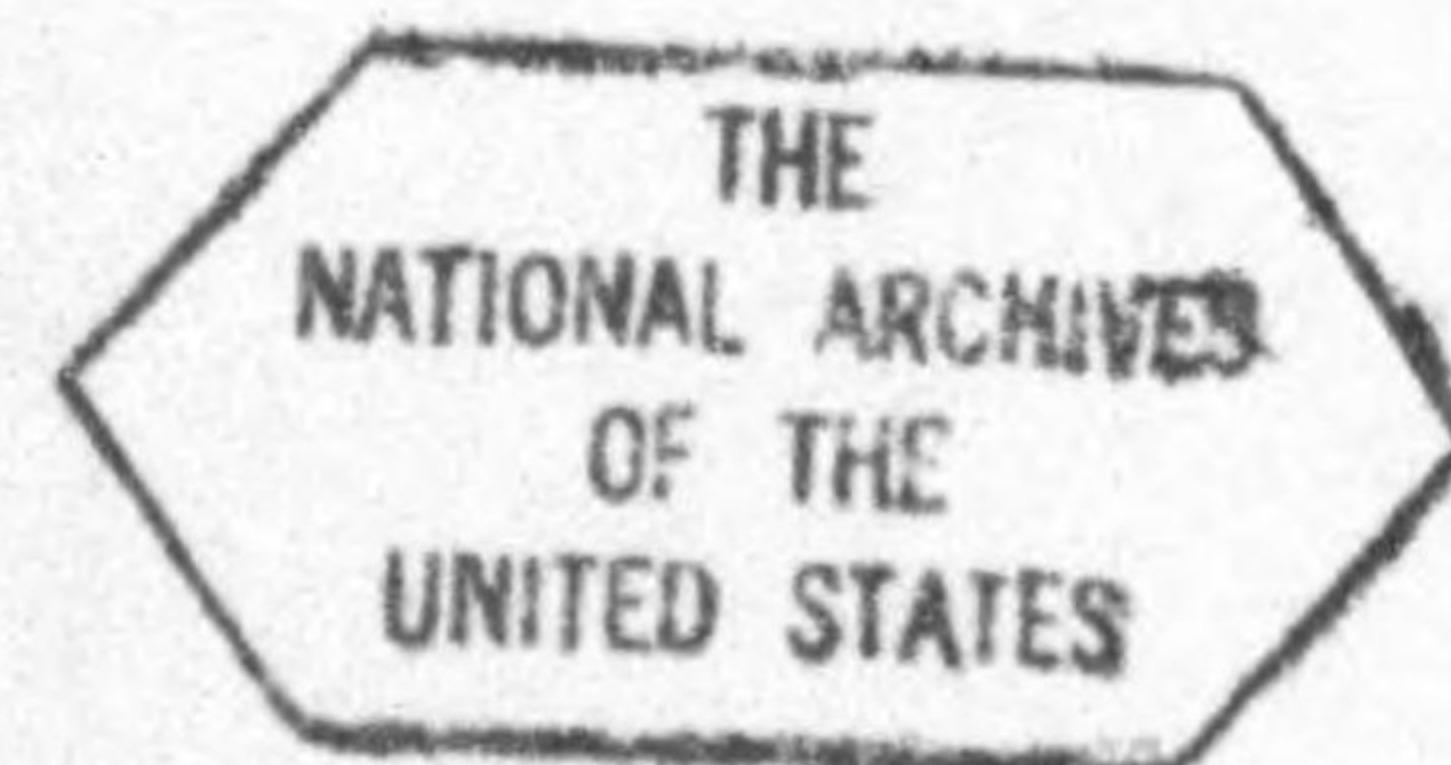


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Description of contents



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8 December 1950

MEMORANDUM FOR RECORD

Prof. file

SUBJECT: Labor Surveillance of the Following Government Agencies in Nagano Prefecture on 4, 5 December:

- a. Employment Security Section
- b. Labor Department and three LRC members
- c. Women's and Minors' Bureau
- d. Labor Standards Bureau

1. Employment Security Section

a. Day laborers on work relief projects averaged 18 days of work in October, and probably the same for November. Consequently few, if any, demonstrations stemmed from demands for work. In an effort to avert the possibility of demonstration and disturbances, the prefectural assembly approved a supplemental yen allocation so as to provide every applicant with sufficient employment during December. Moreover, all PISOs will remain open through 30 December instead of closing on 28 December as originally scheduled. Those efforts notwithstanding, several demonstrations by the Prefectural Day Laborers' Union have already taken place and more are anticipated as the new year approaches. This is especially true since government officials, at a prefecture-wide conference, resolutely promised not to pay the union's demand for a ¥5,000 year-end allowance from city funds. 100,000 handbills have been published and distributed by the day laborers in an effort to solicit public support. Opposition from day laborers unions this year cannot be compared with last year inasmuch as eight times as many workers are presently employed. Such workers did not present a problem in this prefecture prior to last spring. The workers have reportedly shifted their tactic of harassing PISO officials, and now concentrate on foremen of the work projects.

b. Newly elected members of the Employment Security Advisory Committee were installed on 15 November. The old committee reportedly performed no great service during its tenure, which fact is ascribed to an inept membership and a lack of problems requiring its attention. The first committee meeting in six months is scheduled for sometime during December.

2. Labor Department and Labor Relations Committee

a. Of the 675 unions throughout the prefecture, 291 have contracts. Labor officials here believe that union and management are equally reluctant to conclude trade agreements. Management members affiliated with the Japan Employers Association (they represent perhaps 40% of the prefecture's business establishments) appear more inclined to conclude trade agreements than men not connected with the association.

b. Officials unanimously agree that the low degree of unionized shops make abrogation of Article 89, LSL, inadvisable at this time (ref par la(3), report on Yamaguchi dated 14 Nov).

c. The red purge program, practically completed in the main industries, has resulted in the discharge of 215 workers (includes 108 from Densan). To date, 70 of the workers still refuse to accept their discharge notices. These refusals serve no practical purpose since the workers were removed from the payrolls and are no longer permitted access to their former workshops. None of the purgees has appealed to the LRC. One case is being studied by the local court. Labor officials opined that Minjo Groups, rapidly gaining power since last year, took a huge step forward as a consequence of the ouster of troublesome Communists from the various industries. In the opinion of the LD chief, management inclination to take advantage of the purge to discourage active union participation is somewhat more prevalent than their reported tendency to encourage the rise of Minjo groups.

d. Although having met but five times so far this year, the Labor Education Advisory Committee reportedly submitted many helpful recommendations to the Labor Department. Some of the issues on which they advised are means of making management more receptive to the concept of unionism, ways to increase union organization, and programs for concluding more trade agreements.

e. Officials were informed and manifested interest in the SCAP/LAB inaugurated plan whereby Japanese business men will be sent to the United States, at their own expense, to study labor regulations. (ref par f, DAR 224).

f. Shortly after distribution of the KaCAR pamphlet on Seniority last May, a letter of denunciation was received by the prefectural LD "for advocating the system that protects only old men." The 23 signatories to the letter, many from prefectural branches of national unions, were mostly representatives of youth departments. Labor department officials believe that sentiments thus expressed still prevail to a large degree.

g. One case of possible consequence, involving an unfair labor practice charge, is being investigated by the LRC. The appellants, former union officials at the Omachi Branch of the All Japan Express Company Union, were discharged shortly after their union participated in a three-day strike (8-9-10 July) in violation of the rule of employment and article 37 of the Labor Relations Adjustment Law. Although 19 were originally discharged, twelve have since been reinstated. The main issues precluding settlement in Nagano are the inability to determine the effective termination date of the 30-day cooling-off period, and whether or not the strike was over the same issues that had been referred to the CLRC for mediation. The disputing parties are reportedly working out a settlement independent of the LRC. If unsuccessful Nagano, and the three other prefectures where the same question exists, will cooperate in an attempt to arrive at a uniform decision.

h. A group known as the Nagano Trade Union United Liaison Council was recently organized. At a meeting attended by 1300 of its members yesterday, they peacefully demonstrated for a year-end allowance and also expressed

opposition to the ordinance banning public meetings without prior prefectural approval. After a few radicals are screened from the membership of this council, the LD chief anticipates that it will become affiliated with Sehyogikai.

3. Women's and Minors' Bureau

a. Past and future activities of the field representative include the national programs of (1) attempting to enhance the position of women in households; (2) in cooperation with PESOs, counseling lower secondary students with reference to career selection; (3) enlightening women and minors regarding labor laws and general activities. Between one-third and one-half of the chief's time is spent in the field, mostly in Nagano City. She had nothing but high praise for the cooperation extended to her by all prefectural labor agencies.

4. Labor Standards Bureau

a. Forty-six violations of nonpayment for overtime were detected during October. Workers of the factories concerned apparently fail to complain and managements somehow forget to include overtime hours in computing wages, are the explanations offered. Although the LSB chief realizes such explanations are shallow, he stated the majority are first offenders and their offences are not of sufficient maliciousness to recommend indictment.

b. Complaints similar to those recently received by the Saitama chief (that managements are being overburdened with LSL requirements of voluminous and inconsequential reports) are not being received here. The chief admitted that such was the case previous to revision of certain provisions of the law last summer.

c. 87% of the Workmen's Accident Insurance premiums have been collected as of 31 October. 43 fraudulent insurance claims totaling ¥89,500 were rejected during the same period. Principal methods of circumventing the law are by reporting false information regarding amount of salary, number of days absent from work, location of accident, etc. Employer cooperation with the LSB could eliminate practically all cases of fraud.

5. Summary

a. Prefectural assembly approved a supplemental yen allocation so as to provide work for all day laborers who applied during December. Officials throughout the prefecture held a conference and agreed that the year-end allowance of ¥5,000 demanded by the day laborers' union would not be paid from government funds. Demonstrations by such groups are anticipated.

b. 215 workers (including the 108 from Sensen) have been affected by the nearly completed red purge program.

c. Labor officials opined that some management representatives would be interested in SCAP/Lab's tentative plan to send such groups to the United States to study labor regulations.

d. Practically every case of fraud with regard to Workers' Accident Compensation Insurance could be eliminated if management would cooperate with the Labor Standards Bureau.

CHESTER J. PECK
Labor Relations Division

fk

16 November 1950

MEMORANDUM FOR RECORD

Prof. file

SUBJECT: Field Trip to Nagano Prefecture, 12-14 November 1950,
Trade Union and Agreement Matters

1. A schedule to visit four plants with trade union and agreement problems was arranged by prefectural and local labor policy officials who accompanied FACAR personnel to each plant. Discussions were held with management and union officials and talks delivered to rank-and-file workers.

2. Tenryusha (Silk Spinning and Weaving Factory), Iida City

This company employs 1,150 workers the majority of whom are young girls from farm families who work here for about four years "preparing" themselves for marriage by earning what they can to add to their wedding trousseau. This plant is without a trade agreement, but management has submitted its draft to the union, which is presently studying it preparatory to making its proposals to the company. Offhand, both management and the union can foresee no major points of issue. However, there may be some difficulty encountered on matters of personnel rights, union and non-union members and the management council. It was pointed out to the union that if it is determined to see some modification of personnel rights which are properly vested with management, then the union should propose to incorporate grievance machinery and seniority in the trade agreement. With regard to the problem of union and non-union members, there is confusion over the status of three section chiefs whom the union claims have no supervisory authority and, therefore, should be permitted to join its membership. The labor officer stated that he believed both parties were showing good faith over this matter as management is asking for the exclusion of only thirty supervisory personnel in all. Consequently, if both parties continue to discuss this matter in good faith, an amicable solution can be reached. It was recommended that the management council, if it is to be retained, be limited so that its functions will be of a purely advisory nature.

In speaking to the rank-and-file of approximately 400, composed mostly of young girls, the labor officer recommended that they show greater interest in the Women's & Minors' Bureau. He told them that the Labor Ministry had set up this bureau to handle the special problems of working women and minors and that they should take full advantage of the services that are being offered to them. The elements of a sound trade agreement were outlined in keeping with the conference which was held with management and union representatives. The audience was reminded that it was not expected of them to attempt to put into immediate practice the mechanics which were presented to them but rather that they delve into them and familiarize themselves so that they can be of practical value in the future when all workers become

fully cognizant of the advantages of having more rational provisions in the contract than they do at the present time.

3. Kainew Optical Company, Iida City

An inspection was made of this factory, which is manufacturing microscopes almost entirely for export. Since this plant was dispersed from Tokyo, some of the workshops are located in farmhouses which are by no means ideal with respect to lighting and ventilation. It was recommended to management that they take corrective measures to safeguard the health of their employees and at the same time increase their efficiency. There are approximately 150 workers who are still unorganized, and they were urged to form a union although they may not feel its necessity at present because "all goes well." But, things can even be better if they have a union, and it will be the only source of security that workers will have in times of strained relations with their employer. The average wage is 6,000 yen, which will be raised very shortly since business conditions are improving steadily. This industry is providing employment for the youth of the community, many of whom are presently serving their apprenticeship in this intricate work which requires special skills and dexterity.

4. Kitawawa Industrial Company, Kami-suwa City

This factory is engaged in the manufacture of plumbing and heating valves. There are approximately 200 workers who have a union and a trade agreement which expires on 28 February 1951. In a joint conference with union and management representatives, there appeared to be no major obstacles, and the best of relations are being maintained. An interesting discussion was held on the matter of the "Sohyogikai." The union representatives stated that there is a movement underway in the Suwa district for the formation of a new labor organization with a middle-of-the-road policy, since the Japanese labor movement in the past had gone to the extreme left, and there is a growing tendency recently to go to the other extreme. The local "Kokutetsu" is sponsoring the move, and several of the neutral unions in the district have been rallied to join the cause. Since the officials of the local at this plant had been invited to attend a meeting today called by the "Kokutetsu" to discuss matters relative to "Sohyogikai," it was opportune to discuss this subject. The union representatives likened the present "Sohyogikai" to a head without a body, the head being the parent organization trying to find parts for its body by organizing "offspring" agencies throughout Japan. It was suggested to them that they deliberate over the structure of the newly proposed organization at the meeting, if it is the aim of that organization to simplify and unify the Japanese labor front. Specifically, the present union superstructure of complex affiliations and inter-affiliations that most local unions have was cited to illustrate what the labor officer had in mind in speaking about simplification and unification of the labor movement.

In a talk to the rank-and-file, the fundamentals of a sound trade agreement were explained and the necessity of all union members to better understand them was stressed as they formulate union policy which can only be achieved if the rank-and-file know what and how to demand of the union officers and of the employer.

5. Olympus Optical Company, Kami-suwa City

The union here is a branch of a local which is made up of two other

branch unions at Ina and Tokyo. There is a trade agreement, and no particular problems exist at present. In discussing grievance machinery and seniority, both management and union officials appeared to be somewhat "at sea," particularly the latter, which regarded both of these principles, when incorporated in a trade agreement, as optical measures and believed that the union might use its strength as a final resort to settle all problems. In speaking of seniority, the union chairman suggested that efficiency and popularity of union members should be used as standards of separation in case of a layoff. He also stated that personnel retrenchment is not necessary as long as employees resign on their own volition and no replacements are made. To prove this, he said that forty workers had left the company during a five-months period, thereby saving management the trouble of having to undertake a mass discharge. During the discussion, the accompanying prefectural and local labor policy officials were called upon to answer some of the questions put by the union and management. In each case, the replies given were both accurate and appropriate, and the officials were commended for the fine manner in which they handled the questions. This plant is manufacturing photo cameras for the export trade and employs approximately 250 workers. The factory facilities are quite spacious, with moderate lighting, ventilation and heating necessary for the fine precision work demanded of its workers.

6. Summary:

Four plants in Nagano prefecture were visited for discussions on trade union and agreement problems. Joint conferences were held with management and union representatives and talks given to rank-and-file workers. Although no serious problems exist, both management and unions require considerable education on principles of sound trade agreements. Prefectural and local labor officials proved themselves well informed and should be encouraged to participate actively in discussions conducted by KACAR.

MARTIN T. CAMACHO
Labor Relations Division

fk

31 October 1950

MEMORANDUM FOR RECORD

Prof. J. L.

SUBJECT: Field Trip, Nagano, 24-27 October 1950: Trade Agreement Matters

1. Four plants with trade agreement problems were visited. Schedule of meetings was arranged by prefectural and local labor officials, who accompanied KACAR personnel to each plant. Conferences were held with management representatives, union leaders, and rank and file workers. Labor officials were requested to conduct follow-up investigations and report degree of progress.

2. Shinshū Spinning and Weaving Co., Ltd., Nagano City:

Number of employees: 192. There are two unions. No. 1 union, which calls itself Shinshū Spinning and Weaving Co. Labor Union, has 91 members. No. 2, which is named Shinshū Spinning and Weaving Co. Employees' Union, has 92 members. Formation of second union occurred as result of differences of opinion over a strike incited by "outside interests which wanted to take over the plant." (Management's explanation.) Strike occurred over wage issue. Management stated that it was Communist-instigated. Company is new, and wages were comparatively low at the beginning. Union demanded 40% increase, but withdrew its demand after strike. Management has promised 20% increase as soon as plant becomes firmly established. Prospects for this are good at present. Both unions appear to have realized the constliness of the strike. No trade agreement exists, but management has submitted draft proposal to both unions. First union has submitted draft proposal to management, but second union, being relatively new, has apparently made no movement in this direction. Management gave additional information to the effect that, exclusive of female workers, one condition of employment is that all employees be stockholders in the company. Therefore, the workers feel that they are entitled to a voice in the management of the enterprise. Demand for wage increase was made despite stockholders' knowledge of the financial condition of the company. At meeting with rank and file, emphasis was placed upon the importance of concluding a trade agreement, and the elements of a sound agreement were outlined. The subject of the union split was not discussed at this meeting or at the subsequent meeting with officials of both unions, since there is indication that the unions are on the verge of reuniting. It was pointed out, however, that the prerequisite to the establishment of a sound agreement will be the resolution of differences of opinion among the union members. It was recommended that both sides give thorough study to the elements that compose a sound trade agreement, with particular emphasis on the peace clause, grievance machinery, and seniority.

It was further pointed out that there is inherent in the present situation a danger that outside elements may take advantage of it to gain control of the union.

3. Shinano Book Printing Co., Ltd., Nagano City:

Number of employees: 120. Union is affiliated with Zeninsatsu (All Japan Printing and Publishing Workers' Union) and, according to management, is subject to its influence. Previous trade agreement (expired April 1950) was little more than a memo and was vague in its provisions. Heretofore, all negotiation has been carried on through the management council. Management and union have exchanged draft proposals for a new agreement. There appear to be no serious obstacles to conclusion of an agreement. Management stated that the chief reason why no agreement exists at present is that both sides have been rather nonchalant about the matter. In response to inquiry as to whether the federation is delaying negotiation of an agreement, management stated that it is not. Among the impeding factors are questions of wage increases and bonuses, distinction between union and non-union employees, and union shop clause. The use of a number of temporary employees in the plant is also a complicating factor. Since there are many items upon which agreement already exists, it was advocated that these items be committed to writing and mutually signed, instead of waiting until agreement has been reached on every single item. Management representatives stated that conclusion of a new agreement will be predicated upon union's understanding and applying KACAR personnel's suggestions regarding elements of a sound agreement.

4. Kasahara Silk Reeling Co., Ueda Plant, Ueda City:

Number of employees: 361. Union is affiliated with Zensanshi (All Japan Federation of Sericultural Industrial Labor Unions) and with federation of Kasahara Silk Reeling Co. Trade Unions. There has been no trade agreement. In April 1949, the union prepared a draft proposal and began negotiations with the company, but the draft was withdrawn and negotiations halted following revision of the Trade Union Law. Negotiations were suspended until June 1950, when both sides stated their intention of concluding an agreement. The union has largely completed its draft proposal, but management has not yet come up with one of its own. Collective bargaining has not actually begun, but no major obstacles are anticipated. Management brought up the matter of full-time union officials; voiced its concern over the possibility that persons essential to the union as full-time officials will also be essential to management. In response to this, it was pointed out that granting of leave-of-absence to workers chosen by the union as full-time officials is a concession that management should make, as evidence of co-operation and good faith. It developed that management has been permitting union leaders (not full-or part-time officials) to carry on union business on company time. In order to eliminate this practice, management wishes to suggest that the union appoint a full-time official. Some confusion also exists with regard to the scope of non-union personnel. For example, the telephone operator and the typist (both of whom have access to management's private business) are members of the union. The same problem exists concerning guards. Union representatives pointed out that another matter which may develop into an obstacle is the union's desire for retirement allowances for female workers. At present, they stated, there are no retirement allowances for female workers in the spinning industry.

6. Nippon Musen Co., Ltd. (wireless equipment), Ueda City:

Number of employees: 181. Number of union members: 171. No affiliation. Present union contains 23 known Communists; vice-chairman and secretary are among these. Original trade agreement was concluded 20 June 1946; expired (after automatic extension) in June 1949. It ran along Communist-inspired lines; relegated everything to the management council for negotiation. In June 1950, both management and union undertook preparation of draft proposals for a new agreement, but the advent of the Red purge resulted in a decision to postpone negotiations until the purge problem had been settled. A problem exists with regard to the scope of non-union employees. Union wants to include in its membership certain employees whose capacity is definitely supervisory; management wants them out of the union. There is also confusion on the part of the union regarding the rights of management. Management has been laboring under the misconception that grievance machinery can be used to negotiate matters outside the trade agreement. Union chairman stated that he has had no response from the rank and file in his efforts to bring about conclusion of a trade agreement. Other matters brought up at the meeting with union officials included the following: Problem of finding sufficient personnel to serve on the three committees (collective bargaining, grievance, production and research) proposed as replacement for the management council. (It was pointed out that there is no objection to having the same people serve on the various committees, provided functions of the committees are kept strictly separate.) Problem of "social barrier" imposed against non-union employees. (They feel "left out.") This misconception was adequately deflated. Management made no statement regarding further elimination of subversive elements. It is interesting to note that the union chairman, in the presence of the vice-chairman and the secretary (both of whom are Communists), expressed himself strongly in opposition to CP policy.

6. Prefectural and local labor officials volunteered the following opinion regarding KACAR assistance in promotion of trade agreements: This type of assistance is most decidedly of value. When labor officials go into the plants on their own, they are frequently met with either indifference or opposition from management and/or union. When they are accompanied by KACAR personnel, the effect is much different, and there is considerably more likelihood of obtaining satisfactory results. They also felt that it would be highly advisable for KACAR to conduct follow-up visits after an adequate interval, to check on progress and to offer further encouragement. Officials were commended on the excellence of the arrangements for the above-reported visits and for their effective participation in the meetings.

7. Summary:

Four plants in Nagano Prefecture were visited for purpose of encouraging establishment of trade agreements. Separate meetings were held with management, union leaders, and rank and file workers. No serious obstacles to conclusion of agreements were found. Various misconceptions and differences of opinion on the part of management and union were discussed and clarified. Prefectural and local labor officials stated that this type of assistance from KACAR is decidedly of value in bolstering their own efforts.

fk

18 September 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Nagano Prefecture, 14-17 September 1950,
to Conduct Following Activities:

1. Visit to Oki Electric Wire Company Okaya Plant
2. Visit to Silk Reeling Department Masuzawa Industrial Company
3. Lecture on Trade Agreements at Labor Education Meeting at Okaya City
4. Visit to Moriya Pencil Manufacturing Company
5. Visit to Nissan Agricultural-Forestry Industrial Company Iida Match Factory
6. Lecture on Trade Agreements at Labor Education Meeting at Iida city

1. Visit to Oki Electric Wire Company Okaya Plant

This plant employs 320 workers who are engaged in the manufacture of electric wire for telephone switchboards. The union here is one of the three branches which comprise the local affiliated with the All-Japan Electric Wire Workers' Union (Zendensen). There are 14 union officials at this factory including 1 full-time secretary. The old trade agreement expired 31 December 1949 and negotiations for a new contract are still underway. The controversial matters are: (a) signing of contract by the national federation (Zendensen). (b) Union activities on company time. (c) Union membership. (d) Job classification.

With regard to (a), the company is opposed to the signing of the contract by the national federation (Zendensen) along with the branch as was the case in the old agreement. Management claims that the branch is dominated by the federation and is often forced to act against its will, consequently, the company would prefer to deal directly with the branch independent of the federation. The advice given was that management could not decline contract negotiations with Zendensen so long as the latter body is the duly authorized representative of the workers for the purposes of collective bargaining. At the same time, the union was asked to consider the advisability of the branch concluding a trade agreement at the local level. It could note the fact of its affiliation to the Zendensen and legally and practically there appeared to be no need to have the signature of the Zendensen affixed to the trade agreement.

Regarding (b), the union was advised that union activities on company time was out of the question. The only activities that can be justly permitted the union during working hours would be those in connection with grievance settlement.

On (c), the company insists that all supervisory personnel be excluded from union membership. At present, of the 18 supervisors all except

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Annex 3a, page 1

5 section chiefs (Kacho) are union members. In answer to a question regarding the authority of sub-section chiefs (Kakaricho), management stated that they are work supervisors and authorized to make recommendations in cases of promotion and demotion. The union claims that the sub-section chiefs and lesser supervisory personnel do supervise the work but have no other right or authority, and therefore seek membership in the union for their own protection. The labor officer told the union that while it was noble for the union members to look out for the well-being of their "superiors" by admitting them into the union if they nevertheless represented the interests of management they should be excluded from the rank and file union; that from past experience the inclusion of supervisory people in the rank and file union is likely to complicate matters since their would be a problem of divided loyalties.

With respect to (d), management while endorsing job classification has made certain modifications regarding probationary and apprentice workers. The union stated that the probationary period is usually 3 months and apprenticeship for an additional 9 months during which time the workers are treated as temporary employees and are paid less than the regular employees despite the fact that they are doing the same work. The union claimed that there are workers who have been with the company for two years doing the same work as regulars but are still being regarded as apprentices and paid as such. The advice to the union on this particular issue was the incorporation of the union shop clause in the trade agreement thereby insuring these workers membership in the union and protection from such malpractices. In view of the foregoing, management was advised to show good faith with the union and exercise good leadership if they are to have the type of labor movement within the plant which will be of benefit to both parties.

2. Visit to Silk Reeling Department Masuzawa Industrial Company

This silk reeling plant employs 230 female and 50 male workers. The union has not had a trade agreement since its organization in 1947. This is due to the fact that the majority of the workers are young girls and the industry itself being one of the oldest still retains many feudalistic tendencies which are not conducive to trade unionism. However, some headway is being made along labor education and inquiries about the dormitory revealed that its administration was in conformance with the Labor Standards Law. The 200 young girls who live in the dormitory have formed a self-governing body, and rules and regulations concerning meal hours, curfew, etc., have been formulated without the intervention of the company. An inspection of the facilities showed the dormitory rooms to be clean and spacious but improvements could be made in the lighting. The average monthly take-home pay for women averages from 2,700 to 2,800 yen and for the men 6,400 to 7,000 yen.

3. Lecture on Trade Agreements at Labor Education Meeting at Okaya City

The labor officer spoke to approximately 400 industrial workers in and around Okaya City, who were attending the labor education meeting sponsored by the Nagano Prefectural Labor Department. The main topic was trade agreements with special emphasis being placed on grievance machinery, seniority system, union shop clause and union membership. It was emphasized that the trade agreement was the fruit of all collective bargaining efforts and it was basic justification for the existence of a labor union.

4. Visit to Moriya Pencil Manufacturing Company

The 108 workers of this plant have a union which is affiliated with the All-Japan Lumber Industry Workers' Union. Both management and the union have submitted their proposed trade agreements, and contract negotiations will begin shortly. There are only 2 minor differences between the proposals, namely, the questions of holidays and transfers. The holidays are those other than national holidays, that is, local festivals. To avoid any controversy, it was suggested that all holidays be clearly specified as to dates and whether they will be granted with or without pay in the trade agreement. Since there are only 6 national holidays and approximately the same number of special holidays, the company was asked to consider the advisability of putting the former on a with-pay basis as management's contribution toward maintenance of good labor relations. The matter of transfers involved the shifting of workers between the woodworking shop and the paint shop. Shifts are only made in cases of substitution for absent workers and are of a temporary nature so the labor officer stated that this did not appear to be an issue which should impede the conclusion of the trade agreement. Average monthly wages are 4,378 yen for male and 2,291 yen for female workers. When asked why wages were so low management replied that it could not afford to pay any more because pencils for export were selling for just a little better than 5 cents (U.S.) per dozen. The company added that there was considerable "throat-cutting" done by competitors and that a number of pencil manufacturers have been driven to bankruptcy. If this under-selling should continue, it is predicted that the same fate will be in store for those that remain. Management then opined that a grave situation is thus presented as Japan is again exploiting cheap labor at home and dumping cheap goods abroad.

5. Visit to Nissan Agricultural-Forestry Industrial Company Iida Match Factory

There are 124 workers employed at this plant which is engaged in the manufacture of matches. The employees have a union and a trade agreement which expires on 29 December 1950. This is one of the few unions which is a local without any affiliations with federations or national unions. Average earnings are 6,000 yen for male and 3,500 yen for female workers per month. While these figures may compare favorably with those of the pencil factory, match workers are paid on a piece work basis so the actual labor cost is practically as cheap as that for pencil manufacture. A woman, e.g., working at a good pace averages approximately ¥130 per day if she is first rate worker.

6. A 2-hour lecture was given to about 300 workers at Iida City at a meeting similar to that held at Okaya City on the previous day. The labor officer discussed certain phases of the labor movement in Japan and went on to discuss grievance machinery, seniority system, union shop clause and union membership. The KACAR speaker was followed by Mr. Hoshika, vice-chairman of the Executive Committee of the Government Railway Workers' Union (Kokutetsu), who spent 3 months in the United States early this year studying the American labor movement. The subject of his speech was, "The Labor Movement in America".

Summary:

1. Contract negotiations at Oki Electric Wire Company Okaya Plant, have been prolonged by 4 minor issues; management urged to demonstrate good faith in its relations with the union.

Annex 3a, page 3

2. Urgent need is felt for more intensive labor education on trade unionism among female workers particularly in the textile industry.
3. KACAR lecture on trade agreements at Okaya City given to 400 industrial workers.
4. Cheap labor being exploited for manufacture of lead pencils for export at Moriya Pencil Manufacturing Company.
5. Piece work being used to recruit cheap labor for manufacture of matches at Nissan Agricultural-Forestry Industrial Company Iida Match Factory.
6. Lecture on observations of Japanese labor movement and trade agreements given by KACAR at Iida City to 300 union members.

MARTIN T. CAMACHO
Labor Relations Division

LHW

29 September 1950

MEMORANDUM FOR RECORD

Prof. file

SUBJECT: Labor Surveillance of the Following Agencies In Nagano Prefecture on 25, 26 September

- a. Women's and Minors' Bureau
- b. Labor Department and Labor Relations Commission
- c. Labor Standards Bureau

1. Women's and Minors' Bureau

a. Program is similar to that reported in Tochigi. (Memo for Record, 22 Sept) In this prefecture the drive for promotion of self-autonomy in dormitories was concluded in June, while the aim of encouraging women to participate more actively in union activities will be finished by the end of this month. The latter plan consists principally of a lecture on parliamentary procedure. The representative stated that women are inclined to care more for clothing fashions and dancing and seldom manifest a sincere interest in union activities. Whenever any agency sponsors a short term labor school, it is very seldom that women finish such courses. They generally attend the first day and then drop out. The chief estimated that perhaps twenty women throughout the prefecture are executive committee members of various unions, and was pleased to report that a woman was recently elected president of a union that has a membership of approximately 150 workers.

b. The major portion of October will be confined to a survey of women who are heads of households. Encouraging women to become more active in union affairs will be continued as time permits.

2. Labor Department and Labor Relations Commission

a. Shiojiri Plant, Japan Optical Company. Reference Memo for Record 25 August. The union withdrew opposition to closure of the factory and demand a retirement allowance greater than the six months' pay stipulated in the rule of employment. The dispute was settled finally when the company agreed to a "close down allowance" which averaged 1½ months pay per person. Shortly thereafter, the Yashima Optical Company, with its head office in Tokyo, purchased the plant and employed 100 of the 117 recently discharged workers.

b. Densan: The vice-chief of the Prefectural Chapter of Densan was recently discharged by the company and expelled by the

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union. Prefectural officials believe his appeal for reinstatement in his former union position will be referred to the Tokyo court. His petition to the Nagano court that he be restored to his former position with management will probably be transferred to Nagoya, since the Chubu Haiden head office, of which Nagano is a part, is located in that city. Approximately 15 separate appeals by Densan discharges have thus far been transferred to Nagoya.

c. The LD chief opined that personnel retrenchment problems, as distinguished from the Communist purge program, are on the wane. Unions now appear to be directing their energies toward opposition to wage reductions. One establishment, the Sewing Machine Company, manifested a desire to purge itself of Communists but was fearful that such action might result in a work stoppage at a time when the company has many orders to fill. He believes that communistic influence in this area is diminishing, and all indications point up the fact that sometime in the foreseeable future it may no longer pose a serious threat. Management generally, with regard to Communist purging, intends to maintain a wait-and-see attitude, and in the meantime boost the Mindo faction.

d. Labor Department personnel are watching closely to insure that honest, aggressive union leaders are not being discharged in the various Communist purge programs, and reported that there is no indication that such discrimination is being attempted.

e. There are no known cases where management retention of surplus workers is too conspicuous, but quite often companies maintain production far in excess of their present requirements. Many are speculating, especially since the outbreak of the war, by accelerating production although they have not received an increased demand for their products.

f. Contracts: During June, July, and August, 28 labor agreements were renewed. Contracts were automatically terminated in four instances when unions dissolved. Grievance machinery clauses in various forms were incorporated into some of the contracts, but in no event did either management or union demonstrate a desire to include a seniority rule.

g. Role of LRC in the collection of unpaid wages: Quite often in cases of bankruptcy the LSB fails in its endeavor to induce management to settle its arrears problem. In such cases, in order to maintain the dignity of its office, the bureau is compelled to refer the matter to the procurator, although fully realizing that such action will not result in the payment of wages. Under those circumstances the LRC has frequently been requested by unions or individual workers to serve as a conciliator. The LRC can urge management to resort to his private funds, whereas the LSB would never attempt such an approach. Approximately 20 cases have been settled by the LRC after the LSB had done everything possible. For that reason union members quite often appeal to the LRC when confronted with a seemingly hopeless dilatory wage problem.

3. Employment Security Section

a. Day laborers: All outrageous demands by day laborers are promptly refused by prefectural officials. However, the city and town officials sometimes compromise with such groups. Most recent known example of this nature is the case where Matsumoto City officials paid "Bon Festival" allowances of ¥100 to single men and ¥300 to those who were married. Such payments are generally made from the local welfare fund and are not too widely advertised by those granting them.

b. Day laborers throughout the prefecture averaged but nine days work in August. Only 10% of the workers were eligible for unemployment insurance. Disputes or complaints involving but five or ten workers are daily occurrences. At Matsumoto City, where most demonstrations occur, the unemployment situation is far better than at Okaya City, where unemployment is considered most acute. This indicates that the greatest amount of agitation is focused around the Communist strongholds, rather than in the worst unemployment areas.

4. Labor Standards Bureau

a. Steady improvement in the unpaid wages problem is evidenced by comparing the peak figure of ¥66,000,000, reached last November, with the ¥26,000,000 arrears as of 31 August 1950.

b. A crackdown on bosses in the Kamiyamada and Togura hot springs areas is now in process. Approximately 40 such bosses have been earning upwards of ¥100,000 each month. Each of these bosses employ an average of three or four "waitresses" and takes a 70% cut of their income. The bosses have been instructed to allow the "waitresses" to retain all of their earnings and charge them only a reasonable amount for their lodging. The newspapers and radio have been very cooperative and gave ample publicity to this program. Tochigi is reportedly the first prefecture in the region to initiate a drive of this nature.

c. Workmen's Accident Compensation Insurance: As of 20 September the premium collection percentage was 80%, placing Nagano tenth from the top in the entire nation. Since 1 April, 33 claims for accident compensation were disallowed because premiums had not been paid by the respective business establishments. In those cases, the concerned company had to make total benefits from its own funds. The amounts involved were negligible, but they served to point up the consequences of delayed premium remittances.

5. Conclusion:

a. Former vice-chief of Densan and about fifteen others appealed to the Nagano court for reinstatement. All cases were transferred to Nagoya, the head office of Chubu Haiden.

b. Communist influence is waning. Companies prefer to

maintain a wait-and-see attitude and cooperate with the minco faction, rather than purge themselves of Communists at this time.

c. There is no indication that management is taking advantage of either personnel retrenchment or industrial rationalization to rid themselves of honest, aggressive union leadership.

d. There are still isolated instances of local officials acceding to the demands of day laborers. Those granting such concessions do not advertise the fact. Prefectural officials resolutely deny such demands.

e. Unpaid wage problem is improving.

CHESTER PECK
Labor Relations Division

pref. file

fk

17 August 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Nagano Prefecture, 14-16 August 1950, to Conduct Following Activities:

- a. Conference with Okaya Free Day Laborers' Union Officials
- b. Conference with Okaya Public Employment Security Office officials
- c. Inspection of Okaya Labor Standards Inspection Office
- d. Inspection of Okaya Labor Policy Office
- e. Inspection of Seikosha Watch Company Suwa Plant
- f. Lecture at Showa Denko Shiojiri Plant

1. Interview with Chairman and Five Officials of Okaya Free Day Laborers' Union:

The chairman stated that small and medium industry in Okaya is suffering a depression and many establishments are facing bankruptcy. As a result there are large numbers of unemployed, including those from Matsumoto and Nagano. The union officials appreciate the efforts of the local PESO officials to obtain more work for them. At least those that are able to work are able to get along. The main problem confronting the workers is the matter of permanent security as they realize that work relief cannot go on forever. The workers inquired as to the possibilities of the government to start an enterprise to provide people with permanent employment with the funds now being used for work relief projects. The union knows that the city officials are greatly concerned over the welfare of the workers because they know what results if a man cannot obtain sufficient food. There are 2,300 registered unemployed in Okaya of which 1,500 to 1,600 are given relief work daily. The union officials stated that it is most disheartening to see so many who are eager to work being turned away despite effort of the officials to provide work for all. In Nagano, Matsumoto and Ueda, 85% to 90% employment can be provided. The workers of Okaya do not consider themselves to be second to those of any city, and they are desirous of having an increase in relief projects in Okaya. To illustrate this keen desire to work: Despite the fact that it is 'Bon' Festival time, people appear for work. Furthermore, the union is not radical, it wants to settle problems in a democratic fashion by peaceable petition. The majority of the workers are former factory workers and are not accustomed to heavy labor on roads, flood control, etc., consequently, work relief projects in factories would be preferable. The labor officer explained the position of KACAR in this matter. The union chairman added that despite the fact that relief work has been going on since last year, there have been no incidents of insult, disrespect or violence. The number of job-seekers is expected to increase as the cold weather approaches. The immediate problem is the construction of a waiting place for day laborers as sometimes the temperature falls as low as 20 degrees below zero Centigrade during the winter months. The local PESO has applied to the prefecture which in turn has requested the national government for the necessary funds to provide this

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shelter but the national government is refusing to give them an allocation.

2. Conference with Okaya Public Employment Security Office Officials

a. Day laborers: An average of 1,400 to 1,500 day laborers apply for work relief. Of these approximately 600 are placed and the remainder are turned away. (On 15 August, 1,519 applied, 815 were given work and 703 turned down). The rotation system is being followed and the average number of work days per month of the average worker is from 11 to 13. This requires considerable manipulation at the end of the month to give as many workers as possible the required 28 days out of 2 consecutive months in order to be eligible for unemployment insurance benefits.

b. Employer Visitation Program: During July, 110 visits were made for an average of 4 per day. As a result, 109 openings were found (13 for males and 96 for females). Besides these, 217 employers came to the PESO for help so in all, 326 placements were made for regular employment. This exceeded the July goal. The attitude of the employers shows increasing cooperation. Since institution of the selective placement, employers have shown more confidence in the PESO. The problem is that despite the fact that there are more male workers seeking jobs, there are fewer openings for them. Consequently, the majority of them are being placed on work relief. Okaya's principal industry is silk and the machine industry is second. Upon inquiring of the advisability of having workers go directly to the job sites rather than assemble at the PESO every morning, the reply was that administratively speaking, it would be preferable. But it would not be in conformance with the objectives of the PESO, because it is only after all private and public works jobs have been exhausted that a worker is referred for work relief. It would hardly be feasible if it is necessary to measure the number of openings in public and private jobs before they can determine openings in work relief. When the supply and demand are balanced, this may be possible.

c. PESO Manual: There are the usual inconveniences in the filing of recissions, deletions, additions, ^{AND AMENDMENTS.} but more important, the Labor Ministry announced in January of this year that a complete revision of the manual was being made. Consequently, the officials have lost interest in the handbook in its present form. It was expected that the revision would be completed by May or June 1950. In the meantime, the delay is hindering the PESO as outside of the PESO Law, the manual is the only basis for its operation, therefore, the revised manual is needed urgently. It is understood that the final draft of the revision has been drawn up and that the delay is in the printing.

d. Industrial Rationalization in Okaya Area: During the calendar year of 1949 the number of factories closed was 38 involving 1,649 workers; the number of plants retrenched was 34 affecting 1,137 workers and during the period 1 January 1950 to 31 July 1950, 19 factories were forced to close dismissing 942 workers and 6 factories were retrenched releasing 656 workers. All workers who lost their jobs and at the termination of their regular unemployment insurance have applied for relief work. From all appearances future work relief looks very insecure. The PESO Chief knows that the prefecture, cities, towns and villages undertaking work relief projects have had a difficult time in the past and will have even greater difficulties in the future. On the other hand, applicants for work relief in May numbered 28,342; in June 32,255 and in July 40,885. (These figures are for Okaya

FESO only). The Chief thinks that the city (local governments) has reached its limit. If the number of jobs is to be increased, it will have to be undertaken by the national government. The most important problem confronting the FESO is the matter of work relief. An increase in the number of jobs is absolutely essential.

e. Assistant Mayor's Review of Situation in Okaya: Okaya at one time had a population of 60,000 which has dwindled to its present 35,000. The city was famous as a silk producing center before the war. During the war her factories were all converted for war production. In the post-war period to date, the reconversion back to silk is at present about 10% in facilities and 20% in output. Consequently, the decrease in population can be attributed to the fact that the main industry in the Okaya area has failed. Because of improvements in production technique they are able to produce more silk with fewer machines. Okaya was a dispersal area for war plants some of which are now manufacturing farm implements, shoes and forgings. Since the enforcement of the Dodge Plan, business failures have resulted among small and medium industries, followed by a rapid increase in the number of unemployed since the beginning of 1950. The Okaya City budget for 1950 is 100 million yen, of which 25 million yen is being expended for work relief and livelihood assistance. The livelihood assistance is being coordinated with work relief. At present about 470 families are receiving livelihood assistance. Tax arrears for 1949 was approximately 15 million yen and more arrears is expected this year. Of the number of unemployed reporting to the Okaya FESO, only 60% are residents of Okaya City, the rest are from surrounding towns and villages. The present day laborers' union seems to be earnest and moderate. However, the Communists are gaining in power. There is a group of Communists who have been visiting the City Hall frequently and have presented demands, such as a 800 yen 'Bon' bonus for day laborers on work relief and a 3-day holiday with pay. The first time that this came up was in Nagano City. If there is no possibility of increasing jobs and if the present condition is to be prolonged, the CP situation will become more serious. The Assistant Mayor asked for the assistance of MACAR in getting this situation remedied. A meeting was held on the evening of 14 August 1950 with the day laborers' union in which the city refused to pay the bonus or give any holidays with pay. The union accepted on condition that the number of jobs would be increased. The matter of 'Bon' allowance was prefecture-wide. There were 5 demands made in the 'Bon' allowance. It was explained by the officials that there is no fund allowances for work relief. Also there is no such thing as holiday with pay for work relief workers. The demand to increase the daily wage from 176 yen to 200 yen could not be met since the average pay for public works projects is only 180 yen. The answer to the demand for full employment (25 days per month) was that the city was stretching its budget to the fullest and could not go any farther. Demand #5 was for no increases to be made in local taxes. The answer to this was that the labor department has no jurisdiction over tax collection. The union at Okaya did not make a demand for wage increase, because they know that the Okaya unemployment situation is more serious than it is elsewhere. Therefore, the employment demand would come before a wage increase demand. With regard to the budget, the national government is allocating 4 million yen monthly and the prefectural government is allocating an equal amount. Besides this, the prefecture is spending 8½ million yen on work relief projects sponsored solely by the prefectural government during July and August as an emergency measure. To further illustrate the seriousness of the situation, of the 8½ million yen being expended during July and August, 6 million yen was to cover the period from 1 July to 31 December of this year;

1 million yen is being taken from the prefectural emergency fund; and the remaining 1 $\frac{1}{2}$ million yen is being spent at the responsibility of the Labor Department Chief, who will attempt to obtain the funds in a supplementary budget to be passed by the prefectural assembly at the end of August. Actually, it means that for every 4 million yen put up by the national government, the prefecture is putting up 8 million yen for work relief. The prefecture is very dissatisfied with this situation because the unemployment problem came about as a result of national government policy. Therefore, the national government should assume the responsibility. But, the prefecture recognizing the need to help its own people, is assuming the greater share of responsibility. At present, union members in Okaya are quiet but it may not be long before they will be carrying a red flag. The prefecture is taking a firm attitude towards demonstrators but the key to the solution is an increase in jobs. If workers are to be kept from falling prey to the CP, they should be given at least 20 days work out of the month. The Governor of Nagano is very understanding of the unemployment situation and was able to take such measures as deemed necessary for maintenance of public welfare and order.

On 10 August 1950, the local federation of day laborers' unions submitted 11 demands to the Mayor of Okaya on the matter of tax exemption. According to the new local tax law, all citizens will pay a citizen's tax ("Shimin-Zei") of 18% of total earnings. The day laborers' union is asking that this law be rescinded. The federation has requested that it be permitted to sit in and also voice its opinion when the city assembly convenes on 17 August 1950, to debate this issue. The 15 or 16 who presented the open letter to the Mayor are all members of the Communist Party. The Mayor knows that he is authorized to call a meeting of the Assembly and that parliamentary procedure requires the Speaker to determine who it to have the floor. The Assembly held a preliminary meeting at which it was decided that since it was an assembly meeting, only members of the assembly will be allowed to speak. This was the answer given to the CPs. But the CPs are using the word "Yosei", which can be interpreted in many ways (either "demand" or mere "request"). The CP wanted the Mayor to make demands on the Assembly but the Mayor has pointed out that this cannot be done. In the very near future, serious disturbances are expected at Okaya. Close liaison with the police is being maintained. On 10 August 1950, all Free Day Laborers' Unions formed a prefectural federation and it is expected that they will act as a federation and therefore will be stronger than ever. The Matsumoto union has assumed the initiative in this. The Matsumoto day laborers are the worst in the prefecture and their bad influence is spreading.

3. Inspection of Okaya Labor Standards Inspection Office

This office has a staff of 14 including the chief. The district has 1,151 establishments which are covered by 5 inspectors for an average of 150 inspections per month. The attitude of employers toward safety and sanitation is improving. Except where a great deal of expense is involved, more employers are voluntarily installing safety devices. In safety education programs the yen value of safety is stressed. In answer to a question, the general feeling was that accidents are on the increase and that 80% of them occur through carelessness on the part of the workers. Surveys show that accidents occur most frequently during the hours of 10 and 11 in the morning and 3 and 4 in the afternoon. Employers still need to enforce safety regulations with disciplinary

measures to follow. The attitude of employers toward careless workers is lenient as there have been no cases of penalizing, only cautioning. With regard to false claims in accident cases, there have been several instances and prosecution was carried out. To improve premium collections, employers have been warned that in cases where accidents occur with premiums in arrears, the employers will bear the cost of all claims. There was a test case to prove this and it was given wide publicity in the newspapers. As a result, premium collections were brought up from the worst in the prefecture to above average. At the beginning of July, premium arrears amounted to 2 million yen and now it is approximately 500 thousand yen. With regard to the balance of premium collections and benefit payments, they are operating in the black as in all of Nagano Prefecture. Problems of budget and transportation exist despite the necessity to maintain standards of improvement.

Unpaid Wages: Gradually decreasing and at present many employers can see their way clear to pay up by the end of August 1960. In June there were 30 cases carried over from May plus 10 new cases for a total of 40. In July there were 10 cases carried over from June plus 9 new cases for a total 29. The longest case is about 3 months and the majority are 1 to 1 1/2 months in arrears.

4. Inspection of Ogaya Labor Policy Office

a. Labor Education: In speaking to the staff of this office, the following points were stressed: (1) Education of rank-and-file rather than concentration on union officials. (2) Encourage regular and frequent union meetings. (3) Proper nomination and election procedures. (4) Study of pamphlets prepared by NaCAR. (5) Avoidance of and escape from minority control. (6) Encouragement to second unions. (7) Management education. (8) Encouragement of trade agreements. (9) Overcoming suspicion on part of management and union. (10) Need for LP officials to assume their duties and responsibilities.

b. Second Unions: None

c. Trade Agreements: 50% of the 70 unions in this area have agreements. As a result of their recent drive, 1 union has concluded an agreement and there are 4 or 5 more in the process of conclusion. The policy of this office has been to show that the union is the bone structure and the trade agreement is the flesh and skin.

5. Inspection of Seikosha Watch Company Suwa Plant

The union at this plant is a branch of the local at the Kameido Factory in Tokyo which has a trade agreement with the head office. The 670 workers employed at this plant are working under ideal conditions from the standpoint of labor standards. The buildings are well lighted and ventilated to insure maximum efficiency by the workers in the precision work of watch manufacture. There have been no labor disputes at this plant and from the attitude of the workers and management, it appears that good labor relations are being maintained.

6. Lecture at Showa Denko Shiojiri Plant.

A short talk was delivered to 50 union members covering the subjects of labor relations, trade agreements, collective bargaining, seniority system

and grievance machinery. The local here is a member of the federation of sister plants which is now negotiating a trade agreement with the head office.

SUMMARY:

1. Okaya Free Day Laborers' Union appeals for more jobs on work relief.
2. Unemployment situation at Okaya presents serious problem for increased communist activities and local financial difficulties.
3. Accidents up slightly but unpaid wages down considerably in Okaya area.
4. Okaya Labor Policy Office reports 50% of unions have trade agreements.
5. Seikosha Match Company Suwa Plant inspected.
6. Lecture given to union members at Showa Denko Shiojiri Plant.

RALPH FRIEDRICH
Labor Relations Division

Preff file

fk

17 July 1950

MEMORANDUM FOR RECORD

- SUBJECT:** Field Trip to Nagano Prefecture, 10-13 July 1950, to Conduct Following Activities:
- (a) Conference with Members of Prefectural Labor Relations Commission
 - (b) Conference with Chiefs of Labor Department, Labor Policy Section, and Trade Union and Labor Education Sub-sections
 - (c) Visit to Nagano City Vocational Training Center
 - (d) Visit to Matsumoto Public Employment Security Office
 - (e) Visit to Matsumoto Labor Standards Inspection Office
 - (f) Visit to Matsumoto Vocational Training Center

1. Conference with Members of LRC:

a. Presented KaCAR suggestions regarding improvement of LRC's and solicited opinions of members present. It was requested that suggestions be discussed at next LRC general meeting and that opinions of membership be relayed to KaCAR in the LRC monthly report. It was emphasized that the suggestions are intended to stimulate the thinking of LRC's, management, and labor regarding means of improving the present LRC's.

b. Following opinions were expressed:

- (1) Nagano LRC does not feel need for increase in membership, although members present were dubious concerning advisability of reducing membership to three. In any event, they felt, the most proficient personnel would be needed. Also, there would probably develop a difference of opinion regarding the method of selection.
- (2) Regarding the function of LRC's as quasi-judicial bodies, it was considered doubtful if the time is opportune for the changes proposed. It was felt that the change should be gradual and in conformance with present conditions. The members stated that they could not concur in relieving the LRC of its mediation and conciliation functions.
- (3) Members concurred in the idea that present LRC's are cumbersome, that members often lack background, and that the present terms of office are too short.

- (4) There was doubt concerning possibility of making the salary sufficiently attractive for qualified personnel to serve on a 3-member Commission. There is also the likelihood of opposition from local sources. For example, if LRC members' salaries are to be higher than those of prefectural assemblymen, there is certain to be objection on the part of the latter. The opinion was expressed that Japan needs a type of National Labor Relations Act in order to forestall such opposition as might occur if the proposed changes in LRC organization are to be made. It was felt that such proposed changes might result in considerable dispute.
- (5) The idea of a more competent staff met with concurrence, but there was doubt concerning the possibility of assembling such a staff under the present bureaucratic system. Limitations of budget would also impose obstacles. The Nagano LRC, however, has been thinking along these lines. It was felt that, even as a temporary measure, it would be advisable to install qualified field examiners to relieve the present work-load, especially with regard to cases of unfair labor practice.

e. Obstacles to Prompt Settlement of Disputes by LRC:

The labor member stated that the following are obstacles to the speedy settlement of disputes: The dispute may be of a national rather than a local character. There is frequently the problem of determining the appropriate unit for negotiation. Also, since management shows lack of initiative and leadership with regard to understanding and dealing with union affiliates, the opportunity for speedy settlement is lost. In other words, if management knew clearly with whom it was dealing, short-cuts toward settlement might be taken. The labor member stated that he wished to emphasize the dire necessity for more down-to-earth labor education for both management and labor. The necessity is most acute in small and medium-sized industries. It is among these that trade agreements as preventives of labor disputes must be stressed.

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

a. Activity of LPS Officials in Solution of Disputes:

Although LPS officials do not serve on LPS conciliation panels, they give assistance in solution of labor problems and disputes. Both management and labor welcome this type of assistance. The LPS Chief expressed the opinion that pre-war suspicion of officials has been discarded, in that they are now being regarded as public servants. The LD Chief agreed that this is true in smaller unions, but stated that larger unions tend to doubt the sincerity of officials when they intervene. Unions appear to know, however, that LRC handling of cases requires considerable time, and that LPS intervention results in speedier settlement. A letter has been sent by the Nagano LPS to the General Affairs Section to the effect that mediation and conciliation functions should go to the LPS. (This was stated to be true only of Nagano.) An average of one case per month in mediation or conciliation

is handled by the LPS. With regard to the matter of installing LPS officials on LMC conciliation panels, it was felt that this would be contrary to LPS policy. There is a decided difference of opinion between LPS and LRC on matters of conciliation. Furthermore, the LPS feels that it can extend its educational programs in its handling of labor problems, whereas the LRC is interested only in arriving at a solution of these problems. It was felt that installing LPS officials on LRC conciliation panels would make them subject to LRC policy.

b. Distribution of KASAR pamphlets:

<u>Grievance Machinery</u>		<u>Seniority</u>	
to LPO's	2400	to LPO's	1500
to employers	400	to employers	300
to LPS	200	to LPS	200
TOTAL	3000	TOTAL	2000

In addition, the LPS has reprinted 5000 copies of the seniority pamphlet, the bulk of which have been distributed to local LPO's.

3. Visit to Nagano City Vocational Training Center:

The center (carpentry, building) was found to be functioning satisfactorily, despite extremely inadequate facilities and limitations of budget and staff. Since funds for purchase of materials are strictly limited, students are employed on public works projects (for example, schools) in order to give them the required experience.

4. Visit to Matsumoto PESO:

a. Day Laborers on Relief Work Projects:

Rotation system is in practice, but inclement weather during June resulted in average of only 10 days' work per day laborer for that month. The May average was 16. Average for the prefecture runs between 12 and 14. In connection with this problem, the PESO Chief pointed out that although workers are willing to work on Sunday to make up for days lost through bad weather, the PESO is not permitted to be open on Sunday, and it is impossible to assign work ahead of time. A survey is being made of job supervisors, with a view toward demanding maximum performance from day laborers. So far, job supervision has been weak. There have been the usual demonstrations and disturbances by organized groups of day laborers under Communist leadership. On one of these occasions, the workers entered the PESO, disarranged its records, deliberately spilled ink on desk tops, and made off with such articles as ashtrays and flower vases. The police were not called, but were later informed of the occurrence. When it was asked why the PESO did not request police assistance at the time of the disturbance, it was stated that if the police do come in, the Communist leaders ask them such questions as "Why are you here?" and "What business have you at the PESO?" and the police are embarrassed. On 30 June, announcement of the disqualification of 140 day laborers was made.

Although there was no trouble at the PESO, since the precaution of having the police on hand had been taken, there was a disturbance accompanied by property damage at the city hall. It was reported that the workers who took part in the demonstration apologized to the mayor, who "told them not to do it again." All officials of the Free Day Laborers' Union are Communist Party members, but some of these are ineligible for work on Government-sponsored work relief projects. They are employed on city-sponsored projects, but they protest daily to the PESO that they cannot get enough to eat, adding that in their situation they are entitled to commit robbery or even murder. It is possible to interpret this as a threat. The PESO Chief stated that a common trend in postwar law enforcement is that police are reluctant to take action unless a flagrant violation of the law occurs. He added that although it was anticipated that the anti-CP actions taken by SCAP would cause day laborers to extricate themselves from their CP-led unions, the opposite has apparently occurred, with the result that day laborers appear to be more obedient than ever to their Communist leaders.

b. Employer-visitation program is having unusual success. Average for June was 1.5 opening per visit.

c. Unemployment Insurance:

The Chief pointed out two current problems. The first of these, and by far the more serious, is that the waiting period for day laborers to collect their benefits is entirely too long: after consecutive days of unemployment or 7 days' total in one month. For day laborers, this becomes a matter of life and death. The second problem is that of duplication of effort required in maintaining record of employment in the employment handbook.

5. Visit to Matsumoto LSIO:

The inspection district covers 23% of the area of the prefecture, with 1937 establishments. Transportation budget is inadequate; should be doubled. Increase in staff would be desirable, but rationalization program has set present number at 15. The Chief and his inspectors are young and enthusiastic. The impression was gained that they are doing a considerably better than ordinary job. They reported good co-operation from employers despite the fact that the latter are harassed by the present economic situation. The total of unpaid wages as of 1 July was ¥5,000,000. (In July 1949 it was ¥40,000,000.) The situation appears to have leveled off at this figure. In May, the LSB and LSIO's set up a counter-measures committee which has as its objective the clearing off of all unpaid wages by mid-August, thus taking advantage of the Japanese custom of settling debts before the Bon Festival.

6. Visit to Matsumoto Vocational Training Center:

Training is given in carpentry and woodworking. Facilities are not only inadequate, but also unsafe. Building has been condemned by Prefectural Construction Section. Although land is available for a new building, the cost of construction is prohibitive (¥2,000,000). The Ministry of Labor has allotted ¥300,000 for construction, but the Prefectural Government is not in a position to make up the difference.

Placement of graduates has been excellent, and the center has been commended on the quality of its training. Present number of trainees is 138.

SUMMARY

1. Conference was held with members of Nagano LRC for purpose of sounding members out on KACAR suggestions for improvement of LRC organization and functions.
2. LPS officials assist in solution of labor problems, although they do not serve on conciliation panels.
3. Vocational Training Centers in Nagano and Matsumoto were visited and found to be functioning with reasonable effectiveness despite extremely inadequate facilities and serious limitations of budget and staff.
4. Matsumoto PESO was visited. Chief reported continuing disturbances by CP-led day laborers; stated that SCAP anti-CP action, instead of causing workers to extricate themselves from CP-led unions, has apparently made them more obedient to their Communist leaders. Police are reluctant to act in all but most flagrant cases of law violation; they fear "embarrassment" by CP leaders of day laborer unions. Long waiting period for collection of unemployment insurance benefits imposes great hardship on work relief day laborers.
5. Matsumoto LSIO was visited. Chief and inspectors are young and enthusiastic about their work. Impression was gained that they are operating with considerably better than average effectiveness.

RALPH FRIEDRICH
Labor Relations Division

Prof file

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12 May 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Nagano Prefecture, 8-11 May 1950, to Conduct Following Activities:

- a. Management Education Conferences in Matsumoto, Ueda, and Iwamura.
- b. Inspection of Masuhisa Machine Needle Co. at Nishi-Shioda-mura.

1. Management Education Conferences:

- a. Agenda for the conferences:

- (1) Labor Relations: It was emphasized that the active participation of management in the labor movement is essential to future harmonious labor relations in Japan and that management must assume its role in the development of a sound and responsible labor movement.

- (2) Collective Bargaining and Trade Agreements: Management was urged to take the initiative in the establishment of sound trade agreements. It was emphasized that the written, signed trade agreement is the culminating step of collective bargaining.

- (3) Wage Clauses in Trade Agreements: It was recommended that definite and clear wage clauses be incorporated into trade agreements for a term of at least six months.

- (4) Allowances: Simplification of the present complicated and unwieldy system of allowances was recommended, with the suggestion that attempt be made to eliminate allowances insofar as possible and absorb the equivalent amounts into the wage base or, failing this, that allowances at least be specified in the trade agreement.

- (5) Seniority System: Necessity for the system was pointed out, together with its advantages to management and to labor. Basic principle of seniority and operation of the system were explained.

- (6) Grievance Machinery: The value of introducing the system was pointed out, and a detailed explanation (with use of illustrative charts) of its operation was given.

- b. Questions asked by employers during discussion periods:

(1) In dealing with the problem of lay-offs by using the seniority system, how can we avoid laying off the younger, more efficient workers and retaining the older, less efficient ones?

(2) With regard to the operation of grievance machinery, can the immediate supervisor or the shop superintendent, who represent management, also be union members?

(3) What protection is afforded to non-union employees such as supervisors, superintendents, and others?

(4) Regarding allowances: Government offices and public corporations, by granting allowances to workers, have set a kind of standard which private employers feel obliged to follow. What is KAGAR opinion regarding allowances for Government and public corporation workers?

(5) Regarding allowances: Most of these are not based on efficiency but on the need of the worker for supplementary funds for living. If allowances are to be absorbed into the wage base or to be granted on the basis of efficiency, workers' income will decrease. Therefore most workers will oppose incorporation of allowances into the wage base?

(6) Is it necessary to have a union in an enterprise where there are extremely few employees, for example, 3 to 5?

(7) What type of grievance machinery should be established in a shop with 100 or fewer employees? How many shop stewards will be needed?

(8) How can wage increases be granted to workers who cannot increase their wages by increasing their production (for example, drivers of vehicles, supervisors, superintendents, etc.)?

c. Attendance, degree of interest, etc.:

Attendance at the three conferences (exclusive of prefectural and local labor officials) was as follows: Matsuyama, 140; Ueda, 100; Iwanuma, 107. All attendants displayed an excellent degree of interest and enthusiasm. The quality of the questions asked during discussion periods indicated the serious consideration with which the presentations were received. Local and prefectural labor officials and employer association heads, in their introductory and closing remarks, strongly supported the idea of introducing sound trade agreements on a far larger scale than has heretofore been the case. KAGAR personnel emphasized that employers should seek the assistance of LPA officials in carrying out the ideas presented to them during the conferences, and that, through their associations, they should promote discussion and study of these matters, particularly in the direction of establishing sound trade agreements. There was evidence of good co-operation on the part of labor officials and employers' associations in planning the meetings.

2. Inspection of Masashima Machine Needle Co., Fishi-Shioda-mura:

The plant employs approximately 300 workers in highly specialized production of needles for domestic and industrial sewing machines. Output runs to 1 billion needles per month, but plant has orders calling for 4 billion. There is a trade union. Labor-management relations are good. Wages are comparatively high, and there has been no problem of lay-offs. Working conditions are satisfactory. Inquiry elicited information that there have been no serious accident cases. It was noted that all workers in the factory were comparatively young, although none were under legal age. The head of the company explained that the precision work of needle-making requires sharp eyesight and constant alertness, so that it is desirable to employ younger workers.

SUMMARY

1. Three management education conferences were conducted in Nagano Prefecture (Matsumoto, Ueda, Iwazurada), with a total attendance of 607 employers. Major topics presented were labor relations, collective bargaining and trade agreements, wage and allowance provisions in trade agreements, seniority system, and grievance machinery. Presentations were followed with enthusiastic interest. Questions asked during discussion periods indicated degree of seriousness with which the subjects were regarded. Good planning by labor officials and employer groups contributed much to the success of the meetings.

2. Masashima Machine Needle Plant was inspected with regard to employment situation, union status, and working conditions.

RALPH FRISERICH
Labor Relations Division

Profile

Nagano

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30 April 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Nagano Prefecture for Purpose of Conducting Management Education Conferences in:

(1) Nagano City	25 April 1950
(2) Kamisawa City	26 " "
(3) Iida City	27 " "

1. Agenda for the conferences:

The major topics presented were as follows:

a. Sound, strong and responsible labor movement as a bulwark of human freedom was emphasized. The importance of employers' initiative in the matter of concluding collective bargaining agreements was brought to the attention of the attendants.

b. The essential elements of good trade agreements were mentioned, i.e., recognition clause, union security clause, seniority clause, grievance procedures inclusive of arbitration followed by peace clause, definite provisions on wages and hours, and contract renewal clause.

c. Detailed explanation was given as to the seniority provisions and the grievance and arbitration procedures, with illustrated charts.

d. Incorporation of definite wage clauses in the trade agreements for a term of at least six months, and simplification of various allowances were advised.

2. Questions asked by employers:

a. How are the company's grievances handled in the "grievance machinery" procedure?

b. Is the chief of the branch-office responsible for the dissemination of information to the union members concerning collective bargaining negotiations which take place in the head-office?

c. What do you think of conducting union activities during the rest hour period?

d. What are the requisite qualifications of an arbitrator?

e. Which union system is better, the closed-shop or the union-shop?

f. What do you think of the open-shop?

g. What are the functions of union representatives?

Annex 3c, page 1

h. What should be the percentage of the basic wage against the total amount of an employee's wages?

i. During collective bargaining negotiations, should management allow union members to attend as observers?

j. How may I employ a person continuously for more than two months and still regard him as a temporary employee? (After 2 months a temporary worker must join the union in accordance with the trade agreement.)

k. Are there any measures other than the seniority rule for the orderly dismissal of workers during times of slack work or poor business conditions?

l. Should collective bargaining agreements be concluded even in the small industries comprising five to ten employees?

m. What kind of legal protection do the non-union members have such as supervisory officials, plant managers, department superintendents and shop foremen?

n. How does the seniority rule apply to the incompetent worker who has considerable seniority?

o. How is an arbitrator selected?

p. What is the relationship between a peace clause and the right to strike?

q. What is your opinion concerning the management and labor truce as suggested by Mr. Amis?

3. Enthusiasm at the conference:

The enthusiasm on the part of employers was excellent. Approximately 80 persons attended the conference in Nagano City, 100 in Kamisuwa and 130 in Iida City. There were in attendance at Kamisuwa many top management officials such as presidents, plant chiefs, and plant owners. Iida City is more or less representative of Nagano Prefecture where industries of from five to ten employees predominate. These employers demonstrated an unusually zealous interest in the subject matter of the conferences and promised to further employer education in the field of labor relations. It is noted that the Nagano Prefectural Managers' Association took an active role in the preparation of the conferences and fully cooperated with LPS officials. The president of the Nagano Employers' Association voluntarily advised the attendants of the conferences as to the necessity for conclusion of trade agreements and he appealed to the attendants to exercise initiative in this direction.

SUMMARY: Three management education conferences were conducted in Nagano Prefecture. Major topics presented were: (a) Employers should take initiative to conclude sound, collective bargaining agreements. (b) Explanation of the essential elements of a good trade agreement such as

rules of seniority grievance machinery inclusive of arbitration and definitive clauses on wage and allowances. The large attendance and the interest manifested by the employers are good signs and may very well indicate a growing awareness on the part of employers to the advantages and vital importance of having good trade agreements.

MARTIN T. CAMACHO
Labor Relations Division

Pre file

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18 March 1950

MEMORANDUM FOR RECORD

SUBJECT: Field Trip to Nagano Prefecture, 14-16 March 1950, for

- (a) Two Meetings with Lower Secondary School Teachers of Social Studies, in Nagano and Ueda Cities, to Discuss Incorporation of Labor Education into Course of Study
- (b) Conference with Chief of Labor Department, Chief of Employment Security Section, and other Members of his Section

1. Meetings with Lower Secondary School Teachers of Social Studies:

Plans for the meetings were discussed in advance with CE Section, this headquarters. The meetings were conducted principally for the purposes of stimulating interest in the subject on the part of teachers, suggesting to them the methods by which the subject might be most effectively presented, and promoting discussion among them regarding the various aspects of a labor education program as part of the school curriculum. It is the plan of the Labor Policy Section, Nagano Prefecture, to provide teaching materials and brief training courses for those teachers who will be responsible for carrying out the program.

It was emphasized to the teachers that labor education is an essential part of the training for citizenship that the school seeks to provide. It was pointed out to them that although the basic materials for the course will be supplied by the LPS, it is desirable that teachers themselves, rather than LPS officials, carry on the program within the schools. During the discussion period that followed the meeting in Ueda, there was some opposition to this idea, based upon the teachers' feeling that they are too limited in background to handle the subject and that large numbers of teachers are completely indifferent to labor matters and labor education. The latter fact, of course, imposes a serious obstacle. It also developed, during discussion at both meetings, that there is some opposition in the Board of Education Secretariat (Guidance Section) to the idea that the LPS should have any role at all in the matter. It was reported, however, that the Superintendent of Education is in favor of the idea and has shown good co-operation in the plans. Regarding the above-mentioned obstacle of indifference on the part of teachers, it was pointed out that the purpose of KACAR personnel's participation in these meetings was to stimulate interest in two groups of teachers representing a total of some 55 schools, with the idea that these teachers will return to their individual schools and promote discussion of the subject among principals and other teachers concerned.

When methods of presentation in the classroom were discussed, it was suggested that advantage be taken of opportunities within the community itself to make the subject matter as graphic as possible, and that visual aids be put to extensive use. Several teachers brought out the "delicacy" of discussing current labor situations in the classroom and mentioned types of difficulties that might arise out of such discussion. It was made clear to the teachers that they must use discretion regarding what aspects of the local scene they will use in their teaching. It was further pointed out to them that their principal responsibility will be to give the basic essentials of labor education and not to engage in detailed study of current labor problems.

Opposition on the part of parents will also present a problem, teachers reported. Regarding this, several suggestions were made. One of these was to the effect that through the PTA the parents themselves might be educated concerning the importance of including labor education in the school program. Another (made by the prefectural LPS Chief) was that teachers should handle with diplomacy any difficulties that may arise, and that they may count on the LPS to assume responsibility for the content of the labor education course. It was further suggested that if parents can be brought to understand the value of the teachers' services in presenting a topic of such importance as that of labor education, they will be much less likely to register opposition.

The two meetings were attended by a total of 55 teachers, along with LPS and education officials. The impression gained was that although the teachers registered interest, there was some bewilderment on their part regarding the exact nature of the plan for including labor education in the school program. This appeared to be due largely to a lack of satisfactory co-ordination between the LPS and the Board of Education Secretariat. Since the matter is being correlated with the CE Section, this headquarters, further discussion will be held with that section.

2. Conference with Chief of Labor Department, Chief of Employment Security Section, and other Members of his Section:

a. Problems regarding day laborers and unions of the unemployed:

So far, there have been no difficulties approaching the seriousness of occurrences in other prefectures, but almost all the large cities of the prefecture have organizations of day laborers. Apparently not all of these are under Communist leadership, but both the LD Chief and the ESS Chief stated that CP influence is behind the current tendency for day laborers to organize into "Free Laborers' Unions" or similar groups. Local PESO's and the Prefectural ESS have been approached by these groups on several occasions with demands for wage increases, provision of working equipment, full employment, and accident compensation. Officials, in replying to such demands, have pointed out that the law calls for relief work wages to be from 10% to 20% below prevailing wages for similar work in the community; that project subsidized by the Ministry of Labor have limitations which preclude full employment; and that the PESO is not in a position to increase the number of job-openings, although it has the duty to find new openings wherever possible. No local communities have set up relief work projects on their own, but the prefectural government has undertaken means to expand projects subsidized by the Ministry of Labor. The Governor has taken measures to alleviate unemployment throughout the prefecture purely by prefectural funds for such work

as road improvement and sewage sanitation. Officials pointed out that these are projects which would eventually have to be carried out anyway. The stage has been reached at which all PESO's are using relief work projects.

The ESS Chief stated he is certain that all local PESO Chiefs understand the method of pointing out to day laborers the true facts of their position. He also expressed the opinion that not many of the laborers are falling for CP blandishments. He reported that a plan is afoot to form a prefectural federation of unions of day laborers. When inquiry was made concerning treatment of these unions under the law, the LD Chief stated that he felt free either to bargain with them or not.

At Ueda, after an entire day of fruitless negotiation with municipal authorities, members of a day laborers' union asked for their wages for that day and were paid by the city, whereupon their Communist leaders pointed out to them that it was quite possible for them to obtain their wages without working. The ESS Chief warned Ueda municipal authorities that the city was actually misappropriating public funds in this instance, since it was spending government subsidy money for work not performed. It was further reported by officials that the Free Day Laborers' Union in Ueda has requested the city to pay the salary of its full-time business agent, as well as workers' travel expenses to and from the PESO.

In Okaya, day laborers who were left over after jobs for that day had been distributed at the PESO, went to the mayor's residence, cleaned the chimney and the garden, and then asked for a day's wages. This was apparently done under outside influence. In the same community, the Free Laborers' Union, which had been organized under CP influence but has later "outlawed" the Communists, sent a letter of appreciation to the PESO Chief and his staff, thanking them for their unselfish efforts to assist the unemployed by working long hours and giving up their Sundays. It was also reported that the mayor of Okaya on two occasions supplied funds for day laborers out of his own private resources.

At Matsumoto and Iida the rotation system is in practice, but it appears not to offer a satisfactory solution to the problem of insufficient jobs. The ESS Chief mentioned that the system has a sort of negative value in that it makes the day laborer realize that his job is not permanent and therefore tends to prevent him from expecting full employment. Work booklets are being issued by PESO's to all applicants for day labor. PESO's have been instructed to make clear to applicants that their possession of a work booklet is not a guarantee of a job.

With regard to unemployment insurance benefits, officials pointed out the following difficulties: Day laborers have to wait from five to seven days to collect. This is far too long a time. In fact, it renders meaningless the whole intent of such benefits. Furthermore, they explained, a day laborer must work sixteen days out of one month in order to be eligible for the benefits. If too many work booklets are issued, and the rotation system is used, a worker may not be able to get in sixteen days' work per month.

b. Employer visitation program:

Officials stated that lack of personnel precludes carrying out the program with maximum effect. They reported, nevertheless, that out of each 1000 visits, 300 job-openings are found. Government offices in local areas make good use of PESO services in obtaining personnel, but there is reluctance on the part

of the prefectural government offices to use PESO facilities.

SUMMARY:

1. Two meetings were held with a total of 55 lower secondary school teachers of social studies (representing an equal number of schools) for the purpose of stimulating interest in the incorporation of labor education into the school program. The prefectural Labor Policy Section will provide basic materials and a brief training course for those teachers who will have the responsibility of presenting labor education topics in the classroom.

2. Conference with Labor Department Chief and officials of prefectural Employment Security Section brought out the following information:

a. Almost all large cities in Nagano have organizations of the "Free Laborers' Union" type, most of them under CP influence.

b. Although there have so far been no serious demonstrations or disturbances, and no communities have set up relief work projects on their own, on several occasions local government authorities have exhibited a tendency to accede to some of the demands made by these groups.

c. The rotation system for day laborers' jobs does not offer a satisfactory solution to the problem of too few openings.

d. Although work booklets are being issued to all applicants at the PESO, officials have been instructed to make clear to applicants that their possession of a work booklet is not a guarantee of a job.

e. Day laborers have to wait too long to collect unemployment insurance benefits. Since a laborer must work sixteen days out of one month in order to be eligible for benefits, if too many work booklets are issued and the rotation system is used, an individual worker may not be able to get in sixteen days' work per month.

f. In the employer visitation program, the average number of job-openings found is 300 per 1000 visits.

RALPH FRIEDRICH
Labor Relations Division

Profile

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10 February 1950

MEMORANDUM FOR RECORD

- SUBJECT:** Field Trip to Nagano Prefecture, 30 January-1 February, for
- (a) Conference with Chiefs of Labor Department, Labor Policy Section, Labor Education Sub-section, and with Labor and Management Representatives from the Labor Education Advisory Committee
 - (b) Conference with Chiefs of Prefectural Employment Section and Nagano City Public Employment Security Office
 - (c) Conference with Chief of Nagano City Labor Standards Inspection Office
 - (d) Visit to Ueda City Public Employment Security Office
 - (e) Visit to Ueda City Labor Standards Inspection Office

1. Conference with prefectural labor officials and LEAC management and labor representatives:

a. Management education:

Prospectus of KCAR management education program was presented, and offer was made to conduct the program at a number of places in the prefecture. Labor officials were asked to offer their recommendations regarding topics which require greatest emphasis in a program of management education. It was the consensus of opinion that the topics of greatest importance to management at present are labor relations, wage and allowance provisions, and seniority clauses. The Labor Department chief pointed out that the high percentage of establishments in which no trade agreements exist indicates need for attention to matters of collective bargaining and establishment of agreements. Grievance machinery appears to be understood in theory, but it has not been extensively put into practice. Since the material included in the management education program is also of interest to unions, it was suggested to the officials that presentation of a similar series of programs for union representatives would be advisable, but not until the series for management has been completed. The LEAC management representative was of the opinion that such programs should be presented separately for union and management. When the LD chief suggested that the program might be given at the same place but at different hours for management and union representatives, it was pointed out to him that it would appear more advisable to present the entire series for management first, since in this way employers would be convinced of its value and would thus be eager for unions to take advantage of it. The officials suggested that the program as given for unions should provide for a discussion of union constitutions, since this is a phase of education

in which unions are deficient. The LD chief considered that conduct of the educational program at six strategic locations would give sufficient coverage for the prefecture. He added that employers' eagerness to find solutions for their current problems would serve as good incentive for them to participate in a series of educational programs like the one proposed.

b. Union certification:

Unions in general are hesitant to request certification because, first, they do not understand the procedure, and second, because the Central Labor Relations Commission has given instructions that Article 4 of the Trade Union Law is to be interpreted narrowly, with the effect that unions are not encouraged to seek certification before they have a problem to present to the local LRC. It was further stated by the officials that unions tend to feel that a third party (the LRC) should not pass upon a union's legality prior to the time when the union presents the LRC with a problem. They reported, however, that there is a growing tendency among better unions to get themselves certified. The central problem, they pointed out, is that a difference of opinion exists between the Ministry of Labor and the CLRC on the issue of certification. They stated that there is already a tendency to ignore the revised Trade Union Law because of this difference of opinion, and that this tendency poses a serious problem for local labor officials. They cited an example in Hensan to prove that management has begun to ignore the union because it is not certified.

c. Problems of management:

Officials reported that there is an increasing tendency for employers to close their enterprises whenever a dispute arises over unpaid wages. The situation is causing major difficulties for the Labor Standards Bureau. It was the consensus of opinion among officials that the LSS is able to solve about half the cases of unpaid wages, but that the other half cannot be solved. It was further pointed out by the officials that if an enterprise closes and the assets are attached, taxes have priority under the law, and wages may be left entirely unpaid. The Labor Policy Section is propagating the idea of union co-operation with management in its present financial difficulties. When it was asked if workers are exhibiting a growing impatience over unpaid wages and a reluctance to go along with employers in the hope of being paid eventually, the Labor Department chief replied that there is rather an increasing tendency for management to adopt a defeatist attitude and to close its enterprises in the face of mounting financial difficulties. Raw materials and loans from banks, he stated, are more and more difficult to obtain. With regard to the matter of loans, the LD chief reported that although there is the sum of \$12,000,000,000 in savings in Nagano, of which 60% is available for loan, the strict conditions under which loans are offered, and the difficulty experienced by employers in obtaining loans have only

increased their discouragement. Officials also cited the increased cost of electric power in Nagano as a deterrent to financial stabilization of industry. They expressed concern over the fact that the kilowatt hour rate for Nagano is ¥2.80, whereas in the other Kanto prefectures the rate is ¥1.95.

2. Conference with chiefs of Prefectural Employment Section and Nagano City Public Employment Security Office:

a. Operation of Nagano City PESO:

PESO has staff of 29. Average number of applicants processed daily is as follows: Day laborers, 143; new applicants for regular employment, 55-60; repeating applicants for regular employment, 60. PESO chief stated that staff has shown great improvement since inception of PESO. Interviews of applicants for regular employment are conducted in separate booths. The PESO Manual has proved to be of great advantage. In view of the increase in unemployment and the consequent increase in the amount of work required of the PESO, additions to the staff would be desirable.

b. Problem of insufficient job-openings for junior high school graduates:

Following table indicates the seriousness of the situation with regard to finding employment for junior high school graduates:

	NAGANO-KEN	NAGANO-SHI
Prospective graduates, March 1950:	41,000	4,363
Graduates desiring jobs:	18,000	1,321
Job-openings for boys (estimated):	341	88
Job-openings for girls (estimated):	3,813	337

The great difference in the number of job-openings for boys and for girls is accounted for by the fact that 80% of the enterprises desiring to employ junior high school graduates are textile factories which employ chiefly female workers. The relationship between the lack of jobs and the rise of juvenile delinquency is definite, and vocational guidance councils (representing employers, parents, teachers, and PESO officials) have been attempting to deal with the problem. Visits of PESO officials to employers in endeavor to increase job-openings for young people have resulted in little success. Co-operation of the schools is good. In an effort to improve the general situation of the prefecture with regard to this problem, officials were dispatched during December 1949 to other prefectures to inquire into the possibility of job-openings. 1800 openings in the textile industry were found in Aichi-ken. It was suggested to PESO officials that as much encouragement as possible be given to vocational guidance councils to assume responsibility for finding solutions to the problem.

c. Elimination of labor bosses:

In the prefecture as a whole, 252 cases of labor bosses have been handled since May 1948, involving a total of 9,852 workers. Through disposition of these cases, 8,339 workers were placed under direct employment system, either by PESO or private companies. Nagano City PESO chief reported that 29 cases (involving 1091 workers) were disposed of through ordering bosses to disband groups and have workers form their own union. Direct payment of public work relief project laborers at the end of each day has obviated the danger of labor boss exploitation.

d. Work relief projects:

A serious problem confronts all PESO's in the fact that present work relief projects are insufficient in number and extent to provide employment for the constantly increasing number of applicants for day labor.

3. Conference with chief of Nagano City Labor Standards Inspection Office:

a. Unpaid wages:

General trend is toward improvement of the situation, despite difficulties of management mentioned in Section 1c above. Nagano City LS Inspection Office chief cited the following as factors operating toward improvement: elimination of credit system, better prospects for textile export, stabilization of commodity prices, effects of industrial rationalization. Nagano City reports three cases of unpaid wages with arrears of more than two months, involving a total of 159 workers. Two of these enterprises have closed. For the prefecture as a whole, the degree of improvement is indicated in the following figures:

<u>Month</u>	<u>Number of Enterprises in Arrears</u>	<u>Amount Unpaid</u>
October 1949	142	¥54,790,046
November 1949	156	¥66,815,564
December 1949	107	¥34,927,768

b. Safety and sanitation:

LS Inspection Office chief (Nagano City) reported that 2080 inspections were made during 1949 by his regular inspectors; 1986 of these were routine inspections; the remaining 94, inspections made on report by workers concerning violations in their plants. Number of violations discovered in the Nagano City district during 1949 were 3270. Most frequent violations of the Labor Standards Law occur with regard to provisions of Articles 107 (workers' roster), 108 (wage ledger),

24 (payment of wages), and 52 (health examinations). Safety violations appear to be in the minority, but this may be due to failure of inspectors to spot or to report such violations. Safety violations include uncovered belts, too narrow passageways, improper and unsafe construction, lack of fire extinguishers, darkness of working places, and lack of emergency ladders. LSIO chief called attention to the problem involved in attempts of employers to obtain critical materials with which to correct deficiencies in safety and sanitation. When a local LSIO orders correction of a deficiency or accomplishment of some type of construction required in the interest of safety, management submits to the LSIO its plans and its request for any critical materials needed. These plans and requests are in turn submitted to the Ministry of Labor, which in turn must make request for materials to the Ministry of International Trade and Industry. Almost all of these requests for critical materials are rejected by the latter ministry, according to the LSIO chief's report, and this poses a serious obstacle to the accomplishment of safety and sanitation measures.

c. Workmen's Accident Compensation Insurance:

Nagano City LSIO reported that all 474 eligible establishments are paid up, and that there are at present no cases of arrears in the collection of premiums.

4. Visit to Ueda City PESO and conference with PESO chief:

Staff of 18 has been increased by 9 temporary employees hired because of increase in work of the PESO. Chief stated the opinion that employees of the 13 PESO's in Nagano-ken should be redistributed, in view of the fact that the amount of work for the PESO varies with location. Ueda PESO processes an average of 100 day laborers and 250-260 applicants for regular employment per day. PESO staff has shown constant improvement since inception of the PESO. There is no special training plan for staff members, but monthly meetings are held for the purpose of providing guidance. The chief has noted great improvement in the psychology of dealing with applicants. The problem of finding jobs for junior high school graduates in the Ueda district is hardly less serious than it is elsewhere. Of 3,973 prospective graduates for March 1950, 1070 desire employment, but there are only 395 job-openings (75 for boys, 320 for girls). The chief stated that the prefecturally sponsored vocational guidance committees cannot be depended upon to aid in solution of the problem, and that an increase in juvenile delinquency appears inevitable. It was suggested that community committees with representation of all interested groups could offer valuable assistance in dealing with the problem if they were truly aware of its seriousness and if they pooled their resources for the purpose of arriving at a solution. Examples were given of ways in which at least part-time jobs could be created through community effort. The PESO chief pointed out another aspect of the problem of finding employment for junior high school graduates: the Labor Standards Law, with its limitations regarding minor workers,

makes employers wary of accepting minors for employment in their establishments. There are no known cases of labor bosses in the Ueda district. Persistent efforts to eliminate them have had considerable success.

5. Visit to Ueda City Labor Standards Inspection Office and conference with chief:

a. Safety inspections:

There are 1359 establishments in the Ueda district, of which 42-43 per month are visited by the five regular inspectors. Transportation facilities are better than average, although budget for transportation is low, and inspectors frequently have to go into their own funds to carry on their work. Most frequent violations are those concerning wage ledgers, workers' roster, informing workers of gist of Labor Standards Law, and health examination.

b. Unpaid wages:

Following table indicates degree of improvement in the unpaid wage situation:

<u>Month</u>	<u>No. of Establishments in Arrears</u>	<u>Amount Unpaid</u>	<u>Amount Paid this Month</u>
October 1949	33	¥6,590,109	¥3,740,908
November 1949	42	¥7,517,528	¥3,977,437
December 1949	39	¥7,481,696	¥4,435,962
January 1950 (as of 20th)	18	¥3,255,398	¥ 128,094

Special efforts at the end of 1949 resulted in considerable improvement, and officials expect the trend to continue in this direction.

c. Workmen's Accident Compensation Insurance:

Extent of collection as of 31 January 1950 is indicated in the following table:

Fixed premiums:	¥3,971,969
Actually collected:	¥3,191,350
Uncollected:	¥ 780,306

d. Budget, personnel, and office space:

Chief stated that low salaries of LSIO employees and inadequacy of funds for transportation indicate need for budget increase. LSIO at Ueda at present occupies a room in the city office

building, but funds have been appropriated for construction of a separate building, which is expected to begin in April of this year.

SUMMARY:

1. Prospectus of KEAR management education program was presented, and offer was made to conduct the program at a number of places in Nagano-ken. Labor officials offered suggestions regarding topics to be included.
2. Conference with PESO chiefs in Nagano City and Ueda revealed that increase in unemployment has caused consequent increase in the work of the PESO; that a serious problem exists in the great lack of job-openings for junior high school graduates; that current public work relief projects are insufficient in number and extent to provide jobs for the constantly increasing number of applicants for day labor; and that elimination of labor bosses has been proceeding successfully.
3. Conferences with Labor Standards Inspection Office chiefs in Nagano City and Ueda produced information that trend is toward improvement in the unpaid wage situation; that a good record is being maintained in the field of factory inspections, although lack of critical materials prevents employers from complying with orders to take safety and sanitation measures; and that collection of premiums for Workmen's Accident Compensation Insurance is proceeding satisfactorily.
4. Prefectural labor officials reported an increasing tendency for employers to close their enterprises whenever a dispute arises over unpaid wages and stated that the situation is causing major difficulties for the Labor Standards Bureau.
5. Difference of opinion between the Ministry of Labor and the Central Labor Relations Commission over the matter of union certification was cited by labor officials as the reason for the tendency among unions not to seek certification until they have a problem to present to the local LRC.

RALPH FRIEDRICH
Labor Relations Division

HW

31 December 1949

MEMORANDUM FOR RECORD

Prof file

SUBJECT: Field Trip to Nagano Prefecture, 27-29 December 1949, for Following Conferences:

- (a) With Officials of Labor Department, Labor Policy Section, Labor Education Advisory Committee, and Labor Relations Committee.
- (b) With Officials of Five Labor Unions
- (c) With Chiefs of Labor Standards Bureau and Women's and Minors' Bureau.

1. Conference with Prefectural Labor Officials:

a. Charges of unfair labor practice by the Nagano Prefectural Board of Education:

In late March 1949, the Board of Education announced the transfer or removal of 2,500 teachers. Of these cases, 150 were considered by the union or by individual teachers to come under the heading of unfair labor practices. Ten teachers appealed to the Labor Relations Committee. Of these four were recommended for reinstatement after the LRC's decision to the effect that Article 11 of the Trade Union Law had been violated, inasmuch as all four were active union officials and had apparently been discharged for this reason. Informed of this decision, the Board of Education replied that by 20 January 1950, at the latest, these four teachers would be re-examined with a view to their reinstatement. The LRC was at first dubious about accepting the teachers' appeals. Main problem was to decide whether the case came under the Trade Union Law or the Education Ordinances. It was decided, after consultation with the proper authorities in Tokyo, that the Trade Union Law applied. Also, although the teachers were permitted by law to request a hearing before the Board of Education, the Board itself, not having previously been appealed to for such a hearing, did not know how to deal with the situation. The above-mentioned re-examination will constitute the hearing. The question also arose in the LRC concerning whether or not the Board of Education can properly be punished. It was decided that it cannot. Consequently, the case is in a state of suspension pending the Board's re-examination of the four teachers. Although the discharges were not made in connection with the Ministry of Education's fixed teacher ratio, the Board, when asked for reasons for the discharges, cited its set of separation criteria for undesirable teachers. It is doubtful, though, that these criteria were in existence at the time the discharges were first announced. Thus

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the LRC maintains the opinion that the real reason for the discharges was discrimination against union leadership.

b. Current problems of management:

Eight management conference and eight labor-management conference were held under prefectural auspices between September and November. Attendants at the management conferences were largely employers in small and medium-sized enterprises. One significant conclusion drawn from these meetings by prefectural labor officials was that employers show little or no interest in the future and are operating on a day-to-day basis. It is therefore realized that management must be inspired to extend its horizons of interest. When reasons for this lack of interest in the future were asked, the following information was elicited: One of the largest problems is the lack of funds. In Nagano, many citizens have savings accounts, but the capital therein represented is being loaned outside the prefecture. It is the joint opinion of labor and management that such capital should be used within the prefecture rather than outside. Another reason cited by the labor officials is that the selfishness of operators has resulted in a failure to increase production. For example, lumber produced in the Kiso area is sent out of the prefecture in raw condition for processing and manufacture of wood products. Laborers desire that lumber processing and wood industries be carried on within the prefecture. They admit that the operators would thereby make less money, but they point out that work opportunities would increase. Still another reason for lack of interest in the future is the small employer's inability to perceive the interrelationship of his enterprise, the present economic situation of Japan, and the future economy of Japan. Therefore he is pursuing what might be called "blindfold production." It was further pointed out by the labor officials that there is no standard industry in Nagano at present. 56% of pre-war industry was textile production, and 87% of the workers were employed in this field. During the war, textile factories turned to military production, and the ending of the war left the prefecture without a standard industry. Since many of the present industries are considered unimportant in the respect that they are not absolutely essential to the economy, employers cannot get loans. Only 45% of their material comes through rationing. The other 55% is acquired through black-market channels. In view of these facts, the labor officials stated the opinion that before any further education of management is pursued, it will be necessary to develop a standard enterprise, since at the present time employers are concerned with the bare fact of continuing the existence of their enterprises.

c. Management education:

In the opinion of the management representatives, both from the Labor Relations Committee and the Labor Education Advisory Committee, operators of large enterprises are well ac-

* and that they must then be encouraged to stand up for these rights.

quainted with the labor laws and the aspects of the union movement. It is rather the operators of small and medium-sized enterprises who require education. But it is exactly these operators who show little or no interest in their own education or in the means taken by prefectural labor officials to further it. One management representative expressed himself strongly to the effect that compulsory measures are needed. It was further stated that workers in many small plants are so ill-informed regarding the labor laws and the union movement that even if they form unions, they must rely on outside help and thus frequently come under outside domination. In large factories, through procedures of negotiation, management and the unions have become educated regarding each other's rights. But in small plants, the paternalistic set-up precludes understanding of why a union should be established. There is a tendency in small enterprises, even if a union exists, for laborers to be misused. Therefore, the union is either weak or radical. It appears, therefore, that the workers must first be educated concerning their rights,* There is the additional and concurrent problem of educating small management regarding basic labor principles. It was suggested by one of the officials present that it would be advisable to develop educational programs of two types: one for those employers who have shown progressive tendencies and have already grasped basic labor principles, and another for those who are retarded. Another of the officials expressed great concern over what he described as the tendency at present for Japanese industry to return to the paternalistic system, and supported the previously stated opinion that compulsory educational measures are necessary.

d. Workers' education:

One of the chief obstacles to successful labor education in Nagano is the strong persistence of feudalistic tendencies. Many workers are from farms, and the pull between their feudalistic home environment and the democratic atmosphere encountered in unions is great. Examples in support of this opinion were given by the labor representative on the Labor Education Advisory Committee. It was further stated by representatives from the Committee that the average worker in Nagano earns his wages to supplement the family budget on the farm and that he therefore has no real interest in the labor movement. It was the opinion of these representatives that the labor movement in Nagano has not developed out of the workers themselves and that until workers acquire a definite interest in it, labor education will make little or no progress. They added that it is characteristic of the people of Nagano, among themselves, to try to impose their opinions upon one another and that this type of aggressiveness has stood in the way of democratic development. If, however, a superior authority asserts itself, they will defer. These factors were cited as reasons for the need of a compulsory program of labor education. It was added by the officials that the rationalization of small industries is prerequisite to obtaining the co-operation of management, labor, and

the prefectural labor officials in an effective program of labor education. It was inquired whether Japan's current social and economic problems are regularly discussed in secondary school social studies classes. The reply indicated that such discussion is not common. Although students themselves may display interest, the average teacher is, for the most part, unacquainted with the problems.

2. Conference with officials of five labor unions (Nagano-ken Branch of Densan, Nagano-shi Local of Densan, Horei Printing Co., Prefectural Government Employees' Union, Nagano-ken Teachers' Union):

a. Union-management relations:

Although the officials cited no cases in which management has used the industrial rationalization program per se as a weapon against union leadership, several cases were cited as evidence of management's tendency either to bypass the union or to ignore its opinions. For example, at the Kisogawa local plant of Densan, Management announced the discharge of 81 workers by sending them individual notices. No negotiation with the union took place, and no advance notice re the discharges was given to the union. An appeal to the Labor Relations Committee is being prepared. In other instances, when negotiation over wages and working conditions breaks down because of management's difficult economic position, further insistence by the union results in management's discharge of union leaders. This was felt by the union officials to be a generally prevalent condition.

b. Decline of union activity:

In metal industries, the officials stated, the reason for the weakening of union activity is not the discharge of union leadership, but the mere exigency of keeping the industries alive. The same was felt to be true of the lumbering industry, in which union activity, once remarkably strong, has declined notably. Basic reason for the decline is the general economic situation. More specifically, the following reasons were cited:

- (1) Longer hours and harder work leave no time or inclination for workers to participate in union activities. Furthermore, overtime workers are regarded as more efficient by management, and thus workers concentrate on their jobs, with no time for union activity.
- (2) Workers fear that they may lose their jobs if in any way they incur the disapproval of management.

- (3) Concomitant with this, workers are reluctant to assume union office.

A recent opinion survey conducted among the 300 union members at the Horei Printing Company included the question: "Do you think your present union has the power to protect you?" Two-thirds of the members replied affirmatively; one-third implied that they had little or no faith. Accepting this result as indication of the need for further education of workers regarding the importance of their union, Horei union officials are planning educational measures.

c. Status of labor education in unions:

Union officials stated that, even though printed materials are distributed to individual union members, the effectiveness of such materials is minimal. This is true even of the Teachers' Union. It was agreed that movies are the best means of conducting education among workers, but films are not readily available, and the expense of exhibiting them is prohibitive. Slide films appear to have been used with only moderate effect. There is a great lack of understanding regarding the difference between unions inside and outside the law. Although employers in general have studied the revised labor laws and have made use of them to their advantage, the workers have by no means been sufficiently informed concerning these laws. The above-mentioned opinion survey made by the Horei Printing Company union indicated also that there is little understanding among workers concerning who has the responsibility for carrying on union activities. Their answers indicated a tendency to leave everything up to the union officials, as well as a lack of inclination to achieve participation by all members. The weakness of union finances is also at the root of the difficulty. It was agreed by all union officials present that it is urgently necessary that common measures be taken to promote the education of workers.

d. Suggestions made to union officials:

At the request of the union officials present, suggestions were made regarding means of achieving increased participation in union activities and educational programs. These included the following: Creating the desire to be educated; stimulating interest by combining business meetings with inexpensive entertainment features; propagandizing the union's value through calling attention to its accomplishments; examining present union leadership to determine whether or not it is interested only in preserving its own supremacy; acquiring management's cooperation; providing opportunities for all members to enter discussion, to serve on committees, and to realize their individual importance to the union.

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

a. Women's and Minors' Bureau:

- (1) Educational programs: Good co-operation has been received from other sections of the Bureau and from local inspection offices. Printed materials distributed to women workers are considered to be effective, and unions frequently make copies of outstandingly good pamphlets for distribution to individuals. The Prefectural Social Education Section has co-operated in the use of projectors. Both the W & MB Chief and the LSB Chief expressed the opinion that the Ministry of Labor's separate distribution of educational programs to the various labor administrative organs should be abandoned and that co-ordination of efforts ought to be achieved, both on the national level and within the prefecture. They further stated that better results could be achieved if, in factory visits, representatives of the various labor administrative organs were to go together and combine their efforts in a single program. Some work was done in this direction through conduct of several meetings, but interest in the project declined, and at present the various organs continue to conduct their own programs.
- (2) Women in trade unions: Activity has steadily decreased. A principal cause is the lack of leisure time, since many women workers are also housewives and have home responsibilities. Another reason is their lack of understanding regarding the importance of the union movement. There appears also to be a barrier between working women and non-working women which prohibits understanding of the working woman's problems.
- (3) Enforcement of Labor Standards Law with regard to women and minor workers: Employers are generally co-operative. Some of them conduct informational classes for workers regarding the provisions of the law. There appear to be few working minors engaged in street trades under the management of operators. Cases of violation against minor workers are few.
- (4) Budget and personnel: The Chief stated that a minimum of seven persons would be required to carry out effectively all that the Ministry of Labor expects, and that the present budget ought to be increased at least three times. Special budget allocations for conferences generally arrive one month late.

b. Labor Standards Bureau:

- (1) Unpaid wages: As of 1 December, there were 156 cases. The tendency is for cases to be reported only after they go beyond one month in arrears, at present there are no cases before the procurator. The LSB Chief stated that persuasive techniques are best with employers. Between May and December, 823 cases were settled, either through complete payment or an arrangement for partial payments. The present status of cases indicates improvement. Until recently, unpaid wages had been accumulating for periods ranging from two to four months, whereas there are now no cases that go beyond one month. Extreme cases are settled through liquidation of assets or reduction of personnel. Particularly bad at present are cases in metal and machine tool industries, with lumbering and wood-working industries next. Explanation was given that the end of the war brought conversion of machine tool industries to manufacture of household utensils, and that these, being durable, have been in decreasing demand. Also, decrease in Occupation requirements has seriously affected woodworking and furniture industries. At present, inspectors are engaged in visiting employers who are in arrears with the intention of getting them to pay back wages by the end of the year and of cautioning them against falling in arrears again.
- (2) Difficulties in the spinning industry: Destruction of mulberry leaves by Typhoon Kitty has resulted in a serious lack of cocoons, to the extent that the spinning industry will have to be suspended for a period of 90 to 100 days during 1950 (prior to May), and that 18,000 women workers will be laid off during this period. The problem arose concerning the responsibility of employers and the payment of non-work allowances during the period of suspension. It was the decision of the Prefectural Labor Standards Committee that the non-work allowance must be paid. Management held to the view that the situation was created by a natural disaster and was not of management's making. But the Committee was of the opinion that this excuse would cover only three or four days out of the 90-100 days' suspension. Management further expressed the opinion that the Government also has a responsibility in the case, since it outlined the five-year production increase program

for the spinning industries, and operators had therefore increased their facilities. The Committee pointed out to management that once the operators had accepted the program, it became their responsibility. The fact that the cocoon industry was freed of Government control in April has added an additional complication in that some operators were unable to purchase cocoons on the free market. Management's opposition to the Committee's decision, though great at first, has now subsided, and no further difficulty is expected, since the Spinning Association has put pressure upon the operators to pay the non-work allowance.

SUMMARY:

The Nagano Board of Education has been charged with discrimination against union leadership and violation of Article 11 of the Trade Union Law in the case of four discharged teachers. Management's current pursuit of "blindfold" production and its lack of interest in the future appear to be due to problems of capital and the lack of a standard enterprise. In the opinion of labor officials, management education will have to wait upon the improvement of the economic situation and standardization of enterprise. Operators of large enterprises are considerably more advanced in labor education than are those of small and medium-sized enterprises. A tendency for Japanese industry to turn again toward the paternalistic system has been noted. Several officials advocated compulsory educational measures both for management and labor. Social and economic conditions in Nagano are blamed for the slow progress of labor education. Union officials cited evidences of management's tendency to bypass or ignore the union. Reasons given for the decline of union activity include longer working hours and harder work, fear of workers that they may incur management's disapproval and imperil their jobs, reluctance of workers to assume union office, and a declining faith in the union's ability to protect them. Union officials agreed that increased labor education is an urgent necessity. Women's and Minors' Bureau, despite limitations of budget and personnel, is active and has achieved good co-operation on the part of employers with regard to enforcement of laws protecting working women and minors. Present status of unpaid wages indicates improvement over past months, although the situation in metal, machine tool, lumbering, and woodworking industries is still serious. There are at present no cases beyond one month in arrears. Special efforts have been made to persuade employers to pay up by the end of 1949. Lack of cocoons resulting from typhoon destruction of mulberry leaves will require 90-100 days' lay-off for 18,000 women workers in the spinning industry. Pursuant to decision of

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Labor Standards Committee, management will pay a non-work allowance during this period.

RALPH FRIEDRICH
Labor Relations Division

Prof file

HEADQUARTERS
KANTO CIVIL AFFAIRS REGION
Labor Relation Division

1 December 1949

MEMORANDUM FOR RECORD

SUBJECT: Labor Relations Surveillance Trip to Nagano Prefecture, 28-30 November 1949.

1. Main topics discussed at the conference were the following:

a. Matters involving the LPS Legislation Sub-section: The Chief explained that the section is co-operating with the Trade Union Sub-section and the Labor Education Sub-section in an educational program for workers regarding the interpretation of the Trade Union Law and the Labor Relations Adjustment Law.

b. Matters concerning the Trade Union Sub-section of LPS: Through the local labor administration offices, a study is being made regarding union activities. One trend that has been found is that various unions are seceding from national union federations. It was asked what direction the unions have taken after secession. The reply was that the unions had quite a struggle when they seceded and that their desire, first and foremost, was to be independent. At the present time, they have not affiliated with other groups.

c. Matters concerning the LPS Labor Education Sub-section: Educational activities are being carried on by local labor administration offices. Reports received from them are forwarded to the Labor Ministry. The Education Sub-section publishes leaflets for distribution through the labor administration offices. Generally, the Labor Ministry schedule of monthly activities is followed. Chief methods of presentation are leaflets, lectures, and discussion meetings.

d. A discussion of the matter of grievance machinery followed. Officials stated that not many Nagano firms have contracts which include grievance machinery and that most firms have a management council which handles matters of collective bargaining, grievances, and production. They added that the Labor Ministry is advocating the dissolution of these management councils and their replacement with separate committees for grievances, collective bargaining, and production. Some knowledge of grievance procedures was indicated by the Labor Education Sub-section. The labor officials were informed that KCAR is preparing a program on grievance machinery and seniority clauses and expects to have it in the prefectures within a month's time. It was suggested to the officials that they point out to management groups the advantage of having grievance machinery in their contracts and the advantage of having the unions divide their functions among three committees in place of the present management council.

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e. Matter of immediate reporting of disputes, strikes, lockouts, production stoppages, and acts of violence was discussed. It was explained that decision has not yet been made regarding the exact method of reporting, but that for the present, reports should be made by telephone, with follow-up report in writing. It was the consensus of opinion that ordinary collective bargaining does not constitute a dispute, and ought not to be reported as a dispute.

f. Matters concerning the Labor Relations Committee: The most important case now before the Committee is that of unfair labor practices charged against the Nagano Prefectural Board of Education. It involves the discharge of ten teachers, allegedly because of their union activities. Another case involves the dismissal of prefectural employees under the personnel readjustment program. Under the new P.O. for the prefectural office, five employees were dismissed. They have appealed to the LRC with the charge against the Governor that they were dismissed because of their union activities. Their evidence is mostly in the form of witnesses. The LRC Chairman stated that unions are not discouraged from seeking certification. Of 34 unions which have requested investigation of their status (without having any special cause for seeking LRC's services), 11 have been certified, 20 have been given recommendations regarding changes necessary to make them eligible for certification, and 3 have withdrawn their requests. It was asked whether the LRC members see any change in the attitude of management and unions toward seeking the help of LRC (as well as other labor organs), in view of the fact that the pre-war attitude of the Japanese Government toward unions was inimical to the point of suppressing them. The LRC management representative stated that the opportunities available at present to obtain government aid have resulted in management's looking toward the government with more expectancy of assistance in solving its problems. The Labor Department Chief added that at first, when the Labor Ministry and the labor administration offices were set up, laborers had the feeling that the labor administration offices were for their service and were supposed to carry out all requests that laborers might make. Now the tendency is for management and unions to consult the labor administration offices in such matters as industrial rationalization, for example. It appears that management and labor are putting more confidence into labor administration offices, with the expectation of obtaining increasing assistance from them. The LRC labor representative stated that there are two viewpoints on the matter. The larger unions understand that it is better for them to work within the labor laws, and they realize the value of working with the LRC and the labor administration offices. But the smaller unions, whose members stand to lose jobs under the 9-point Economic Stabilization Program (due to elimination of small factories), are opposed to the government's regulations for labor and its plans for assistance to unions. The larger unions have shifted from political to economic struggle.

g. Unemployment situation: Unemployment is on the increase. About 8,000 unemployed are receiving insurance amounting to approximately \$17,000,000. Out of 200 employed six months ago, approximately 150 are working now. The figures indicate a drop of about 20%. Chief causes are industrial rationalization and factory liquidation.

h. The KCAR program on nomination and election procedures for unions has been adopted by many unions.

i. The matter of selection, appointment, and transfer of key labor administrative personnel was discussed at some length.

j. Matters concerning the Labor Standards Bureau:

- (1) Inspection Section reported that there are five inspectors, each of whom supervises two local inspection offices. Inspections deal with working regulations, hours, wages (including back wages), laborers' welfare, cases of labor bosses, labor contracts, apprenticeship systems, and women's dormitories. There are some 13,000 factories and 250,000 workers. The reason given for inspection of labor contracts was that they are checked against the actual working conditions. Nine labor boss cases have been sent to the procurator. Three of these involved construction companies; six involved gaisha. Cases were all tried and decision was given by court. Some were fined; others drew jail sentences. It appears that labor bosses have been eliminated; at least there are no known cases at present. The Chief added that cases and penalties have been given publicity in the press, with the objective of informing the general public regarding the work of the Bureau and the handling of labor boss cases. The problem of payment for workers who do not work a straight 8-hour stretch, but whose working day is made up of alternate periods of work and rest, was discussed. It was suggested that the problem may be due to a lack of organization and co-ordination within the industry itself. The Chief stated that 99% of Japanese industry is on the 8-hour system. The 1% that it does not comprise consists of such employment as that of railroad watchmen. Conditions in women's dormitories, despite the financial difficulties faced by employers in construction of new dormitories, show an improvement over pre-war conditions. A woman inspector in LSB handles the matter of dormitories.
- (2) Wage Section reported as follows: There were 229 cases of unpaid wages as of 31 October 1949. Most of these are three months in arrears. Of these 229 cases, 87 firms paid wages in full; 100 have made partial payments; and 42 have not paid at all. The number of cases brought before the procurator between February and August 1949 was four. Of these, two were fined; one was not prosecuted because the employer paid the back wages; and one remains unsettled. Each month forms are sent out to 232 plants, covering 30,000 laborers, to check the fluctuation of wages. Over a period of 21 months' survey, wages have shown a

constant increase. When the matter of bonuses was discussed, it was pointed out to the officials that the bonus idea ought to be discouraged and that any increase of this nature should be spread out over the year.

- (3) Apprenticeship system was discussed. The present problem is that of obtaining facilities. In Okaya, a woodworking apprenticeship factory has been established. Railroads have been using the system for a long time. The plan is to set up 20 apprenticeship shops within a year. It was pointed out that the apprenticeship system present possibility of one form of abuse, namely that of requiring the apprentices to do the work of master craftsmen or journeymen while still drawing only apprentices' pay. The Inspection Section Chief stated that employers are required to make apprenticeship rules and that the Inspection Section investigates the operation of the system.
- (4) Workmen's Compensation Insurance Section reported that until July 1949 only 50% of the premiums had been paid. In a special campaign which began 1 July 1949 and will continue through December, the following results have been obtained: 86.29% of premiums had been collected by 31 October; as of 20 November 90% had been collected. The remainder is expected to come in by the end of the year. All firms in arrears have paid up. These figures have been achieved through mobilization of all LSE sections to assist in premium-collection. It was evident that good co-operation exists among the sections.
- (5) Safety Section: The Chief shows a good sense of co-operation with the Workmen's Compensation Insurance Section Chief. He stated that most machinery in factories is old and that it is difficult to find parts for the installation of safety devices. In cases where machinery is hazardous and unequipped with guards, the Safety Section compels the employer to stop using it. Rotary saws have been 100% equipped with safety devices. It was pointed out to the Safety Section Chief that the problem lies not so much in the lack of material and equipment as in the failure to maintain in good condition such equipment as the employer already has. It was reported that in Nagano there is a Safety Supervisors' Association whose interest it is to see that safety features are installed in all plants. It appears that good progress has been made in the field of safety in Nagano. An Industrial Safety Week is conducted once annually, and between April and June 1949 a special anti-accident campaign was held.

- (6) **Women's and Minors' Bureau:** There are only two women employed for the work of the Bureau in Nagano. The assistant to the Chief reported that the work of the Bureau is divided between the dissemination of educational materials and the inspection of factories with regard to working conditions for women and minors. Activities during the past year have included (on the prefectural level) two programs for working minors, a program for working women, and Women's Week. Employers show good co-operation in all W&MB programs. There have been no cases of forced labor or child-selling. The assistant (who reported in the absence of the Chief) appeared not to be too well qualified in background or experience.
- (7) **General matters concerning the LSB:** Unions are reported to be giving full co-operation in the enforcement of the Labor Standards Law. They co-operate also in the collection of back premiums and assist in prevention of employers' giving false reports. Many Nagano Plants have committees made up of union and management representatives, for the purpose of promoting industrial safety. The majority of employers are co-operative in the enforcement of the Labor Standards Law, but there are difficulties of wage arrears and cases in which employers appear not to understand the intent of the law. The necessity of educating the employer was pointed out. The LSB Chief concurred, adding that education of management must continue along with LSB inspections and that the Labor Standards Law requires considerably more propagandization. He expressed the desire that Labor Division personnel inspect factories during next visit, for purpose of noting degree of progress achieved. Local inspection offices were reported to be operating efficiently. At first they were hampered by a lack of inspectors, but the situation has been remedied. The problem of personnel administration within the LSB, both at national and prefectural level, was discussed.
- (8) The general impression was that the LSB is operating efficiently (with the possible exception of the W&MB) and that it is superior to the LSB's in certain other prefectures.

2. Advantage was taken of the opportunity to convey to the labor officials the continuing urgency of crop collection, particularly of rice and potatoes.

MARTIN T. CANACHO
Chief, Labor Relations Div.