080 - 089 DIRECTIVES OF GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS

082

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

WFM/JSK/CWH/DDD/mo
APO 500
25 May 48

AG 019(25 May 48)ESS/LAB

SUBJECT: Collection of Unemployment Insurance Premiums

TO: Commanding General, Eighth Army, APO 343

1. Reference is made to Japanese Government Unemployment Insurance Law, copy of which is attached as inclosure 1.

2. The Unemployment Insurance Law, passed by the Diet in November 1947, establishes a modern and democratic system for protecting livelihood of workers separated from their jobs. The system also aims to facilitate redistribution of workers from places where they are not needed to places where they are needed.

3. Serious difficulty is being experienced by the Japanese Government in collecting the tax which is the unemployment insurance premium. The problem is analogous to the problem of collection of national income taxes and is complicated by the fact that unemployment insurance is a new program not yet generally accepted. Employers have been required to report monthly since November 1947, and to pay the premium for themselves and their employees. However, the number who have reported is far less than the number legally liable. Many have reported but failed to make payment. The majority of delinquents are small but a few are very large employers.

4. Japanese officials concerned have relied on voluntary payment and have failed to effectuate a positive and vigorous program to compel compliance. Such a program would include the following:

a. The prefectural Employment Security Bureau office responsible for premium collections should determine names and addresses of all liable employers.

b. Field auditors working out of the prefectural office should examine books of employers and: (1) establish their liability, and (2) assure that employers now paying are paying the full amount required by the law.

c. Employers who fail to report or to pay should be prosecuted after warning under civil provisions of the law (Article 35).

d. Employers who fail to pay to the Government funds deducted from workers' pay should be prosecuted after warning under criminal provisions of the Law (Article 53).

5. It is desired that Eighth Army provide necessary surveillance of unemployment insurance premium collection operations aimed at assuring that all covered employers file reports and pay correct premiums.

BY COMMAND OF GENERAL MacARTHUR:

J. F. BRADSHAW
Major, AGD
Asst Adj Gen

1 Incl
Unemployment Insurance Law

Part I — Policies and Procedures
050 - 099 — Basic Directives and Policy Statements

080 - 089 DIRECTIVES OF GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS

083

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

WFM/CWH/SDC/ECM/crl

AG 230.7(30 Aug 48)ESS/LAB

SUBJECT: The Employment Security Program

TO: Commanding General
Eighth Army
APO 343

1. References

a. Letter from General Headquarters, Supreme Commander for the Allied Powers, to Commanding General, Eighth Army, AG 600(26 Dec 47)ESS/LAB, 26 December 1947, subject: Japanese Public Works and Reconstruction Program.

b. Letter from General Headquarters, Supreme Commander for the Allied Powers, to Commanding General, Eighth Army, AG 004.06(5 March 48)ESS/LAB, 5 March 1948, subject: Employment Security Law and Labor Bosses.

c. Letter from General Headquarters, Supreme Commander for the Allied Powers, to Commanding General, Eighth Army, AG 019(25 May 48)ESS/LAB, 25 May 1948, subject: Collection of Unemployment Insurance Premiums.

d. Japanese Government Law No. 141, Employment Security Law (Inclosure 1).

e. Labor Ministerial Ordinance No. 12, 29 December 1947, Regulations Pursuant to the Employment Security Law (Inclosure 2).

f. Labor Ministerial Ordinance No. 7, 8 May 1948, Ordinance on Personnel of Employment Security System (Inclosure 3).

083 The Employment Security Program (continued)

g. The Unemployment Insurance Law (Inclosure 1 to reference 1c, above).

2. The reference laws were enacted in implementation of policy directed by higher echelon.

3. It is desired that surveillance be maintained of Japanese prefectural and local officials to insure that principles of the laws are complied with and their objectives realized.

4. Inclosure entitled "Basic Elements in Japanese Employment Security Program" gives information necessary to maintain surveillance over parts of the program not covered by references 1a, b and c, above.

5. Copies of the inclosures will be made available to Military Government units through technical channels.

BY COMMAND OF GENERAL MacARTHUR:

J. F. BRADSHAW
Major, AGD
Asst Adj Gen

4 Incls
1. Japanese Government Law No. 141, Employment Security Law
2. Labor Ministerial Ordinance No. 12, 29 Dec 47, Regulations Pursuant to the Employment Security Law
3. Labor Ministerial Ordinance No. 7, 8 May 48, Ordinance on Personnel of Employment Security System
4. "Basic Elements in Japanese Employment Security Program"

Part I Policies and Procedures
050 - 099 Basic Directives and Policy Statements

080 - 089 DIRECTIVES OF GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS

084

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
17 November 1945

AG 230 (17 Nov 45) ESS

SUBJECT: Civilian Labor Employed by Occupation Forces.

TO : Commanding General, Sixth Army, APO 442.
Commanding General, Eighth Army, APO 343
Commander, Fifth Fleet, c/o Fleet Postoffice, San Francisco

E X T R A C T

* * * * * * *

3. Payment of Labor:

a. Japanese nationals will not be paid by occupation troops; the Japanese Government will be responsible for and will insure that workers are paid in accordance with wage rates established by prefectural authorities. Wage supplements, such as increased food rations, will also be issued by Japanese authorities. Special wage supplements in the form of extra pay, clothing, food and other material considerations will not be granted to civilian workers by labor-using units.

* * * * * * *

5. Labor Unions:

a. The freedom of industrial and agricultural workers to establish and to join democratic and orderly labor associations or trade unions for the purpose of bargaining collectively with private employers, official and and semi-official companies and government industries and services will be recognized. The development and activities of labor organizations will be observed closely in order

084 Civilian Labor Employed by Occupation Forces (continued)

to prevent growth of militarism and hostility to occupation objectives under the guise of labor unionism.

b. Strikes, lock-outs or other work stoppages which are inimical to the objectives of military occupation are prohibited. In the event work stoppages of this category require military intervention, Occupational Forces Commanders will secure prior authorization from this Headquarters.

c. A labor dispute "inimical to the objectives of military occupation" is one which jeopardizes the safety of Allied troops, interferes with troopssupply, disrupts services or production necessary to the maintenance of public order, public service and public health or adversely affects other purposes of the occupation.

* * * * * * *

By command of General MacARTHUR:

/s/ H. W. Allen

/t/ H. W. ALLEN,
Colonel, A. G. D.
Asst Adjutant General.

* * * * * * *

E X T R A C T

Part I — Policies and Procedures

050 - 099 — Basic Directives and Policy Statements

080 - 089 — DIRECTIVES OF GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS

085

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500
22 January 1946

AG 230 (22 Jan 46) ESS/LA

SUBJECT: Labor Relations.

TO : Commanding General, Eighth Army, APO 343.

Commander, Fifth Fleet, United States Pacific Fleet, Flagship of the Commander.

1. This letter supplements the policy stated in paragraph 5 of letter, this headquarters, AG 230 (17 Nov 45) ESS, subject: "Civilian Labor Employed by Occupation Forces."

2. Mediation and arbitration of labor disputes which are not inimical to the occupation objectives are responsibilities of the Japanese Government. As a means to accomplish this, Prefectural Governors have been ordered to establish Mediation Committees composed of management, labor and public representatives (Inclosure #1). All requests for mediation and arbitration of such labor disputes by occupation forces will be referred to appropriate Japanese officials for action.

3. Japanese police shall not participate in labor relations activities or intervene in labor disputes unless such intervention is necessary to preserve public order. Violations of this policy on the part of police will be reported to this headquarters without delay.

4. A Labor Union Act which legalizes the status of labor unions and encourages collective bargaining was recently promulgated by the Japanese Government (Inclosure #2). Administrative procedures to implement this Act are to be authorized by a separate Imperial Ordinance which will become effective on or about 1 February 1946.

FOR THE SUPREME COMMANDER:

Part I	Policies and Procedures
050 - 099	Basic Directives and Policy Statements

085 Labor Relations (continued)

/s/ H. W. Allen

/t/ H. W. ALLEN,
Colonel, AGD,
Asst Adjutant General.

2 Incls:
Incl 1. Mediation in Labor Disputes.
Incl 2. Trade Union Act.

Part I — Policies and Procedures
050 - 099 — Basic Directive and Policy Statements

080 - 089 DIRECTIVES OF GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS

086

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

WFM/CWH/GS/mot
26 January 1949

AG 004.06(13 Dec 48)ESS/LAB

SUBJECT: Protective Labor Legislation

TO: Commanding General
Eighth Army
APO 343

1. References:

a. Labor Standards Law (Law No. 49), March 1947.

b. Workers' Accident Compensation Insurance Law (Law No. 50), April 1947.

c. Mariners Law (Law No. 100), September 1947.

2. The reference laws were enacted in implementation of policy directed by higher echelon.

3. General Mission: The effective and objective enforcement of protective labor legislation will be encouraged in order to eliminate abuses in connection with women workers and child labor, to prevent undesirable employment practices, to safeguard industrial wage earners and seamen against harmful or dangerous conditions connected with employment, and generally to improve working conditions and enhance the dignity and security of labor.

4. It is desired that surveillance be maintained of Japanese prefectural and local officials to ensure that principles of the laws are complied with and their objectives

086 Protective Labor Legislation (continued)

realized. Inclosure entitled "Description of Agencies and Procedures for the Enforcement of Protective Labor Legislation" furnishes information necessary to serve as a guide in maintaining surveillance.

5. Interpretation and enforcement of reference laws are the sole responsibility of the designated Japanese agencies. Complaints and requests for interpretations relating to these laws, received by Military Government, will be referred to the appropriate Japanese agency.

6. Officers responsible for labor and women's affairs will coordinate their activities in planning programs concerning women workers, both in the supervision of the Women's and Minors' Bureau and in education of women union members.

7. Copies of the above-described laws have been mailed to Military Government units through technical channels.

BY COMMAND OF GENERAL MacARTHUR:

/s/ J. W. WILLIAMS
/t/ J. W. WILLIAMS
Major, AGD
Asst Adj Gen

1 Incl
"Description of Agencies
and Procedures for the
Enforcement of Protective
Labor Legislation"

Part I — Policies and Procedures
050 - 099 — Basic Directives and Policy Statements

090 - 099 LIST OF TECHNICAL LETTERS AND REFERENCES ON LABOR

090 The following described materials were mailed to all Military Government Teams as indicated:

SUBJECT	SOURCE	DATE
American Labor Relations Legislation & Agencies	GHQ SCAP ESS/LAB	25 Oct 46
American Trade Unions and Some Experiences With Various Gov't Agencies	GHQ SCAP ESS/LAB	25 Oct 46
A Brief History and Outline of Organization of the US Dept of Labor	GHQ SCAP ESS/LAB	4 Nov 46
Labor Information and Education Activities in US	GHQ SCAP ESS/LAB	4 Nov 46
Democratic Trade Unionism	GHQ SCAP ESS/LAB	5 Nov 46
Democratic Trade Unionism (in Japanese)	GHQ SCAP ESS/LAB	5 Nov 46
The Purpose and Means of Workers' Education	GHQ SCAP ESS/LAB	5 Nov 46
Collective Bargaining Procedure	GHQ SCAP ESS/LAB	15 Nov 46
Trade Union Research Activities	GHQ SCAP ESS/LAB	25 Nov 46
Trade Union Finance in the US	GHQ SCAP ESS/LAB	25 Nov 46
The Purpose of Labor Relations Legislation	GHQ SCAP ESS/LAB	2 Dec 46
The National Labor Relations Board in US	GHQ SCAP ESS/LAB	2 Dec 46

090 (continued)

SUBJECT	SOURCE	DATE
Trade Union Schools	GHQ SCAP ESS/LAB	12 Dec 46
The Duties of a Shop Steward	GHQ SCAP ESS/LAB	12 Dec 46
Questions and Answers About the American Federations of Teachers	GHQ SCAP ESS/LAB	20 Jan 47
Trade Union Pamphlets and Leaflets	GHQ SCAP ESS/LAB	20 Jan 47
Trade Union Use of Visual Aids	GHQ SCAP ESS/LAB	20 Jan 47
Trade Union Educational Activities	GHQ SCAP ESS/LAB	20 Jan 47
Wage Structure in the USA	GHQ SCAP ESS/LAB	5 Feb 47
Unfair Labor Practices	GHQ SCAP ESS/LAB	14 Feb 47
Representation Proceedings	GHQ SCAP ESS/LAB	14 Feb 47
Company-Dominated Puppet Unions	GHQ SCAP ESS/LAB	14 Feb 47
Trade Unions and Cooperatives	GHQ SCAP ESS/LAB	28 Feb 47
Trade Unions and Cooperatives (in Japanese)	GHQ SCAP ESS/LAB	28 Feb 47
Purpose and Means of Workers' Education (in Japanese)	GHQ SCAP ESS/LAB	28 Feb 47
The Development of Union Contracts with Employers (in Japanese)	GHQ SCAP ESS/LAB	28 Feb 47

090 (continued)

SUBJECT	SOURCE	DATE
Problems of Women in Industry and Child Labor in Japan	GHQ SCAP ESS/LAB	12 Mar 47
Basic Japanese Labor Union Legislation	GHQ SCAP ESS/LAB	12 Mar 47
Purpose and Means of Workers' Education	GHQ SCAP ESS/LAB	22 Apr 47
Preparation of a Trade Union Correspondence Course	GHQ SCAP ESS/LAB	22 Apr 47
Local Union Education Committee Handbook - a Translation of the American UAW "Building the Union"	GHQ SCAP ESS/LAB	22 Apr 47
Labor Books	GHQ SCAP ESS/LAB	22 Apr 47
Trade Union Press and Publications	GHQ SCAP ESS/LAB	24 Apr 47
A Report of the International Labor Organization and the US	International Labor Organization	24 Apr 47
Constitution of the American Federation of Teachers	GHQ SCAP ESS/LAB	24 Apr 47
Trade Unionism: The Dangers of Totalitarian Undemocratic Control	GHQ SCAP ESS/LAB	25 Apr 47
Collective Bargaining	US Dept of Labor	28 Apr 47
Word List of American Labor Terminology	GHQ SCAP ESS/LAB	20 May 47

090 (continued)

SUBJECT	SOURCE	DATE
Trade Union Political Action in America (in Japanese)	GHQ SCAP ESS/LAB	20 May 47
Labor Relations Committee	GHQ SCAP ESS/LAB	23 Jun 47
Collective Bargaining Procedure, Series No. 2, (in Japanese)	GHQ SCAP ESS/LAB	1 Jul 47
Laborer's Accident Compensation Insurance Law No. 50	Minister of Labor	6 Jul 47
The Special Account Law No. 51 for Laborers' Accident Compensation Insurance	Minister of Labor	6 Jul 47
Company-Dominated Puppet Unions, Series No. 14, (in Japanese)	GHQ SCAP ESS/LAB	6 Jul 47
Labor Management Books and Pamphlets Published in Japan Since the Beginning of the Occupation	GHQ SCAP ESS/LAB	8 Jul 47
Personnel Employed in Prefectural LRC Offices as of May 1947	GHQ SCAP ESS/LAB	18 Jul 47
Personnel Authorized for Employment in Prefectural LRC Offices for 1946 Fiscal Year	GHQ SCAP ESS/LAB	18 Jul 47
Personnel to be Added to Prefectural LRC Office Staffs During 1947 Fiscal Year, by Quarters	GHQ SCAP ESS/LAB	18 Jul 47

Part I	Policies and Procedures
050 - 099	Basic Directives and Policy Statements

090 (continued)

SUBJECT	SOURCE	DATE
Personnel to be Added to Prefectural LRC Office Staffs During 1947 Fiscal Year, by Job Classification	GHQ SCAP ESS/LAB	18 Jul 47
Funds Budgeted for Prefectural LRC for 1947 Fiscal Year	GHQ SCAP ESS/LAB	18 Jul 47
A Warning Against Communism in Unions	GHQ SCAP ESS/LAB	22 Jul 47
Operations of Consumers' Cooperatives in 1945	GHQ SCAP ESS/LAB	28 Jul 47
Activities of Credit Unions in 1945	US Dept of Labor	28 Jul 47
International Aspects of the Cooperative Movement	US Dept of Labor	28 Jul 47
Labor Education News	US Dept of Labor	28 Jul 47
CED News	Committee for Economic Development	28 Jul 47
Collective Bargaining and Use of LRC	GHQ SCAP ESS/LAB	31 Jul 47
Union Government and Administration	US Dept of Labor	31 Jul 47
Work of Reconstruction Co-operatives in France After First World War	US Dept of Labor	31 Jul 47
The Trade Union Contract	GHQ SCAP ESS/LAB	25 Aug 47
Labor Conventions	GHQ SCAP ESS/LAB	25 Aug 47
Strikes and Democratic Government	Twentieth Century Fund	28 Aug 47

090 (continued)

SUBJECT	SOURCE	DATE
Errata Sheet for Law No. 49	GHQ SCAP ESS/LAB	5 Sept 47
Labor Standards for Women and Children in Industry	GHQ SCAP ESS/LAB	5 Sept 47
The Structure and Management of Your Local Union	GHQ SCAP ESS/LAB	14 Jan 48
Dates of Forthcoming Elections in Various Prefectures	GHQ SCAP ESS/LAB	5 Feb 48
Method of Electing Members of LRC	GHQ SCAP ESS/LAB	5 Feb 48
Instructions Concerning Application of Method of Electing Members of LRC	GHQ SCAP ESS/LAB	5 Feb 48
Elimination of Labor Supply Projects	GHQ SCAP ESS/LAB	1 Mar 48
Elimination of Labor Supply Projects (in Japanese)	GHQ SCAP ESS/LAB	1 Mar 48
Speech, "Labor Contracts: Industrial Stability and Recovery of Japan"	GHQ SCAP ESS/LAB	1 Mar 48
International Free Trade Union News	A. F. L.	1 Mar 48
Top Union Organization and Structure	GHQ SCAP ESS/LAB	1 Mar 48
Paid Vacations in American Industry, 1943 & 1944	US Dept of Labor	1 Mar 48

Part I — Policies and Procedures
050 - 099 — Basic Directives and Policy Statements

090 (continued)

SUBJECT	SOURCE	DATE
Collective Bargaining with Assns and Groups of Employers, Bulletin 897	US Dept of Labor	1 Mar 47
Election Rules of All-Japan Electric Workers' Union, and Chart of All-Japan Electric Workers' Union	GHQ SCAP ESS/LAB	3 Mar 48
Struggle for Trade Union Democracy	GHQ SCAP ESS/LAB	4 Mar 48
Democratic Trade Unionism, 2nd Edition	GHQ SCAP ESS/LAB	4 Mar 48
Speech, "Union Status"	GHQ SCAP ESS/LAB	4 Mar 48
Collective Bargaining with Assns and Groups of Employers (in Japanese)	GHQ SCAP ESS/LAB	4 Mar 48
Translation of National Bituminous Wage Agreement of 1947 (in Japanese)	GHQ SCAP ESS/LAB	4 Mar 48
List of Film Strips, "kami shibai"	GHQ SCAP ESS/LAB	7 Mar 48
Preparation of Film Strips	GHQ SCAP ESS/LAB	7 Mar 48
Speech, "Labor and the Democratization of Japan"	GHQ SCAP ESS/LAB	22 Mar 48
Speech, "Employment of Girls Leaving School this Spring"	GHQ SCAP ESS/LAB	22 Mar 48
Spaech, dated 10 Mar 47, prepared statement of Mr. Killen	GHQ SCAP ESS/LAB	22 Mar 48

Part I — Policies and Procedures
050 - 099 — Basic Directives and Policy Statements

090 (continued)

SUBJECT	SOURCE	DATE
Conduct of a Union Meeting	GHQ SCAP ESS/LAB	22 Mar 48
Building Industrial Democracy Through Sound Labor Contracts	GHQ SCAP ESS/LAB	1 Apr 48
Various Basic Labor Documents by Kanto Employers Assn (in Japanese)	GHQ SCAP ESS/LAB	1 Apr 48
International Bill of Rights	A. F. L.	1 Apr 48
International Bill of Rights (in Japanese)	A. F. L.	1 Apr 48
The Communists: We Have Been Warned	Morgan Phillips, Labor Party Secty	1 Apr 48
Principles of Collective Bargaining, 3rd Edition	GHQ SCAP ESS/LAB	7 Apr 48
Speech, "Fraction Activities in Trade Unions"	GHQ SCAP ESS/LAB	7 Apr 48
Who Will Run the Schools	GHQ SCAP ESS/LAB	7 Apr 48
The Labor Situation in Germany	Arnold Zemple	22 Apr 48
All-Japan Electric Workers' Union, Trade Union Analysis No. 1	GHQ SCAP ESS/LAB	28 Apr 48
Article 36 of Japanese Trade Union Law and Memo on Interpretation of Article 36	GHQ SCAP ESS/LAB	30 Apr 48

Part I	Policies and Procedures
050 - 099	Basic Directives and Policy Statements

090 (continued)

SUBJECT	SOURCE	DATE
The Judicial Police Office of Labor Standards Insurance	GHQ SCAP ESS/LAB	7 May 48
List of Local Labor Administration Section Publications	GHQ SCAP ESS/LAB	1 Jun 48
List of Film Strip Companies	GHQ SCAP ESS/LAB	1 Jun 48
The Peace Clause and Grievance Machinery	GHQ SCAP ESS/LAB	1 Jun 48
All-Japan Communications Works Union, Trade Union Analysis No. 2	GHQ SCAP ESS/LAB	28 Jun 48
Employment Security Law No. 141	Japanese Government	31 Jul 48
Employment Security Law No. 141 (in Japanese)	Japanese Government	31 Jul 48
Labor Ministerial Ordinance No. 7	Minister of Labor	31 Jul 48
Labor Ministerial Ordinance No. 12	Minister of Labor	31 Jul 48
Allowances of Regular Employees Working for the Allied Powers	GHQ SCAP ESS/LAB	1 Aug 46
Temporary Counter-Measure Against the Food Situation	GHQ SCAP ESS/LAB	1 Aug 46
Wages of Day Laborers Working for the Allied Forces	GHQ SCAP ESS/LAB	1 Aug 46

Part I — Policies and Procedures
050 - 099 — Basic Directives and Policy Statements

090 (continued)

SUBJECT	SOURCE	DATE
Steps to be Taken Attending Regularization of Labor	GHQ SCAP ESS/LAB	1 Aug 46
Monthly Summaries in the Form of Labor Division Report from Oct 1945 to Jul 1948	GHQ SCAP ESS/LAB	Monthly - from Oct 45 to Jul 48
Politics and Labor Unity	GHQ SCAP ESS/LAB	11 Jun 48
Elimination of Labor Supply Projects	GHQ SCAP ESS/LAB	14 Jul 48
Secret Ballot Elections	GHQ SCAP ESS/LAB	19 Jul 48
It's Our Local Union	Japanese Government	24 Aug 48
It's Our Local Union (in Japanese)	Japanese Government	24 Aug 48
American Federationist	A. F. L.	Jun 48
International Free Trade Union News	A. F. L.	Jul 48
How To Beat the Communists	U. A. W. - C. I.O	24 Aug 48
Building a Textile Union	T. W. U. - C. I.O	24 Aug 48
When You've Got A Grievance	T. W. U. - C. I.O	24 Aug 48
So You're A Steward	T. W. U. - C. I.O	24 Aug 48
Labor Education Primer	Japanese Government	11 Sep 48
Struggle For Trade Union Democracy	Japanese Government	11 Sep 48
Working Women and Heavy Weights	Japanese Government	11 Sep 48

090 (continued)

SUBJECT	SOURCE	DATE
Labor Movement Research	Japanese Government	11 Sep 48
National Unions	GHQ SCAP ESS/LAB	19 Aug 48
International Free Trade Union News	A. F. L.	11 Sep 48
American Federationist	A. F. L.	Jul 48
Monthly Bulletin of the Women's and Minors' Bureau	Japanese Government	20 Sep 48
Labor Series No. 2	GHQ SCAP ESS/LAB	20 Sep 48
Conduct of Union Meetings	GHQ SCAP ESS/LAB	20 Sep 48
Bibliography of Labor Books and Pamphlets	GHQ SCAP ESS/LAB	20 Sep 48
American Federationist	A. F. L.	Aug 48
Monthly Bulletin	Japanese Government	Oct 48
Word List of Labor Terminology (in Japanese)	GHQ SCAP ESS/LAB	30 Oct 48
CED News	Committee for Economic Development	30 Sep 48
American Federationist	A. F. L.	Sep 48
Free Trade Union News	A. F. L.	Sep 48
Free Trade Union News	A. F. L.	Oct 48
Local Observance of Employment Security Week, 1-7 Dec 1948	GHQ SCAP ESS/LAB	17 Nov 48

Part I — Policies and Procedures
050 - 099 — Basic Directives and Policy Statements

090 (continued)

SUBJECT	SOURCE	DATE
Monthly Bulletin	Japanese Government	Nov 48
Protection of Minor Workers	Japanese Government	19 Nov 48
CED News	Committee for Economic Development	21 Oct 48
Free Trade Union News	A. F. L.	Nov 48
American Federationist	A. F. L.	Oct 48
Unemployment Insurance Premium Collections	GHQ SCAP ESS/LAB	26 Nov 48
Japanese Government Agencies Concerned With Labor Relations	GHQ SCAP ESS/LAB	1 Dec 48
Labor Relations and Education Branch - Labor Division	GHQ SCAP ESS/LAB	1 Dec 48
Grievance Machinery	GHQ SCAP ESS/LAB	4 Jan 49
Trade Union Press and Publications	GHQ SCAP ESS/LAB	4 Jan 49
Trade Union Conventions	GHQ SCAP ESS/LAB	4 Jan 49
Two Years of Labor Education	GHQ SCAP ESS/LAB	4 Jan 49
General Motors Contract	U. A. W. - C. I. O.	4 Jan 49
Warning Against Communists in Unions	I. L. G. W. U.	4 Jan 49
International Bill of Rights	A. F. L.	4 Jan 49

090 (continued)

SUBJECT	SOURCE	DATE
Our Trade Union Law (in Japanese)	Japanese Government	4 Jan 49
CIO Constitution	C. I. O.	4 Jan 49
Democratic Labor Movement	GHQ SCAP ESS/LAB	4 Jan 49
Collective Bargaining Procedures (in Japanese)	GHQ SCAP ESS/LAB	4 Jan 49
Chrysler Contract (in Japanese)	U. A. W. - C. I. O.	4 Jan 49
Americans at Work (in Japanese)	US Dept of Labor	7 Jan 49
Communist Infiltration (in Japanese)	US Chamber of Commerce	7 Jan 49
Union Meeting (in Japanese)	Japanese Government	7 Jan 49
Poster (in Japanese)	Japanese Government	7 Jan 49
Is Menstruation Leave Necessary? (in Japanese)	Japanese Government	7 Jan 49
Speech to Employers Association by Mr. C. W. Hepler - Reference Economic Stabilization in Japan, dtd 21 Dec 48.	GHQ SCAP ESS/LAB	7 Jan 49
American Federationist	A. F. L.	Nov 48
Free Trade Union News	A. F. L.	Nov 48
Labor Ministry Winter Schools	Japanese Government	7 Jan 49

090 (continued)

SUBJECT	SOURCE	DATE
Nomination and Appointment of Labor Relations Committee Members	GHQ SCAP ESS/LAB	9 Feb 49
Enforcement of Labor Standards Law	GHQ SCAP ESS/LAB	29 Mar 49
Notification Re Disposition of Non-Payment or Delay of Payment of Wages	Japanese Government	29 Mar 49
Interpretation Article 1, Paragraph 2, Trade Union Law (Section 35 Criminal Code)	GHQ SCAP ESS/LAB	14 Apr 49

090 - 099 LIST OF TECHNICAL LETTERS AND REFERENCES ON LABOR

091 Labor Terminology

Local union In America this is a body, usually composed of workers in a single factory or office, whose members formulate policy in frequent meetings. Japanese union structure is often more complicated. The members of various "tani kumiai" may meet frequently at the factory and elect delegates to a "shibu kumiai", composed of workers in several factories, which is the policy-making body but which holds a full membership meeting only once a year. Thus, monthly meetings and policy-making, which are both carried on in an American local union, may be separated in Japan. So the term "local union" is sometimes translated as "tani kumiai" and sometimes as "shibu kumiai". A third term, "chiho kumiai", which is also used, may refer to the "shibu kumiai," or to a still broader district organization.

Management council The "keiei kyogi kai" is an institution peculiar to Japan, wherein the company and the union try to settle all kinds of labor problems, big and small, and also consider production problems. It has some points in common with the "factory committees" found in many European countries. In America, particularly during the War, "Labor-Management Committees" were set up in some factories, but these were advisory bodies on production matters only. There are similar "Joint Production Committees" in England. In America big labor problems are handled instead by collective bargaining between the union's "negotiating committee" and the company, and small problems by the "grievance committee." In short, there are various bodies which might be translated the same way into Japanese, but which have different functions.

Collective bargaining This is a method of settling differences between labor and management peacefully, by negotiating compromises. It applies mainly to the discussions preceding the signing of a contract, but the negotiation of grievances is also considered by some as collective bargaining. The bargaining is conducted by a small committee on behalf of all the members. However, many Japanese

091 Collective bargaining (continued)

have misunderstood the term "collective" to mean that everyone takes part in the negotiations. The idea of "bargaining" is not well understood either. Japanese unionists often say: "We try to settle problems in the management council, but if that fails, we go into collective bargaining." What they mean is that they then cease bargaining, and begin dispute tactics.

Grievance machinery This is used to settle small issues, involving a single worker or small group of workers, arising after the contract is signed. It should not be used to settle wages, the closed shop, or other big issues affecting all the workers; these should be settled before the contract is signed, by collective bargaining, a strike, or the Labor Relations Committee. The standard but misleading translation of grievance machinery, "funso shori kikan", has helped give Japanese employers and unions the false impression that it is intended to provide compulsory arbitration of all issues, big and small. A more accurate translation would be "kujo shori kikan" or "igi moshitate tetsuzuki", but these terms are not familiar to newspaper readers.

Conciliation, mediation, and arbitration These three words have distinct meanings. The conciliator tries to bring the two disputing parties together without proposing any terms of settlement. The mediator proposes terms, but they are not binding. The arbitrator's proposals are binding. In Japan these three techniques have not been differentiated, and so there were no corresponding words in Japanese. Three words, "Assen", "chotei" and "chusai" have been arbitrarily selected, but they are not self-explanatory to the Japanese and so are often confused by interpreters.

Closed shop The Japanese have adopted the English expression, but they apply it to the union shop. Under the true closed shop system, the employer can hire only workers who already belong to the union. Under the union shop system, the employer can hire anyone he wants, but the new employees must later join the union. Most Japanese contracts are called closed shop contracts, but they are really union shop contracts.

100-129
LABOR DIVISION
ORGANIZATION AND FUNCTIONS

Part I — Policies and Procedures
100 - 129 — Labor Division, ESS, Organization and Functions

100 - 104 RESPONSIBILITY OF ECONOMIC AND SCIENTIFIC SECTION

100 The Economic and Scientific Section is established as a Special Staff Section to advise the Supreme Commander for the Allied Powers on economic, industrial, financial, and scientific policies to be pursued in Japan and Korea in order to implement the Potsdam Declaration. (Ref: G.O. #3, GHQ, SCAP, 2 October 1945)

101 The Economic and Scientific Section will advise the Supreme Commander on policies and programs relative to Japanese labor, including labor relations and labor unions; employment and employment exchanges; wages, salaries and hours; protective labor legislation; and labor procurement for the Occupation Forces. (Ref: G.O. #33, GHQ, SCAP, 29 August 1946)

105 - 109 RESPONSIBILITY OF LABOR DIVISION, ESS

105 The Labor Division is established to assist the Chief, ESS, in formulating and implementing policies, programs and procedures with respect to Japanese labor, in furtherance of fundamental objectives of the Occupation related to:

a. Encouraging and safeguarding democratic labor organizations, democratic relationships between employers and employees, and stable labor relations.

b. Promoting the development and assuring the effective operation of legislation and administrative programs to enhance the security, dignity and economic status of wage earners by means consistent with a democratic society.

c. Assuring the effective use of Japan's manpower resources.

d. Eliminating and preventing the revival of feudal, undemocratic or authoritarian institutions, practices and tendencies in the Japanese labor system.

(Ref: Administrative Memorandum #34, 16 April 1948, Reorganization of ESS, GHQ, SCAP)

106 The functions of the Labor Division are:

106 (continued)

a. To recommend to the Chief, ESS, policies, programs and procedures relative to the functions and objectives of the Occupation.

b. To exercise surveillance over the Japanese Labor Ministry and other appropriate agencies of the Japanese Government charged with the execution of such labor policies and programs as are approved by Chief, ESS.

c. To advise the Japanese Government on necessary matters concerning the coordination, scope, timing and objectives of such programs; and to review, evaluate and prepare recommendations on proposed legislation, ordinance, operating procedures and programs.

d. To exercise such surveillance over labor and employer organizations and labor negotiations as is necessary to assure the success of approved programs.

e. To arrange for and coordinate surveys and reports on employment and unemployment, wages and hours, working conditions, labor legislation, employer-employee relations, labor unions and labor administration; and to compile or provide reports and special analyses necessary for the evaluation and planning of labor policies and programs.

f. To recommend policies for overall public works programs and measures for the relief of unemployment and to supervise and maintain surveillance of approved programs within agencies of the Japanese Government and to coordinate specific programs for public works within SCAP.

(Ref: Administrative Memorandum 34, 16 April 1948, Reorganization of ESS, GHQ, SCAP, and Administrative Memorandum 67, 9 September 1948, Amendment to Administrative Memorandum 34)

The concurrence of the Labor Division will be secured by other Divisions of ESS on actions pertinent to:

a. Legislation (or the implementation thereof) which affects labor unions, labor relations, manpower and employment, wages and working conditions or labor administration.

107 (Continued)

b. The payment or authorization of wages and salaries of Government employees.

c. Establishment of price levels or price stabilization programs.

d. The development of production programs or other projects of the Japanese Government which will require utilization of sizable segments of Japanese manpower.

e. Changes in industrial organization or management practices which may create unemployment.

f. Other matters having a direct bearing on the programs.

(Ref: Administrative Memorandum 34, 16 April 1948, Reorganization of ESS, GHQ, SCAP)

110 - 119 ORGANIZATION OF LABOR DIVISION, ESS

110 Organization Chart, Labor Division, ESS

111 Functions of the Division Chief: Supervises, reviews and coordinates the activities of all Branches of Labor Division in performing functions delegated to the Division by Chief of ESS in connection with surveillance and guidance of the activities of Japanese Government labor agencies, workers' organizations, and employers' organizations.

111.01 Assists the Chief of Economic and Scientific Section in advising the Supreme Commander on policies and programs relating to Japanese labor, including: labor relations and labor unions; employment and employment exchanges; wages, salaries, and hours; protective labor legislation; workmen's compensation and unemployment insurance; labor procurement for the Occupation Forces; and other programs related to labor which are necessary to accomplish the objectives of the Occupation.

111.02 Recommends to the Chief of ESS specific policies, programs and procedures pertaining to Japanese labor, and supervises the implementation of such policies and programs as are approved by the Chief of ESS.

111.03 Advises the Chief and various Divisions of ESS on the labor and manpower aspects of the various policies and programs (economic, financial, industrial, etc.) formulated and carried out by the Section.

111.04 Performs functions delegated by Chief of ESS in relation to development of recommendations regarding the organization and structure of the Japanese Labor Ministry and other Japanese Government labor agencies; and coordinated with other interested Staff Sections in implementing such recommendations.

112 Functions of Labor Relations and Education Branch: Subject to direction, review and coordination by the Division Chief, formulates over-all policies with respect to labor relations, education and labor unions, in furtherance of fundamental SCAP policies with respect to the encouragement of democratic labor organizations, democratic employer-employee relationships, and stable labor relations.

112.01 The Labor Relations Unit is charged with the development of specific plans and programs to encourage:

a. Establishment and maintenance of legal and administrative safeguards for the free organization by workers of democratic labor unions or other organizations of their own choice for the purpose of improving their terms and conditions of employment and for mutual protection and the legitimate activities of such labor unions or other organizations.

b. The extension of the practice of genuine collective bargaining between employers' and workers' organizations with regard to terms and conditions of employment.

c. Development of adequate machinery within the Japanese Government for conciliation, mediation and arbitration of labor disputes as peaceful methods for settling labor disputes.

d. The development of stable labor relations through extension of the use of detailed written collective bargaining agreements including appropriate safeguards to the proper interests of the parties and provision for peaceful settlement of disputes arising under such contracts.

e. The establishment and effective administration of Japanese Government agencies to implement the above policies.

112.02 The Labor Education Unit formulates over-all plans and programs designed to accomplish the following objectives through direct contact with labor and employer organizations or through dissemination of appropriate educational or informational material:

a. Stimulating effective labor education and democratic trade union practices and procedures in national and local labor organizations.

b. Encouraging employer organizations in constructive collective bargaining and adoption of democratic personnel practices.

c. Promoting other labor education and information activities in support of the general labor policies of the Occupation.

d. To prevent the perpetuation and introduction of totalitarian influences under the guise of labor unionism.

113 Functions of the Wages and Working Conditions Branch: Subject to direction, review and coordination by the Division Chief, formulates over-all policies with respect to wages, working conditions and workmen's compensation of Japanese workers in furtherance of fundamental SCAP policy on the democratization of the Japanese economic and social system.

113.01 Develops specific plans and programs regarding:

a. Wage structure, wage determination methods and wage rates.

b. Wage stabilization or wage control programs, and effective coordination of such programs with broader programs affecting wage price relationships and economic stabilization consistent with a democratic labor system.

c. Labor standards legislation affecting the working conditions of Japanese workers, including hours of work, rest periods and vacations, safety and health standards, apprenticeship, forced labor, and employment of women and minors.

d. Encouragement of the establishment of a sound wage and salary structure in government and private enterprises, in

113.01 (continued)

order to promote industry, efficiency and stable labor relations.

e. Correlation of policies and procedures concerning wages, hours of work, and other conditions of employment for labor employed for the Occupation Forces.

f. Establishment of effective national and local agencies for inspection of working conditions and enforcement of protective legislation.

g. Workmen's compensation and Workmen's Compensation Insurance.

h. Reinstatement and encouragement of the development of protective labor legislation governing child labor, employment of women, hours of work, rest periods and vacations, safety and health standards, apprenticeships and forced labor.

i. Special problems of working women and minors, and programs to improve the general social and economic conditions of women and children.

114 Functions of the Manpower Branch: Subject to direction, review and coordination by the Division Chief, formulates overall SCAP policies, plans and programs with respect to:

a. Labor procurement and channeling of labor supply to industries essential to the economy of Japan and to the attainment of occupation objectives.

b. Public works programs and measures to relieve unemployment.

c. Reorganization and strengthening of a nationwide public employment exchange system.

d. The full and efficient utilization of manpower by essential Japanese industries.

e. Vocational training designed to train Japanese manpower for peacetime occupations.

114 (continued)

f. Prevention of discriminatory and undemocratic recruiting and employment practices.

g. The establishment of an effective system for the collection of unemployment insurance contributions and the payment of unemployment insurance benefits to the unemployed.

114.01 Maintains liaison with appropriate Japanese government agencies, in development and operation of plans and programs to accomplish the objectives listed in 114.

114.02 Maintains liaison with appropriate Japanese government agencies in formulating and securing passage of laws and implementing regulations necessary to accomplish the objectives listed in 114.

115 Functions of the Research Coordination and Analysis Branch: Subject to direction, review and coordination by the Division Chief, formulates over-all policies, plans and programs for developing and maintaining a comprehensive program of labor statistics and labor research meeting the following objectives:

a. To provide adequate data, directly related to the policy and operating problems of the Japanese Labor Ministry, to serve as the basis for policy formulation and operating decisions.

b. To provide employers, workers and general public with authentic and comprehensive labor statistics and information on labor economics which is necessary for the sound development of labor relations and labor unions.

c. To assure the availability to SCAP agencies of all data needed for evaluation of Japanese performance in implementing Occupation labor policies.

d. To assure timely development of long range programs of labor statistics and research as the basis for action by the Japanese Government and labor organizations in furthering the economic and social well being of labor in a democratic society.

115.01 Maintains liaison with the Japanese Labor Ministry, especially with the Bureau of Labor Statistics, and with other Japanese agencies concerned with labor statistics and labor research, for the purpose of:

a. Surveillance and advice on necessary matters concerning the coordination, scope, timing and objectives of such programs.

b. Reviewing and evaluating the procedures and end-products of Japanese labor statistics and research activities.

c. Making appropriate recommendations to the Japanese Government concerning the interpretation, analysis and publication of research and statistics materials and other published materials of a recurring or of a special nature dealing with matters of labor interest.

115.02 Coordinates research and statistics activities initiated by, or carried on within, the Labor Division.

115.03 Is responsible for preparation of required and special reports which adequately reflect developments in all matters affecting Japanese labor, and maintains surveillance over all regular reports secured for the use of the Division in preparing summations of activities.

115.04 Is responsible for compiling and interpreting special analyses of statistics and other information on employment and unemployment, wages, working conditions, labor relations, labor administration and other labor affairs, for the use of the Division in evaluating and planning labor programs. Prepares special economic analyses and recommendations in regard to Labor Division and SCAP policy in labor matters utilizing labor statistics and pertinent data from other sources.

116 Functions of Field Liaison Branch: Subject to direction, review and coordination by the Division Chief, coordinates contacts between the Labor Division and Military Government; assists in arranging and scheduling field visits by staff of the Division; serves as channel for handling inquiries from the field regarding labor policies or procedures, or inquiries from the Division regarding local labor relations situations or other local problems.

116.01 Makes periodic visits to Military Government units for the purpose of determining whether such units have any problems regarding the implementation or interpretation of labor programs which require clarification through technical channels; calls such problems to the attention of appropriate Branches and assists in expediting required information.

116.02 Through field visits, obtains specific information requested by other Branches of the Division (or by other SCAP units) regarding the status or progress of labor programs assigned to Military Government for surveillance or implementation.

116.03 With the assistance of Military Government units, makes spot inspections of prefectural labor agencies of the Japanese Government, as requested by other Branches.

116.04 Coordinates with other Branches regarding their need for regular or special reports from Military Government units regarding labor relations, labor administration, employment, and other labor surveillance reports, and maintains liaison with Military Government to arrange for the submission of such reports and improvement in their quality.

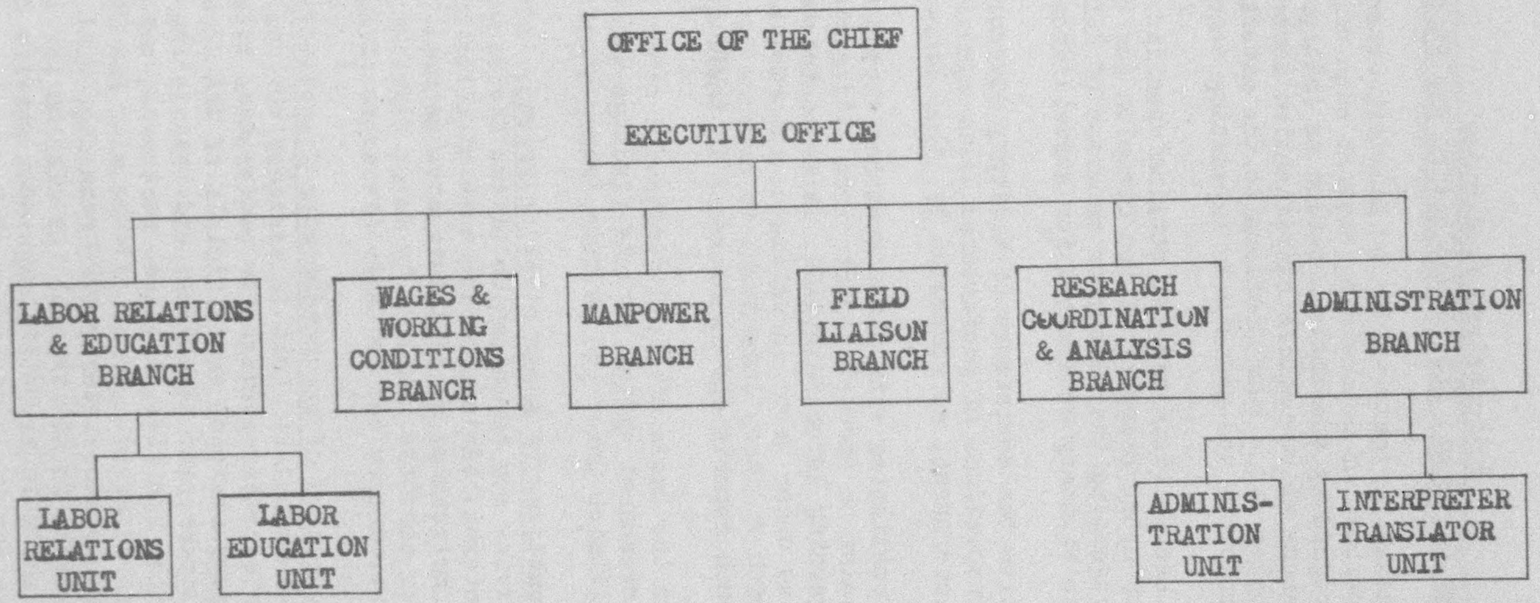
116.05 On the basis of field visits and other contacts with Military Government units, reports findings and recommendations to the Division Chief and various Branch Chiefs.

117 Functions of Administration Branch: Subject to direction, review and coordination of the Division Chief, performs all internal administrative work of Labor Division and personnel functions of an administrative nature. Coordinates interpreter services required by Labor Division and provides translation services to other Divisions of ESS.

117.01 Functions of the Interpreter-Translator Unit: The Interpreter-Translator Unit is assigned the dual mission of providing interpreter service for conferences between staff members of Labor Division and officials of the Japanese Government, employers, and employees; and translating miscellaneous newspaper articles, letters, postcards, memoranda, and documents as requested. In accordance with ESS Standing Operating Procedure, the Interpreter-Translator Unit is assigned similar duties, in addition to its mission for Labor Division, of furnishing interpreter-translator service beyond the capacity of the various divisions of ESS.

Part I — Policies and Procedures
100 - 129 — Labor Division, ESS, Organization and Functions

110 ORGANIZATION CHART, LABOR DIVISION, ESS



Part I Policies and Procedures
100-129 Labor Division, ESS, Organization and Functions

125 - 129 COORDINATION AND SURVEILLANCE OF JAPANESE GOVERNMENT AGENCIES

125 The occupation of Japan is administered through a constituted Japanese government. Compliance with policies of the Occupation authorities is obtained by two methods:

a. Directives or orders usually are issued to the Japanese government in the form of SCAPINS with the Japanese government held responsible for taking necessary measures to comply with the directives.

b. Advice and guidance are given to Japanese government agencies as the means of encouraging and educating officials of those agencies in the direction desired by the Occupation authorities in the execution of the government agencies' respective responsibilities.

Most of the major reforms in Japan were begun by the directive method during the first year of the Occupation. Since that time, the main efforts of the Occupation have been in surveillance to check the degree of compliance with these general policy directives and with advice and guidance to government agencies.

126 With respect to labor policy, oral directives and advice and guidance in problems of national scope or national importance are carried on between the Labor Division, ESS, and the Labor Ministry of the Japanese government. On a local level, execution of policy is the responsibility of the prefectural government or local subdivisions thereof, except in those cases where the national government has straight-line, direct control to the local level by-passing the prefectures, as in the case of administration of the Labor Standards Law.

127 Prefectural or other local government agencies are bound in their activities by the Japanese constitution, laws and regulations, which are national in scope, and laws and regulations promulgated by these local government entities within the limits established by the Constitution and laws. This applies also to the implementation by the Japanese Government of directives of the Occupation because such directives are issued only by GHQ, SCAP, and are then transformed into law by the national government.

128 The general activities of Military Government in the field of labor therefore include:

a. Advice and guidance to prefectural and other local government entities on the implementation of labor policy in the manner and in the direction as outlined by the Labor Division, ESS, to the national government and as passed to the prefectural governments in form of law or regulations.

b. Surveillance over compliance with such governmental laws and regulations which are issued as a means of executing a directive from the Supreme Commander.

c. Issuance of such orders and directives to local governments only as are authorized by higher echelon.

d. Advice, guidance and encouragement in the democratic development of agencies strictly local in character and function in line with general policy established by GHQ, SCAP.

200-299
LABOR AND
EMPLOYER ORGANIZATIONS

Part I	Policies and Procedures
200 - 299	Labor and Employer Organizations

200 - 209 GENERAL OBJECTIVES

200 A labor union is an association of wage earners which seeks to bargain collectively with its employer concerning conditions of work. Its long-range goal is the protection and elevation of the conditions under which its members work; its immeoiate object is to conclude a collective agreement with the employer and to enforce that agreement.

201 Labor unions are a product of an industrial society in which a single employer may employ thousands of workers. Under these conditions it is not possible for an individual worker to bargain fairly with his employer. The worker is at a disadvantage since, unless his fellow workers are ready to cooperate, his refusal to accept the employer's terms of employment merely means that he must look elsewhere for a job. Without a trade union to protect him he cannot bargain with his employer; he must "take it or leave it."

202 A labor union, however, may often include as its members employees of various companies in the industry. Under these conditions a single employer may find himself at a disadvantage in bargaining collectively because the union, representing workers of the entire industry, may be more powerful than the firm. Thus, employers organize themselves into regional or national groups in order to establish a proper balance in labor relations.

210 - 219 RIGHT TO ORGANIZE

210 The right to organize and be a member of a labor union, without fear of discriminatory treatment on the part of the employer, is basic if Japanese workers are to be encouraged to form themselves into labor unions, as provided by the Far Eastern Commission (6 December 1946). Obviously, if the worker must fear for his job if he seeks to form a labor union, the employer often can nullify the principles of collective bargaining by stunting the growth of the union. Accordingly the

210 (continued)

Japanese Constitution, Article 28, states that "the right of workers to organize, to bargain collectively and to act collectively is guaranteed." This right is implemented in the Trade Union Law (21 December 1945), Article 11, which states:

> "An employer shall not be allowed to discharge or discriminate against a worker for membership in a labor union, for seeking to form or join a labor union or for having performed proper acts of a labor union."

211 Generally, labor relations committees have not sought to initiate prosecution under the law, even where they have discovered violations of Article 11. They usually have sought to clarify the situation by directing the offending employer to rehire the worker or eliminate the discriminatory treatment. However, there have been instances where an employer has been sentenced to imprisonment for violation of the law.

220 - 229 LOCAL UNION STRUCTURE AND FUNCTIONS

220 The basic unit of the trade union movement is the local union. The local union may grant certain powers to higher union bodies, but it retains as much of its own powers as will serve its membership. The grants of power are made through written constitutions which may be changed as the membership directs through established procedures.

221 The constitution of a local union is a document which reflects the desires and needs of the majority of its membership. It outlines the purposes of the union, the rights and duties of members, the type and duties of the various officers and committees, methods of financing, etc. It should outline in detail procedure by which officers who are unsatisfactory may be removed and should guarantee the rights of its members through provision for democratic trial procedures before its members may

221 (continued)

be disciplined, suspended or expelled.

222 Local union officers should be elected through secret ballot by the entire membership. It is their function to carry out the wishes of the general membership as determined by majority vote at regular or special meetings in accordance with the constitution.

223 In addition to its regular officers, local unions encourage participation by individual members through establishment of committees whose limits and functions are defined in the constitution. The number of committees depends upon the activities of the union. Thus there may be a bargaining committee, responsible for negotiating an agreement with the employer, a research committee to act as a fact-finding body to aid in the negotiations, an education committee to carry on the union's educational program, a political action committee to watch political trends, etc. These committees report their recommendations to the general membership meeting which determines the union's policy.

224 In addition to the union's regular officers, the membership elects an executive committee which, between membership meetings, determines policy and guides the officers. This executive committee makes regular reports to the entire membership which approves or vetoes their action.

225 A local union should not be so large that it cannot be controlled by its own membership nor should its jurisdiction extend over more than a single area. Its general meeting should be held at least monthly and special meetings held as required.

230 - 239 NATIONAL UNIONS AND UNION FEDERATIONS

230 Local unions in the same industry usually band together in a national union. Like the local union, the national union is the creature of the membership; its powers are limited by the decisions of the local unions which form it.

Part I	Policies and Procedures
200 - 299	Labor and Employer Organizations

231 The constitution of a national union usually outlines in detail the duties and rights of the national officers and the national executive committee; it prescribes the procedures for national convention and provides democratic procedures for the election and recall of officers and its power to control and discipline local unions. That is, the national constitution guarantees the autonomy of local unions while at the same time granting definite powers to the national union.

232 National conventions are held regularly, usually at least once a year, although provision is made for emergency conventions. Delegates to the national convention are elected by local unions through secret ballot. The purpose of the convention is to pass on past activities of the union's officers, determine future policy, amend the union constitution, etc. It may elect the union officers or may provide for a referendum vote by the membership for such elections.

233 The basic function of the national union is to serve the local unions. To accomplish this, it may establish departments such as an organization department, a research department, an education department, a legal department, a political action department, etc. These departments carry out the decisions of the convention.

234 National unions are financed by the local unions, usually through a per capita tax on the actual membership.

240 - 249 COMPANY UNIONS

240 In evasion of Japanese labor laws and the labor policies of the Occupation, employers occasionally resort to the formation of "company unions" to defeat the aims of labor. As the expression implies, a company union is an organization of workers which resembles a trade union but is actually controlled through various means by the employer and is, therefore, primarily obedient to his wishes and not those of the workers. Such an organization is not a trade union as recognized by the labor laws, but its superficial resemblance thereto is used to beguile the

240 (continued)

workers into believing that they have a union representing them and fighting for their interests. Under such circumstances the company is able to resist the establishment of a true labor union which would not be so compliant to its wishes.

241 A company union in its purest form is a tool for management which initiates its formation, finances it, picks the leadership and directs them sub rosa. The result is a pliable organization which, as occasion demands, will betray the true interests of the membership in order to protect those of management.

242 A company union is often formed to fill a vacuum: that is, in a situation where the workers themselves have not organized through lack of interest or leadership or for other reasons. The employer, to forestall the intrusion of opposing interests and occasionally of outside union organizers, initiates through picked, sympathetic workers a movement towards the organization of a union. Since the device is difficult to detect, the organization is legally certified as a genuine trade union and, once certification has been made under the Trade Union Law, it can only be dissolved through decertification proceedings under the law.

243 Occasionally a genuine trade union is subverted to the employer's interests by various means, including principally that of bribing the support of the leadership. Here, detection is very difficult, particularly in Japan where for economic and historical reasons one finds that the salaries of many full-time union officials are paid directly and openly by the company. Moreover, the company contributes funds, buildings, offices, etc., for the operation of the union. The existence of such practices, while inadvisable, is not of itself proof of company domination of a union. However, because of the ease with which such practices may be converted to outright company domination and control, continual discouragement should be given to this situation. Because

243 (continued)

of the poor economic condition of the working class in Japan today and its resultant inability to support its own organizations, the wiping out of such paternalistic practices will be done slowly and not drastically.

250 - 259 COMMUNIST DOMINATION

250 One of the great dangers to democratic trade unionism is Communist leadership. Communists have no devotion to the union as such; their loyalty is to a political party and its directives. Thus the action of the individual Communist on any union issue is not determined by the welfare of the union, but by the political advantages or disadvantages of such an act.

251 How then have the Communists been able to exercise leadership in unions far out of proportion to their numerical strength. Because a trade union is a democratic organization and allows rank-and-file membership full rights, it is often easy for a small group to caucus outside of union meetings, develop a secret plan of action, and manipulate union meetings by such pre-arrangement. This is particularly easy when the rank and file are completely unaware of the existence of the fraction and its conspiracies.

251.01 Usually Communists form a small cell of loyal and faithful workers inside the union which will meet privately before the meeting begins. They will then arrange who will say what, what actions are to be proposed, and the tactics to be employed. Such a plan obviously places the average member at a disadvantage since he will be without a prearranged plan.

251.02 In the event that rank-and-file members are aware of the danger, the cell may conspire to sabotage memberships meetings. This method calls for cell members making long speeches one after the other on relatively unimportant problems for the purpose of wasting time. This tactic has as its aim of getting non-Communists discouraged with the conduct of meetings so that they will feel that such meetings are a waste of time and allow the fraction to operate more efficiently without their presence.

251.03 Once it has captured the union, the cell will use the union newspapers, the union finances, and even struggle tactics for political purposes. It will seek to retain control through character assassinations of its opponents and undemocratic methods. Thus the trade union becomes a puppet for a political party. This same process is repeated in the control of regional, national and federated organisms.

251.04 In order for the cell to attain control of an organization it will usually seek to develop the organizational structure in a pyramidal form; that is, the local union will elect its regional officers, the regional officers will elect the national officers, and the national officers will elect the federation officers. Each group of officers, in turn, will have the power to appoint staff members. Thus the actual control of the organization is further removed from the rank and file and it is obvious that, if a majority can be attained at any point along this pyramid, the remaining top of the pyramid can be completely dominated by the cell.

252 Japanese workers generally do not discern this danger until after the Communists have entrenched themselves in control. Since the beginning of 1948, however, militant non-Communists and unionists have organized

Part I — Policies and Procedures
200 - 299 — Labor and Employer Organizations

252 (continued)

themselves into Democratization Leagues for the dual purpose of ousting the Communists and labor bosses from union domination and for channeling trade union work along constructive lines of production rehabilitation. Since the Democratization League represents an organized movement, for the first time the Communists have met strong opposition within the unions. Leaders of the Democratization League usually are well aware of Communist tactics and how to counter them. They have based their organization upon the workshop level in an effort to wrest leadership from the Communists.

260 - 269 EMPLOYER ORGANIZATIONS

260 The organization of employers for the advancement of their mutual interests in the field of labor relations is encouraged. Such organizations sometimes take the form of a group of employers in the same city or region and sometimes it is a group of employers throughout the nation in the same industry, such as iron and steel, fertilizer, etc.

261 The principal and salutory purpose of such organizations is the institution of joint studies and investigations related to wages, living costs, competitive production costs, time studies, and the like, which are of use to the members of the group in their relations with trade unions. Furthermore, by mutual exchange of information, the members of this group are able to maintain some stability in the field of labor relations and some equality of wages and working conditions throughout the nation.

262 Such organizations customarily hold meetings, round-

262 (continued)

table discussions and lectures on all problems relating to technical phases of labor-management relationships. Inasmuch as the Japanese employer is as ignorant of the value of trade unionism and sound labor relations practices as are the workers of Japan, such educational programs among employers should be encouraged and they should be permitted to assist each other in improving working conditions and labor contracts.

263 There is one aspect of employer organizations which is dangerous in the development of sound labor relations. Stated simply, it is the exercise of coercion against a particular employer to force him to comply with the desires of the organization in regard to such employer's relationships with the trade union within his own plant. An employer organization should not have the power to dictate to individual employer members the wages and working conditions to which they must adhere in their negotiations with trade unions.

264 Employer organizations within a particular industry sometimes carry on collective bargaining with trade unions representing all or most of the workers within that industry. This is termed industry-wide bargaining. Its existence depends upon voluntary concurrence therein by the interested trade unions. It should be understood, however, that any individual employer or, for that matter, any trade union has the right at any time in the course of negotiations to break away and negotiate or settle on its own terms. The exercise of any kind of pressure against such individual company or union to force it to adhere to the group's policy is not desirable.

280 - 299 HISTORICAL BACKGROUND AND REFERENCE MATERIAL

280 Industrial development in Japan, of the kind familiar in

280 (continued)

western nations, came later in point of time than in some other parts of the world. For some three hundred years prior to the Meiji "reform" or "restoration" in 1868, the Japanese Government had adopted and faithfully pursued a policy of rigid seclusion and non-intercourse with foreigners. After the resumption of contact with the outside world and relations with the western powers, Japan adopted as state policy the rapid and thorough industrialization of the nation. Differing from the practice in other countries, the Japanese Government took the initiative in starting important industries, such as shipbuilding, textile and steel manufacturing. This rapid and more or less forcible remolding of Japan from an agrarian, feudal economy into a State-controlled, national economy had an inevitable effect upon the later development of trade union organization in Japan.

281 Japanese legislation has never, until the present, included a trade union law expressly guaranteeing the workers' right of organization. In 1924, after several years' participation in the International Labor Organization, the Japanese Government initiated the practice of selecting delegates to the I.L.O. Conference by vote of the members of bona fide workers' trade unions. This action, tantamount to legal recognition of trade unionism, for a time had the same virtual effect as a law specifying the right of trade union organization.

282 Labor legislation has also, until recently, never included a law regulating collective bargaining. Notwithstanding this lack, collective bargaining was carried out on a big scale in some cases. Seamen and mercantile marine officers bargained through a Joint Maritime Board established with shipowners. Among land workers, bargaining which resulted in the conclusion of 117 collective agreements by the end of 1937 had been

282 (continued)

carried on by the All-Japan Trade Union Federation.

283 The modern trade union movement in Japan originated from the "Friendly Love Society" (Yuai Kai) founded in 1912; shortly thereafter a printer's union called the "Faithful-friend Society" (Shin-yu Kai) was organized. During the World War I in Europe, and subsequently, Japanese industry and trade union membership continued to grow. As compared with the total number of industrial workers, the percentage of organized workers has always been strikingly small. The largest number of trade union members was recorded in 1936 with 420,589 workers organized.

284 The reasons for the failure of trade unionism to make greater headway in Japan during the pre-war period have been summarized by one authority 1/ under the following headings:

a. Lack of experience due to relatively recent origin.

b. Frequent dissensions and schisms on account of radical combative social doctrines which dominated the unions in the early years.

c. Absence of specific trade union law guaranteeing the workers' right of organization, coupled with certain provisions in the Public Peace Police Act handicapping unions in time of strike.

d. Employers' welfare work - remnants of feudalism and paternalistic practices utilized by employers in the larger industries, solidly organized in the National

---

1/ Dr. Iwao Ayusawa, Executive Director of the Central Labor Relations Committee, in Organized Labor in Four Continents, pages 489-490.

284 (continued)

Confederation of Industrial Associations (Zenkoku Sangyo Dantai Rengo Kai), to discourage and prevent penetration by trade unions.

e. Preponderance of young women, employed in Japan's then largest and most important industrial branch - textiles, whose expected working years were few, and whose interest in trade unions was equally short or non-existent.

285 The organization of trade unions in Japan was stimulated by the series of revolutions and upheavals of a radical nature which spread through Europe after the first World War. Being then in their infancy, Japanese trade unions devoted a good deal of energy to ideological strife and movements centering around the so-called "proletarian political parties." Throughout the early period, the General Federation of Labor represented the center of older and more conservative unions. In 1925 a major split occurred when leftists withdrew from the Federation and formed a rival organization called the Japanese Council of Labor Unions. With the passage in the same year of a universal suffrage bill, the trade unions began experimenting with active support and actual organization of political parties; the same general differences of opinion which had earlier split the unions were, of course, reflected in the parties they formed and supported.

286 In 1928, a change in direction and a trend toward greater labor unity was begun by the Government's action in suppressing the Communist Party and the left-wing Labor Farmer Party. Further actions of this nature had resulted by 1937 in substantially eliminating the extreme left-wing elements from active participation either in politics or trade union affairs.

286 (continued)

In consequence, shortly prior to the beginning of the recent war with China in 1938, the trade unions in Japan were chiefly aligned with the Japanese Federation of Labor, embracing more than two-thirds of the organized workers in the country. It opposed three "isms" - capitalism, communism and fascism - stood for industrial cooperation, and supported the I.L.O. This group claimed a total membership of approximately 270,000 and was led by men now prominent in the Socialist Party and the Japanese Government: Komakichi MATSUOKA, present Speaker of the House of Representatives, and Mitsusuke YONEKUBO, former Minister of Labor in the Katayama Cabinet. Included among the affiliated unions in the Congress were: (1) All-Japan Trade Union Federation; (2) Japan Seamen's Union; (3) Japanese Union of Harbor Workers; (4) Japanese Union of Iron Workers; (5) Mercantile Marine Officers' Association; (6) General Federation of Workers in State Enterprises; (7) Japanese Federation of Labor; (8) Japanese Alliance of Porcelain Workers' Unions; (9) Tokyo Gas Workers' Union; and (10) Tokyo Electric Workers' Union.

287 Two other unions, claiming a total membership of 23,720, were counted as left-wing: Japanese Federation of Traffic Workers, and the Tokyo Municipal Employees' Union. By 1938, however, signs of moderation had appeared in these unions by their adoption of the principle of industrial cooperation.

288 The principal right-wing group was the National Friendly Conversation Society of Patriotic Trade Unions, with a claimed membership of 34,000. As the name suggests this group participated with varying degrees of importance in the formation of the Labor Patriotic Associations set up later during the war to subjugate and control labor activity.

289 After the outbreak of hostilities, government pressure forced the "amalgamation" of the free trade unions into two giant government-sponsored labor control organizations, the Patriotic Industrial Association (Sangyo Hokoku-kai) and the Patriotic Labor Association (Romo Hokoku-kai). The former organization was the controlling agent for industrial workers; the latter for casual laborers and workers furnished by the "labor-boss" groups. Both these groups were ordered dissolved after the surrender.

300-399
LABOR RELATIONS AND LABOR DISPUTES

Part I	Policies and Procedures
300 - 399	Labor Relations and Labor Disputes

300 - 309 GENERAL OBJECTIVES

300 Labor relations is a term which has many meanings. Industrial relations, human relations, and management-employee relations are some of the phrases which impart a similar meaning. All these phrases refer to that complex of relationships which is created in modern industry when labor is emancipated from the futility of individual bargaining with its employer and achieves an equality of economic bargaining power with industry through the organization of trade unions.

301 Having formed trade unions to negotiate for them, workers collectively seek to further their demands through economic pressure by a variety of methods termed "labor disputes actions."

301.01 Such economic pressures exercised by combinations of workers were originally considered illegal by the state because they were thought to be against the public policy and interest, and, more specifically, against the natural rules of economics as that science was then understood. Today, the legality of economic pressure exercised by combinations of workers is everywhere conceded, but it is noteworthy that there are still many forms and manifestations of combinations, both in labor and in industry, which are considered undesirable as against the interest of the state and in restraint of trade.

301.02 For instance, combinations within industry to control the price of its products are illegal in the United States under the laws prohibiting restraint of trado. In the field of labor the exercise of economic strength by trade unions is still prohibited where the ends sought are deemed to be against public policy. Thus, jurisdictional strikes, sympathy strikes, and secondary labor boycotts are outlawed specifically by law in the United States.

301.03 Since there are no such restrictions in Japanese law, such strikes cannot be considered illegal unless they are also detrimental to Occupation objectives. The

Part I	Policies and Procedures
300 - 399	Labor Relations and Labor Disputes

301.03 (continued)

decision as to what objectives of labor ought to be held illegal as being against public interest is left to the Japanese since such questions involve social and economic concepts which bear different analyses at different places.

302 Labor disputes arise when the machinery of labor relations breaks down or proves inadequate. At that point the law permits either side, if it chooses, to resort to economic pressures against the other by threatening or actually initiating labor disputes action. This has been referred to as economic warfare, but it should be noted that various forms of economic pressures are quite common among all groups operating within an industrial, free economy who seek to enforce certain demands of their own. For instance, if a company wishes to drive a competing concern out of business, it is legal for it to resort to a price-cutting war in which only the economically stronger company will survive, the other either going out of business or into bankruptcy.

303 The general objectives desired in the relationship of labor and industry are:

a. A recognition by management of the right of labor to organize collectively and bargain for its legitimate interests and to resort to joint efforts to obtain its demands.

b. A system for bargaining collectively for agreements covering wages and working conditions and other interests of the workers.

c. A system for the peaceful conclusion of labor contracts where collective bargaining itself breaks down through failure to achieve an agreement voluntarily.

d. A system whereunder minor disagreements and questions involving interpretation of the written contract can be peacefully and quickly solved.

303 (continued)

e. An understanding and appreciation by management and labor of the problems of each with a view toward attaining some form of reconciliation of seemingly conflicting objectives.

310 - 319 ENCOURAGEMENT OF SOUND COLLECTIVE BARGAINING

310 Encouragement of sound collective bargaining is an important aim of the Occupation. Real collective bargaining, as the expression implies, requires an atmosphere of give-and-take at the bargaining table between labor on the one side and management on the other; that is, a genuine intent to arrive at an agreement peacefully and without resort to economic pressure.

311 Since the concept of bargaining itself implies that both sides intend to try to come out with the better deal, honest frankness is usually absent at the beginning of negotiations. The parties approach each other at arm's length and rather distrustfully. This is a big hurdle to get over in the encouragement of sound, peaceable collective bargaining, but there are certain means which can be used to aid in placing the opposing parties in a cooperative, open frame of mind.

a. The negotiators should be as small in number as possible, preferably not more than ten on either side in the case of a single, large company.

b. Management and union representatives should be equal in number but, if concessions to labor are necessary in this matter because of the multiplicity of organizations represented by it, not more than double the number of management representatives is desirable.

c. The collective bargaining meetings should, if possible, be held on neutral ground; that is, away from the factory and company offices.

d. They should be limited in advance as to time of opening and closing of each meeting and adherence to the schedule should be observed.

311 (continued)

e. The proposals of either side should be submitted to the other in writing some days in advance of the first meeting.

f. A record should be made and mutually signed each time an agreement is reached on a particular demand.

g. The order of making proposals and presenting arguments should be agreed upon in advance.

h. One person should speak for either side unless that person calls upon another member of his committee to speak on a particular point.

312 The foregoing requirements are helpful to sound collective bargaining and they should be generally encouraged and impressed upon management and labor interests in Japan.

320 - 329 DEVELOPMENT AND USE OF CONCILIATION AND MEDIATION MACHINERY

320 When the collective bargaining process fails to result in an agreement, there are still several ways by which a settlement can be brought about without resort to disputes action. These means of settlement have developed in the free industrial democracies through many years of experience in the handling of labor relations problems and are conciliation, mediation and arbitration.

321 In accordance with the policies of the Occupation the Japanese Government has enacted into legislation machinery for the conciliation, mediation and arbitration of labor disputes. Under the Japanese labor laws the central and prefectural labor relations committees have been established with their primary function being to assist in the settlement of labor disputes by bringing about mutual agreement through the use of these processes.

322 It is not intended that these means of settlement be used or forced upon the parties indiscriminately and immediately upon the outbreak of a disagreement between

322 (continued)

labor and industry. The sound development of good labor relations requires the fullest, exhaustive use of collective bargaining procedures to bring about mutual understanding before resorting to the intervention of third parties. The too eager desire to throw the dispute in the labor relations committee weakens the development and the prestige of the collective bargaining process. Labor and management become accustomed to letting others make their agreements for them and the collective bargaining skill becomes atrophied.

323 After a series of collective bargaining meetings have been held between the parties, if it is plain that the parties are definitely deadlocked in disagreement and can make no further progress, either side may request the labor relations committee for the aid of the conciliator. Usually, by the time this is done, the collective bargaining meetings have broken up and both sides are preparing to use or resist disputes action in an effort to force the acceptance of their demands.

324 Conciliation is a procedure whereby a neutral, third party, through separate and joint conferences, encourages and assists the disputing parties in voluntarily reaching a mutually satisfactory agreement based upon their own proposals.

324.01 Generally, one person is appointed as conciliator by the labor relations committee, but several may be appointed. It is desirable to use a single conciliator. His first task is to contact the parties and arrange the resumption of collective bargaining sessions. However, these meetings now are held in the presence of the conciliator who presides and acts as a moderator by scheduling meetings and presentation of the issues, by conferring separately in private conferences with each side, by insisting upon the maintenance of order and the continuation of collective bargaining, and by showing at all times his impartiality as to the issues involved. The conciliator generally is able, in time, to bring the parties together. The accomplishment of

324.01 (continued)

this result in large measure depends on the skill of the conciliator and the confidence he is able to elicit from the parties.

324.02 His task is to get the parties to delineate clearly the various areas of agreement and the remaining areas of disagreement. Having done this, he can further ascertain areas of compromise in his private discussions separately with each side which have not yet been revealed to the opposing side for tactical reasons. Through judicious use at the bargaining table of questions requiring clarification of areas of disagreement and the putting of hypothetical suggestions without making any definite proposals of his own, the conciliator is usually successful in obtaining a voluntary understanding between the parties. Much of his chances of success depend upon his own personality. The devices he must use to bring the parties together are often momentary inspirations developed on the spot in the middle of the most tempestuous disagreement. The conciliator must be resourceful and quick and his personality must be equable and soothing to the disputants.

324.03 Conciliation to succeed requires not only the efforts of a skillful conciliator, but also the sincere desire of the parties to reach an agreement if possible. Occasionally all the efforts of the conciliator will fail because of the absence of these conditions, negotiations break off, and the parties resort to dispute tactics. The possibilities of voluntary settlement are still not exhausted, however. There remains the process of mediation.

325 Mediation is a procedure in which a neutral, third party, after considering the proposals of the disputing parties, advances his own specific ideas of settlement or methods for settling the disputed issues. The mediator's proposals may be accepted or rejected by either disputant, but must, of course, be accepted by both in order to become a valid agreement.

325.01 In Japan today, because of the lack of experience in labor relations, labor, management and the government mediatory agencies often fail to distinguish between the conciliatory and the mediatory processes. Full understanding of these matters can come only with education. Because of the meager history of development of collective bargaining in Japan, the use of conciliation is often found to be, in fact, the application of mediation; that is, the conciliator advances his own proposals as to settlement.

325.02 Mediation may be requested by either party to a dispute and the labor relations committees are empowered in such cases to appoint one or several mediators. Disputes involving public welfare industries permit mediation by the labor relations committees without the consent of either party. One person may be appointed mediator or three persons may be designated representing labor, management and the public.

325.03 The distinguishing characteristic of mediation is that the parties, instead of bargaining collectively as is done in the case of conciliation, present their demands and arguments before the mediator. After hearing all the arguments and the presentation of factual material, such as the company financial statements, cost of living indices, etc., the mediator arrives at what he believes to be a fair compromise proposal. The parties may accept or reject the proposal since the mediation award is not binding unless voluntarily accepted by both sides.

325.04 As mediation is often carried on, however, in the light of full publicity - by means of press, radio, and other mediums - and the public has become aware of the issues and arguments of each side, the full force of public opinion is such that the rejection of a mediation award is usually done only with reluctance. For this reason most mediations result in a final agreement between the parties by voluntary acceptance of the award. Where labor-management relationships are highly developed, mediations are almost invariably accepted.

326 Should mediation fail or not be accepted, a final possibility of settlement exists which the labor relations committees are empowered by law to use. This is arbitration which is identical with the mediation procedure

326 (continued)

except that the award made by the arbitrator becomes a final and binding agreement upon both parties, legally enforceable by virtue of agreement before the arbitration to abide by the award. Because of this compulsory aspect the law requires that both parties voluntarily accept the process of arbitration before it can be used.

327 In an enlightened industrial economy, experienced in collective bargaining, the use of these additional methods in bringing about peaceful settlements is well established. In Japan, however, the equality of workers with management at the bargaining table is so new and revolutionary in idea that a natural reluctance to permit the intervention of third persons in the compromise settlement of demands must be overcome. Furthermore, occasionally there are elements which do not want peaceful solutions to such problems and direct all their efforts toward inciting industrial strife.

328 Therefore it will require continual educational efforts on the part of the Japanese Government and Occupation authorities to impart to the newly-organized Japanese workers and to Japanese industry an understanding of the benefits which may be obtained from the use of conciliation, mediation and arbitration. A traditional distrust of officialdom among all classes of Japanese makes the task harder since the labor relations committees are government agencies.

330 - 339 DEVELOPMENT OF MORE ADEQUATE CONTRACTS .

330 Collective bargaining agreements as negotiated by labor organized into trade unions standing on an equal plane of economic strength with management were practically unknown in Japan before the introduction of the labor policies of the Occupation calling for a free, democratic trade union movement. It is understandable, therefore, why labor and management interests in Japan were ignorant, and in large measure still are, of the basic and essential elements of a collective bargaining agreement. Furthermore, both sides are still inhibited with the vestiges of traditional feudalistic and paternalistic ideas concerning a worker's employment.

331 The first collective bargaining agreements that were entered into after termination of hostilities were, in the great majority of cases, inadequate. As a rule they consisted of a few paragraphs among which were a union recognition clause, a labor-management consultation provision, usually without any kind of limitation as to authority or function, and an indefinite termination date.

332 A complete and sound collective bargaining agreement is sine qua non of stable labor relations. Every aspect of the relationship of management and labor ought to be properly covered in such an agreement. Without a good contract the relationship of the parties, week by week, will deteriorate into a continual squabble over every kind of grievance, however small. Such grievances accumulate until finally they burst into a full-fledged dispute, stopping the wheels of industry completely.

333 A basic reason for the existence of a collective bargaining agreement is to provide for a definite period of time a peaceful and stabilized relationship between management and labor during which both sides can consolidate their positions and plan for the future. Labor is assured of definite unchangeable wages and working conditions during the period regardless of economic fluctuations, and management can plan production, financing and price levels knowing what portion of its costs must be allocated to labor. Without such a period of stability, private enterprise cannot operate and the livelihood and welfare of labor is insecure and uncertain.

334 It is therefore essential that all workers be covered by a thorough and understandable working agreement which foresees as many contingencies as possible and provides ways and means of peacefully handling the unforeseen.

335 The basic elements of a good collective bargaining agreement have become well-recognized as the result of years of trial and error in the western democracies. There is every reason to believe that western experience in this field is equally applicable to labor-management relationships in Japan. For this reason the Occupation

335 (continued)

encourages the study and adaptation to the Japanese economy of the basic elements of western collective bargaining agreements.

335.01 In the usual working contract the provisions generally include:

a. A recognition of the union by the company as the collective bargaining agent for specified eligible personnel.

b. Provisions for closed, union or open shop, or other forms of union security.

c. Recognition by the union of the exclusive right of management to control the company insofar as workers' interests are not involved.

d. Grievance machinery and peace clause.

e. The extent of authority of management to take various disciplinary actions for breach of rules or regulations, etc.

f. Seniority and efficiency clauses to be applied in the case of lay-offs for economic reasons, reemployment, job transfers, and promotions.

g. Working hours and basic working and overtime rules.

h. Rules concerning holidays, vacations, dismissal and retirement pay.

i. Provisions for time and place of union meetings if to be held on company property and rules concerning activities of union officials on company property.

j. Termination date.

k. Extention and reopening clauses.

335.02 In American collective bargaining contracts wage provisions are often included in addition to the foregoing.

335.02 (continued)

In the inflationary Japanese economy, however, since wages are renegotiated every few months, they are reasonably not made part of the basic, permanent contract. The Japanese law provides that a collective bargaining agreement may not extend beyond three years. It is questionable, however, whether such contracts should extend for as long as three years without some renegotiation clause or interim opening date at the option of either party.

336 A contract which permits either party to continue it after the termination date indefinitely and without the consent of the other party simply by refusing to agree to a new contract is undesirable and against public interest. Such contracts might be held to continue for a reasonable period of time until a new contract is written.

340 - 349 GRIEVANCE MACHINERY

340 The keystone of the arch of a collective bargaining agreement is the grievance machinery clause. No written agreement, however carefully made, however detailed, can possibly foresee all points at which disputes and grievances may arise. For one thing, the execution of a written contract, although more certain in meaning and intention than an oral one, brings into existence a number of possible disagreements by virtue of the ambiguity of language itself. The grievance machinery clause is therefore of utmost importance. Without such provision a contract alone cannot assure industrial peace, since, if disputes arise under it should the parties not be able to agree, work stoppages or lockouts will ensue. Since the purpose of a collective bargaining agreement is to insure industrial peace for a definite period of time to the mutual benefit of the parties thereto, grievance machinery is not a restriction on labor's rights, but is a strengthening of such rights.

341 Grievance machinery is simply an agreed-upon system of handling disagreements concerning the application and interpretation of the current collective bargaining agreement. It is to be noted that, if a dispute arises

341 (continued)

on a matter clearly not covered by the provisions of the contract, the grievance machinery should not be used; it is an issue for collective bargaining. Furthermore, grievance machinery cannot be used to amend the contract or change it in any way. It is used only to carry out the actual written agreement.

342 The basic elements of the system are a series of steps in the handling of a dispute, starting at the lowest level of management-labor relationship and culminating generally in a hearing before a neutral, third person who is empowered to make a final, binding decision.

342.01 The lowest level in the handling of a grievance or argument as to contract interpretation or application is usually that of the union shop steward and the company shop foreman. From there, if unsettled, the handling of the grievance goes on to the next highest authority until either final arrival at a mutual agreement, or the neutral, third person renders an interpretation for the disputants after submission of the question to him.

342.02 As the unsettled grievance is passed upward until its ultimate settlement, the contract provides a time limit - usually quite short at first on the lower levels and gradually increasing - within which settlement must be made or else the issue must be passed on to the next grievance-handling committee. Quick handling of minor grievances is essential to industrial peace since it prevents hard feelings from accumulating and gives the parties the consolation of immediate relief. Without smooth and rapid handling grievances are apt to gather importance until general dissatisfaction breaks forth in a rash of industrial disturbances. Therefore, from beginning to end, the handling of a grievance should not take longer than one month.

342.03 Customarily, also, for the purpose of creating a record and establishing precedents to be used in future cases of disagreement, as the unsettled grievance proceeds

342.03 (continued)

upward through the various committees to final settlement, the presentation of arguments and discussions takes on a more and more formal aspect, such as the use of written statements and documents, etc. At the lowest level, that of the union shop steward and foreman, the disagreement might possibly have been settled informally where it arose.

342.04 The neutral third person standing at the top of this process, who may be required to make the final decision in the event of disagreement between labor and management, may be nominated in the contract itself.

343 Essential to the application of a grievance machinery provision, of course, is the concurrent requirement of a "peace" clause prohibiting strikes, lockouts, or other forms of industrial dispute during the life of the contract. A labor contract is of little value to industrial peace if either party may at any time resort to economic pressures to impose newly-conceived demands.

350 - 359 MANAGEMENT-LABOR COMMITTEES

350 The formal relationships of management and labor are periodically manifested by joint meetings in collective bargaining negotiations to revise wage and working agreements or in joint participation in grievance committees established to settle day to day disagreements that arise under the application of a written agreement. There is, also, a third form of contact between labor and management which is perhaps the most conducive to the establishment of rapport and cooperation between each side. This is the labor-management council or committee.

351 Such a council is usually set up in accordance with a provision of a collective bargaining agreement although formalized agreement is not necessary. The council is established within the plant or factory and, if there are a number of plants within a single company, a central council may also be established. Membership is equally divided between labor and management and meetings are regularly scheduled or may be called for special occasions.

352 The purpose of such councils is quite distinct from purposes of other types of joint, labor-management bodies. They are not intended to be used in the negotiation or revision of agreements, nor do they settle grievances or disputes. Under the current Japanese practice, however, due to an original confusion of thought as to the functions of such committees, it is often found that they do both of the things mentioned above. While this circumstance does not necessarily impair their usefulness, experience has proven that the separation of such functions is best.

352.01 In spite of the foregoing variations the prime purpose of a labor-management council is to lay open to full, joint discussion all problems which affect both labor and management. In short, the council is a discussion group whose field of interest is bound only by the concern of either group represented within the council.

353 The existence of labor-management councils, while not universal in the United States or other industrial countries, is a growing idea since under a private-profit, capitalistic economy the identity of interest and the need for cooperation between capital and labor is becoming increasingly obvious and understood. Management is beginning to realize that its problems, plans and programs invariably will have a direct effect on its workers and their lives and welfare which is sufficient to reasonably justify the right of labor to an expression of its opinion as to management's plans and intentions. As for labor there is an increasing realization that its own welfare depends upon the prosperity and welfare of the company and that neither side can act without automatically causing a reflex effect upon the other side's interests.

354 For these reasons such councils are empowered to discuss almost all matters relative to the operation of the company. Since, however, many of such matters are ordinarily regarded within the exclusive prerogative of management or of labor, the introduction of such matters for discussion must depend upon the voluntary agreement of the party mainly concerned. Thus, questions of quality or quantity of production or selling schemes,

Part I	Policies and Procedures
300 - 399	Labor Relations and Labor Disputes

354 (continued)

financial devices, selection of officials, etc., are recognized within the ambit of management right. Nevertheless, with the voluntary consent of management, even such matters may be made the subject of discussion in the council.

354.01 The decisions of the council on such matters are rarely binding upon either party. The councils are mainly discussion groups whose purpose it is to facilitate and encourage management-labor cooperation and understanding on all matters of concern to either or both. The council is not a negotiating committee. Accordingly, expressions of disagreement by either side have no effect except to indicate non-concurrence in a plan or idea.

355 Occasionally under the terms of the collective bargaining agreement the council is given authority to discuss and come to a binding decision on particular types of questions. In such cases votes will be taken after discussion. Usually it will be found that such authority given the council more properly resides in either the collective bargaining committee or the grievance machinery committees. Labor-management councils are, however, particularly useful in the establishment of shop and working rules, disciplinary discharge and lay-off rules, seniority, transfer, promotion, and other types of regulations too detailed to be set forth in a collective bargaining agreement. Certain of these matters might be claimed by management to be within its prerogative, but the growth of clear understanding as to the meaning of labor relations by both sides increasingly emphasizes the need for a full discussion and joint concurrence on any matters which directly affect the welfare or working conditions of the individual worker.

356 Perhaps of greatest importance to the growth of capital-labor cooperation in a capitalist economy is the circumstance that labor-management councils are broadening the field of collective bargaining itself and making organized labor an integral part of the company. The concept that labor is a commodity demanding a greater

356 (continued)

and greater and unmerited price as its share of the benefits of the profit-motive system is diminishing. Matters, which today are merely subjects of discussion in labor-management councils, tomorrow are subjects of genuine collective bargaining by virtue of management's recognition of labor's direct concern therein. Thus, employee welfare programs, retirement and hospitalization schemes, which heretofore were considered matters which management could either initiate or reject by itself, have within recent years become recognized as natural interests of labor on which collective bargaining may be carried on.

370 - 379 PROHIBITION OF WORK STOPPAGES

370 Pursuant to policies established by SCAP and the occupying powers, the Japanese Government has set up machinery under the Trade Union Law and the Labor Relations Adjustment Law for the settlement of labor disputes. It is the policy of GHQ to exercise surveillance over the operation of these laws and to insist upon full compliance therewith by labor and industry. It is also intended that every encouragement be given to the full use of existing machinery for the settlement of disputes. Educational programs of the Labor Division and Military Government Teams are directed toward the furtherance of the understanding by labor and management of the benefits obtainable from reliance upon the government's labor agencies.

371 In the field of labor relations it is the intention of GHQ to work through the Japanese government agencies and not to by-pass them by direct interference in labor disputes. Command letters have been and will in the future be issued clarifying the precise authority of Occupation officials in these matters.

372 It may be stated as a general rule, however, that labor disputes which interfere with the objectives of the Occupation or are inimical thereto are matters of primary concern to labor officers and other Occupation officials.

373 Work stoppages which halt procurement demands or involve other forms of requisition labor are not permitted. In the interest of achieving an equitable settlement of differences between management and labor engaged in these Occupation projects, it is not sufficient simply to order a halt to work stoppages and let the issues in debate be dropped. Such interference is itself seriously damaging to the prestige of the Occupation and furthers the influence of extreme radical elements seeking to stir up general dissatisfaction and disorder. Nor is it sufficient to merely hear one side and order the other side to comply with the demands of the former.

374 Participation in disputes of this type requires an exact understanding of the issues involved and a most delicate type of direction since action taken may possibly place one side at a distinct disadvantage regardless of the merits of the issues involved.

375 If a dispute is gathering momentum toward a work stoppage, or has actually resulted in such, clearance is obtained from GHQ before the parties to the dispute are given official orders. If orders are given to either side to stop certain activities resorted to in order to enforce demands during a labor dispute, additional instructions, also, usually are given the parties to submit the dispute to either mediation or arbitration by the local labor relations committee and compliance therewith should be observed. Utmost care should be taken, however aggravating the circumstances, not to show partiality with respect to the merits of the dispute.

376 Labor disputes may occur which may be considered inimical to objectives of the Occupation in a general way. In a broad sense any work stoppage slowing down Japanese production is contrary to the GHQ policy of encouraging and increasing production. Obviously, all such instances will not permit direct interference in the dispute. To determine otherwise would require a complete change in

376 (continued)

the policy of the Occupation toward the authority of the Japanese Government as established by the Japanese Constitution, which itself was sponsored by GHQ, SCAP.

377 Nevertheless, serious work stoppages on a broad scale may not be tolerated in certain instances. As to these cases GHQ will take such action as may be required.

380 - 399 HISTORICAL BACKGROUND AND REFERENCE MATERIAL

380 Relations between trade unions and employers in Japan have varied in accordance with changing economic and political circumstances. During the first World War, strikes spread rapidly and widely as workers attempted to cope with rising prices. The world-wide postwar slump, followed shortly in Japan by the disastrous 1923 earthquake, and the resulting unemployment and feared retrenchments, produced a period during which the number and severity of strikes declined as workers adopted a more reserved, defensive attitude.

381 The continued and increasing economic pressure on workers led in 1926 to a new high point in serious labor disputes and strikes. The years following 1927, which was relatively calmer, were marked by bigger and more frequent disputes, especially serious following the economic slump beginning in 1929. Strikes decreased appreciably from about 1931 onward, partly because the left-wing unions had been suppressed, and partly because most of the labor unions had lost their virility owing to the economic depressions, but largely because of the awakening of patriotic spirit after the outbreak of the Manchurian Incident in 1931.

382 Coupled with relatively better economic conditions, the sobering effect of patriotic "Japanism" reflected itself in the spread of collective agreements and the diminution of workers' demands and labor disputes. However, by 1937, the workers had again felt the pinch of rising prices, their attitude of reticence had gradually changed to one of aggressiveness, with the result that the figures of labor disputes for the early months of 1937 reached the highest point in Japanese experience.

383 This renewed outburst was brought to a rapid halt with the occurrence of the China Incident in July 1937. Regarding the Incident as a national crisis, the larger and more conservative unions took the lead in renouncing dispute activity. As the war continued, increasingly rigid and suppressive regulations forced the Japanese unions into complete submission and virtual non-existence.

400-499
MANPOWER AND EMPLOYMENT

Part I — Policies and Procedures
400 - 499 — Manpower and Employment

400 - 409 GENERAL OBJECTIVES

400 The general objectives of the Manpower Program are:

410 - 419 Elimination of Undemocratic Recruitment Practices.
420 - 429 Development of an Efficient Employment Exchange System.
430 - 439 Procurement of Japanese Labor for Occupation Forces.
440 - 449 Establishment of Effective System of Unemployment Compensation.
450 - 459 Development of a Vocational Training Program to Train Adult Japanese for Peacetime Occupations.
460 - 469 Encouragement of More Effective Manpower Utilization.
470 - 479 Development of a Public Works Program.

410 - 419 ELIMINATION OF UNDEMOCRATIC RECRUITMENT PRACTICES

411 Background: Before the Occupation a number of devices were used by Japanese employers and recruiting agents which had the effect, directly or indirectly, of binding workers to their jobs against their will. Outstanding examples of such practices, which obviously were not compatible with the freedoms essential to democracy, are cited in the next four paragraphs.

411.01 Slave Labor: Coal mines in the past were staffed by bankrupt farm workers, foreign labor, and other depressed groups driven by economic necessity to this hazardous and gruelling labor. During the war Chinese, Formosan, Korean and prisoner-of-war labor was used on a virtual slave basis. Even during the past two years incidents of forced labor recruitment have occurred occasionally in coal mines, as in Hokkaido where in the fall of 1946 over 3,000 workers were discovered in dormitories with iron-barred windows and locked doors and released as a result of coordinated action by Military Government, CIC and prefectural government officials.

411.02 Bondage in the Textile Industry: In the textile industry the traditional pattern has been for agents of the big companies to recruit young farm girls from remote areas through contracts with their debt-ridden parents, and to keep them in bondage for four or five years until they paid off loans made to their families by the agents. Every aspect of the girls'

411.02 Bondage in the Textile Industry (continued)

lives was controlled by the factories during these years -- girls often were not allowed to leave the factory compound except when the factory arranged for guided group outings. Thus, it was impossible for these girls to seek more advantageous employment elsewhere.

411.03 Labor Boss System: Large segments of the Japanese labor force have been under the control of labor bosses who contracted for the services of workers under their control, receiving a lump sum or a rate for their services from the enterprise requiring such labor. In addition, the bosses took a large percentage of the wages of the workers as their cut. Although such bosses often assumed responsibility for the welfare of their workers, they also controlled many aspects of their lives. For instance, workers were not free to seek employment elsewhere, nor to join labor unions. The labor boss system was particularly prominent in the following industries: the construction and stevedoring industries, where almost all labor was provided by bosses; manufacturing industries and mines where contract labor constituted from 5 to 25 percent of the total labor force in each plant; and in the supply of domestic servants.

During the war these bosses were leaders of the war-time "labor front" or patriotic labor organizations, which both encouraged and forced labor into war-time industry. At the beginning of the Occupation, labor bosses were used to supply labor to Occupation Forces. There is considerable evidence that labor bosses are also tied in with various rackets such as gambling, vice, and blackmarketing.

411.04 Use of Police Force in Labor Recruitment: During the war all public employment exchanges were operated as an arm of the National Police under the Home Ministry, and were used to force labor into war industry and into the armed services.

412 Accomplishments to Date: Certain measures have been taken which affect all aspects of the problem. Involuntary servitude has been made illegal under article 18 of the new Japanese Constitution, and under article 5 of the Labor Standards Act. The right of free choice of employment is guaranteed by article 22 of the Constitution and article 2 of the

412 Accomplishments to Date (continued)

Employment Security Law. A system of free public employment exchanges has been established which provides a free recruiting and placement service in accordance with democratic concepts. (See objective number 2 for further details.)

412.01 Slave Labor: Shortly after the termination of the war all slave labor was released in accordance with SCAPIN number 93 of 4 October 1945 which directed that all political and other prisoners should be released immediately. The foreign groups of labor, who had formerly worked in the mines, were repatriated.

412.02 Bondage in the Textile Industry: All the legislation necessary to eliminate bondage in the textile industry has been enacted by the National Diet.

The Labor Standards Act makes it illegal for two persons to contract for the services of a third (making it illegal for a girl's parents to sign a contract for her services), for recruiting agents to pay wages in advance or to loan workers or their families money; for anyone to be forced to remain at work against his will. Contracts for more than one year are illegal, and even such short contracts can be broken. Girls are allowed to leave factory premises at will. The Employment Security Law provides means for controlling recruiting agents, and for providing free choice of employment.

In spite of this legislation, many abuses still exist because of the newness of the laws, because they are not well administered by national and local government officials, and because many Japanese people are not conscious of their new rights.

412.03 Labor Boss System: In order to eliminate the influence of labor bosses who had participated in labor front and patriotic labor organizations during the war, on 20 November 1946 instructions were issued to the Japanese Government by the Deputy Chief of Staff, GHQ, SCAP, to the effect that all officials or influential members before 2 September 1945 of the Dai Nippon Sangyo Hokoku-kai (Great Japan Industrial Patriotic Societies) and the Dai Nippon Romu Hokoku-kai

412.03 Labor Boss System (continued)

(Great Japan Labor Patriotic Societies) and the prefectural, regional and national federations thereof, including local branches of Dai Nippon Romu Hokoku-kai should be excluded from holding any post as an officer or influential member of any organization concerned with labor. Organizations concerned with labor were defined later as labor unions, welfare or mutual assistance organizations, worker service or commodity supply organizations, organizations engaged in recruiting or supplying labor and direct supervision of workers. This part of the directive was implemented by the Japanese Government which sent a "purge" letter to each former official of the prescribed organizations informing him of his ineligibility for posts in organizations concerned with labor.

Another part of the directive stated that "All persons who were directly connected in a responsible capacity with government agencies or private organizations which prior to 2 September 1945 were set up in such a way as to obstruct free labor organization and who have in that capacity been connected with the obstruction or repression of trade union organization or activity shall be transferred or excluded from employment in the administration of labor affairs in the Japanese Government, all prefectural governments, and municipal government, or any sub-division or agency thereof." This part of the directive was aimed at excluding ex-police officials and former ultranationalists from employment in any labor agencies of local, prefectural or national governments.

The above two paragraphs deal with eliminating the influence of war-time labor bosses and ultra-nationalists from labor affairs. In addition, it was necessary to take measures to eliminate the current and future labor bosses. This is the intent of article 44 of the Employment Security Law which outlaws labor supply projects. This part of the law was implemented by article 4, Labor Ministry Ordinance No. 12, to the Employment Security Law, dated 29 December 1947, which defines what is meant by a labor supply project and gives as the date of enforcement 1 March 1948. Since this date it is estimated that approximately 25 percent of the illegal labor supply projects have either been discontinued

412.03 Labor Boss System (continued)

or have been reorganized to conform with the law. The Employment Security officials and Labor Standards officials have started a vigorous enforcement program.

412.04 Use of Police Force in Labor Recruitment: On 20 November 1946 verbal instructions were issued to the Japanese Government by the Deputy Chief of Staff, GHQ, SCAP, stating that "All members or former members of the police force, except those engaged solely in factory inspection during their police employment . . . will be declared ineligible for employment in labor administration or as conciliators, mediators, or arbitrators. . . ."

To divorce the employment exchange service completely from its former police connections, the Employment Bureau was transferred from the Home Ministry to the Welfare Ministry, the transfer being completed on 8 April 1947. On 1 September when the Labor Ministry was formed this Bureau was transferred to the Labor Ministry. The name of the employment exchanges was changed in order to make a clean break with the former setup. In spite of this complete change in administrative control, instances still arise in which members of the police force perform functions which are the proper responsibility of labor officials.

413 Current Program and Target Dates:

413.01 Slave Labor: No special program is under way, nor is one contemplated as the necessary action has been completed.

413.02 Bondage in the Textile Industry: The government is being pressed to implement its policy of requiring the textile industry to make a genuine effort to recruit local labor before going further afield and even then tapping the nearer areas first.

413.03 Labor Bosses: During the remainder of 1948 and 1949 the national, prefectural and local Public Employment Security Section will have proper implementation of Article 4, Ordinance No. 12, to the Employment Security Law as one of their most important functions. Complete elimination of labor supply projects would do much to destroy the entire base upon which the labor boss system is built.

413.04 Use of Police Force in Labor Recruitment: The necessary action on this matter has already been taken and the remaining problem is one of surveillance.

414 Recommendations for Surveillance:

414.01 Slave Labor: Surveillance is recommended in the mines and other industries requiring heavy, difficult work particularly in regard to the following:

If prison labor is used, the employers should pay the government prevailing wage for the use of such labor.

All labor in the mines or plants should have the following freedom: to leave their jobs at will; to join a union, and to be free to leave the premises in their leisure hours.

414.02 Bondage in the Textile Industry: In prefectures containing textile factories, the following procedures for surveillance may be effective:

Visit some of the factories and talk to some of the young girls, without their supervisors present, to determine why they are working there, how they were recruited, whether a contract exists, and whether they are allowed to leave the premises.

Visit prefectural Employment Security officials and local PESO officials to see if they are exercising proper surveillance over recruiting practices, and to what extent they try to arrange for recruitment of local labor.

In prefectures which contain no textile factories, the following procedures for surveillance may be effective:

Visit prefectural Employment Security officials and determine what the recruiting program for the textile industry is, whether girls are being recruited primarily for jobs in nearby prefectures, or whether they are still sent far away and how these girls are recruited. If any laws, ordinances or policies are being violated or not being implemented.

If investigation shows that the necessary action is not being taken, prefectural officials should be encouraged to take corrective action and a report should be submitted to GHQ,

414.02 Bondage in the Textile Industry (continued)

SCAP, so that the national government may also take corrective action through its own channels.

414.03 Labor Bosses: An outline of desired surveillance of labor boss activity by MG is included in letter, GHQ, SCAP, AG 004.06 (5 Mar 48)ESS/LA, subject, "Employment Security Law and Labor Bosses", dated 5 March 1948, and implementing operational directives of Eighth Army.

420 - 429 DEVELOPMENT OF AN EFFICIENT PUBLIC EMPLOYMENT EXCHANGE SYSTEM

421 Background: All industrialized democracies, where people are free to choose their employment, have found it necessary to facilitate the exercise of this freedom with a system of free public employment exchanges. In Japan it was also essential to provide a proper alternative to the undemocratic hiring practices (described under the First Objective) which forced people to take or remain in jobs against their will. In addition, public employment exchanges were required for the following purposes:

To recruit and place qualified labor needed for revival and maintenance of essential Japanese industry, commerce and services.

To recruit labor for the Occupation Forces.

To select and place unemployed for work on public works projects.

To provide information of geographical, industrial and occupational patterns of labor demand and supply, for planning distribution and use of manpower.

To develop guidance and placement services for special classes of workers such as school graduates and physically handicapped.

To administer an effective system of unemployment insurance.

To determine what types of vocational training are needed, and to select suitable applicants for training.

422 Accomplishments to Date: At the beginning of the Occupation the existing employment exchanges were transferred from control by the Police Force in the Home Ministry (see Objective No. 1) to the Labor Bureau of Welfare Ministry. By ordinance of April 1947 the name was changed from Kinrosho or "diligent labor office" to Kokyo Shokugyo Antei Sho, or "Public Employment Security Place" and at the same time the new concept of free public service for workers and employers was formally introduced.

A new law, the Employment Security Act, which was passed by the National Assembly in November 1947, and became effective on 1 December 1947, gave firm legal basis for a national network of exchanges administered in prefectures by the governors in accordance with standards and directives issued by the Labor Ministry. Ordinances implementing this law were issued on 27 December 1947 and became effective retroactively on 1 December 1947.

In order to administer the new program effectively, the staff of the Employment Security Bureau has been greatly enlarged, and a budget more nearly adequate to the job has been secured. Administration has improved somewhat, but is still poor.

Other significant developments are described below:

Completion of recruiting campaigns for coal mines, textile factories, and other industries basic to the recovery of the economy.

Establishment of casual labor exchanges to replace labor boss recruitment for Occupation Forces and other day labor. Recently all functions of these casual exchanges except recruitment have been transferred to the Special Procurement Board and the recruiting activities placed under the nearest Public Employment Security Office.

A labor market analysis program has been initiated to define labor market areas and to determine labor demand and supply conditions within these areas.

Vocational guidance and placement services for youth and the handicapped have been started.

422 Accomplishments to Date (continued)

Public Employment Security Offices have started to administer the unemployment compensation program. (See paragraph 440.)

423 Programs: While substantial progress has been made in improving services of the public employment exchanges, only a beginning has been made in realizing the full measure of service which can and should be rendered to the public. Following are basic phases of the program which need improvement:

423.01 The main purpose of the Employment Security Law is the establishment of voluntary, free and effective Public Employment Security Offices for the referral of workers to suitable jobs and the supplying of Japanese industry with qualified workers. The history of Japanese public employment exchanges does not provide a background for efficient exchanges functioning in a democracy. In particular, wartime use of the exchanges for compulsory mobilization of labor makes it imperative that a radical change be made in their services. To begin with, there must be a change in the attitude of the personnel of these offices so that they regard themselves as employees of an agency to serve the public.

423.02 As to specific operations of the Employment Security Offices, there are several matters which need considerable strengthening and extension. Part of the program of the Employment Security Offices is the placement process, by which job applicants are interviewed, referred to and placed in suitable job openings filed by employers. This process requires:

A proper system of classifying and filing job orders and job applicants according to occupational categories. The Employment Security Offices have received instructions on this matter from the Employment Security Bureau, setting up a standard code of occupational classifications under which both job openings and job applicant cards are to be filed.

Efficient way of receiving, interviewing and referring job applicants who come to the office.

Development of an Employer Relations Program whereby staff members of the Employment Security Office go out to visit employers in the area to acquaint them with the services of the office and to encourage them to place their job orders with it.

423.03 For young people entering the labor market, for repatriates or others without a skill currently in demand and for handicapped workers, special vocational guidance selective placement procedures are necessary in the Employment Security Offices. These have been particularly weak in the past since the employment exchanges have not been concerned with service to the individual but rather with filling the needs of war industries.

423.04 A phase of the Employment Security Program which has a different organizational pattern from that of the employment exchanges is vocational training. Prefectures are encouraged to take the initiative in this program and to provide as much local financing and supervision of training centers as possible. The national government subsidizes vocational training where necessary and provides controls and technical assistance. The important matters requiring attention in the Vocational Training Program are to insure that the courses offered provide skills which are and will continue to be in demand, and to select trainees carefully for the centers through interview by the Employment Security Offices. Local government should be encouraged to take the maximum initiative in the Vocational Training Program.

423.05 Employment Security Offices make unemployment insurance benefit payments to workers who are eligible under the Unemployment Insurance Law. Attention is needed to ensure that all workers in the prefecture understand their rights under the law and that the Employment Security Offices are applying national uniform standards for determining eligibility.

423.06 All the programs described above require the use of information regarding local area and industry labor market conditions, including labor supply and demand, employment trends and working conditions.

423.07 In order that the interests of both job seekers and employers be given adequate consideration and their true freedom of choice insured, the administrative pattern of the Employment Security Law includes important responsibilities for both national and prefectural governments. Overall policies and procedures are established by the Labor Ministry. However, the program is implemented and administered in each prefecture by its governor. Working with the standards set up by the Labor Ministry as a minimum, the prefectural governor can build a strong program

423.07 (continued)

of employment security based on the unique requirements of his individual prefecture and supplemented by a nationally coordinated, inter-area placement service of value to both industry and to the workers. Every governor should recognize the importance of this program and should understand fully his role in it. He is elected by and responsible to the people in his prefecture and should recognize the Employment Security Program as an opportunity to serve them. At the same time, he must acknowledge his responsibility for the welfare of Japan as a whole in carrying out the program according to the national policies established by the Labor Ministry.

423.08 A fundamental weakness in the Employment Security Program has been the lack of qualified, trained and properly supervised staff, especially in prefectural and local offices. In order to improve personnel, they must eliminate some of the arbitrary requirements of the past such as long government experience in order to obtain appointment or promotion to the grade of "secretary". The Personnel Ordinance referred to in paragraph 1 provides a basis for appointment according to education and experience necessary for particular jobs. It also provides for promotion from within the Employment Security System. Particular emphasis in Japan is needed to ensure that women employees are given equal opportunity with men for promotion.

423.09 A modern system of staff training is also essential to the effective operation of the Employment Security Offices. Every prefecture and every local office has been instructed to appoint a staff training supervisor who provides a plan for staff training in those offices. Actual training is carried out primarily by the line officials in these offices. Particular emphasis is being placed on three phases of training:

a. Orientation of new employees or employees promoted to different positions.

b. Training of supervisory officials in the best methods of supervising subordinates.

c. Technical training in the specialized phases of the program.

423.10 Supervision has been particularly weak in the Employment Security System. In the past, no regular channels for adequate control and supervision of prefectural and local offices existed. The Employment Security Bureau has initiated a modern method of supervision and is attempting to make it effective in every prefecture. This supervision stems initially from a staff of national supervisors who make periodic visits to the prefectural offices and check on their compliance with the laws and give them guidance. Equally important is the supervision of local offices by the prefectures. Every prefecture recently has appointed from one to three supervisors whose sole function is to make regular visits to local offices to evaluate their operation and to give them guidance or improve their methods. Since the Japanese have had little experience with this type of supervision, it is essential that they be given all possible encouragement and assistance.

424 Recommendations for Surveillance: A Command Letter from GHQ, SCAP, (AG 230.7(30 Aug 1948)ESS/LAB), to Commanding General, 8th Army, on the subject of the Employment Security Program was issued on the following recommendations for surveillance.

424.01 It is important to have support of the prefectural governor in carrying out the Employment Security Program.

424.02 Other key personnel in the prefectures are Labor or Economics Department Chief, the Chief of the Employment Security Section of the prefectural office and subsection chiefs under him, as well as managers of the larger Employment Security Offices in the prefecture. Steps in surveillance might include checking the organization chart of the Employment Security Section to see if there is a logical and clear division of function and that there is proper coordination of such programs as unemployment insurance and vocational training with the basic job placement program, whether the Section has a staff of supervisors whose only function is to go out and make supervisory visits to the local Employment Security Offices, checking reports of supervisory inspection trips and measures taken to correct weaknesses in their operations.

424.03 Further surveillance measures might be evaluating the competence of key officials in the Employment Security Section and Employment Security Offices, checking requirements for

424.03 (continued)

and methods of appointment to positions in the Employment Security System; finding out whether qualified people have been promoted from local to prefectural office and from both to the national office, seeing whether qualifications for appointment as third class official are too rigid on age, education and government experience; finding out whether women are given equal opportunity for promotion to 3rd and 2nd class official positions; checking whether the prefectural Employment Security Section has a staff training supervisor; going over the plans of this supervisor for induction and in-service training of staff in prefectural and local offices; seeing if sufficient emphasis is given to training of supervisory staff and to daily job training of subordinates by such staff; attending training conferences occasionally to evaluate their effectiveness.

430 - 439 PROCUREMENT OF JAPANESE LABOR FOR OCCUPATION FORCES

431 Background: Since the start of the Occupation the Japanese Government has been required by GHQ, SCAP, to supply all the labor necessary to Occupation objectives. In compliance with this order, the Japanese Government issued Welfare Ordinance No. 41 of 16 October 1945 directing the Prefectural Governments to supply the necessary labor and giving them the authority to conscript labor for this purpose, should it be necessary to do so.

Since, however, the use of such conscripted labor is not consistent with the freedoms essential to democracy, nor to the long range objectives of the Occupation, there has been need to develop a program whereby the necessary workers could be recruited for the Occupation without the use of force. To accomplish this objective two programs were necessary:

a. Establishing wage rates and working conditions similar to those prevailing in other normal industry and the Japanese Civil Services.

b. Setting up a channel for recruiting this labor.

432 Accomplishments to Date:

Part I	Policies and Procedures
400 - 499	Manpower and Employment

432.1 Wages: On 15 September 1945 the Japanese Government issued Labor Order No. 950 instructing all prefectural governments to fix wages for Occupation Force workers on the basis of locally established wages and of previous incomes of workers; employees of contractors working for the Occupation Forces were to be paid by the contractors. This order was the first step in establishing the principle of paying Occupation Force labor as much as other labor. However, as it did not set a maximum limit, contractors working on Occupation projects took advantage of this loophole and charged the Japanese Government exorbitant rates for their employees. To remedy this SCAPIN 1775 was issued on 12 September 1947. This order forbids contractors to charge the government more for the wages than the amount paid to workers, a necessary regulation in view of the prevailing custom of paying workers only part of the money charged the government for this purpose. This SCAPIN also contained a paragraph setting an upper wage limit for Occupation Force workers based upon prevailing wages as determined by the Japanese Government in accordance with methods subject to review by SCAP.

On 21 November 1947 the Cabinet decided that when the government takes measures to meet demands of government employees, the same measures will be applied simultaneously to the clerical and technical workers for the Occupation Forces since they are also technically government employees. This measure has eliminated many of the grievances of Occupation Force workers, who had previously received wage increases long after government workers, and as the result of separate bargaining procedures.

There is a separate pay scale for permanent skilled workers for the Occupation Forces based upon the official prevailing wage published by the Japanese Government. As of 1 April the Japanese Government eliminated the classification of "daily worker" for the Occupation Force workers.

Since August 1948 Occupation Force workers, who need to use English or any other foreign language in their work, and who have the ability to use such a language, are paid an extra language differential. This gives these workers wages more in line with those given by business firms to employees who must speak more than one language.

432.2 Channels of Recruitment: On the national level the Special Procurement Board has been made responsible for the supply of labor to the Occupation Forces. An agency in each prefecture responsible to the governor is delegated responsibility as employer for these workers. This agency is charged with all problems relating to recruitment, payment, promotion, working conditions, rations, collective bargaining with unions of the workers and administrative records for all Occupation Force workers. This agency is supposed to be separate from the prefectural Employment Security Section which previously had this responsibility, since it is considered undesirable for the Employment Security Section to act as employer of large numbers of workers.

On the local level the Occupation Force workers are supplied through the day labor offices located in most areas where there is a concentration of Occupation Forces. Control of these offices has been transferred from the Labor Ministry to the Special Procurement Board so that these offices may perform the functions of employer for Occupation Force workers. Employment Security Offices recruit for the SPB agencies the same as for any other employer.

433 Program and Target Dates

433.1 Wages and Working Conditions: The Japanese Government is being encouraged to publish frequently data on prevailing wages so that the wages of skilled Occupation Force workers may be quickly adjusted.

433.2 Channels of Recruitment: The change in responsibility for Occupation Force workers from the Central Liaison Office and the Labor Ministry to the Special Procurement Board was completed on 1 April 1948.

Since Occupation Force workers are employees of the Japanese Government, regulations for their employment will be made by the National Personnel Authority as soon as the National Public Service Law comes into effect.

434 Recommendations for Surveillance

434.1 Wages and Working Conditions: Wage rates of Occupation Force workers found to be at variance with the prevailing wage for

434.1 Wages and Working Conditions (continued)

the same classifications in private industry or government civil service should be called to the attention of the responsible prefectural government official for investigation. Unusual cases should be submitted through channels.

434.2 Channels of Recruitment: Checks should be made to insure that the prefectural governments do not:

a. Use labor bosses to obtain the labor required for Occupation Forces.

b. Use compulsory or appointive methods to recruit workers for the Occupation, except in extreme emergency.

c. Delegate responsibilities as employer for Occupation Force workers to Public Employment Security Offices.

440 - 449 ESTABLISHMENT OF AN EFFECTIVE SYSTEM OF UNEMPLOYMENT COMPENSATION

441 Background: According to old Japanese patterns of employer-employee relationships, a worker worked all his life for the same employer who was responsible for the worker's livelihood and continued paying his wages even when there was no work for him to do. Since this relationship has many good points, GHQ, SCAP, has not recommended any changes in it. However, the system as a whole has been weakened greatly by the industrialization of the country, since it is, in many cases, no longer possible for the head of a large concern to assume life long responsibility for each of his employees. Since the end of the war, when many industries were shut down completely or greatly curtailed for lack of raw materials, the old relationship has become increasingly tenuous. In view of this situation, it was believed desirable to start a system of unemployment compensation to insure workers against the new hazard of uenmployment, so that they would not be left without any form of protection, in the cases when employers can no longer guarantee them a livelihood. Unemployment compensation will also serve to increase the mobility of labor so that a worker may change jobs in order to better his employment without fear of losing his employer's protection.

442 Accomplishments to Date: In November 1947 the Unemployment Allowance Law and the Unemployment Insurance Law were passed. The Unemployment Allowance Law was an interim measure financed entirely by the government providing for unemployment allowances to covered workers who became unemployed during the period 1 November 1947 to 30 April 1948.

The Unemployment Insurance Law which became fully effective on 1 May 1948 is financed by contributions from employers, employees, and the government. It covers all employees of employers hiring five or more workers. Workers are eligible for insurance benefits after six months of covered employment. Workers are temporarily disqualified if they quit work without cause, if they are discharged for misconduct, or if they refuse an offer of suitable work.

The program is administered by the Employment Security Bureau of the Labor Ministry. Benefit payments are made by local Public Employment Security Offices. Premiums are collected by Prefectural Employment Security Bureaus.

443 Programs:

443.01 Premium Collections: A program for locating and prosecuting employers who are delinquent in paying the required premiums has been undertaken. This program is necessary to establish a sound financial basis for unemployment insurance since at present it is estimated that no more than half of the employers are making their required contributions. This low rate of compliance is a result of Japanese tax collecting methods whereby the sole action taken has been to invite employers to pay up.

This program will have to be continued for an indefinite period.

443.02 Publicity: A publicity program has been started and will continue throughout 1948 to inform workers about the program so that they may request the benefits due them and may lessen their bitter opposition to discharge of surplus workers. At present a large proportion of covered workers do not even know of the existence of the unemployment insurance program.

443.03 Appeals: Workers and employers need to be informed of their right to appeal and encouraged to appeal when they are not satisfied with local office decisions. Unless this right is exercised it will atrophy, thereby nullifying the value of the system of appeals which has been set up in accordance with democratic principles.

444 Recommendations for Surveillance: Refer to letter, GHQ, SCAP, file AG 019 (25 May 48)ESS/LAB, subject: Collection of Unemployment Insurance Premiums, dated 25 May 1948, in Section 082 of this Manual.

450 - 459 THE DEVELOPMENT OF A VOCATIONAL TRAINING PROGRAM TO TRAIN ADULT JAPANESE FOR PEACETIME OCCUPATIONS

451 Background: Since the end of the war large numbers of people, who were previously employed in war industry or in the armed services, who have been repatriated from other countries, and who have recently finished their schooling, have been unable to find remunerative employment because they are not skilled in peacetime occupations. At the same time the Japanese economy has been suffering from a shortage of skilled labor, especially the following categories: carpenters, construction workers, auto repairers and dressmakers.

Another equally important reason for starting a vocational training program was to help give life to some of the democratic concepts set forth in the Constitution such as the rights to work, to receive education correspondent with one's ability and to choose one's occupation. Without opportunities for training many people could never practice these rights.

452 Accomplishments to Date: A vocational training program supervised by the Welfare Ministry and financed out of public works funds was hastily developed in 1946. This program proved only moderately satisfactory.

With the enactment of the Employment Security Law, a new program was drawn up based on Chapter 4 of this law which provides the necessary authority for a program to be operated by the Labor Ministry. Articles 20 to 23 of the ordinances of this law outline the policies of the new program which came

452 **Accomplishments to Date** (continued)

into effect on 1 April 1948, when the Labor Ministry took over financial responsibility for the program.

The current program is operated by the prefectures according to standards laid down by the national government. In most instances, all the funds are supplied by the national government. Training provided is of three kinds. First, Public Vocational Training Centers where courses of about six months' duration are given free of charge. Second, training provided in government operated workshops for the unemployed, where trainees learn their skill while earning and producing goods for the government's use. Third, a few special training centers for the handicapped. Although handicapped persons are allowed to attend both of the two types of training, some special centers are needed to train more severely handicapped persons in the use of artificial work-limbs and to get them to the point where they can be trained along with normal people.

On 1 ay 1948 there were approximately 12,660 trainees in 427 Public Vocational Training Centers and 100 in two centers for the physically handicapped. The training program in government workshops is scheduled to start on 1 October 1948 in 30 shops on an experimental basis. If it proves successful, the number of such shops where training is given, may be increased in 1949. A new center for the handicapped will open in Tokyo during the last months of 1948.

453 **Program:** At present attention is being concentrated on improving the administration of the program by:

a. Increasing supervision of prefectures in order to ensure that the funds provided are spent for training purposes.

b. Providing for an orderly method of obtaining raw materials through normal allocation channels, and for a method of disposing of whatever finished articles are produced during training.

c. Giving more publicity to the opportunities for training provided by these centers so that maximum use will be made of existing facilities.

453 **Program** (continued)

There are no special target dates for this program as continued improvement is needed.

454 Recommendations for Surveillance: Although no surveillance is required, occasional check-ups would be of assistance in determining whether the unemployed are made aware of the training opportunities through posters, radio announcements and information made available to the unemployed through PESO's and welfare officials.

MG personnel may also be interested in inspecting and evaluating vocational training centers. Where it is found that these centers are not accomplishing the program objectives, a report of the deficiencies may be made to the Labor Division through established channels.

460 - 469 ENCOURAGEMENT OF MORE EFFECTIVE MANPOWER UTILIZATION

461 Background: In the past Japan has had such an abundant supply of cheap manpower which could be easily exploited that little attention was given to efficient use of manpower. Now that legislation has limited working hours and forced labor is no longer legal, Japanese industry must develop more effective use of manpower if the cost of production is not to increase unduly.

462 Accomplishments to Date: Employment in the coal mines increased during 1947 and 1948 to the point where the labor force was much greater than could be justified. Since the cost of such surplus labor was, in the last analysis, paid by the government which subsidizes the operating deficits of the coal mines, the Cabinet issued an order freezing for six months the total employment in each coal mine to that of 30 April 1948. Only where special permission is given by the Regional offices of the Coal Board may such totals be exceeded.

In spite of considerable general unemployment, prison labor has been used extensively by private firms engaged in shipbuilding, charcoal manufacturing, coal mining and other industries which have acquired special facilities for housing and feeding prisoners. This practice is a result of inadequate housing and

462 Accomplishments to Date (continued)

work facilities within the prisons and a desire on the part of private industry for cheap labor. To help free unemployed men to obtain work in industry, an order has been issued requiring all users of prison labor to pay the government for the work of prisoners at prevailing rates of pay. Furthermore, it has been decided by a Cabinet decision of 20 August 1948 that it will be the policy of the Japanese Government to eliminate the use of prison labor by private industry as soon as the government can arrange housing for the prisoners and to develop facilities to give prisoners non-competitive work. Use of prison labor in coal mines has been prohibited completely as of 30 September 1948 because of the unsavory history of the use of forced labor in Japanese coal mines.

463 Program: During 1949 it is planned to make available to industry information on the "Training Within Industry" (TWI) program which proved so successful in the United States, England and other European countries during and after the war.

When specific instances of gross misuse of manpower arise in such a way as to affect the economy of Japan (as was the case with coal mine labor and prison labor), suitable corrective measures will be recommended to the Japanese Government.

464 Recommendations for Surveillance:

a. Checks may be made in coal mines to see whether surface workers are efficiently employed and whether payrolls are padded.

b. Checks may be made of employers using prison labor to make sure that they are paying the government for such labor in accordance with prevailing wages.

c. Basic industries where gross misuse of labor is apparent should be reported to GHQ.

470 - 479 DEVELOPMENT OF A PUBLIC WORKS PROGRAM

471 Background: Since the end of the war there has been a problem

471 Background (continued)

of surplus labor as a result of the disbanding of the armed services, the shutdown of war industry, the removal of machinery for reparations, the shortage of raw materials, and the repatriation of millions of Japanese formerly employed outside the country. The immediate effect of this surplus labor has not been as disastrous as it might have been in a western country because of three reasons. Firstly, in accordance with tradition, families helped support their needy relatives. Secondly, Japanese industries following the tradition of paternalism, kept on their payrolls employees for whom they had little or no use, and put back on the payroll those returned from service in the armed forces. Thirdly, many unemployed were able to make a living through blackmarket activities.

Although these practices cushioned the immediate impact of the unemployment problem, it was apparent that in the long run neither families, industry, nor the nation could support indefinitely large numbers of non-productive persons. At the same time it became evident that the production of materials necessary to the health and welfare of the population could be greatly increased if certain types of construction projects were undertaken.

The original plan for a public works program was advanced by the Labor Advisory Committee in March 1946 while investigating the possibility of employing idle manpower on productive activities through coordinated agencies. In May of 1946 the Japanese Government was advised by GHQ to consolidate all requests for construction projects made by several ministries under a single appropriation. When this was done, it totalled 18 billion yen for the fiscal year of 1946-47. On the grounds that monetary and material shortages made it undesirable to undertake such an ambitious program, the Finance Ministry attempted to eliminate the entire program from the budget on the basis that it was inflationary. This elimination was not acceptable to SCAP which held that a properly designed program would provide employment and was considered essential to increase the supply of food, clothing, fuel and minimum essential services for the Japanese people.

472 Accomplishments to Date: On 19 May 1946 SCAPIN 967 was issued instructing the Japanese Government to include an appropriation

472 Accomplishments to Date (continued)

in the budget for a scaled-down public works of 6 billion yen. (At this time, primary responsibility for coordination of the public works program within GHQ was vested in the Labor Division, Economic and Scientific Section.)

This was followed in September by a Cabinet Decision "Procedures Governing Public Works" issued by the Japanese Government with the approval of this headquarters. That document set forth a priority system by which the Economic Stabilization Board and ministries concerned with particular segments of the public works program could judge the value of individual projects on the basis of their impact on the Japanese economy as a whole.

At present within the Economic Stabilization Board's Construction Bureau, the Public Works Section and the Inspection Section divide responsibility for coordination powers over the public works program. It is the function of the Public Works Section to determine Japanese Government policy in regard to public works and to coordinate the interests of various ministries to assure a well-balanced and well-integrated program that will benefit the Japanese economy as a whole rather than further the interests of any one particular segment at the expense of others. It is the function of the Inspection Section to supervise the execution of projects and to strengthen national and prefectural agencies responsible for administration of the program.

The budget for the General Account of Public Works for 1946-47 amounted to 6 billion yen; 1947-48, 9.5 billion yen; and 1948-49, 42.5 billion yen. This is in addition to public works Special Accounts in the budget which are used to finance the program of the Transportation Ministry and the Communication Ministry.

Command letters from GHQ, SCAP, to Commanding General, Eighth Army, on the subject of the public works program were issued in December 1946 and March 1947. However, as neither letter was adequate, they were superseded and cancelled by the issuance of AG 600(26 Dec 47)ESS/LAB, subject: Japanese Public Works and Reconstruction Program.

To insure use of unemployed persons on public works projects, the Economic Stabilization Board issued a directive stating that

472 Accomplishments to Date (continued)

65 percent of the workers on city planning projects must be drawn from the unemployed. Percentages of unemployed to be used on other types of projects vary from this maximum to a minimum of five percent required in land reclamation and flood control projects in rural areas.

473 Programs and Target Dates: During the past year the emphasis of the program was primarily upon the rehabilitation of the Japanese economy. During 1948 the aim is to reorient the public works program, provide more relief for unemployment without sacrifice to continued progress in the field of reconstruction. More specifically, the targets are:

a. By 1 September 1948: Reorganization of present planning and operating procedures of the public works program to allow redirection of the program in specific areas as factors develop causing unemployment among particular industrial groups.

b. By 1 November 1948: Strengthening coordination between present construction programs in public works and counter-unemployment measures in the development of an effective overall productive unemployment relief program.

c. By 1 April 1949: Development of specific cost-benefit ratio evaluation procedures by which the relative value of individual projects as well as certain groups of projects of similar type and priority can be judged. Through the establishment of such procedures, a strengthening of the structure of the priority system would be ensured so that despite problems of monetary and material shortages, the strongest possible program can be planned and executed beginning with the 1949-50 fiscal year.

d. By 1 April 1949: Improvement of financing of the program so that quarterly programs and certification of public works projects will be made sufficiently in advance so that both funds and material allocation tickets may be obtained by the agencies operating projects prior to the commencement of the quarter in which the funds and materials are scheduled to be used.

474 Recommendations for Surveillance: Specific recommendations concerning the responsibilities of Military Government in regard to the Public Works Program may be found in the command letter of

474 Recommendations for Surveillance (continued)

26 December 1947, and implemented by Commanding General, Eighth Army, Operational Letter No. 11, dated 12 February 1948. However, as the ESB must modify and integrate the programs of various ministries on a national level, so on the prefectural level, a public works coordinating committee representing the governor should coordinate and integrate the various programs initiated and being executed by agencies of the prefecture. Too often the energies of prefectural officials have been directed in trying to negotiate for larger than normal appropriations to undertake work in the prefecture rather than the more important work of ensuring that such appropriations as have been granted are expended with the maximum results for the benefit of the entire prefecture.