

16 February 1949

in a situation that, were the funds derived from the government to be lumped together with those derived from private industry, government might then be carrying an excessive share of its burden in this matter. This point was admitted. However, Mr. Davis stated that the financial aspects of this program concerning governmental employees could be conducted separately.

Inquiry was made concerning the statistical data available on occupational injuries and occupational illnesses in order to determine the extent to which employees at large are confronted with such hazards. Mr. Davis stated that only recently has a program on this phase of the matter been started. However, no complete and accurate statistics are available at the present time.

Inquiry was made concerning the administration of compensation insurance claims. According to Mr. Davis two-thirds of the claims are processed and paid within 30 days, the remaining one-third have had delays for one of two reasons. In the first place delays may occur because of special questions concerning the facts in an accident insurance claim. In the second place delays may occur because of the practice on the part of the Ministry of Finance to lump all its available funds into one bucket and then removing funds from this total for any and whatsoever purpose. This has had frequently the result that funds may not be immediately available to a prefecture for accident compensation claims at a time when it is needed. At this point a question was placed before Mr. Davis concerning the efficacy of which records are kept concerning accident compensation insurance claims. Mr. Davis stated that the Japanese have a considerable amount to learn in this respect. He also admitted that, in prefectures where there are large numbers of claims to be processed, this factor may have a bearing upon the speed with which claims can be administered.

He stated that the workmen's compensation program is far from being perfect, but that, in his opinion, it was the most effectively administered program within the entire sphere of social security activities.

Questions were then asked concerning hearing procedures. An appeals system is in existence, but it is not frequently used. The appeals system involves an accident compensation insurance claims referee in each prefecture and a central accident insurance claims appeal board to which further or secondary appeals are processed. Mr. Davis stated that in the past month only six or seven appeals have been received throughout all prefectures, and that only one or two have gone beyond the referee and appealed to the central appeal board. It was pointed out that, in the event a unified system on accident compensation insurance were to be installed for both governmental and non-governmental employees, the National Personnel Commission, by the powers vested to it by law, would still have the right to give final review to appeals originating from governmental employees. Mr. Davis took note of this comment. An inquiry was further made of Mr. Davis concerning the coordination of the workmen's accident insurance program with the entire social security system. He stated that there is not as much coordination as there



16 February 1949

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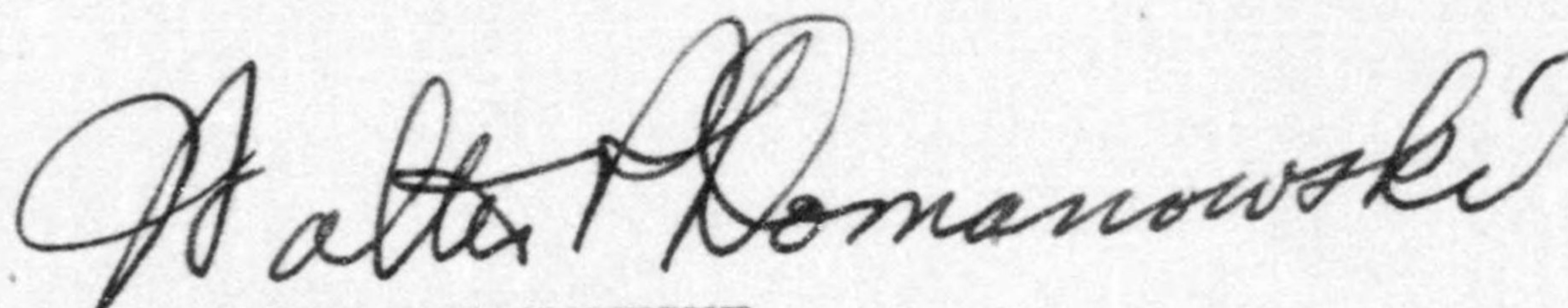


16 February 1949

should be. He has had conferences with people in the Social Security Division of the Public Health and Welfare Section, namely Mr. Dale Rose and Mr. Leonard Anton, concerning the problem of coordination. He stated that there is further duplication in the activities of the Labor Division people and the Social Security Division people with the tax collecting activities of the Ministry of Finance. Tentative thinking between the two divisions has been toward coordinating payroll activities and payroll assessments with the income tax collection activities of the Ministry of Finance. Nothing definite has evolved from these conferences as of the present date. It is intended that further discussions will be held concerning this matter.

Some discussion was made concerning the legal aspects of workmen's accident compensation insofar as both governmental and non-governmental employees were concerned. The relationship of seamen's accident insurance to existing and contemplated programs was touched upon.

The point of view taken by all parties during this conference was that an exchange of factual information was desirable. This conference was conducted with this end in view. It was determined that a second conference would be held on the morning of Friday, February 18. This was so arranged, and the conference terminated.



WALTER DOMANOWSKI  
Compensation Specialist

WD:jd

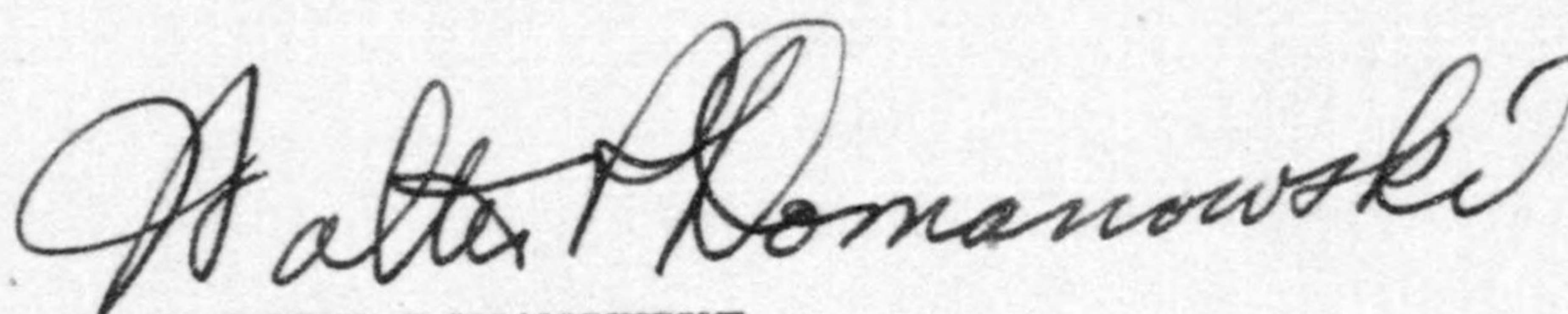


16 February 1949

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WALTER DOMANOWSKI  
Compensation Specialist

WD:jd



CIVIL SERVICE DIVISION  
Government Section

16 February 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Conference with Mr. Davis, ESS, Labor Division Re  
Accident Compensation

A conference was held today among Messrs. Davis, Domanowski and Salter to discuss obstacles to a single accident compensation program and reasons for and against such a program. The prime points under discussion during this meeting were:

1. The economy of single administration, particularly with a clientele distributed throughout Japan. In addition to this, centralized administration is not a satisfactory type of accident compensation administration in Japan because of the lack of morality with respect to accurate claims and presentations by the Japanese. This single administration would make possible adequate supervisors and inspectors throughout Japan and provide adequate and already well developed contractual and working relationships for medical and hospital services and care.
2. A single system, or even an independent system still should attempt a standardization of benefits. Adequate and timely statistical information on accidents, injuries and other related matters is not available upon which to properly develop some standardization.
3. The present workmen's compensation is financed both with respect to benefits and administration totally from employers contributions. The amount of percentage of payroll deduction varies, of course, with the industrial hazards of an industry. At the moment only about six categories have been recognized. Furthermore it is found that the fund is not properly earmarked within the accounting system of the Japanese government, resulting in the use of these funds in many instances for matters quite unrelated to workmen's compensation. Should the government participate in such a program because of its relatively accurate payroll systems they undoubtedly would find that the government as a major employer would in essence be footing the cost of workmen's compensation for both government and private employment. An independent fund certainly would have to be established covering government employment and kept separate and apart from private employment contributions and payments.
4. The present hearing system for workmen's compensation provides a referee in each prefecture and a central appeal board. The peculiar cultural pattern of the Japanese which follows blindly the decisions and instructions of government administration, has reflected itself in the very few appeals that come to the attention of referees and the negligible



16 February 1949

number that have been brought up to the appeals board. Probably as time goes along and the unions become better informed on the rights and privileges of employees under the workmen's compensation law more appeals will be developed. It would be necessary if government and private employment were under a single system to establish a special appeal procedure for government employees properly coordinated with NPA procedures.

5. As a matter of employment policy and personnel management the benefit phases are extremely important to the NPA with respect to government employment. To place accident compensation under the jurisdiction of another government agency would split to a certain extent the benefit phases of this personnel management program and would endanger proper coordination.

6. The question of a single premium collection was discussed briefly. This is an objective in the social security program with respect to private employment. Whether such a treatment could be developed within government to include deductions related to other benefit phases would be questionable.

MacDONALD SALTER  
Chief, Classification  
& Compensation Branch

MS:jd



CIVIL SERVICE DIVISION  
Government Section

Files  
IV. 3

14 February 1949

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

SUBJECT : Preliminary Thoughts and Comments Concerning Injury Compensation Administration

1. There is considerable virtue in developing compensation schedules which are uniform for all categories of employees, whether in private industry or in government. This, in effect, is the practise in the United States.

2. In agencies of government concerned with merit system programs, accident compensation may be supplemented by sick leave providing the amount of accident compensation plus the amount of sick leave do not exceed the total amount of sick leave per week according to the rules and regulations of the agency. This, in most cases, equals the ordinary weekly salary, although some agencies, such as Los Angeles, permit the optional use of sick leave at 50% or 75% the normal salary. In any case, a person is not charged with the use of one week of sick leave unless he has actually been paid an amount of sick leave equal to one week salary, regardless of any other money received. Accident compensation may mean that it takes longer for a person to use up sick leave, and in that respect is a saving to an employee.

3. The advantages of having a centralized system of accident compensation are several. The same personnel investigating, processing, and awarding accident compensation claims of employees in private industry can be used to process like claims in a similar fashion of government employees. It prevents governmental employees from being favored insofar as such a plan is concerned, thereby preventing accusations of governmental workers being given preferred favoritism. It can result in a saving in personnel.

4. No matter with what simplicity laws, rules and regulations be enacted concerning workmen's compensation, it is likely that, as contested cases occur and new loopholes are uncovered, the volume of legal matters will inevitably expand. If, as in the State of Michigan, six legal volumes are necessary to cover the legal phases of Accident Compensation, and a like situation occurs in many other states, it is scarcely likely that the situation here will be covered by one or two legal documents. At any rate, in the Wayne County administration, approximately one full-time employee per one to two thousand employees devotes full time to the investigation and processing of accident compensation claims, exclusive of the time spent on medical examinations.



14 February 1949

5. Using this as a basis, even if the NPA could perform these functions adequately at a ratio of one full-time employee per ten thousand governmental employees, it would require a full-time staff of approximately 200 employees at a minimum to cover this phase of work. It must be remembered that there are hazardous occupations in the areas of activities controlled by the following agencies: the Ministry of Communications, the Ministry of Construction, the Ministry of Finance, the Ministry of Transportation, the Ministry of Welfare, the Attorney General's Office, the National Public Safety Commission, the Fire Defense Board, and others. In order to obtain a clearer picture of the amount of personnel needed, a study ought to be made of the number of injuries sustained by employees of the government while on their jobs.

6. The advantages to the NPA of not taking over direct control and processing of workmen's accident compensation are several:

- (a) It would be a considerable savings in agency time and personnel.
- (b) It would eliminate all pressures for preferential treatment of the governmental employees as contrasted to those in private industry.
- (c) Accident compensation could be supplemented by sick leave as in the states, a matter which is simpler to administer.
- (d) Delegating the operation of this function to the most natural agency would tend to cement rapport between that agency and the NPA (In the case of the CSD, between it and the LD).
- (e) Such delegation would not mean loss of control:
  - (1) NPA could still participate in this function by developing or assisting in developing uniform and standard forms, practices and procedures for Accident Compensation Claims for governmental employees to use.
  - (2) It could make periodic investigations of the manner in which the accident compensation claims of governmental employees are processed in order to ascertain impartiality, uniformity and fairness of treatment.
  - (3) It could force uniformity, fairness and impartiality by a threat to take direct control of this function any time there should be improper deviations on the part of the agency to whom



MEMO FOR MR. SALTER

-3-

14 February 1949

this activity could be delegated.

- (4) In cases of hearings involving governmental employees, it could have a representative upon the hearings panel.

*Walter P. Domanowski*

WALTER P. DOMANOWSKI  
Classification Specialist.

WPD:mvb



his BSS/ptb  
10am  
Wed 16th  
Files  
IV 3

CIVIL SERVICE DIVISION  
Government Section

11 February 1949

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

SUBJECT : Properly Establish Injury Compensation Administration  
Project B-31.

1. I discussed the injury compensation situation with Hepler today. He approached me on the matter. His suggestion was that injury compensation schedules for government employees and employees of industry should be the same and that they could all be administered by the Labor Ministry. As you know, the NPSL provides for setting up of an injury compensation system for government employees under NPA.

2. I informed him that in principle we agreed on the general proposition that government schedules should be the same as those in private industry to the extent that the latter were enacted by the government.

3. He further indicated that he was interested in any plan that would provide for simplification of administration. However, I was not sure as to what extent we would be able to go along with his suggestion on this as to administration by the Labor Ministry. Called attention to the fact that injury compensation and occupational disease compensation are interlaced, particularly in administration, with the whole benefit system provided for government employees and that it might be necessary for NPA to retain control of this area of administration. However, I stated that we would consider any proposals objectively and studiously.

4. Will you, accordingly, please contact Mr. Dudley Davis of the Labor Division, explore the situation with him and together with him, present Hepler and me for our consideration with any plan on which you will be able to agree, and points of disagreement, if any. I hope this can be disposed of early next week.

57-8886  
10am.  
Wed.

*Blaine Hoover*  
BLAINE HOOVER, Chief  
Civil Service Division

BH:mw



GOVERNMENT SECTION  
CIVIL SERVICE DIVISION

24 January 1949

MEMORANDUM FOR : <sup>Walter Demmeroth</sup> Mr. Gordon Peterson  
Organization Specialist

SUBJECT : Proposed Draft of a National Public Service  
Accident Compensation Law.

Attached is an action check-sheet with an attached comparison of laws and bills on the subject of workmens' compensation.\*

It will be appreciated if you will review this material and let me have your advise and/or comments in a memorandum with a recommendation as to a proposed reply to this check-sheet.

*W. Pierce MacCoy*

W. PIERCE MacCOY  
Deputy Chief  
Civil Service Division

WPM/hm  
Attachment

26 January. Defer reply until Japanese can present all their arguments in behalf of higher benefits for govt personnel. JWP.  
Allowance Bureau and Pension Bureau to present written analyses - separately JWP

\* Comparison was drafted by me  
*JWP.*



2. From: ISA

To: Govt Sec.

Date: 10 Dec. '48

1. There is objection to the introduction of the "National Public Service Accident Compensation Law."

2. The draft aims to provide monetary and medical benefits to all Japanese Government employees suffering occupational injury or disability. It proposes to establish a new system for workmen's compensation separate from the existing system for private industry. Furthermore, it requires that a new administrative agency be set up duplicating the agency already established. It is believed that such a duplicate system will increase the cost of administration and result in an uneconomical use of skilled manpower in the Japanese Government and SOAP. In areas where there is a low concentration of government workers, efficiency and quality of service will be very low and cost of administration high.

3. The majority of workers to be covered are engaged on the railroads, in communications, in factories and on occupation force projects and are more analogous to other workers in private industry than to employees of administrative agencies of the Government.

4. It is recommended that an amendment be made to the Workers Accident Compensation Insurance Law authorizing the Workmen's Compensation Section, Labor Minister, to pay benefits to Government workers, the cost being charged to the Government.

5. The bill provides higher rates of compensation for Government workers than private industry. For example, Article 6, paragraph 2 of the proposed law provides that absence compensation be at the rate of 60% of total remuneration before deduction of any amount as withheld income tax whereas the private industry rate is 50%. Absence compensation benefits paid under a provision which makes their receipt tax exempt should not be paid at a level which would give the recipient a higher compensation while he is on sick leave than while he is working at his job.



SUBJECT: National Public Service Accident Compensation Law

From. C.S. Dec. 9.

The proposed National Public Service Accident Compensation Law, which has been brought up for consideration in a complicated situation, involves many irregularities of schedule which before they can be straightened out require investigation over a considerable period of time. The National Personnel Authority which has just been constituted has not had an opportunity to conduct such studies. In this situation we are passing the proposed law without objection in order to avoid any injustice to employees of government, provided:

First, that we safeguard the ultimate jurisdiction of the National Personnel Authority as provided in Article 92 to 95, inclusive, of the National Public Service Law by specifying that this law is subject to later recommendation by the National Personnel Authority as follows: (in place of proposed Article 2)

"2. The compensation system established herein by this Law represents compensation system to be established prior to the system to be adopted in accordance with the provisions of Article 92-95 of the National Public Service Law (Law Numbered 120, 1947) and shall be administered by the National Public Service Accident Compensation Board established in the Prime Minister's Office in accordance with this Law."  
(Underlined material is new)

Second, that it be definitely provided that absence benefits shall not exceed those granted as a matter of general national policy in the Labor Standard Law.



From: IS

To: GS

Date: 7 Dec. '48

2. 1. Article 10 of subject bill as presently worded states that the whole or a part of compensation shall not be granted if injury or illness incurred is caused by gross negligence of the employee. Decision as to amounts is to be made by the Board (Article 26). In effect this allows a wide power of discretion to an administrative body without setting any rules or standards to be followed. The amounts to be disbursed as compensation will come from public funds which makes it mandatory that more specific rules governing expenditures be contained in the law.

2. Article 13, paragraph 2 in allowing the Chief of the Board to fix the amount of the lump sum within the limit of from five to fifteen months' salary is subject to the same comments as made in paragraph 1 above.

3. Article 27 attempts to set up a board without stating the number of members, the number necessary to constitute a quorum, and without providing other essential rules for its operation.

4. The manner in which the board is to arrive at decisions is not clearly stated in the law. If it is contemplated that evidence will be presented and hearings held, a new article should be inserted after Article 26 providing for due notice of hearings to all interested parties, for an opportunity for claimants and witnesses to be heard, and for a written decision stating the basis therefor.

5. Article 26 should contain an additional clause requiring that due notice of the hearing be given to all interested parties.

6. Article 27 contains several constitutionally objectionable features. Remuneration contemplated involves an expenditure of public funds which should be fixed by law and not left to Cabinet Order. The Article also contains the phrase "other necessary matters" which is an all inclusive term allowing the Cabinet unrestricted power to issue orders.

7. No comment is made on policy questions involved.



7 Dec '48  
JWP

## COMPARISON OF LAWS AND BILLS ON THE SUBJECT OF WORKMENS' COMPENSATION

Throughout this statement "Public Service Bill" refers to the bill for the National Public Service Accident Compensation Law, "Industrial Laws" refer to the Workers Accident Compensation Insurance Law and the Labor Standard Law and "Seamens' Insurance" refers to Seamens' Insurance Law.

### I. Coverage of Laws

A. The Public Service Bill would cover all national public service personnel who receive remuneration from the national treasury and also teachers in local governments as provided in Article 8 of the Local Autonomy Law.

B. The Industrial Laws apply to private employees.

C. Seamens' Insurance applies to all seamen including those who are national government employees.

### II. Basis for Computation of Compensation

All three measures provide for compensation based on the average remuneration paid during the three months prior to the date of injury or death.

### III. Compensation for Medical Care

A. The Public Service Bill provides for payment for medical care such as examination, medicines, surgery, hospitalization, nursing, and transportation "until such illness or injury is cured".

B. Industrial Laws provide for almost identical compensation, except that it limits payments to "necessary expenses" and limits the period to three years.

C. It is reported that Seamens' Insurance provides benefits similar to the Public Service Bill and in addition provides for expenses for three months in cases of illness or injury incurred off duty.

### IV. Absence Compensation.

The Public Service Bill provides for the payment of 8/10 of the monthly salary during the period of absence caused by the illness or injury. The Industrial Laws provide for only 6/10 salary and limit payment to periods "per day of stoppage which is over seven days of stoppage." It is reported that Seamens' Insurance provides full pay for four months of absence following the injury or commencement of illness and upon recovery grants 6/10 of the monthly remuneration following the four months period.



V. Disability Compensation.

A. The Public Service Bill includes 14 grades of disability which are almost identical to the grades of injury provided by the industrial laws and ministerial orders thereunder. The Public Service Bill, however, specifies these first 6 grades of disability (the most serious disabilities) shall be compensated by payment of an annuity determined by multiplying the average salary by a specified number of months depending upon grade of injury. Grades 7 to 14 are compensated by payment of lump-sum benefit equal to the average salary multiplied by a specified number of months depending upon grade of injury. Such lump-sum payments are somewhat larger than paid for equivalent grades of injury under industrial laws.

B. The Industrial Laws and ministerial orders provide for payment of only lump-sum benefit for each of the 14 grades of injury.

C. It is reported that Seamen's Insurance provides annuity and lump-sum compensation in the same manner as provided by the Public Service Bill.

Public Service Bill and Seamen's Insurance		Industrial Laws	
Grade of Injury	Months of Salary	Grade of Injury	Days of Salary
1	8 )	1	1,340
2	7 )	2	1,190
3	6.5 ) per year	3	1,050
4	6 )	4	920
5	5.5 )	5	790
6	5 )	6	670
7	25 = 758 days	7	560
8	20 = 606 "	8	450
9	15 = 455 "	9	350
10	12 = 364 "	10	270
11	9 = 273 "	11	200
12	6 = 182 "	12	140
13	4 = 121 "	13	90
14	2 = 61 "	14	50



## VI Compensation for Bereaved Family

### A.

1. The Public Service Bill provides for benefits in the form of both lump-sum and annuity payments. In case an employee dies from illness or injury incurred in line of duty the bereaved family shall be paid annual benefits equal to half of the deceased employee's annual salary. In addition the family may be granted "a special lump sum" for death on duty in case the death was a result of an especially hazardous duty "to which he was detailed by order of the chief of his service". The amount of such lump-sum may be between 5 and 15 months of the employee's average salary.

2. If an employee who is drawing disability annuity dies (and if the bereaved family is ineligible to receive annuity for death on duty, as would be the case if an employee's death were caused by something other than his service-connected injury) the bereaved family shall be granted an annuity amounting to two months of the employee's salary.

3. In the event the bereaved family is ineligible to receive the annuity for bereaved family specified in the preceding paragraph (for purposes of such paragraph family is defined more narrowly than for purposes of this paragraph) the bereaved family shall be granted a lump sum benefit which shall be equal to the difference between the payments already received by the employee who had been awarded disability annuity and 30 months to 48 months of salary depending upon the grade of physical disability.

4. A lump sum payment for bereaved family amounting to 36 months of the employee's salary is payable to bereaved family which is ineligible to receive the annuity for death on duty (paragraph 1).

B. The Industrial Laws provide compensation for bereaved family amounting to 1,000 days (33 months) of the employee's compensation.

C. Seamen's Insurance provides an annuity amounting to 5 months of the employee's salary. If the receiver of a disability annuity dies, the family is eligible to receive an annuity equal to from 2 to 5 months of the monthly remuneration of the employee.

## VII. Funeral Rite

All three measures provide for payment of a lump sum benefit equal to two months of the employee's average remuneration, if the employee dies from illness or injury incurred in line of duty.

## VIII. Effect on Other Laws

The National Public Service Accident Compensation Law would supersede the Seamen's Insurance Law in so far as the latter applies to national government personnel in the Maritime Service. However, it is provided in Article 24 that if any benefit payable to government personnel in the Maritime Service



is less than would be authorized under the Seamen's Insurance Law the latter (higher) amount shall be paid.

The public service law would also supersede certain provisions of the pension law which currently provides certain benefits in case of death or accident incurred in line of duty.

#### IX. Miscellaneous Comments

For several months government employees have had no regular and recognized accident compensation benefits. In practice the injured employee has commonly been left on the payroll and sometimes has been granted medical assistance through regular ministerial facilities, if any, and sometimes through mutual aid associations which are no longer supposed to grant benefits for service connected injury.

All national government personnel would be covered by a proposed law including the new government corporation personnel. In addition the Cabinet can designate certain local government personnel for inclusion. It is reported that as yet only teachers are slated for coverage. Costs of benefits for local government employees must be born by the local governments involved.

In general the benefits granted under the proposed law are more ample than those of industrial laws and about the same as the benefits under seamen's insurance. It is reported by the Japanese that in most countries seamen and government employees receive a larger accident compensation benefit than is granted to other groups of employees. (In accordance with recommendations by I. L. O). Note that only one appeal board is provided, it being in Tokyo. The Industrial Laws and Seamen's Insurance provide facilities in each Prefecture.

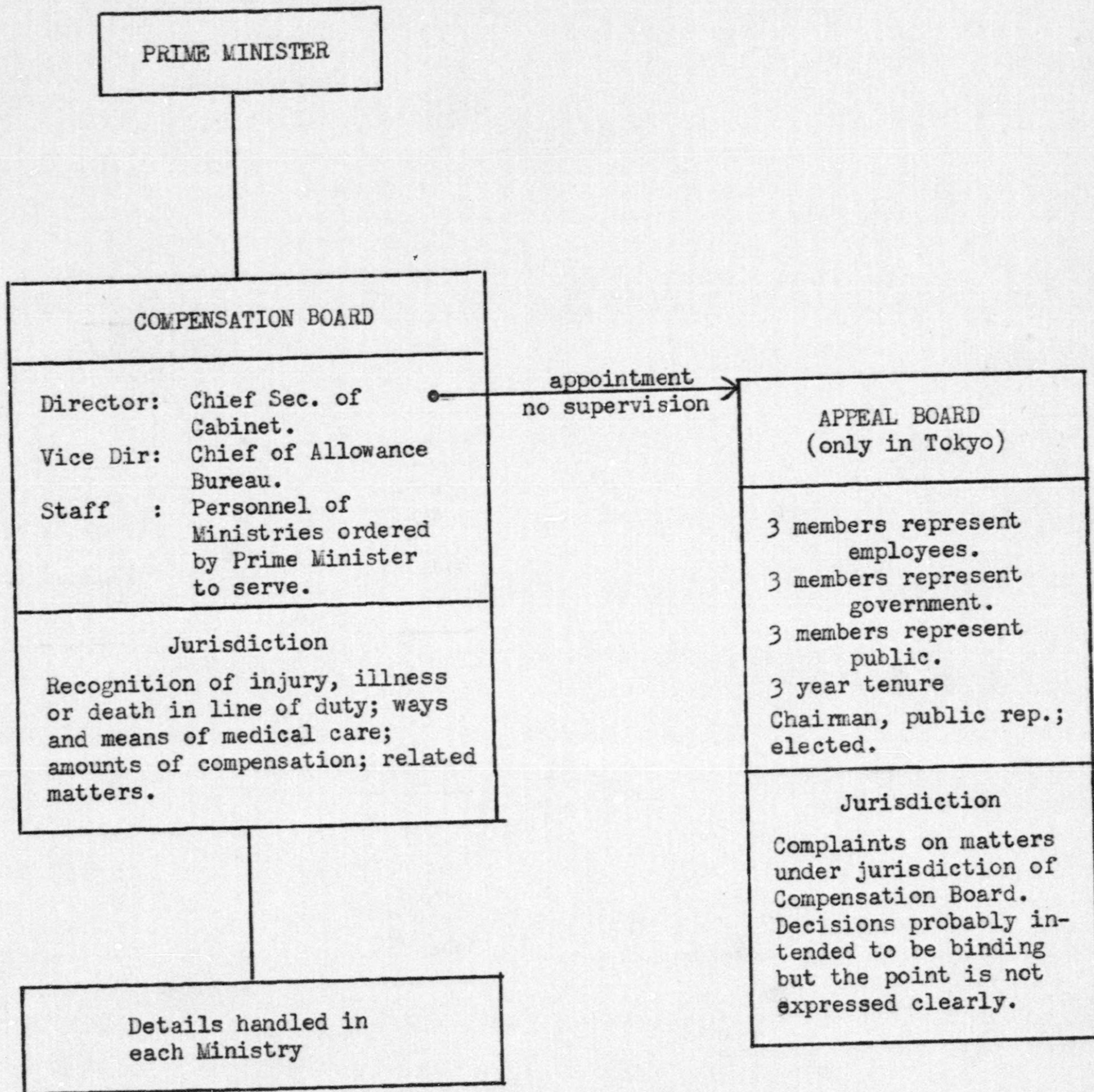
No mention is made here of such matters as definition of family, transfer of annuity, many details of administration (some specified in the bill--others to be provided by Prime Minister's Ordinance), remuneration for appeal board members, prohibition against mortgaging or attaching rights to benefits; tax exemption, free certificate, lapsing of annuity if unclaimed, government liability to damage indemnity, interim provisions, affect of earlier laws, or dates of enforcement, all of which are set forth in the proposed law.

#### X. Organization

See charts.

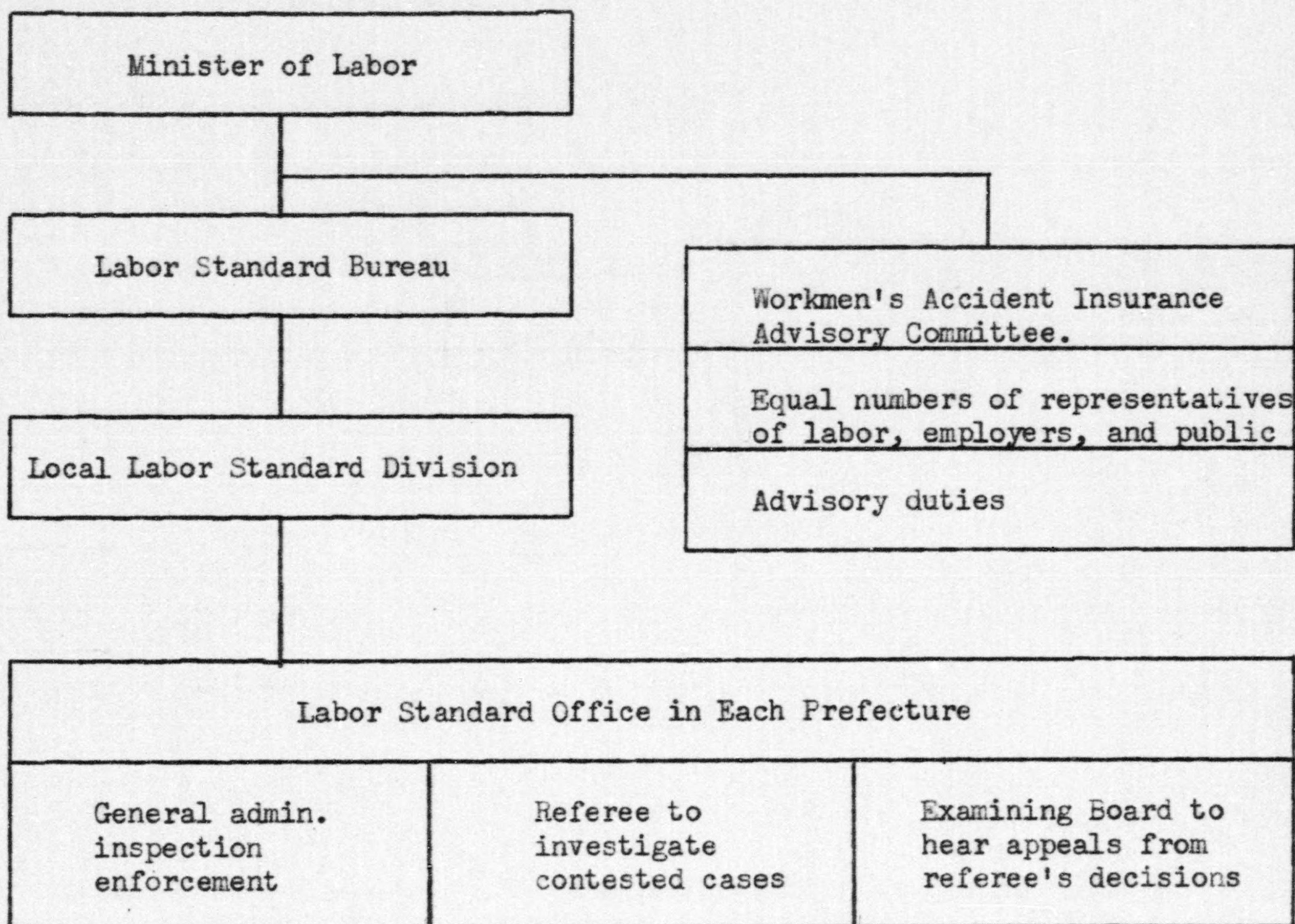


NATIONAL PUBLIC SERVICE ACCIDENT COMPENSATION





WORKMEN'S ACCIDENT COMPENSATION INSURANCE

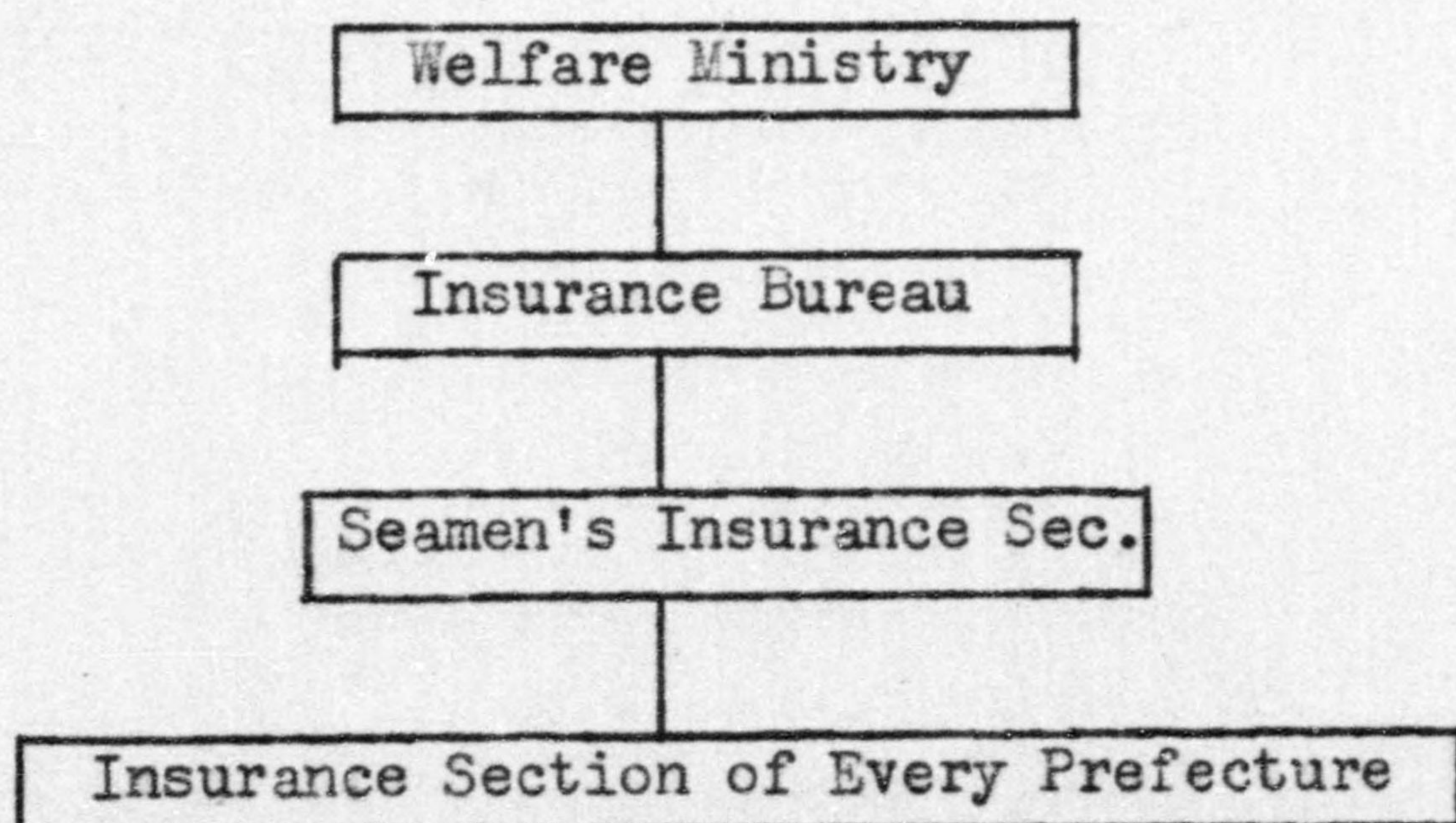



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SEAMEN'S INSURANCE





*File  
Action*

READ FOR RECORD

CIVIL SERVICE DIVISION  
Government Section

23 November 1948

23 November 1948

MEMORANDUM FOR: The Record

SUBJECT: Accident Compensation Law

Mr. Rose of Public Health & Welfare Section came in to discuss certain matters pertaining to the proposed accident compensation law for government workers.

It was explained to him that our two primary interests were:

1. Adequate coverage with respect to employees of the government service on the principle that this law would provide compensation to replace earning capacity regardless of the status of the individual who is injured while on the job and working for the national government.
2. An administrative organization which would lend itself to easy transfer to the National Personnel Authority should that be the policy established by the National Public Service Law as amended.

Mr. Rose was specifically concerned with the status of seamen. It was explained to him that under the supplementary provisions of the National Public Service Law the provisions of the Mariners Law would not be applicable to government employees. Since the Mariners Insurance Law was predicated on the definition of seamen in the Mariners Law, the Mariners Insurance Law provisions would not apply to those seamen who were national government employees.

The proposed Accident Compensation Law should, therefore, be considered as including seamen who were employees of the national government. Similarly the proposed Mutual Aid Association Law would have the same coverage. It may be necessary, in view of peculiar working conditions or recognized practises, to make certain special provisions in these laws with respect to their application to seamen. For example, the retirement provisions in the Mariners Law provides that seamen may retire after fifteen years of service while the retirement provision in the Mutual Aid Association

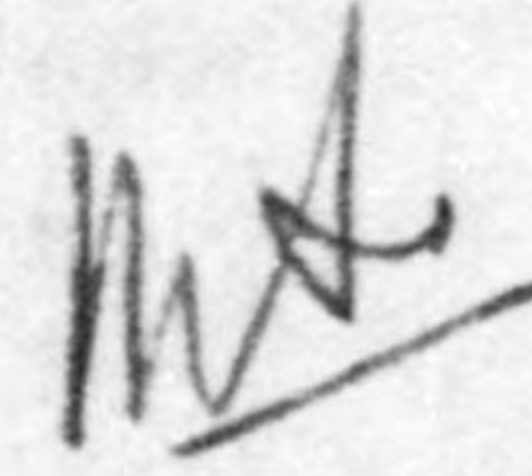


MEMO FOR RECORD

-2-

23 November 1948

Law provides that government employees may retire after twenty years of service. Whether special provisions for seamen should be made will be primarily the concern of Public Health & Welfare Section since they are better versed and trained in what constitutes adequate provisions for such laws. It was clearly stated, however, that while we might concur in their recommendations, we would, under no circumstances, consider anything below the minimum standards provided in any of the labor legislation.



MACDONALD SALTER  
Chief, Classification-Compensation Branch.

MS:mvb



**GENERAL HEADQUARTER**  
**PACIFIC OCEAN COMMAND**  
**SUPREME COMMANDER FOR THE ALLIED POWERS**  
**CHECK SHEET**

(Do not remove from attached sheets)

File No:

Subject: **Accident Compensation**

*P. And*  
Mr. Anton *HLA*  
26-8642

Note  
No.

From: PH&W

To: GS  
ESS

Date: 5 November 1948

1

1. The Ministry of Finance has submitted to this section, as well as to both addressees, a draft of a proposed National Public Service Accident Compensation Law to provide accident compensation benefits for "national public servants."
2. The Legal Section, SCAP, referred to this section draft legislation for the establishment of two public corporations (railway and monopoly) which contained provisions for coverage of their employees under the proposed National Public Service Accident Compensation Law.
3. This section has reviewed this draft legislation with consideration to its place in the overall social security program and believes a common course of action should be agreed upon by all interested SCAP sections.
4. The basic question relates to whether a separate system of accident compensation benefits should be established for national public servants with special provisions for employees of public corporations or whether one unified system should be utilized for all accident compensation benefits.
5. In line with the general rationalization of the Japanese governmental structure and the recommendations of the Social Security Mission Report PH&W recommends that the Japanese officials be advised to consider extending coverage of the existing Workmen's Accident Compensation Law to include all employees both private and public.
6. Concurrence or comment is requested.

*C.S.M.*  
-C.F.S.-  
*for*



CIVIL SERVICE DIVISION  
Government Section

4 November 1948

*Files  
accid comp.  
GWP  
11-10*

MEMORANDUM FOR THE RECORD

*MS*

SUBJECT: Proposed Accident Compensation Law for Public Service Workers

1. A bill has been proposed to provide benefits to employees hurt while on tour of duty and to be applied to all government workers.

2. Two exceptions were taken to the bill at a meeting with Mr. Keitoku of the Allowance Bureau:

A. Certain exceptions to the level of benefits were proposed to be left to the discretion of the Cabinet for part-time employees, Kodan employees, occupational forces employees, and certain other employees of similar status. The reason given for such a procedure was that these types of employees were subject to other accident compensation programs and furthermore were not permanent employees and therefore should not receive the same benefits as permanent employees. It was pointed out to Mr. Keitoku that the purpose behind this bill was to adjust an individual's income whose ability to earn a living had been detrimentally affected as a result of an accident while on duty. Whether the employee was a temporary or permanent employee should have nothing to do with the application of this program. Provision should be made, however, that there be no dual compensation paid and that where such dual compensation might occur that the government will only pay when its benefits are higher than the benefits available through some other program to the injured employee. The government would only pay the difference in this instance.

B. The whole program is intimately integrated into the structure of the Ministry of Finance. It was pointed out that this is a program which, under the amendments to the National Public Service Law, would be the full responsibility of the NPA. Under such circumstances the interim administration of this program should be established in such a way that it can be conveniently transferred from one unit of government to another. It was proposed that they review this situation and consider placing the accident compensation program in the hands of an independent agency within the Ministry of Finance or in a specially created office or committee under the Cabinet, such as has been done in the administration of the New Pay Law under the Office of New Pay Administration.

3. Mr. Keitoku will review the proposed legislation in line with the above suggestions. It was generally understood that the level of benefits is a technical problem in which the Welfare Section of GHQ would have a greater interest than this section, which is primarily interested in proper coverage, standardization of benefits and proper administration.

*MacDonald Salter*

MacDONALD SALTER  
Chief, Classification & Compensation Br.

MS:jd



10/12

Jordan:

No doubt there is need for this  
in an inflationary period. However,  
it certainly should be seriously  
considered.

Further, even though lump sum  
obligation liquidated,  
payment has been made, they  
will go back & pick those up.  
(law 167 cases). Doesn't sound right.

MS.



Mr. Peterson

O

I bring Gist of proposed Amendment  
of the Public Service Accident Compensation Law  
and Cabinet Order's Draft.

Allomance Bureau hopes your Discussion  
on Accident Compensation prior to  
Mutual Aid Association Law,

Oct. 6,

Atty. J. Igarashi

Allomance Bureau

Finance Ministry

Mr. Sitter:

- Please  
review from your point of  
view & then return to me

J.P.P.



公 共 勞 務 補 償 法 案 修 正 案 綱 要

Gist of proposed Amendment on the Public  
Service Accident Compensation Law

9.28  
3  
1. Annuitants who have dependents to support will be entitled to receive additional annuity amounting to 2,400 yen per annum for each dependent.

~~2. Annuity may be mortgaged in the Pension Bank.~~

3. A new article providing that annuity may be transferred to adopted son will be inserted.

4. As to annuity, present Law will be effective retrospectively as from 1 July, 1946, while as for other compensations it will be enforced on and after the very date of its promulgation.

5. With a view to adjusting inconsistency that might be caused by the application of Law No. 167, 1947 and this Law, the following provision will be inserted:

The annuity to be issued to those who have already receive compensations in lump sum in accordance with the provisions of Law No. 167, 1947 will be suspended for six years.

6. As for the annuity to be issued on and after 1, October, 1946 to the annuitant who have been receiving annuity, in accordance with the National Public Service Mutual Aid Association Law, the amount will be doubled, and an additional annuity amounting to 2,400 yen per annum for each dependent will be issued.

7. In order to adjust inconsistency between the pension and the annuity, the provisions of Temporary Special Regulations will be revised as follows:

(1) The increased pension or annuity for injury or illness to be issued <sup>in</sup> to those who have received compensation ~~for~~ lump sum for physical handicap will be suspended for six years.

(2) Increased pension or the annuity for illness or injury to be issued to those entitled to the annuity for physical handicap will be suspended.

(3) Allowance for surviving family (exclusive ordinary surviving family



allowance) to be issued to those who have been granted annuity for the deceased on duty or the annuity for the bereaved family will be suspended.



Cabinet Order is hereby issued, abolishing imperial Ordinance No. 769, 1941 concerning the Increase of National Grant to be issued to the mutual Aid Association, which provides Benefits corresponding to those of the Health Insurance or the Seamen's Insurance, and also two other Imperial Ordinances (No. 355, 1942 and No. 63, <sup>1944</sup>) concerning the Application of the Regulations of Monopoly Bureau Mutual Aid Associations etc.

Signed: HIROHITO, Seal of the Emperor

This        day of the        month of the twenty-third year of Showa (        , 1948)

Prime Minister

Ashida Hitoshi

Cabinet Order No. \_\_\_\_\_

Cabinet Order abolishing Imperial Ordinance No. 769, 1941 concerning the Increase of National Grant to be issued to the Mutual Aid Association, which provides Benefits corresponding to those of the Health Insurance or the Seamen's Insurance, and also two other Imperial Ordinances (No. 355, 1942 and No. 63, 1944).

In commensurate with the enforcement of the National Public Service Mutual Aid Association Law (Law No. 69, 1948), the Cabinet hereby issues the Cabinet Order abolishing Imperial Ordinance No. 769, 1941 concerning the increase of national grant to be issued to the Mutual Aid Associations, which provides Benefits corresponding to those of the Health Insurance and Seamen's Insurance, and also two other Imperial Ordinances (No. 355, 1942, and No. 63, 1944).

Imperial Ordinances prescribed below shall be abolished:

1. Imperial Ordinance concerning the increase of national grant to be issued to the Mutual Aid Associations which provides

Benefits corresponding to those of Health Insurance



Benefits corresponding to those of Health Insurance or Seamen's Insurance (Ordinance No. 769, 1941).

2. Imperial Ordinance concerning the Application of the Regulations of Monopoly Bureau Mutual Aid Association (Ordinance No. 355, 1942).
3. Imperial Ordinance concerning the Application of the Regulations of Public Works Mutual Aid Association to the workers belonging to the Transportation-Communication Ministry (Ordinance No. 63, 1944).

#### Supplementary Provision

The Cabinet Order shall be enforced on the very date of its promulgation to be effective from July 1 of 1948 when the National Public Service Mutual Aid Association Law was enforced.



CIVIL SERVICE DIVISION  
GOVERNMENT SECTION

*unofficial copy*

24 May 1948

*noted  
WRM  
6/3/48*

MEMORANDUM FOR: W. Pierce *McCoy*

SUBJECT : National Public Service Accident Compensation Law

The following notes refer to the draft of the National Public Service Accident Compensation Law submitted informally by the Allowance Bureau, Ministry of Finance:

1. Attention is called to the fact that the term "compensation" without adjectives is being used in Japanese laws to refer to two different ideas, namely, benefits at the time of accident, disease or death, and also salaries. No alternative term is suggested either to replace or modify the word "compensation". As a matter of fact the National Public Service Law uses the term with both meanings.

2. Article 1, Paragraph 2 of the proposed law will prevent any conflict between the Accident Compensation Law and the National Public Service Law. An examination of the latter, however, indicates that the National Public Service Commission has no power or duty with respect to accident compensation except to conduct essential studies and submit recommendations thereon to the Prime Minister. Unless a specific provision is included in this law actually granting additional powers to the National Personnel Commission with respect to compensation for injury and disease incurred in line of duty, it would seem likely that recommendations made at some future date by the National Personnel Commission might easily be ignored, an adequate law already having been placed in effect.

3. Article 29 raises a question of who is the appointing authority of the secretaries and clerks with which the Appeal Board is to be provided.

4. Article 30 prescribes that remuneration and traveling expenses for members of the Appeal Board shall be determined by Cabinet Ordinance. It is presumed that the National Public Service Law will automatically take precedence over such provision.

*Noted and  
correction  
will be made  
in NPS Law  
amendments  
WRM*



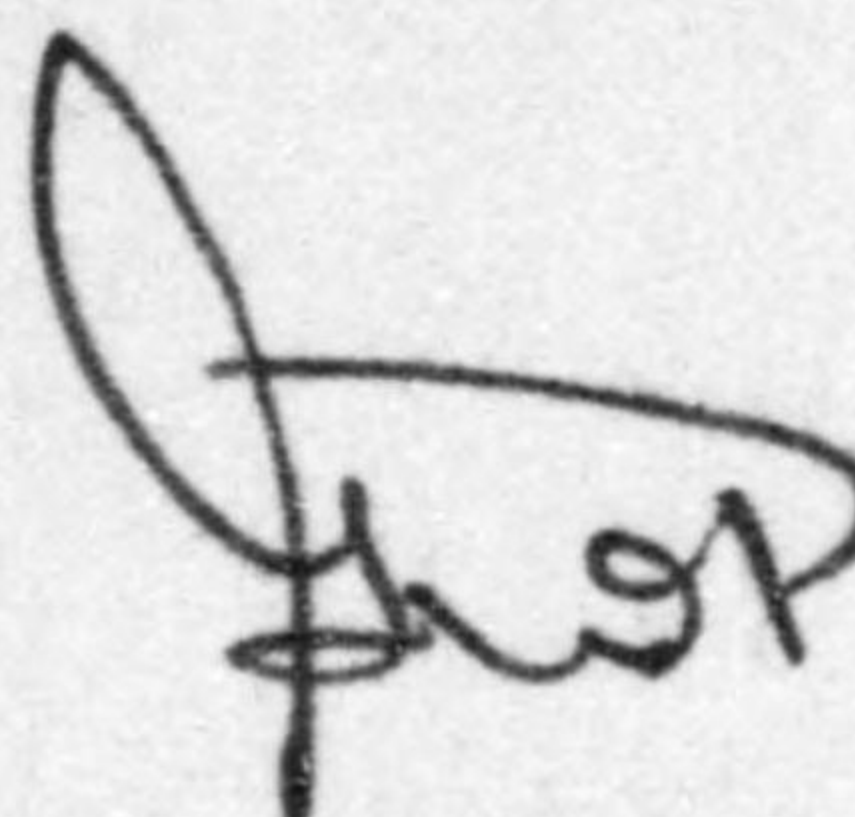
Memorandum to Mr. MacCoy

-2-

24 May 1948

5. Article 44 regarding the application of "the present law" to local public bodies is unclear.

6. References made in Article 41 to Mutual Aid Associations are unclear to the undersigned.



GORDON PETERSON