administration of this Law.

(2) Determine the scope of the compensation schedules provided in Article 14 of this Law.

(3) Make studies with the rates of compensation as provided in Article 14 of this Law for the various grades with a view to recommending to the Cabinet and to the Diet any readjustments deemed by the National Personnel Authority to be just and reasonable and whenever the National Personnel Authority deems it necessary to make investigations upon all matters touching on the administration of this Law and its practical effect. The Authority may after such study or investigation order remedial action, and when it deems it necessary report its conclusion to the Cabinet and to the Diet with its recommendations for the more effectual accomplishment of the purposes of this Law.

direct → and

(4) Provide rules and directives concerning base pay of newly appointed employees and standards for the adjustment of base pay for purposes of promotion or demotion from one grade to another grade and for within-grade salary advancements.

(5) Make continuous studies and investigations of the cost of living in urban areas throughout the country for the purpose of determining appropriate issuing rates for area allowances and may revise such issuing rates in accordance with the limitations provided in Item 4 of Paragraph 9 of this Law.

(6) Receive appeals and conduct hearings for employees who desire to appeal the decision of the Office of New Pay Administration with respect to their rates of pay.

(Administrative Agency)

Article 3.

1. The Office of New Pay Administration shall be established temporarily for a duration under the direction of Prime Minister in order to fulfil the purpose as provided maintaining the most efficient administration of this Law.

Article 4.

1. The Office of New Pay Administration shall carry out the administrative unification adjustment for the determination of pay rates as provided in this Law and the other administrative matters empowered to practice as provided thereby.

Article 5.

1. The Office of New Pay Administration shall elect Chief, Deputy Chief, and several staff officials.

2. The Chief Secretary of the Cabinet shall take charge of directorship as the Chief of the Office of New Pay Administration and the Director of the Allowance Bureau of the Ministry of Finance shall be the Deputy Chief of the Office.

3. The staff officials shall be appointed by the Prime Minister from among the workers who are in charge of pay administration in the respective government agencies partly to serve in the Office of the New Pay Administration.

4. The Chief shall direct the affairs of the Office.

5. The Deputy Chief shall administer the affairs of the Office, assisting the Chief.

6. The staff officials shall carry out the affairs of the Office as directed from the above.

(Kinds of Compensation)

Article 6.

1. Compensation authorized under this Law shall be paid in cash except as provided in Article 7 of this Law, and no compensation shall be paid or delivered to personnel of the service, except as provided by law.

Salter

Believe Articles 7 and 12 may be slightly in conflict in so far as Base Pay is concerned. What do you think?

Think we should delete in #1, Art. 7, "any special allowances or differentials provided in this Law" and add at end of # the following:

X "Provided that any adjustments made under the provisions of Art. 12 shall be considered as a part of Base Pay."

Article 7.

1. The compensation schedules as provided in Article 14 and attached as an appendix to this Law include all base pays. Base pay shall represent the total remuneration for full-time employment, but not including family allowances, area allowances, any special allowances or differentials provided in this Law, any authorized payment for regular over-time service, night differential, or payment for work on legal holidays, nor any reimbursement of actual necessary expenses authorized and incurred as incident to employment. Provid

2. Where housing, lodging, meals, uniform, or other such allowances are provided, such compensation will be treated as part payment to be deducted from the money, salary, or wage of the employee receiving such compensation to the extent of its full cash value as determined by the appropriate authority designated according to law.

3. The provisions of the preceding paragraph shall not apply to those employees:

(1) who, in the public interest, are required to be available outside of their regular working hours for emergency service in the prevention of loss of life or property,

(2) who are required to perform emergency service in connection with research projects or laboratory experiments,

(3) whose regular duties require them to work in isolated and remote areas, and

(4) who are responsible custodians of government buildings and must live on the premises to carry out their duties;

Provided that, the regular duties of the position held by such employees shall include the special services referred to in this paragraph and are rendered outside of regular working hours. The value of quarters furnished such employees will be determined and included as part of the total rate of compensation fixed for each of such positions.

Article 8.

1. Family allowances will be paid to all employees who have families dependent upon them.

2. Family allowances shall be paid at the rate of ¥ 1,250 for each dependent.

3. For the purpose of payment of family allowance, dependents shall be defined as including: wife; children eighteen years of age or under; parents or grandparents who are sixty years of age or over; younger brothers or sisters eighteen years of age or less; grandchildren eighteen years of age or less; and those who are crippled or disabled;

Provided that, those persons defined above must not have other means of livelihood and are primarily dependent upon the employee for their support.

Article 9.

1. Area allowances shall be paid to employees who serve in those areas where the cost of living is determined to be exceptionally high.

2. The monthly amount of area allowances shall be computed by multiplying the monthly total of base pay and family allowance by the established issuing rate.

3. The allocation of areas and the issuing rates of area allowances shall be established according to the cost of living and shall be determined upon by the National Personnel Authority.

4. The issuing rates for area allowances shall not exceed 50% of the total base pay and family allowance.

5. Area allowances are subject to adjustment by the National Personnel Authority as provided under Article 2, Paragraph 5, and within the limitations prescribed by Paragraph 4 of this Article.

Article 10.

1. The Prime Minister, President of the Supreme Court, respective Ministers, Attorney General or President of the Board of Audit (hereinafter referred to as "Chief of Agencies") and those delegated by the Chief Agencies shall, upon the promulgation of this Law and subject to the regulations of the Office of New Pay Administration, make appropriate application of this Law and the compensation schedules so that employees shall receive pay on the basis thereof no later than the 25th day of the month following the month in which the Law is enacted.

Article 11.

1. In determining the compensation to be paid employees occupying positions covered by the compensation schedules prescribed in Article 14 of this Law the rules for determining the appropriate base pay recommended in the report of the Temporary National Personnel Commission to the Prime Minister on the adjustment of compensation of government employees shall be used.

Article 12.

1. If the National Personnel Authority shall at any time determine that the rates of the compensation schedules prescribed in Article 14 of this Law are inadequate for the positions having characteristics described below, the National Personnel Authority is authorized to establish on account of such characteristics reasonable schedules of adjustments of the base rates prescribed in such compensation schedules, but the adjustments in the base pay for any such positions shall not exceed 25% of the base pay of the class to which the position is allocated. The positions having special characteristics which may be considered under the provisions of this Article are:

(1) those wherein the duties and responsibilities would allocate

them within the compensation schedule prescribed herein, but which are located at isolated, remote, or inaccessible places when compared with the usual location of positions of the same class, or

(2) those positions wherein the duties involve physical hardships or hazards which are excessive when compared with those usually involved in positions of the same class;

Provided that, nothing contained herein shall preclude the National Personnel Authority from taking the factor of isolation, hardships or hazard into consideration in allocating a given class to a grade and under compensation schedules herein when such special characteristics are uniformly present in each position in the class, in which event no adjustment is authorized under this section in the rates so determined.

2. Special work allowances will be considered as coming within the provisions of the preceding paragraph of this Article.

3. The kind of special work allowances, the coverage of those who receive them, and the allowance rates shall be determined by the National Personnel Authority.

(Base Pay)

Article 13.

1. All workers shall receive a compensation based on the complexity and difficulty of their duties and responsibilities, taking into consideration hardship, work hours, environment, and the other working conditions.

Article 14.

1. The jobs of workers shall be divided into 15 grades, and descriptions of key jobs illustrative of the various levels of work for the respective grades shall be provided by the Chief of the Office of New Pay Administration.

2. The compensation schedules authorized under this Law shall consist of a general schedule and four special schedules.

(1) The general salary schedule attached as Appendix A to this Law for all workers in the regular government service except those subject to the special schedules.

(2) The special salary schedules shall consist of:

a. Salary schedule for tax collectors and economic investigators (Appendix B).

b. Salary schedule for police and prison workers (Appendix C).

c. Salary schedule for seamen (Appendix D).

d. Salary schedule for railway enterprise workers (Appendix E).