GHQ/SCAP Records(RG 331)
Description of contents

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(1) Box no. 2043

(2) Folder title/number: (14)
Civil Merchant Marine Commission

(3) Date: Nov. 1945 - Jan. 1951

(4) Subject:

Classification	Type of record
324	Z

(5) Item description and comment:

With a List of Papers

(6) Reproduction: (Yes) No

(7) Film no.

Sheet no.

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NO.	FROM	DATE	TO	SYNOPSIS
53.	J.B.Bettis	Jul 20 '49	Memo for Rec.	Proposed Pay Plan - CMMC Seamen
54.	J.B.Bettis	Jul 29 '49	Memo for Rec.	Wage Adjustment, Special Allowance CMMC Shore Based Personnel
55.	Press Release Jiji Press	Sep 30 '49		Civil Maritime Commission to be Abolished in March
56.	N.Cottrell	Jan 11 '51	Mr. Rizzo	Military Planning for Japanese Shipping Control (Second Conference)

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NO.	FROM	DATE	TO	SYNOPSIS
25.	Sato, Dir. Gen.	Feb 22 '49	G. Peterson	Copy of minutes of NPA meeting, Feb 3 '49
26.	W.P.MacCoy	Feb 24 '49	B.Hoover	Rates of Pay for Seamen Employed by the Civil Merchant Marine Committee
27.	W.P.MacCoy	Feb 25 '49	Memo for Rec.	Seamen of Civil Merchant Marine Committee
28.	W.P.MacCoy	Feb 25 '49	Memo for Rec.	Seamen Employed by Civil Merchant Marine Committee
29.	M.Salter	Feb 26 '49	Memo for Record	Status of CMMC Employees
30.	Gen.Maritime Bu.Ministry of Transportation	Mar 14 '49	Report to CSD	Reasons Necessitating the Establishment of a "Cabinet Order Governing the Official Status and Pay of the CMMC Officers and Shore Staff."
31	J.B.Bettis	Mar 16 '49	Memo for Rec.	Payment of CMMC Employees
32.	NPA	Mar 18 '49	B.Hoover	Compensation of Land Employees of Civil Mercantile Marine Commission
33.	M.Salter	Mar 22 '49	B.Hoover	Character of CMMC
34.	J.B.Bettis	Mar 23 '49	Memo for Rec.	Payment of CMMC Employees
35.	M.Salter	Mar 25 '49	Memo for Rec.	Special Salary Treatment, CMMC
36.	J.B.Bettis	Mar 29 '49	Memo for Rec.	Technical Report on CMMC
37.	J.B.Bettis	Apr 1 '49	Memo for Rec.	Technical Report on CMMC
38.	Watanabe, CMMC	Apr 4 '49	P.E.Richers Civil Transp. Section, SCAP	CMMC Pay Scale: The Suggestionfor Revision of.
39.	J.B.Bettis	Apr 4 '49	Memo for Rec.	Conversion of CMMC Employees to ¥6307 Base
40.	ONPA	Apr 5 '49	CSD	New Pay for Land Personnel of CMMC
41.	M.Salter	Apr 5 '49	Memo for Rec.	CMMC Pay
42.	J.Bettis	Apr 8 '49	Memo for Rec.	CMMC Employees
43.	ONPA	Apr 14 '49	CSD	New Pay for Land Personnel of CMMC
44.	J.Bettis	Apr 15 '49	Memo for Rec.	CMMC Land Based Personnel
45.	NPA	Apr 19 '49	CSD	Pay of CMMC Employees and Distribution of their Allowances
46.	J.B.Bettis	Apr 20 '49	Memo for Rec.	CMMC Employees
47.	J.B.Bettis	Apr 22 '49	Memo for Rec.	Retirement Allowance Fund Granted to Private Ship Owners
48.	J.B.Bettis	Apr 27 '49	Memo for Rec.	CMMC Land-Based Personnel
49.	M.Salter	May 9 '49	Memo for Rec.	CMMC
50.	Jap.Govt.	May	Report-CSD	CMMC or Sempaku-Un'ei-Kai
51.	GS	May 26 '49	CTS	Japanese Merchant Shipping
52.	J.B.Bettis	Jul 11 '49	Memo for Rec.	Proposed Plan Establishing Pay for CMMC Seamen Under Law 106 of 1949

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NO.	FROM	DATE	TO	SYNOPSIS
1.	H.W.Allen Col,Asst. Adj.Gen.	Nov 9 '45	Imperial Japanese Government	Appointment of Civilian Merchant Marine Committee
2.	H.W.Allen, Col.,Asst. Adj.Gen.	Jan 11 '46	Imperial Japanese Government	Appointment of Civilian Merchant Marine Committee
3.	Jap.Govt.	Jan '46	Ordnance	CHAPTER III, Use, Employment, Discharge and Retirement of Mariners
4.	A.R.Hussey Spec. Asst. to Chief,GS	Apr '47	Memo for Rec.	Continuation of Civilian Merchant Marine Committee
5.	Wire 120245Z Incoming	Mar 12 '48	Info-SCAP	Strike of local workers in Communications Ministry
6.	Wire 120710Z Incoming	Mar 12 '48	Info-SCAP	Strike of Communications Ministry personnel
7.	Govt. Sec.	Mar 5 '48	CTS	Extension of CMMC
8.	SCAP	Sep 2 '48	Memo for Japanese Government	Japanese Merchant Shipping
9.	B.Hoover,GS	Feb 8 '49	ESS	Wage Increase for CMMC Seamen and Office Workers
10.	M.Salter	Feb 1 '49	W.P.MacCoy	Check Sheet by ESS requesting information concerning the status of Civil Merchant Marine Committee Personnel
11.	W.P.MacCoy	Feb 3 '49	Memo for Rec.	Civil Merchant Marine Personnel
12.	W.P.MacCoy	Feb 3 '49	B.Hoover	Civil Merchant Marine Personnel
13.	B.Hoover	Feb 3 '49	Memo for Rec.	Civil Merchant Marine Committee Personnel
14.	B.Hoover	Feb 3 '49	Gen.Whitney	Wage Increase for CMMC Seamen, Office Workers and Other Personnel
15.	M.Salter	Feb 3 '49	B.Hoover	Civil Merchant Marine Committee
16.	Dir.Gen,Gen. Maritime Bu. Min. of Trans.	Feb 4 '49	B.Hoover	Reasons Why National Public Service Law Should Not Be Applied to CMMC Seamen
17.	B.Hoover	Feb 4 '49	Dr.Asai,NPA	Civil Merchant Marine Committee Land Personnel
18.	B.Hoover	Feb 4 '49	Memo for Rec.	CMMC Personnel
19.	M.Salter	Feb 8 '49	B.Hoover	Civil Merchant Marine Committee
20.	J.B.Bettis	Feb 14 '49	Memo for Rec.	The Pay of CMMC Employees
21.	M.Salter	Feb 15 '49	Memo for Rec.	Civil Merchant Marine Committee Employees Union
22.	J.B.Bettis	Feb 16 '49	Memo for Rec.	Conversion of Pay of CMMC Employees
23.	W.P.MacCoy	Feb 16 '49	M.Salter	Classification & Change in Salary Levels for Civil Merchant Marine Committees
24.	M.Salter	Feb 17 '49	J.B.Bettis	Conversion of Pay of CMMC Employees

SECRET

GOVERNMENT SECTION

11 January 1951

MEMORANDUM FOR: Mr. F. Rizzo

SUBJECT : Military Planning for Japanese Shipping Control (Second Conference)

1. Participants at conference:

Mr. H. A. Bren, ESS
Mr. N. Cottrell, GS
Maj. J. A. Benford, G-4
Mr. C. S. Woods, CTS
Lt. Col. R. W. Humphreys, Transportation Section, GHQ
Mr. R. E. Morrell, CTS
Mr. P. E. Richers, CTS
Mr. E. M. Reed, ESS
Mr. P. A. McDermott, ESS (Presided)
Mr. R. W. Hale, ESS
Mr. S. H. Sims, JA
Capt. W. N. Garnet, USN, JSPOG
Lt. Col. L. A. Hunt, Transportation Section, GHQ
Capt. B. M. Coleman, USN, MSTS, West Pac
Cdr. J. F. Witherow, SCAJAP
Mr. E. A. Hough, ESS

2. Discussion took place regarding possible scope and organization of US shipping control organization in the event of an emergency, based upon World War II pattern of War Shipping Administration.

3. Agenda as at the first meeting was limited to military planning and civilian economic shipping needs were not considered. CTS stated the section objective was to insure continuance of sufficient personnel in the (Japanese) Civilian Merchant Marine Committee to have continuation of ship surveyance services and maintenance of a skeleton organization which could be expanded to serve as the opposite number in Japan for a possible U.S. control organization. ESS suggested that surveyance reports could be obtained on PD if present budget was insufficient to continue this service.

4. Navy representatives noted that personnel of CMMC at 494 level as of April 1951 was sufficient to act as supervisory operating agency of SCAJAP fleet services and perform procurement functions for MSTS. It was also developed that ship reports and shipping locator service of interest to CPS could be maintained at this manning level. '51-'52 budget of 1.8 Bil. Yen (reduction from 2.4 in prior fiscal year) was generally agreed to be adequate. Proposed level will also insure retention of key personnel to permit future expansion of organization if necessary. Dollar aid was also noted as a possible method of increasing CMMC personnel in an emergency.

GS FILE

SECRET

5. The following conclusions were reached:

a. No question of CMMC abolition exists as long as SCAJAP operations continue.

b. Present budget and personnel of the smaller sized CMMC is adequate for all present purposes. Navy representatives will make a recheck of TO. Dollar aid to CMMC possible.

c. The Ministry of Transportation at some later date will be requested to draft JG position regarding emergency plans for pooled shipping.

d. Mr. Woods, CTS, during a trip to Washington in the near future will discuss the question of possible pool control and use of Japanese shipping facilities.

NICKOLAS COTTRELL

NC:gb

Morning

O-1

CIVIL MARITIME COMMISSION
TO BE ABOLISHED IN MARCH

JIJI PRESS

TOKYO, September 30. - The Cabinet at its conferenc Friday decided the Civil Maritime Commission be abolishe at the end of the present fiscal year on March 31, 1950 simultaneous with the discontinuance of the subsidies to that agency, it was learned.

The Cabinet also decided that a Shipping Control Commission be created with a fund of ¥2,000 million to operate ocean-going ships, vessels lent by the United States and repatriation vessels, it was learned.

The proposed commission will function at the direction of SCAJAP, it was also learned.

s/o

-55

CIVIL SERVICE DIVISION
Government Section

w/ Sec'ty Ellis CMH 1-19-49

29 July 1949

Has ESS, Tm agreed?

MEMORANDUM FOR: The Record

SUBJECT : Wage Adjustment, Special Allowance CMMC Shore-Based Personnel

Consulted but stated Were not Concerned. JB 29 July

Two conferences have been held with representatives from CMMC and Mr. Suzuki of the Office of New Pay Administration regarding approval of the special allowance to be granted to CMMC or shore-based personnel in compliance with Law No. 106 of 1949.

A quick review of the plan indicated that there may have been some mis-applications in the conversion to the ¥6307 wage schedule, inasmuch as it was found that 64.4 percent of all officials and employees were outside of the salary ranges for the grades. A more detailed analysis and further conferences with Mr. Suzuki of the Office of New Pay Administration revealed that the law had been strictly complied with in regard to the application of salary schedule of regular government employees. The reason for so many employees being outside of the salary ranges for the individual grades are:

1. A large number of these employees have had long periods of service with the Civil Merchant Marine Committee and, in the main, are older people.

2. The salaries of these employees under the ¥1600 base of January 1947 were considerably higher than that of government employees due to the fact that their salaries had been, to some extent, carried over from private employment.

The method of applying the special allowance for these employees has been put on a sliding scale, ranging from a maximum of 26 percent in the case of one employee to no percent for other employees. This schedule of adjustment was made in order to give the various employees approximately the same ratio of increase in salary as that for regular government employees by individual grade.

Mr. Suzuki was questioned as to whether or not this plan had been reviewed by the National Personnel Authority. He stated that it had been submitted to that office for review but that they had informed him that it was the responsibility of the Office of New Pay Administration. Mr. Suzuki was advised that this office interposed no objection

to the plan as outlined, a copy of which is attached hereto, but that application and final approval should not be given until an expression as to approval or disapproval had been secured from the National Personnel Authority.

JESSE BETTIS
Compensation Specialist

Att.
JB:rj

Qualification	Name	Age	Education	Term of Experience	Class	Base ¥1,600 (Jan., 1947)	Base ¥2,920 (Jan., 1948)	Promotion (Jan., 1948)	Base ¥3,791 (June, 1948)	Promotion (Sept., 1948)	Base ¥6,307 (Dec., 1948)
Typist	Kimi Uno	36	Graduate from Jumonji Girls' High School	17 Years and 9 months	6	¥1,300	¥3,800	¥3,900	¥4,550	¥4,680	¥7,018

The above person has 17 years and 9 months' English-typing experience all in all, 13 years in the Nippon Yusen Kaisha and 4 years and 9 months in the Civilian Merchant Marine Committee.

Her typing skill is very excellent.

She received ¥5,200 on ¥3,791 CMMC pay scale.

In coping with the pay scale of Government employees, her wage was newly assessed on the ¥1,600 wage level in January 1947 and then on the ¥2,920, ¥3,791 and ¥6,307 wage levels respectively, thus realizing for her the above-stated wage of ¥7,018.

This figure is by 7 ranks beyond the authorized bound, viz., ¥5,760, the highest rank of the 6th class which is the highest class for typists of English.

But the above figure is deemed appropriate in view of her age, experience and skill.

It may be added that 2 times' raises of her wage (2 ranks) is estimated in 2 years and 3 months, as the 6th class is admitted a raise in wages once in 9 months.

Qualification	Name	Age	Education	Term of Experience	Class	Base ¥1,600 (Jan., 1947)
Attendant	Matsugoro Suwa	60	Higher Primary School	27 years and 9 months	5	¥ 900

Base ¥ 2,920 (Jan., 1948)	Promotion (Jan., 1948)	Base ¥ 3,791 (Jan., 1948)	Promotion (Sept., 1948)	Base ¥ 6,307 (Dec., 1948)
¥ 3,100	¥ 3,200	¥ 3,770	¥ 3,900	¥ 5,925

The above person, 60 years old, with 27 years and 9 months' experience for his duty, is a faithful, assiduous and excellent attendant and his salary is 4420 yen at the present base of 3791 yen.

Upon alteration of the present pay scale, according to the designated method of estimation (refer to the case of Kimi Uno), his salary becomes 5925 yen at 6307 yen level.

Although the above figure exceeds 9 grades over the limited highest rank (4596 yen) of the 5th class, the highest salary of Governmental attendants, it is considered sound and appropriate on account of his age, experience and working manner.

It may be added that he gets twice raises (ranks 2) in two years and three months, as the pay scale shifting is retroactive to January, 1947.

Qualification	Name	Age	Education	Term of Experience	Class	Base ¥1,600 (Jan.,1947)	Base ¥2,920 (Jan.,1948)	Promotion (Jan.,1948)
Employee (ordinary)	Kanji Ikeda	51	Tokyo Commercial College	28 years and 6 months	8	¥1,800	¥4,800	¥5,000

Base ¥3,791 (Jan.,1948)	Promotion (Sept.,1948)	¥6,307 (Dec.,1948)
¥5,980	¥6,240	¥9,306

The above person, after graduating the above college, entered the Osaka Shosen Kaisha and was assigned important duties in the firm for 28 years and 6 months.

Despite his excellent ability, he has been forced to be in ordinary duty in CMMC due to lack of an adequate post for him and his present salary is ¥7,800.

Though an ordinary employee, he was put into the 8th class, one grade higher than the present one in consideration of his educational course, experience, ability and age.

Thus, his salary becomes ¥9,306 at the proposed base of 6,307 yen, according to the designated method of estimation as stated in the case of Kimi Uno.

And the proposed amount exceeds seven ranks over the limitted highest rank (¥7,638) of the 8th class.

This is also considered sound and appropriate on account of his special circumstances as above referred to.

It may be added that, he gets twice raises (ranks 2) in two years and three months, as the 8th class is admitted one raise in one year and over.

Qualification	Name	Age	Educational Course	Term of Experience	Class	Base ¥1,600 (Jan.,1947)	Base ¥2,920 (Jan.,1948)
Employee (Ordinary)	Hogaraka Kuramitsu	52	Osaka Higher Commercial School	28 years and 9 months	7	¥1,600	¥4,300

Promotion (Jan.,1948)	Base ¥3,791 (Jan.,1948)	Promotion (Sept.,1948)	Base ¥6,307 (Dec.,1948)
¥4,400	¥5,070	¥5,200	¥7,857

The above person, after graduating the Osaka Higher Commercial School, entered the Osaka Shosen K.K. and then joined the CMMC, with total of 23 years and 9 months' experience in shipping. Although assigned important posts in the home and/or foreign offices of the OSK, he has been obliged to stay as an ordinary employee in the CMMC since number of CMMC key posts has been limited, thus leaving no key post for him to occupy.

His salary is 5,720 yen at the present base of 3,791 yen and upon alterating of the base it becomes 7857 yen at the proposed base of 6307 yen.

The estimation is also based upon the method in which the amount must be retroactive to the former bases (¥1,600, ¥2,920 and ¥3,791).

Although the figure exceeds six ranks over 6633 yen, the highest rank of the class 7, it is considered sound and appropriate considering from his educational background, career, age, and ability.

It may be added that the proposed rank contains twice promotions (2 ranks) per 2 years and 3 months, as one promotion is permitted in every 9 months for the person in class 7.

Qualification	Name	Age	Educational Course	Term of Experience	Class	Base ¥1,600 (Jan.,1947)	Base ¥2,920 (Jan.,1948)
Chief of sub-section	Fumio Nagai	55	Azabu Middle School	33 years and 9 months	9	¥1,800	¥5,200

Promotion (Jan.,1948)	Base ¥3,791 (Jan.,1948)	¥6,307 (Dec.,1948)	Promotion (Jan.,1949)
¥5,400	¥6,240	¥9,306	¥9,573

The above person, after graduating the Azabu Middle School, entered the Nippon Yusen K.K., served on sea as a purser of trans-ocean liners as well as coastal ships and on shore at important posts. He was appointed to a chief of sub-section after being transferred to the CMMC. His present salary is ¥7,800.

Upon alteration of the present pay scale, his salary has become 9573 yen at the 6307 yen base (estimating method is same as Kimi Uno).

Although, this amount exceeds 3 ranks over 8796 yen, the highest rank of class 9, it is considered sound and appropriate considering from his ability, experience and age.

It may be added that the above contains twice promotions (2 ranks) per 2 years and 3 months, as one promotion is permitted every one year or more for persons in class 9.

Jill 1-20-49

CIVIL SERVICE DIVISION
Government Section

20 July 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Pay Plan - CMMC Seamen

Conference was held on 19 July 1949 with personnel from the Ministry of Transportation, the Civil Merchant Marine Committee, Ministry of Finance, and Mr. Mossler of the Finance Division, ESS attending. Messrs. Bettis and Hayashi of this office conducted the conference.

The proposed plan as presented to this office on 11 July 1949 had been reviewed by Mr. Mossler as well as personnel of this office and indications were that the plan as proposed would be in violation of the law establishing the basis of pay for seamen in the Civil Merchant Marine. The law provides that "the pay for seamen who are employed by the CMMC shall be determined according to salary schedule for seamen provided under the Law Administering the New Pay of Government Officials (Law No. 46 of 1948) mutatis mutandis". The plan as submitted provided for an increase of approximately 10 per cent over the salary schedule for seamen in the regular government service. The Ministry of Transportation contended that "mutatis mutandis" had two interpretations in the Japanese language and that one of these was to the effect that there could be some deviation from the said pattern.

Inasmuch as the various allowances set up in the proposed plan were based on a percentage of base salary the proposed increase in the salary schedule would be reflected in all of the allowances; whereas the law originally provided that a special allowance of approximately 10 per cent could be paid to seamen in the Civil Merchant Marine, the end results in the plan proposed would actually give these employees an approximate 25 per cent increase over regular government seamen. The explanation for this was that they had provided for employees in reserve status to be paid only 70 per cent of their regular pay received while on board ship and thedecrease in salaries of employees in reserve status was to be reflected as an increase in the salaries of those on board ship.

It was pointed out that the law should be specifically followed and the intent and purpose of interested parties at the time the law was drafted was to the effect that CMMC seamen should receive a special allowance of approximately 10 per cent due to the special nature of their employment and the practices heretofore in force, that any attempt to increase the allowances would defeat the purpose of the law and that it would cause serious repercussions among government seamen because of such special treatment.

There was an obvious attempt on the part of the Transportation Ministry and CMMC to build the average salary of seamen up to the ¥10,100 provided for in the budget. This was admitted by personnel present from these agencies. It was suggested that they use the base salary for regular government seamen, that the allowances be paid on the basis set out in the proposed plan, and that seamen in reserve status should receive only 70 per cent of their base pay plus 10 per cent special allowance, plus family allowance. The interested parties are to make further studies and to present a revised plan to ESS Finance Division and this office within the next week.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

1 Section
2) File
7-18-49

CIVIL SERVICE DIVISION
Government Section

11 July 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Plan Establishing Pay for CMMC Seamen Under Law 106 of 1949

Mr. Yamaguchi of the Maritime Bureau, Ministry of Transportation, called at this office on 11 July to present a proposed plan for the payment of CMMC seamen under the law recently enacted by the Diet. Mr. Yamaguchi stated that the Maritime Bureau had been delayed in presenting this plan due to the fact that it was necessary to survey all positions of CMMC seamen, making application of the standards of the ONPA for the grading of seamen in the regular government service and to make investigations among private employers regarding the methods of payment of seamen in private industry.

The plan as presented by Mr. Yamaguchi appears to have been given much study and attention and provides for regular base pay, family allowance, duty allowance, special route allowance and special allowance.

Base pay follows the same pattern as the seamen scheduled under Law 46 except that the salaries for the grades and step rates have been increased by approximately 9 per cent. This increase was considered justified due to the fact that the average base pay of regular government seamen constitutes 69.4 per cent of their total salary, whereas the base pay of CMMC seamen constitutes only 62 per cent of their total salary. Also, salaries heretofore received by CMMC seamen and officers have been the same whether or not they were on duty or in reserve status. The present plan provides for 100 per cent pay while on actual duty and 70 per cent pay when in reserve status

Family allowance has been established at ¥750 per dependent family member in comparison with the previous rate of ¥650. However, the previous rate took into consideration area allowance whereas the present plan does not provide for the payment of area allowance. Duty allowances are essentially the same as heretofore in force and are comparable to those being paid by private employers. It is estimated that the duty allowances average 10 per cent of the base pay of employees. Other duty allowances are provided for special categories of personnel, crews of oil tankers and crews of small-sized crafts of less than 700 gross tons. Special route allowances are provided under four areas. Also provided is a special allowance which is to compensate for differences existing in the treatment of CMMC employees as compared to employees in the regular government service prior to the promulgation of the present law.

On the basis of computations made, base salaries and allowances proposed will result in an average pay for officer personnel of ¥14,005 and

for ordinary seamen ¥8,946. For reserve seamen the average would be for officers ¥7,975 and for ordinary seamen ¥5,347. It is estimated that on this basis payment can be made to all CMMC seamen within the budget of ¥10,100 per employee. Inasmuch as there will be some loss of personnel through the administrative adjustment there should be some saving in funds.

Mr. Yamaguchi ~~was~~ advised that no commitment could be made ~~to~~ by this office at the present time and it was suggested that he discuss the matter insofar as budget limitations were concerned with Mr. Mossler of the Finance Division, ESS, after which a meeting would be held with Mr. Mossler to discuss the proposed plan.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

Att. 4

Capt. McWherter
26-7358

Japanese Merchant Shipping

OS CTS 26 May 1949

2 Cabinet Order No. 100 (1949) promulgated on 23 May 1949, extending the existence of CMMC for six (6) months is forwarded herewith.

2 Incls:
Incl 1 - a/c
Added:
Incl 2 - Cabinet Order No. 100 (1949

- C. W. - - - - - - - - - - -

GOVERNMENT SECTION
Public Administration Division

26 May 1949

MEMORANDUM FOR MAJOR NAPIER

SUBJECT: Japanese Merchant Shipping

Recommend the following paragraph be added as note 2 to checksheet from CTS to GS, subject as above, dated 5 May 1949:

2. From: GS To: CTS Date: 26 May 1949 Capt. McWherter

Cabinet Order No. 100 (1949) promulgated on 23 May 1949, extending the existence of CMMC for six (6) months is forwarded herewith.

2 Incls.
Incl 1 - n/c
Added:
Incl 2 - Cabinet Order No. 100 (1949)

- C. W. - - - - - - - - - - - -

J. D. M.

Mr. Rauwald
Japanese Merchant Shipping 26-5063

CTS GS 5 May 1949

1. SCAP controls the Japanese merchant marine through the Civilian
1. Merchant Marine Committee established in compliance with SCAPIN 256, dated 9 Nov 45, AG 334, (9 Nov 45)GD, subject: "Appointment of Civilian Merchant Marine Committee," (Incl 1).

2. The CMMC is a temporary governmental agency existing pursuant to a Cabinet Ordinance due to expire 30 May 1949.

3. The indefinite continuance of CMMC was approved by the Chief of Staff on 27 August 48 by notation on check note No. 1 from CTS to Chief of Staff, subject: "Japanese Merchant Shipping," 27 Jul 48. The check note reads in part as follows:

> "7. ...the CMMC will be retained until the peace treaty or policy decision by SCAP permits vessel operation on a private enterprise basis."

4. In view of the foregoing it is requested that you take action to extend by Cabinet Ordinance the CMMC for a period of six (6) months from the expiration date of 30 May 1949.

1 Incl
Incl 1 - SCAPIN 256, 9 Nov 45

Info copy to COMNAVFE

H. T. M.

CMMC, or Sempaku-Un'ei-Kai

1. Sempaku-Un'ei-Kai was created by the Wartime Shipping Control Ordinance (Imperial Ordinance No. 235, 25 March 1942) issued persuant to the National Mobilization Law (Law No. 55, 1938).

2. Scapin No. 256 (9 Nov. 1945) directed the creation of CMMC.

3. The functions of CMMC being similar with that of Sempaku-Un'ei-Kai, the Ministry of Transportation asked SCAP to substitute S.U.K. for CMMC, which was approved.

4. S.U.K., translated as CMMC, has been functioning with no amendment to the Imperial Ordinance No. 235, by virtue of "the Law abolishing the National Mobilization Law" (Law No. 44, 19 Dec. 1945) which includes a clause allowing the existence of S.U.K. until 31 May 1949.

5. Transportation Ministry is now asking for SCAP approval to postpone that date by 6 months.

6. Personnel of CMMC are as follows, as of April 1949.

a) 3,063 ——— Staff personnel

7,975 ——— Seamen

Both are paid by CMMC from Government subsidies.

Staff personnel were designated on 3 Feb. 1949 by National Personnel Authority as being in the government service. Prior to that date, they were treated as persons doing public service by law (National Public Service Law not applied).

Law No.44 (1945)

The National General Mobilization Law and the War-Time Emergency Measures Law shall be repealed.

Supplementary Provisions

The date of the enforcement of the present Law shall be fixed by an Imperial Ordinance.

With regard to the Imperial Ordinances based on former Law and which are in force at the time of the coming into force of the present Law, the former Law (excluding the provisions of Article 1 to Article 3 of the National General Mobilization Law) shall remain in force until not later than six months after the enforcement of the present Law. In this case, "when necessary for the national general mobilization at the time of war", or "when necessary for the national general mobilization" in the National General Mobilization Law; or "when urgently necessary in tiding over a national crisis at the time of the Greater East Asia War" in the War-Time Emergency Measures Law, shall read "when specially necessary in looking to maintenance and stabilization of national life at meeting the situation after the end of the war": "affairs for the general mobilization" in the National General Mobilization Law shall read "affairs specially

necessary in looking to maintenance and stabilization of national life", and "materials for the general mobilization" shall read "materials specially necessary in looking to maintenance and stabilization of national life".

The Imperial ordinance which is in effect under the provisions of the preceding paragraph may be revised within the extent of the items provided therefor.

With regard to the orders issued under the old law prior to the enforcement of this law (or within the period of time stipulated for under the provisions of Paragraph 2 of the Supplementary Provisions if the matters concern the said Paragraph. The same is hereinafter), pre-emption concerning orders, disposition or action, exceptions for calculation of taxation standards, reduction and exemption of taxes and indemnifications and companies which were founded under the old law and have been in liquidation prior to the enforcement of this law as well as the application of the penal regulations against actions taken prior to the enforcement of this law, the old law is valid even after the enforcement of this law(or even after the expiration of the period stipulated for under the provisions of Paragraph 2 of the Supplementary Provisions if the matters concern the said Paragraph.

CN

Law No. 44 of 1965

法律第四十四号

国家総動員法及戦時緊急措置法ハ之ヲ廃止ス

附　則

本法施行ノ期日ハ勅令ヲ以テ之ヲ定ム

本法施行ノ際現ニ存スル旧法ニ基ク勅令ニ付テハ本法施行後六月間ヲ限リ旧法（国家総動員法第一條乃至第三條ノ規定ヲ除ク）ハ仍其ノ效力ヲ有ス此ノ場合ニ於テハ国家総動員法中戦時ニ際シ国家総動員上必要アルトキハトアリ若ハ国家総動員トキハトアリ又ハ戦時緊急措置法中大東亜戦争ニ際シ国家ノ危急ヲ克服スル為緊急ノ必要アルトキハトアルハ終戦後ノ事態ニ対処シ国民生活ノ維持及安定ヲ図ル為特ニ必要アルトキハトシ国家総動員法中総動員業務トアルハ国民生活ノ維持及安定ヲ図ル為特ニ必要ナル業務トシ総動員物資トアルハ国民生活ノ維持及安定ヲ図ル為特ニ必要ナル物資トス

連絡調整中央事務局

File
CMMC

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5-12-49

CIVIL SERVICE DIVISION
Government Section

May 9, 1949

WRS
5/12

MEMORANDUM FOR: The Record

SUBJECT : CMMC

1. A conference was held in the offices of Civilian Transportation between Mr. Salter and Mr. Richers to discuss the present status of compensation for seamen of CMMC. Mr. Richers had available a translation from the Appropriation Bill for 1949-50 concerning CMMC which read as follows:

> "However, out of the temporary retirement fund amounting to ¥597,700,000 as included in the item "general expenditure" out of the subject "general expenditure" out of the part "Expenditure for other purpose than operation", the sum of ¥450,000,000 shall be defrayed in accordance with a regulation to be separately provided for in a Law. And the payment of wages for CMMC employees shall be made through the procedure as fixed in accordance with the grading of wages for public service employees."

2. This phraseology does not provide that personnel of CMMC shall be in "regular government service." It merely indicates that their wages "shall be made" in accordance with those in the public service.

3. The land base personnel, having already been declared in the regular service, are now all paid on the basis of the general schedule for the regular service. There is still a claim of discrepancy between the pay they now receive and what they would have received if they had not been in the regular service amounting to approximately 10 percent for the over-all pay roll. This represented for individual cases anywhere from a minus percent up to as much as 33 percent difference.

4. The seamen are still being paid at their old prevailing rate. No change has been made to date.

5. Since the intent of the law apparently is to place not only the land base personnel but also the seamen on a salary schedule the same as that for government workers in the regular service, adjustment of these seamen's rates probably should be made as soon as possible. It is estimated that this will result in a salary average for seamen of approximately ¥9,600 per month. The appropriation provides for ¥10,100 per month. This is the figure that is being arrived at by negotiation between the seamen and private employers and will be announced May 19th. It is requested that in addition to the regular

pay that may be provided under the seamen schedule, that additional pay through an allowance system be made available to bring the seamen's pay in line with those seamen in private industry. Since the CMMC personnel are working for this agency under compulsion and will shortly return to their employment in private industry. A SCAPIN 1931 has been issued which orders the decontrol of shipping. However, the actual elimination of Liberty and LST boats from the present fleet of vessels still being operated by CMMC will be a logistics decision. There are still 31 Japanese owned vessels under compulsory charter. There is no reason why these cannot be returned to private industry. Mr. Richers estimates that the whole program, if logistics permit, will be completed <u>within</u> six months. Some 33,000 seamen were transferred April 1 from CMMC to private industry. The remaining 7,000 are operating Liberty and LST ships and 31 Japanese owned vessels.

6. The NPA, a short while ago, submitted for our approval a proposed law providing for special pay for personnel of CMMC. In view of the fact that there is no question that these personnel are of similar nature to those of Kodan, I believe that this legislation should immediately go forward to the Diet. However, the content of the legislation should be revised to provide for the treatment of all personnel of CMMC on somewhat similar basis. This can be done by:

(a) Stating that the law is to provide for the basis of payment of salaries for seamen and for the payment of the special allowance for all CMMC personnel.
(b) Provide that seamen shall be paid mutatis mutandis with the seamen schedule provided under Law 46 of 1948.
(c) That a special allowance be paid to personnel of CMMC not to exceed 30 percent of their regular pay and amounting to not more than 10 percent of the regular pay of all personnel nor to exceed funds appropriated for 1949 budget.
(d) The amount to be paid to any employee shall be determined by the Director of CMMC with concurrence of the Minister of Transportation.
(e) The Law shall come into effect from April 1, 1949.
(f) The reason shall be similar to that presented in bill proposed by NPA.

MacDonald Salter

MACDONALD SALTER
Chief, Classification and
Compensation Branch

MS:vr

LAW NO. _____

A law to establish the basis of pay for seamen in the Civil Merchant Marine Commission and to provide a special allowance for employees of the Civil Merchant Marine Commission.

Article 1. The pay for seamen ~~of~~ who are employed by the Civil Merchant Marine Commission shall be determined according to Salary Schedule for Seamen ~~xxxxxxxxxx~~ provided under Law No. 46 of 1948 mutatis mutandis.

Article 2. The director of Civil Merchant Marine Commission may with a concurrence of a competent minister provide a special allowance for employees of the Civil Merchant Marine Commission not to exceed 30% of any employee's regular pay nor 10% of the regular pay of all employees.

Article 3. The special allowance provided for in the preceding article shall be paid only within the appropriations provided for Civil Merchant Marine Commission.

Supplementary Provision

Article 4. The present shall come into force as from the day of its promulgation and shall be applied as from April 1, 1949.

Reason

Since the duration of the Civil Marcantile Marine Commission is limited, and its officers and shore employees, because of the nature of its enterprise, are required to possess such special experiences and abilities as are different from those of ordinary government employees, it is necessary to establish exceptions for their compensation. This is the reason for presenting this bill.

CIVIL SERVICE DIVISION
Government Section

27 April 1949

MEMORANDUM FOR THE RECORD

SUBJECT: CMMC Land-Based Personnel

Mr. Hasumi of the Salary and Wage Section, NPA, called at this office on 27 April 1949 and delivered a letter signed by Mr. Sato, Director-General of NPA, enclosing copy of a letter to the Speaker of the House of Representatives, President of the House of Peers, and the Prime Minister, which treated with the background of the pay of employees and officials of the Civil Merchant Marine Committee. Also enclosed was draft of a proposed law to provide for special treatment in regard to their pay.

It is the opinion of the writer that the proposed law is entirely too brief and that it should set forth specifically the amount that might be paid to these employees in excess of the salaries which are now being received under the general salary schedule.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

Incl.

National Personnel Authority

April 27, 1949

To:

Mr. Jesse B. Bettis,

Civil Service Division,

Government Section, GHQ, SCAP

A draft recommendation concerning the compensation of shore employees of the Civil Mercantile Marine Commission having been prepared, the same is submitted herewith enclosed.

T. Sato

Sato Tomoo

Director-General
of
National Personnel Authority

Translation

April , 1949

To:

Shidehara Kijuro, Esquire, Speaker of the House of Representatives

Matsudaira Tsuneo, Esquire, President of the House of Peers

Yoshida Shigeru, Esquire, Prime Minister

In accordance with the provision of Paragraph 3, Article 15 of the Law Administering the New Pay of Government Employees, a pay program for shore employees of the Civil Mercantile Marine Commission as per the annexe is submitted herewith.

Asai Kiyoshi

President
of
National Personnel Authority

Compensation of shore employees of the Civil Mercantile Marine Commission

While the fact that employees of the Civil Mercantile Marine Commission are national public employees was made clear by SCAP Memorandum dated January 11, 1946, no domestic legal measures have so far been taken on the matter. In the meantime, as the National Personnel Authority decided on February 3, 1949 that the shore employees of the Civil Mercantile Marine Commission are national public employees, it has become invitable to subject such shore employees to the same treatment as ordinary government employees in respect to their compensation.

Consequently, the favorable rates of pay which the shore employees of the Civil Mercantile Marine Commission had enjoyed in the past over ordinary government employees by reason of their qualifications, such as age, length of service, educational backgrounds, etc. are now no longer recognized.

However, the character of the Civil Mercantile Marine Commission is similar to that of various Kodan in that its employees, not being government employees, are not eligible to pension, their employment is of a temporary nature, they are a group of employees in private enterprises and are not entitled to the benefit of welfare and recreation facilities; and, as it is considered that such employees are engaged in special work as compared with ordinary government employees, the necessity for special work allowance is recognized.

Accordingly, the National Personnel Authority recommends that the favorable rates of pay hitherto recognized for the shore employees of the Civil Mercantile Marine Commission be continued generally under the Yen 6,307 pay base in the form of a special allowance and that appropriate legislative measures be taken as soon as practicable to enable them to receive its payment.

CIVIL SERVICE DIVISION
Government Section

22 April 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Retirement Allowance Fund Granted to Private Ship Owners

Mr. J. Okada, Director of the Maritime Bureau of the Ministry of Transportation; Mr. Y. Hasu, Secretary; and Mr. Y. Hayashi, Interpreter, called at this office on 21 April 1949 in regard to proposed law concerning the allocation of ¥450,000,000 to private ship owners for the purpose of establishing retirement and/or pension funds for seamen who had, prior to 1 April 1949, been in the service of the CMMC.

Article 2 of this law provided that these funds should be allocated to the various ship owners on the basis of standards as established by the Minister of Transportation.

It was suggested to Mr. Okada that this article establish within the provisions of the law, the basic standards upon which this fund would be allocated. It was pointed out that the funds should be allocated to the various ship owners in consideration of the number of employees involved, the comparative length of service of these employees, and the total payroll for all employees. It was pointed out that in so doing it would relieve the Minister of Transportation of a great part of the responsibility in the matter and would probably prevent criticisms that might be made in the allocation of the funds. To these suggestions Mr. Okada thoroughly agreed and a revised draft of the law will be presented to this office at 1400 hours today for consideration.

It is realized that this problem is the prime responsibility of the Finance Division, ESS, but upon request from Mr. Mossler of that office, and in line with his suggestions, the draft was reviewed and suggestions made.

JBB:jd

JESSE B. BETTIS
Compensation Specialist

Cancelled at request of Okada — To be out for later date.

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CIVIL SERVICE DIVISION
Government Section

20 April 1949

MEMORANDUM FOR THE RECORD

SUBJECT: CMMC Employees

Mr. Hasumi of the Salary and Wage Section, NPA, called at this office on 19 April 1949 and presented draft of three plans for special treatment of the salaries of land-based CMMC employees. The first of these plans as outlined, and which is an enclosure hereto, has been agreed upon between CMMC and the NPA.

Mr. Hasumi was questioned as to whether or not the commissioners were preparing recommendations on legislation in regard to the matter. He stated that he did not know but he would confer with them in regard to the matter and further advise this office.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

Att.

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National Personnel Authority

Recd 19 Apr '49 -

April 19, 1949

C.M.M.C. & P.A.

Pay of C.M.M.C. Employees and Distribution of
their Allowances

1. The monthly amount of base pay for each shore employee of the C.M.M.C. on the Yen 3,791 wage level shall be computed by multiplying the base pay actually paid at the time of Yen 3,791 wage level by 0,89.

In case the monthly amount of base pay computed by the above method does not fall on any of the standard pay steps as of December 1 of 1948 given in Appendix 6 of Law No. 265 of 1948, it shall be the pay step nearer to the amount of such base pay. If, however, the amount of his base pay falls just half between the two contiguous pay steps, his pay step shall be the higher of the two. And the amount of base pay on the Yen 6,307 wage level shall be the amount of the new base pay given in Appendix 6 which corresponds to the monthly amount of pay as of December 1 of 1948.

Extra allowance for each employee shall be at the flat rate of 11% of his base pay.

2. The monthly amount of base pay on the Yen 2,920 and 3,791 wage level shall be determined on the basis of the pay step of the C.M.M.C. shore staff at the time of Yen 1,600 wage level under the same method used in the conversion of pay of ordinary Government employees. In this way we may obtain the percentage of the difference between this amount and the amount of base pay actually paid to the C.M.M.C. shore staff at the time of the Yen 3,791 wage level. The extra allowance will then be computed by multiplying this percentage of the new monthly amount of base pay given in Appendix 6 which corresponds to the monthly amount of base pay on the Yen 3,791 wage level as determined under the same method used in the conversion of pay of ordinary Government employees.

3. The amount of base pay of the C.M.M.C. shore staff on the Yen 6,307 wage level shall be computed by the same method explaind in the second plan. The extra allowance shall be 11% of base pay.

Remarks

If the third plan is to be adopted, some confusion may be anticipated by breaking up the order in the present pay structure.

CIVIL SERVICE DIVISION
Government Section

April 15, 1949

MEMORANDUM FOR: The Record

SUBJECT : CMMC Land Based Personnel

1. Messrs. Shiraichi and Kurakata of the Salary and Wage Section, NPA called on this office on 14 April, 1949 to submit further information on the Technical report that had been requested in regard to CMMC personnel. The report, at this time, appears to be complete except that it has not been discussed with the Commissioners of NPA and the Commissioners have not made definite recommendation in regard to the matter. These gentlemen were requested to have the report approved by the Commission so that they might make such recommendations as they deemed appropriate and/or submit legislation to the Diet in case it was deemed that preferential treatment was justified.

2. In this connection, in regard to the same subject, Mr. Suzuki of the Allowance Bureau, Ministry of Finance also submitted a report in regard to the change from the ¥3791 to the ¥6307 wage base. This report indicated that CMMC employees were receiving an average wage of eleven percent in excess of that for regular government employees under the ¥3791 wage base. Mr. Suzuki stated that after his study in regard to the matter, he did not consider that the eleven percent was sufficient justification for preferential treatment in regard to the salaries of these employees.

JESSE BETTIS
Compensation Specialist

JB:vr

-44-

The Office of New Pay Administration

Read
1st Apr '49
CST
DB

April 14, 1949

Subject: New Pay for Land Personnel of C.M.M.C.

1. The C.M.M.C. has finished the task of swithching-over on individual basis the pay (on ¥ 6,307 base) of the captioned personnel to the current system of regular government employee on April 13.

The list indicating the outcome of the said work is hereby attached for your reference.

2. According to the result of the work the average basic pay is ¥ 6,499 and the upward trend of basic pay from ¥ 3,791 base to ¥ 6,307 base is ~~6.58~~ 65.4% with the result that the average pay for land personnel including basic pay, family allowance and area allowance is ¥ 9,300.

In the paragraph 5 of our note dated Feb. 12, 1949, which was submitted to you, it was explained in this way that "by means of multiplying each basic pay of land personnel by 1.33 (1.613 X 0.83) the pay of land personnel shall be adjusted to pay system for government employee on an average".

Now the task just finished revealed that the increase rate of C.M.M.C. land personnel's basic pay from ¥ 3,791 base to ¥ 6,307 base in conformity with the current government employee's pay system is 1.47 instead of 1.33.

In the light of the fact that the average age of land personnel is 37.5 years and the majority of them are serving in the offices located in special area relative to area allowance the figure ¥9,300 is considered to be proper and appropriate in its relationship to regular government employee as well as to Kodan employee.

The Result of Switch-over to New Pay Schedule

	Former Basic pay O.	Revised Basic pay on ¥3,791 base A.	Revised Basic pay on ¥6,307 base B.	$\frac{B}{A}$	$\frac{B}{O}$
Head-quarters	4,902,180	4,385,070	7,201,464	1.642	1.469
the 1st Branch	6,777,940	5,993,120	9.924,851	1.656	1.464
the 2nd Branch	3,883,340	3,461,780	5,739,587	1.658	1.478
the 1st Sub-branch	1,092,090	988,610	1,614,883	1.642	1.479
the 2nd Sub-branch	1,052,910	927,860	1,549,599	1.670	1.472
the 3rd Sub-branch	225.600	203,370	331,660	1.631	1.470
Agent	43,430	38,160	64,100	1.680	1.476
Total	17,977,490	15,992,970	26,426,144	1.652	1.470

CIVIL SERVICE DIVISION
Government Section

8 April 1949

File
4-8-49

MEMORANDUM FOR THE RECORD

SUBJECT: CMMC Employees

Mr. Suzuki of the Allowance Bureau, Ministry of Finance, called at this office on 7 April 1949 to present further information in regard to the conversion of CMMC employees which had been previously requested by this office.

The narrative statement presented by Mr. Suzuki, a copy of which is attached, explained the method of conversion from the ¥3791 to the ¥6307 base and also a table reflecting the difference in their former pay and their pay under the method of conversion. This table would indicate that when final conversion was completed CMMC land-based personnel were receiving an average base salary which was approximately 11 per cent greater than that of regular government employees. There remain a few positions such as section and branch chiefs, the grades of which have been agreed upon by the ONPA, which are yet to be converted. This conversion will be completed during the current week.

Mr. Suzuki indicated a desire to express his personal opinion as to the justification for special treatment in the pay of CMMC employees and was encouraged to do so. He stated that after having called upon the office of CMMC and having made a careful study of the situation, in his opinion the 11 per cent difference reflected was not justification for special treatment of CMMC employees and it was therefore his recommendation that no special consideration should be given.

Mr. Suzuki was advised that the Chief of the Maritime Transport Bureau, Ministry of Transportation, with members of his staff, had called at this office in regard to the matter and that they had been referred to the NPA for discussion of their problems and that if any recommendations were made in regard to the matter it was the responsibility of the NPA, after consultation with the Ministry of Transportation and representatives of CMMC, to recommend such action as they deemed to be appropriate.

JESSE B. BETTIS
Compensation Specialist

JBB:jd
Att.

CIVIL SERVICE DIVISION
Government Section

5 April 1949

MEMORANDUM FOR THE RECORD

SUBJECT: CMMC Pay

A conference was held this afternoon among J. Okada, Director, Maritime Transportation Bureau, Ministry of Transportation; Y. Hayashi, Interpreter, Y. Hasu, Secretary to the Director, and Messrs. Bettis and Salter, for the purpose of receiving a proposed law to provide special pay ~~increase~~ for CMMC personnel.

Mr. Okada, upon questioning, stated that this proposed law had been submitted to the NPA in the form of a Cabinet Order but since the Diet was in session it was felt that a law should be passed rather than a Cabinet Order. He further stated that this would have to be enacted prior to 20 April 1949 in order that the provisions with respect to its effective date as of 1 December 1948 (concurrent with the ¥6307 pay level) could take effect.

Mr. Okada stated that the history of employment under the CMMC was very similar to that of Kodans, namely that CMMC had its roots in the old War-Time Shipping Administration established under the War Mobilization Law, consisting of a control association over shipping and shipping operations. The employees who constituted the War Shipping Administration were primarily secured from the privately operated shipping lines. Some personnel were secured directly for work in this organization. Those obtained from private employment continued to receive the same rate of pay, which was higher than the rate of pay for general government employment. The method of payment was approximately 50 per cent paid directly by the government and 50 per cent continued to be paid by the old employer. It was generally estimated that the salaries of the personnel of the War Shipping Administration were perhaps as much as 30 per cent higher than the salaries of regular government employees. Undoubtedly there were certain benefits and perquisites available to the regular government employees which partially made up for this difference. Some differences, however, did continue to exist between the two salary scales.

In 1945 a SCAJAP was issued continuing the operation of the War Shipping Administration even though all the provisions of the War Mobilization Law were abolished. The agency was continued at that time as the Civil Merchant Marine Committee for a period of six months. This extension in duration of life of the agency has been repeated every six months. In 1946 a memorandum was issued by SCAP defining the status of employees of CMMC and indicating that they must sever all their connections with private employment. At that time the government assumed full financial responsibility and operations of CMMC, and has continued to do so since that date. It was not construed, however, that the employees (who were still not considered part of the regular government service) should receive salary rates similar to other

general government employment. During the ensuing two years the salary of those employees has been periodically subject to negotiations through union activity. It was found upon analysis of individual rates of pay when compared with what each person would receive under the standards provided under the New Pay Law, that the salaries of CMMC were from 6 to 33 per cent higher than they would have been under the standards of the ¥3791 pay level. On the average this represented approximately 11 per cent higher than government standards.

On 3 February 1949 the NPA determined that the CMMC land-based personnel were part of the regular government service and therefore would come within the provisions of the New Pay Law at the ¥6307 pay level. The CMMC land-based personnel felt that in view of the historical development and status of their pay in relationship to government employment they should continue to receive the same differential in pay. A request was made to NPA to authorize the issuance of a Cabinet Order giving special treatment to CMMC personnel on the basis of this claim. There is no legal provision, however, upon which such a Cabinet Order could be issued. The only action that could be taken would be authorization by the Diet for the expenditure of such funds for special salary treatment of CMMC personnel. Such a law is now proposed by CMMC and is before NPA.

The CMMC personnel have never contributed to any government benefit programs such as mutual aid or pension funds. They have contributed to accident compensation insurance programs and received appropriate benefits therefrom. The land-based personnel will not contribute, even though they have now been declared part of the regular government service, to the pension fund or to a mutual aid association. They will not contribute to the former because of the limited duration of the agency and the feeling that unless they participated for a period of 17 years they would not receive appropriate benefits therefrom in relationship to the contributions they would make; they will not contribute to the latter because at the moment there is no organized mutual aid association in CMMC and they do not feel willing to participate in any other mutual aid association at this time.

It is anticipated that if a law is provided whereby special salary treatment may be made available to CMMC personnel as it is now made available to Kodan employees through law, a sliding scale will be provided such that there will be a tendency to equalize the salary of those in CMMC with those in private employment carrying out the same type of work. Under the standards provided under the New Pay Law, education and experience in the government service play a very heavy part in the salary determination. In view of the fact that many CMMC employees lack educational background and were drawn directly from private employment, their rates of pay would be detrimentally affected. The percentage effect will vary substantially with the persons ~~involved in the work~~ and it is therefore felt that a rigid flat rate percentage increase would not be justified nor would attain the objective of such special pay treatment, namely to equalize pay between those workers and their counterparts in private industry.

Upon questioning concerning the treatment of seamen within CMMC, Mr. Okada stated that the appropriations for CMMC provided an average of ¥10,100 per employee should the employees become government employees. On the other hand if they were not construed as government employees the appropriations would be ¥7,671. Asked whether the seamen themselves were aware of this situation, Mr. Okada stated that they were not. The estimated conversion of seamen to the seamen's schedule under the New Pay Law would result in an average pay of about ¥9,500. The difference between that and the ¥10,100 pay level represents differences in special working conditions between these seamen and those generally employed by the government. Such conditions are the manning of tankers and the sailing of ships on high seas, in contrast to government employees who are confined to shore waters. These two allowances, incidentally Mr. Okada informed, have been paid by CMMC as a carry over from the pay structure for those employees under private employment.

Mr. Okada was informed that this office ~~was in no position and did~~ did not express any opinion concerning the claim of CMMC employees and the efficacy of a proposed law attached hereto. He was told that ONPA and NPA were studying this problem and that this office would advise with NPA when reports were made concerning this situation.

MacDONALD SALTER
Chief, Classification
& Compensation Branch

MS:jd

GMB No. 526 (GG)

Law No. _____

LAW CONCERNING THE PAY OF THE OFFICERS AND SHORE STAFF OF CMMC

(DRAFT)

As the period of existence of CMMC is limited and also its officers and shore staff are required to have special experiences and abilities which are different from those of the general government officials because of the particular nature of its business, the Minister of Transportation will be authorized to establish, upon consultation with the Director of New Pay Administration, exceptional provisions for the pay of the said officers and shore staff.

Supplementary Provision

The present Law shall come into force as from the day of its promulgation, applying retroactively as from 1 December, 1948.

R E A S O N

While the President of the National Personnel Authority decided that the officers and shore staff of CMMC should fall within the category of the national public personnel, it is necessary to establish exceptional provisions for their pay in the light of their peculiar nature.

This is the reason that the present bill is presented.

Submitted by Okada, Division of Maritime
Transportation Bureau,
Ministry of Transportation
4/4/49

The Office of New Pay Administration

April 5, 1049

Subject: New Pay for Land Peraonnel of C.M.M.C.

In response to an oral question on the captioned subject put to K. Suzuki the Office of New Pay Administration, from Mr. Bettis, G.S.,G.H.Q., on yesterday's meeting, the Office of New Pay Administration is hereby submitting a breif explanatory note to Mr. Bettis.

1. The summary of O.N.P.A.'s view which was brought to the attention of Mr. Bettis under date of Feb. 12, 1949, proposed that land personnel of C.M.M.C. be paid 17% less than before in their respective basic pay as a temporary expedient (leaving the question of whether or not to grant some allowance to later determination) in consequence of their having being designated, on Feb. 3, 1949, as government employee.

It was then understood that G.S. was willing to accept this idea in general, but in the opinion of G.S., tthe computation of pay for each member ought to be done on individual basis instead of collective average.

2. Acting upon the sugestion of G.S. as well as upon the urging of K. Suzuki, the C.M.M.C. land personnel strictly in accordance with the laws and regulations governing the current pay system of regular government employee.

The said spadework of determining each basic pay involving 4,000 and odd staff strictly on individual basis revealed that 11% instead of original 17% is a figure more correct enough to estimate the average reduction rate of basic pay.

The explanation offered by C.M.M.C. officials in charge why the original figure (17%) decreased by 6% is two fold, firstly, in the original computation done by C.M.M.C., a peradical pay raise due to employee was not counted and not included. Secondly, as Mr. Bettis is awafe, the original compitation was done relative to 150 members considered stadard grouping as far as their pay is concerned,

however, instead the computation so far completed covered liberally the whole gamut of the staff.

On minute "on-the-spot" examination we have realized that C.M.M.C. is doing a job honestly and scrupulously . Therefore the outcome is belived to be reliable whatever it may be.

The List indicating the comparison between former pay and revised pay is herewith attached for your reference.

3. Finally we should like to draw your attention to the fact that the director of O.N.P.A. has approved in writing under date of April 5,1949, the application from C.M.M.C. in connection with the allocation of job grade to its own staff and the oft-quoted work of determining each basic pay is related to ¥ 3,791 base and the operation of revising upward up to ¥ 6,307 base is expected to be completed toward the end of this week. We are looking forward to the day when the conclusive and accurate figure for each and every individual of C.M.M.C. personnel, shall be made available.

Section chiefs
Branch chiefs
Unit chiefs

List Indicating Comparison between Former and Revised Pay of C.M.M.C. Land Personnel

No. of Employees	A' Former Basic Pay	A Revised Basic Pay as of Dec. 1, 1947	B Revised Basic Pay as of Dec. 1, 1948	$\frac{A}{B}$	$\frac{A'}{B}$
Headquarters	1,070	4,224,140	4,385,070	4,902,180	0.895	0.862
A Class Local Branch	1,519	5,759,750	5,998,120	6,777,940	0.884	0.850
B Class Local Branch	908	3,320,140	3,461,780	3,883,340	0.891	0.855
A Class Local Sub-Branch	262	943,880	983,610	1,092,090	0.901	0.864
B Class Local Sub-Branch	246	889,540	927,860	1,052,910	0.881	0.845
C Class Local Sub-Branch	51	195,200	203,370	225,600	0.901	0.865
Local Agent	10	36,610	38,180	43,430	0.879	0.843
Total	4,066	15,369,260	15,992,970	17,977,490		
Average		3,780	3,933	4,421	0.890	0.855

CIVIL SERVICE DIVISION
Government Section

4 April 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Conversion of CMMC Employees to ¥6307 Base

Mr. Suzuki of the Allowance Bureau, Ministry of Finance, called at this office on 31 March 1949 and advised that the conversion of salaries of CMMC employees from the ¥3791 to the ¥6307 base, in accordance with Article 10 of the New Pay Law, had been completed as of 31 March.

All employees are presently being paid, or will receive payment in their next pay, on this basis.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

CMMC No.4173.

April 4, 1949.

Mr. P. E. Richers,
Civil Transportation Section,
GHQ, SCAP.

CMMC Pay Scale: The Suggestion for Revision of.

General Pay Scale

When the CMMC shore employees were decided to come under PS Law it was then understood that a certain differential should be given to maintain the original pay level after the application of the Law.

To facilitate the compilation of the budget in the limited space of time, 153 cases of the CMMC employees were picked out and detailed comparison was made between averages of calculations on PSL scale and those of the original CMMC pay scale.

It was found then that there existed a differential of 17% in favor of the CMMC scale.

In spite of our insistence that the differential of 17% should be maintained, the Finance Ministry decided a 10% differential and fixed average pay of the CMMC shore employees as 9,300 yen thus making total pay budget as 317,474,100 yen, viz., (¥4,378 x 0.83 x 1.613 + ¥942 + ¥1,691) x 1.1 = ¥9,300.

¥4,378 ..... Ave. pay of CMMC at ¥3,791 base.
0.82 ..... Deduction Ratio: CMMC to PSL.
1.613 ..... Raise Ratio: ¥3,791 to ¥6,307 base.
¥942 ..... Ave. Family Allowance.
¥1,691 ..... Ave. Local Allowance.
1.1 ..... Differential 10% added.

¥9,300 x 34,137 = ¥317,474,100.

When thorough reckoning of all the shore staffs, person by person, by his education, curriculum, position, etc., was completed it was found that differentials of 11% on PSL scale was necessary to maintain the CMMC staffs on the original pay standard, viz., (¥4,378 x 0.89 x 1.613 + ¥942 + ¥1,691) x 1.11 = ¥9,920.

¥4,378 ..... Ave. pay: CMMC at ¥3,791 base.
0.89 ..... Deduction Ratio: CMMC to PSL.
1.613 ..... Raise Ratio: ¥3,791 to ¥6,307 base.
¥942 ..... Ave. Family Allowance.
¥1,691 ..... Ave. Local Allowance.
1.11 ..... Differential 11% added.

¥9,920 x 34,137 = ¥337,954,300.

For this 337,954,300 yen is required, against the appropriated funds of 317,474,100 yen, with a deficit of 20,480,200 yen. Unless some measures are taken to appropriate the supplementary amount, a certain cut in the original standard of pays to the CMMC shore staffs is inevitable.

In this connection, it may be pointed out that no legislative procedure has been completed to decide on the CMMC pay scale, etc., in connection with PS Law. Unless those procedures are expedited, the CMMC would find itself in a very awkward position.

Overtime Pays

During the fiscal year of 1948, the CMMC shore staff worked overtime 26 hours per head per month, which, converted into "48-hour week" basis, represented 16 hours per head per month.

In the current budget, however, the appropriated fund of 9,959,000 yen for overtime pay can only cover less than 7 hours per head per month. To carry on at the average monthly overtime of 16 hours per head as heretofore, 23,890,438 yen, or 13,931,438 yen in addition to the appropriated fund, is required.

At the time when we are to tighten our watches on the ships' movements further more so as to check off-hire hours, etc., closely and accurately, overtime hours are to increase rather than to decrease. Our estimation is that, for 107 key personnel and 213 assistants, monthly overtime of 30 hours per head would be necessary, which would call for another 5,038,848 yen, thus making the total amount of overtime pay to 28,929,286 yen against the appropriated fund of 9,959,000 yen.

"Watch-Dog" Allowances

Transfer of vessels to time-charter as from 1 April 1949 calls for more close and accurate checking on the vessels' movements. With a view to meeting with the new requirements and to ensuring full service of necessary CMMC personnel, it is intended to nominate the "watch dogs", the particulars of which being as follows:

	Key Personnel	Assistants	Total
Head Office	6	15	21
Local Offices	101	198	299
	107	213	320

It is proposed that special allowances are to be paid to those key personnel and their assistants for their special service and work; 3,000 yen per month for each key personnel

and 1,000 yen for each assistant, for which a fund of 6,408,000 yen will be required, viz.,

¥3,000 x 107 x 12 = ¥3,852,000
¥1,000 x 213 x 12 = "2,556,000
¥6,408,000

I. Watanabe,
Chairman,
Civilian Merchant Marine
Committee.

K.U.

File
4-1-49

CIVIL SERVICE DIVISION
Government Section

1 April 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Technical Report on CMMC

Mr. Hasumi of the Salary and Wage Section, NPA, was called into this office on 1 April 1949 in regard to the technical report on CMMC employees to determine whether there might be justification in their demands for special salary treatment.

Although Mr. Hasumi was instructed on 24 March 1949 to secure this information and was again interviewed in regard to the matter on 29 March, a complete report has not to this date been secured. As stated in Memorandum for the Record of that date, some information had been secured, much of which was inaccurate and reflected discrepancies in the data.

Mr. Hasumi stated that a report had been made by CMMC to the ONPA regarding the differences in pay under the ¥3791 base between CMMC employees and that of regular government employees. This report, however, had not been checked by the ONPA and would not be available until 3 April 1949, after which a copy would be secured and the final report to this office completed.

A review of the information contained in this report indicates that the illegal pay rates of CMMC employees under the ¥3791 base are on an average approximately 10 per cent above those of regular government employees. If this data proves to be accurate there can be no justification for special treatment in the salaries of CMMC employees inasmuch as the pay was illegal in the beginning.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

Technical Report on the CMMC Shore-staff.

I) The reasons why the differential in favor of the CMMC shore-staff was reduced from 17% to 11%:

1) The comparison made between 153 cases of CMMC shore-staff and the same number of government officials, which had revealed the said 17% differential in favor of the CMMC staff, proved to be incorrect, because the selection was made among a certain sections of the CMMC only, making the method of comparison not appropriate in statistical theory.

2) The previous report did not take the annual promotion of salaries into consideration. As promotion had been suspended during the period from 1 December 1947 to 1 December 1948, a similar rate of promotion as that given to the Government officials should have been added to the CMMC salaries when the comparison was to be made. Now that the mistake was corrected, the differential is naturally reduced.

3) The grading of the 153 cases selected for the comparison was not correct, because each was graded to the lowest grade of similar posts in the Government offices. Further detailed investigation as to the nature of each post made re-grading necessary.

II) The reasons why the CMMC shore-staff shall be given an 11% allowance:

1) The CMMC shore-staff being public employees, but not government officials, they cannot enjoy the government officials' pension system.

2) The CMMC is not a permanent organization, existence of which depending on a special legislative measures to be made every 6 months.

3) The CMMC staff is consisted of employees drafted from the private business; they were drafted by the Government, disregarding the individual's wishes, when the CMMC was established.

4) The CMMC have no facilities and/or establishments to look after its staff, such as medical center, dormitories, co-operative society, etc.

5) The CMMC staff have been allowed to enjoy a better pay when they were on 2,920 yen base or 3,791 yen base, both of which had been authorized by the General Maritime Bureau and Ministry of Finance.

III) The completion of grading of the CMMC shore-staff has revealed that the figures in Board of Personnel report, dated 29 March, 1949, agree with the pay-scale authorized by the Chief of Office of New Pay Administration.

In view of the fact that the CMMC shore-staff is under similar conditions as those of Kodan staff, we are of the opinion that they should be allowed to receive a special consideration, at least, for the time being; namely, a certain allowance to the CMMC staff. The allowance would be 11% over the public employee's pay-scale, representing the same differential when the CMMC staff was on ¥2,920-base and ¥3,791-base.

Legislative procedures are necessary to legalize and realize the said allowance.

The standard of CMMC shore-staff would be as follows:

Salary ¥4378* x (1 - 0.11) x 1.613** = ¥4,378 x 1.43 = ¥6260

Family allowance ¥942

Special allowance ¥6260 x 0.11 = ¥688

Local allowance (¥6260 + ¥942 + ¥688) x 0.25*** = ¥1972
Area

Therefore the total is:

¥6260 + ¥942 + ¥688 + ¥1972 = ¥9862

* ¥4378 is the average basic salary on ¥3791-base.

** $1.613 = \frac{4740}{2938}$ (Gov. official's average on ¥6307 base / " " " on ¥3791 base)

*** 0.25 is the average CMMC local allowance.

See Revised Sheet This Prior To 1 Apr

Number of Operable Vessels.
(on and after 1 April, 1949)

Japanese Vessels

Merchant Vessels	709	
Government owned Vessel	11	
Total	720	

U.S. Owned Vessels

C.	8	
Liberty	10	
L.S.T.	49	(excepting laid up vessels 3)
Total	67	

GRAND TOTAL 787

667

100-120

Number of C.M.M.C. Shore Staffs & Employees.
(on and after 1 April, 1949.)

Head Office

Department	Number
General	244
Transport	216
Crew	239
Crew in Kobe	243
Engineer	81
Accountant	165
Total	1,188

1st Branch Office

Local Name	Number
Yokohama	200
Osaka	145
Kobe	96
Moji	182
Wakamatsu	99
Total	722

2nd Branch Office

Local Name	Number
Otaru	83
Hakodate	64
Maizuru	75
Sasebo	87
Nagasaki	71
Muroran	42
Tokyo	38
Nagoya	39
Niigata	47
Shiogama	24
Fushiki	31
Hiroshima	56
Miike	45
Total	702

3rd ~~Branch~~ Detachment Office

Local Name	Number
Yokkaichi	4
Nanao	6
Hirohata	4
Takamatsu	3
Senzaki	8
Saitozaki	4
Ainoura	5
Usunoura	6
Sakito	4
Total	44

1st Detachment Office

Local Name	Number
Yahata	42
Kure	26
Niihama	18
Fukuoka	38
Karatsu	23
Kagoshima	26
Onomichi	24
Total	197

2nd Detachment Office

Local Name	Number
Kushiro	16
Yokosuka	18
Shimizu	8
Funakawa	15
Sakai	8
Hachinohe	10
Sakata	8
Aomori	11
Tsuruga	10
Imari	8
Toyama	6
Tokuyama	6
Sakaide	8
Ube	6
Tsukumi	6
Kameishi	6
Total	150

Representative

Local Name	Number
Susaki	2
Oita	2
Yobuko	2
Kusudomari	1
Misumi	3
Uraga	2
Aioi	2
Tamano	2
Innoshima	3
Kasado	2
Total	21

Head Office	1,188
Branch	1,836
Sum Total	3,024

Crew Number of C.M.M.C. Vessel
(on and after 1 April. 1949.)

Classification	No. of Vessel	Officer	Crew	Total
Repatriation Vessel	24	383	1493	1876
Station Tanker	3	23	50	73
Captured Vessel	1	16	36.	52
Freighter	4	52	154	206
Station Tanker for B.C.O.F.	4	34	72	106
Laid Up Vessel	9	16	46	62
Water Barge	5	13	25	38
U.S. Owned Vessel	70	1078	2373	3451
Total of Crew	(120)	1615	4249	5864
Crew only Reserve		1306 → 20	637	1943
Russian Interpreter		31		31
Sum Total	(120)	2952	4886	7838

N.P.A. Views on Wages and Allowances of CMMC Employees

As is clear from the materials already submitted to the Civil Service Division, G.S., GHQ, since CMMC employees are under the special circumstances similar to those of "Kodan" workers, it would appear reasonable to recognize, at any rate for the present, the propriety of giving CMMC employees a higher level of compensation than ordinary Government employees. That is to say, it is considered appropriate that CMMC employees should be given an extra allowance in addition to the compensation of ordinary Government employees. Such extra allowance would be adequate if fixed at 17%, which was the average figure by which the monthly amount of salaries of CMMC employees had been consistently higher than that of ordinary Government employees through the Yen 2,920 and Yen 3,791 wage levels.

Remarks Comparison of wages between 150 ordinary Government employees and the same number of CMMC workers under the similar conditions indicates that the former's pay is 17% below the latter's. However, since CMMC workers fall under the category of Government employees, they should be treated in the same way as ordinary Government employees under the similar conditions.

Thus,

$$¥\ 4{,}378 \times \frac{4740}{2738} \times (1 - 0.17) \fallingdotseq ¥\ 5{,}823$$

is to be the basic wage figure for change of wage level from ¥ 3,771 to ¥ 6,307 for CMMC employees, who will, in addition, receive an average 17% extra allowance on this basic figure.

To. Mr. Bettis.

History of Wage Structure of Land Employees of Civil Mercantile Marine Commission

1. The Civil Mercantile Marine Commission was established on March 24, 1942 under the Ordinance for Wartime Marine Transportation Management, and its employees are mainly those who have been transferred and collected from private shipping companies. Accordingly, the wage structure and level of the compensation of its land employees are same as those of private shipping companies and are different from those of Government agencies.

2. In January, 1947 when Government agencies implemented the ¥ 1,600 pay level, the Civil Mercantile Marine Commission also adopted a policy to follow it, owing to the character of the Commission, in respect to the compensation of its land employees; and, since then, when the government agencies implemented the pay level of ¥ 1,800 in July, 1947, of ¥ 2,900 in January, 1948, and of ¥ 3,791 in July of the same year, corresponding revisions in their compensation were on each occasion effected by the Commission.

3. While the above-cited changes in the wage structure and level were all approved by the Maritime Board, a lowering of the pay level was on each occasion forced upon the Commission. However, at the time of change of the pay level to ¥ 2,920, the pay revision proposed by the Commission was approved as appropriate as a result of comparison and examination of such factors as the ratio of ages, types of jobs, number of family members, places of work, hours of work, etc. of the land employees of the Commission, with those of Government agencies, and an understanding of the authorities concerned was obtained that, in the event Government

agencies raise thereafter the pay level of their employees, the Commission may make pay raise in the same ratio.

Prior to December, 1945:		
Monthly average compensation	¥ 231	
Monthly average amount of seasonal bonuses (twice a year)	96	¥ 327
December, 1945 and thereafter,		
Monthly average compensation	324	
Monthly average amount of seasonal bonnses (twice a year)	96	420
March, 1946 and thereafter,		
Monthly average compensation	546	
Monthly average amount of seasonable bonuses (twice a year)	96	642
June, 1946 and thereafter,		
Monthly average compensation	826	
Monthly average amount seasonable of bonuses (twice a year)	96	922
January, 1947 and thereafter,		
Monthly average compensation	2,549	
July, 1947 and thereafter,		
Monthly average compensation	2,868	
January, 1948 and thereafter,		
Monthly average compensation	4,704	
July, 1948 and thereafter,		
Monthly average compensation	6,237	

Basis on which conversion made to Yen 6,307 and date of conversion

1. Circumstances leading to conversion to Yen 6,307 and basis:

With the application of the National Public Service Law to land employees of the Civil Mercantile Marine Commission it became necessary to determine the compensation of these employees under their new status as public employees correspondingly to the instances of government and public officials, and it was therefore decided to bring their compensation hitherto paid by the Civil Mercantile Marine Commission in line with the basis prescribed in the same law and to add thereto some extra allowance in view of the character of the Civil Mercantile Marine Commission (e.g., the employees concerned are capable staffs originally supplied by various shipping companies and are above the standard of general government and public officials in age, family composition, etc.), coupled with the fact that, when it had been decided to apply the National Public Service Law to these employees, assurance had been given by the government authorities concerned that their existing basis of compensation would be maintained and that no action which would reduce such basis would be taken.

In changing base pay of these employees to the basis of public employees, as it was impossible by one effort to estimate within a brief space of time the qualifications of over 4,000 employees by their educational background and work experience and to grade their respective jobs, 2,500 employees were picked out in haste; and, since basy pay on Yen 1,600 pay level in force in the Civil Mercantile Marine Commission agreed with the pay grades of government employees at a certain

simultaneous point, with this as a basis a change-over to the compensation prescribed in the National public Service Law was effected as directed by the Chief of the Office of New Pay Administration, which resulted in a reduction of 17 % in base pay as compared with the compensation hitherto paid on the Yen 3,791 pay level.

While it was considered possible to further reduce this figure of 17 % in view of the fact that the sample grading adopted was for what might be regarded as the lowest level jobs due to lack of time for a close study and comparison of the staff organization of the Civil Mercantile Marine Commission with that of Government agencies, coupled with the fact that pay increases directed by the Chief of the Office of New Pay Administration were not taken into account, a time factor made it impracticable to continue further work in this connection. It was, therefore, decided for the time being to regard 87 % (a reduction of 17 %) of the former base pay as the compensation payable on the Yen 3,791 pay level and to make provisional payment by converting it to the Yen 6,307 pay level, after which to apply as soon as practicable a change-over of base pay according to the formula directed by the Chief of the Office of New Pay Administration to the entire land employees, thereby determining their initial pay under their new status as public employees and settling the provisional payment referred to above. Steps are being taken to carry out the above decision.

2. Date of conversion to Yen 6,307 pay level:

December 1, 1948.

To. Mr. Bettis

N.P.A. Views of Wages and Allowances of CMMC Employees

As is clear from the materials already submitted to the Civil Service Division, G.S., GHQ, since CMMC employees are under the special circumstances similar to those of "Kodan" workers, it would appear reasonable to recognize, at any rate for the present, the propriety of giving CMMC employees a higher level of compensation than ordinary Government employees. That is to say, it is considered appropriate that CMMC employees should be given an extra allowance in addition to the compensation of ordinary Government employees. Such extra allowance would be adequate if fixed at 17%, which was the average figure by which the monthly amount of salaries of CMMC employees had been consistently higher than that of ordinary Government employees through the Yen 2,920 and Yen 3,791 wage levels.

Remarks Comparison of wages between 150 ordinary Government employees and the same number of CMMC workers under the similar conditions indicates that the former's pay is 17% below the latter's. However, since CMMC workers fall under the category of Government employees, they should be treated in the same way as ordinary Government employees under the similar conditions.

Thus,

$$¥\,4{,}378 \times \frac{4740}{2938} \times (1 - 0.17) \fallingdotseq ¥\,5{,}823$$

is to be the basic wage figure for change of wage level from ¥ 3,971 to ¥ 6,307 for CMMC employees, who will, in addition, receive an average 17% extra allowance on this basic figure.

Outline of Changes in Seamen's Compensation

Since March, 1945:

In the past compensation of seamen had been different according to their employers, but when all seamen were brought under the unified control of the Civil Marcantile Marine Commission in accordance with the Ordinance for Mobilization of Seamen, their compensation was consequently standardized and the average onboard compensation of the higher and ordinary seamen became as follows;

Higher Class ¥ 495.60
Ordinary Class ¥ 200.20
Average ¥ 350. -

Revised in January, 1946:

Higher Class ¥ 1,059.64
Ordinary Class ¥ 543.18
Average ¥ 862. -

Revised in July, 1946:

Higher Class ¥ 1,399.18
Ordinary Class ¥ 829.97
Average ¥ 998. -

Revised in January, 1947 (¥ 1,600 pay base):

Higher Class ¥ 3,868.59
Ordinary Class ¥ 2,462.38
Average ¥ 2,903. -

Revised in July, 1947 (¥ 2,560 pay base):

Higher Class ¥ 6,582.32
Ordinary Class ¥ 4,114.28
Average ¥ 4,912. -

Revised in April, 1948 (¥ 3,077 pay base)¥

Higher Class ¥ 7,833.32
Ordinary Class ¥ 4,933.65
Average ¥ 5,873. -

Revised in June, 1948 (¥ 3,997 pay base):

Higher Class ¥10,320.34
Ordinary Class ¥ 6,412.27
Average ¥ 7,617. -

N.B.

1. The average on-board compensation includes various allowances (on-board allowance, special on-board allowance, navigation allowance, oil-tanker allowance, allowance for engineering crew, shipwrights' tool allowance, small-sized vessel allowance and family allowance).

2. The balance between ¥ 2,560 pay base and ¥ 2,920 pay base for the months of January - March, 1948, was paid in a lump sum as make-up money. As a result of this, the average on-board compensation of the higher and ordinary classes of seamen became ¥ 5,603.

3. The compensation of those seamen waiting orders on shore is about 55% of their on-board compensation.

See reverse

Wages and Allowances of CMMC Employees

The National Authority, Personnel ~~Administration Committee~~, are of the opinion that it is reasonable at the present time for CMMC employees to have a higher level of wages than ordinary Government employees, the former being under the special circumstances similar to those of Kodan (Government Corporation) workers.

The above wage is to consist of the salaries on the same level of the ordinary Government employees plus special allowances (average 17% on salaries, the figure of which has so far been maintained through the ¥2920 and ¥3790 wage level).

Remarks

Comparison of wages between 150 ordinary Government employees and the same number of CMMC workers under the similar conditions indicate that the former's wage is 17% below the latter.

As long as CMMC workers fall under the category of Government employees, they should be treated in the same way as the ordinary Government employees under the similar conditions.

Thus,

$$¥4378 \times \frac{4740}{2938} \times (1 - 0.17) = ¥5862$$

is to be the basic wage figure for wage level shift from ¥3971 to ¥6307 for CMMC employees, who will get average 17% allowances on this basic figure.

24,3,29 To Mr. Bettis

Comparison Table of Base Pay Conversion

Name of Office	Number of persons	A Base Pay after converted(¥3791) *	O. Present Base Pay ofCMMC(¥3791) *	$\frac{A}{O}$	$\frac{O-A}{O}$
Head Office	1,070	4,385,070	4,902,180	0,895	0,105
1st Branch Office	1,519	5,993,120	6,777,940	0,884	0,116
2nd Branch Office	908	3,461,780	3,883,340	0,891	0,109
1st Detachment Office	262	983,610	1,092,090	0,901	0,099
2nd Detachment Office	246	927,860	1,052,910	0,881	0,119
3rd Detachment Office	51	203,370	225,600	0,901	0,099
Representative	10	38,160	43,430	0,879	0,121
Total	4,066	15,992,970	17,977,490	0,890	0,110
Average		3,933	4,421		

Bisides this , there is the dormitory of the crew(192 persons, $\frac{A}{O}$ = 0,911) but the sum total and the ratis are equal.

~~$\frac{A}{O}$ maximum 1,056 minimum 0,615~~ ?

Rec'd 30 Mar. 1949

Number of seamen for the vessels manned, maintained and operated by the C.M.M.C.
After 1 April, 1949.

Officer			Crews			Grand Total
On board	Reservists	Total	On board	Reservists	Total	
1,679	1,321	3,000	4,461	637	5,098	8,098

Number of vessels manned, maintained and operated by the C.M.M.C.

Operable

Privately owned		29
U.S. Government Owned		67
Japanese "		14
	Total	110

Laid up 12

GRAND TOTAL 122

Dw. Shiraishi

Salter
II 12.a.

CIVIL SERVICE DIVISION
Government Section

29 March 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Technical Report on CMMC

In accordance with instructions from this office under date of 24 March 1949, Mr. Hasumi of the Salary & Wage Section, NPA, conducted a survey of CMMC to determine if there was any basis for their demands for special treatment in regard to their pay.

A part of the information requested was delivered to this office at the close of business 25 March and Mr. Hasumi delivered other parts of the information on 28 March, together with the recommendations of NPA. The report furnished this office was incomplete and did not contain any data or information that would support the recommendation by NPA that employees of CMMC be allowed a base wage of 17 per cent over that of regular government employees.

Mr. Hasumi's attention was invited to the fact that the report as submitted appeared to have some discrepancies in data. For instance, under vessels listed to be retained after 1 April 1949 there were listed 709 merchant vessels, 11 vessels owned by the Japanese government and 67 U. S. owned vessles, making a total of 787 ships to be retained in operation. Statistics furnished in regard to crews for these vessels indicated that there would be a total of 7,838 seamen to operate 120 vessels; this would leave 667 vessels unaccounted for. Mr. Hasumi was advised to verify the figures and to present corrected data to this office on 29 March. He was also advised that the report as furnished this office did not support the recommendation made by NPA and that a more detailed study of the history of the wage structure of CMMC, the present status of CMMC in regard to salaries under the ¥6307 base, and a summary of the findings, should be furnished this office at the earliest practicable date.

It appears that there is no basis for recommendation for special treatment of these employees but that political pressures from the unions and various governmental agencies being brought to bear upon the NPA are the direct causes for the recommendations that are being made.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

CIVIL SERVICE DIVISION
Government Section

March 25, 1949

MEMORANDUM FOR: The Record

SUBJECT : Special Salary Treatment, CMMC

1. In pursuance of a meeting between Mr. Bettis and Mr. Hasumi of NPA, Dr. Asai was informed today of this meeting.

2. Dr. Asai was told that a review of his letter to Mr. Hoover requesting the approval of a Cabinet Order to augment the salary of CMMC had been r~~eceived~~, but that there appeared to be no legal basis upon which such Cabinet Order could be issued. Mr. Hasumi, therefore, had been requested to immediately compile the technical analysis of the situation with respect to pay of CMMC personnel and to submit a technical report on the situation to this office today.

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:vr

CIVIL SERVICE DIVISION
Government Section

24 March 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Technical Report on CMMC

In accordance with the instructions of Mr. Hoover, Mr. Hasumi of the Salary and Wage Section was called into this office at 1400 hours, 24 March 1949 and was instructed to make a survey and complete a technical report regarding CMMC, to be in this office not later than 1700 hours, 25 March 1949.

An outline was furnished Mr. Hasumi to be used in securing the information as follows:

I. History of the Wage Structure of CMMC

A. Land Personnel
B. Seamen

II. Present Status of Conversion of Wages to ¥6[illegible]3 Base

A. Basis on which converted
B. Date of conversion

III. Status of CMMC on and after 1 April 1949

A. Number of Ships to be Operated
B. Ownership of Ships
1. U. S. Government
2. Japanese Government
3. Private Ownership
C. Number of Land Based Personnel to be Retained
D. Number of Seamen to be Retained

IV. A Complete Summary of the Findings and Recommendations of NPA in Regard to the Justification of Special Salary Treatment for CMMC Employees

It was suggested to Mr. Hasumi that Mr. Suzuki of the Allowance Bureau, Ministry of Finance, might be able to be of assistance in securing the necessary data inasmuch as the conversion of salaries of CMMC employees since they were determined to be government workers has been handled by Mr. Suzuki.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

CIVIL SERVICE DIVISION
Government Section

24 March 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Civil Merchant Marine Committee

In a telephone conversation with Mr. Jeffers of ESS the following information was gathered:

ESS Finance considers CMMC as a sort of quasi-governmental agency having similarities to Kodans, but not of the same nature. It is a temporary agency based on the War Time Shipping Administration Law which under direction of SCAPIN 256 of 9 November 1945 has been continued repeatedly for six month periods. It is financially treated like a Kodan, having a separate appropriation. However, the employees are now considered as government employees. As far as ESS Finance is concerned there is no specific legal provision for the payment of a higher rate than that provided for appropriate positions in the regular service.

and deficits are made up by appropriated funds.

The Civil Transportation Section has ordered (either in writing or verbally) the decontrol of Japanese shipping by 1 April 1949. This will release a substantial part of the seamen now under employment by CMMC back to private employment. Incidentally, in order to adjust the retirement benefits which these seamen would normally have acquired under private employment the sum of ¥450,000,000 is being appropriated at this time to be paid to companies such that the seamen will maintain a continuous retirement benefit throughout their employment with private industry even though they have worked for the government for the past three years. It is anticipated that next year additional sums will be appropriated for the same adjustment for those seamen who may be still on the government payrolls.

It has been the practice since the issuance of the SCAPIN to pay these employees slightly more than the regular government employment because they did not receive the same benefits that government employees would receive, because they are temporary employees, and because government employment has always paid less than private employment and these employees have always been considered merely assigned from private employment to carry out a government function on a temporary basis.

In the appropriations for 1949-50 funds have been budgeted at the rate of ¥9,300 per employee for land-based personnel who since 3 February 1949 have been considered as part of the regular service. This provides a rate of pay in excess of that which they would receive should they be converted to the ¥6307 pay level. They have been receiving a rate of pay on the average somewhat in excess of ¥7,200 per month.

Appropriations have been provided for those seamen who will continue to man American or Japanese vessels handling repatriation or 8th Army cargo, at the rate of ¥10,100 per month should they be construed as government employees. If they continue as non-governmental employees the appropriation rate would continue to be the existing rate of slightly over ¥7,600 per month.

ESS Finance does not feel that there is any legal basis upon which a Cabinet Order can be issued providing a rate of pay in excess of that provided for regular government workers. ESS Finance further indicates informally that should any legislation be proposed whereby these employees would get funds in excess of that paid regular government employees that they would oppose such legislation.

It appears that there have been some negotiations going on between the seamen's union and those persons having advisory control over the CMMC for the purpose of arriving at a rate of pay which will continue the preferential position of these personnel over government personnel. The seamen's union in cooperation with the shipping operators have placed pressure on the Cabinet, which in turn undoubtedly has placed pressure on NPA to obtain a decision and a recommended action which will continue this special treatment for CMMC personnel. The land-based personnel, of course, will benefit by these activities of the seamen's union - they are not raising any objection.

MacDONALD SALTER
Chief, Classification
& Compensation Branch

MS:jd

CIVIL SERVICE DIVISION
Government Section

23 March 1949

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

SUBJECT : Special Pay Treatment for CMMC Employees

Attached herewith is a memorandum to Mr. Hoover from Dr. Asai urging the approval of a Cabinet Order based on the Potsdam Declaration to provide a pay differential for CMMC employees in a manner similar to that made available for Kodans.

There is no legal basis for such a Cabinet Order since the SCAP memorandum upon which the agency was established and administered made no specific provision with respect to special pay for employees of the CMMC. In fact the memorandum from SCAP indicated that the employees of CMMC should be government employees in every respect.

Dr. Asai's memorandum is quite correct in indicating the temporary nature of CMMC, the source of personnel, and the nature of its functions. CMMC may therefore be considered as a sort of quasi-governmental agency similar to but not like Kodans. Kodans are established by law while CMMC is a continuation of the old War Time Shipping Administration. Furthermore, the Kodan laws provide for the setting of pay rates by ESB and a Cabinet Order has been issued in accordance with these Kodan laws providing a pay differential ranging from 10 to 50 per cent, but to average not more than 30 per cent. This was not revoked by the amendments to the New Pay Law passed in December 1948 and continues in effect. No such provision is available for CMMC employees.

The only action that can be taken is for NPA to state that there is no legal basis for the payment of such a differential. If NPA, however, feels special pay treatment under the provisions of Article 15, paragraph 3 of the New Pay Law should be accorded CMMC personnel, then it is the sole responsibility of NPA to make appropriate recommendations to the Cabinet and the Diet.

MacDonald Salter

MacDONALD SALTER
Chief, Classification
& Compensation Branch

MS:jd

Att.

Mr Salter
Process according to oral instructions of Mr Hoover
Report 3/24/49

3/25/49

National Personnel Authority

March 23, 1949

To:

Mr. Blaine Hoover,

Chief of Civil Service Division,

Government Section, GHQ, SCAP

Mr Salter
Leave your
and this
Today, please
1 copy
3/23/49

With reference to your message brought to me by Mr. Salter yesterday, I append here-below the reasons why the compensation of land employees of the Civil Mercantile Marine Commission should be treated similarly as that of Kodan employees:-

I hope that you will be good enough to give your approval to the draft Cabinet Order based on the Potsdam Declaration as requested in my letter dated March 18.

1. Various groups of private enterprise employees were made an agency to execute Governmental functions.

As in the case of various Kodan, the CMMC is nothing more than a body consisting of former employees of private enterprises charged with the duties for executing the Government policies.

2. Temporary organization.

There are some Kodan whose term of existence is fixed by law, or which are to be dissolved as soon as the law aiming at the economic stabilization becomes invalid, or which are to be dissolved by an order from the Director-General of the Economic Stabilization Board when he has deemed it necessary for the execution of economic policy. Thus, the existence of Kodan is temporary either from the legislative or economic viewpoint. Likewise, the CMMC is, from the economic standpoint, an agency to execute the maritime transport policy in an emergency situation, and,

from the legislative standpoint, it is also a temporary organization whose term of existence must be renewed every six months by issuing a Cabinet Order in accordance with Imperial Ordinance 542 of 1945 concerning orders to be issued in consequence of the acceptance of the Potsdam Declaration.

3. The employees are national public employees.

The CMMC employees are national public employees in the regular government service as in the case of various Kodan employees. Therefore, various working conditions, such as working hours, are provided for by the Rule of the National ~~Public~~ Personnel Authority.

4. Similar knowledge and experience are required for the performance of their duties.

Neither CMMC land staffs nor various Kodan employees need have knowledge and experience required of Government officials. It is sufficient for them to have knowledge and experience necessary for the performance of duties in private concerns.

5. Pension system is not applied.

The CMMC land staffs, along with various Kodan employees, are national public employees but are not regular government officials. Therefore, the pension system is not applicable to them.

6. Welfare facilities are poor.

As in the case of various Kodan, the CMMC being unable to own immovable property, the benefit of the welfare facilities for CMMC land staffs (such as hospital, dormitories, cooperative society, etc.) is far from being sufficient.

Asai Kiyoshi

Asai Kiyoshi

President
of
National Personnel Authority

CIVIL SERVICE DIVISION
Government Section

23 March 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Payment of CMMC Employees

Mr. Suzuki of the Allowance Bureau, Ministry of Finance, was called into this office on 22 March 1949 in regard to payment of CMMC land-based personnel and conversion of their salaries to the ¥6307 base.

In a previous conference with Mr. Suzuki in regard to this subject a decision was reached as to the method of conversion and he was to contact the appropriate authority within the CMMC to outline the plan. This was done; however, Mr. Suzuki has not followed up in regard to the matter to determine the date of conversion to the ¥6307 base or as to what progress has been made. Mr. Suzuki was requested to immediately make a survey in regard to the situation and to report his findings to this office at the earliest practicable date.

JESSE B. BETTIS
Compensation Specialist

JBB;jd

~~3/25/49~~
~~3/24/49~~
~~3/31/49~~

CIVIL SERVICE DIVISION
Government Section

March 22, 1949

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

SUBJECT : Character of CMMC

1. Dr. Asai was asked this afternoon to review in detail and carefully the character of the Civil Merchant Marine Commission and to determine whether or not this agency should be construed as a Kodan. Dr. Asai stated that he would review this matter and report in writing as soon as possible.

2. During the discussion of the history of the present salary situation of CMMC employees, it was pointed out that a slight change in status might occur April 1st and that this fact should be taken into consideration. Furthermore, NPA should be thoroughly informed on any matters pertaining to the status of employees of CMMC and the character of the agency itself. It may be necessary for NPA on or prior to 1 April, 1949, to make a decision with respect to the seamen, who will continue to be employed by CMMC subsequent to March 31, 1949.

3. It was generally agreed that a Cabinet Order could not be issued providing for any pay differential for CMMC employees.

MacDonald Salter

MACDONALD SALTER
Chief, Classification and Compensation Branch

MS:vr

Salter will investigate report
3/28/49 Due Today.

1 April 1949

I discussed this situation with Mr. Salter today. Apparently CMMC land-based personnel, now permanently in the government service, are being correctly paid on the ¥6307 base schedules. I told him to so instruct Dr. Asai and say that the matter is closed. No Cabinet Orders making this effective are necessary.

BH/hm

National Personnel Authority

Rcd 3/21/49
09:00

March 18, 1949

To:

Mr. Blaine Hoover,

Chief of Civil Service Division,

Government Section, GHQ, SCAP

Compensation of Land Employees of Civil Mercantile Marine Commission

It had been decided at the meeting of the National Personnel Authority on February 3 last that land employees of the Civil Mercantile Marine Commission are to be treated as national public employees. And considering that it is necessary to establish a Cabinet Order based on the Potsdam Declaration concerning their compensation, we submitted a draft Cabinet Order to your Division some time ago, but Mr. Bettis of your Division asked the Chief of our Salary and Wage Section to convey to this Authority his opinion that the matter should be provided by law.

It had been made clear by a SCAP Memorandum of January 11, 1946 that the land employees of the Civil Mercantile Marine Commission are national public employees, but since that time no domestic legal measures have been taken on the matter.

It is clear that the Civil Marcantile Marine Commission has the same character as "Kodan" and, like "Kodan", besides the compensation of general public employees, a special allowance is necessary, and even before February 3 last the compensation of these employees was considerably higher than that of general public employees. The necessity of this special allowance has already been recognized not only by the Office of New Pay Administration

but also by the Budget Bureau of the Ministry of Finance, and, in order to legalize this special allowance, a law or its alternate, a Cabinet Order based on the Potsdam Declaration ~~to~~ is necessary.

If the matter is to be provided by law, consideration should be given to the fact that not only a considerable time had already elapsed since February 3, but the step would still require some time before its enactment. In the circumstances, it is thought absolutely imperative to deal with this question before the Diet is reopened by means of a Cabinet Order based on the Potsdam Declaration which takes the place of law, since the issue is specifically based on the SCAP Memorandum.

Accordingly, I shall be glad if you will be good enough to give your early approval to the draft Cabinet Order based on the Potsdam Declaration now in your hand.

Kiyoshi Asai

Asai Kiyoshi

President
of
National Personnel Authority

CIVIL SERVICE DIVISION
Government Section

16 March 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Payment of CMMC Employees

Mr. Hasumi of the Salary and Wage Section, NPA, called at this office on 16 March 1949 and stated that a committee from CMMC had called at his office in regard to the conversion of CMMC employees from the ¥3791 wage base to the ¥6307 base.

Mr. Hasumi was advised in regard to the various conferences that had been held between this office and the ONPA in regard to this matter. It was pointed out that interim measures had been agreed upon for the payment of CMMC employees for the month of February and that methods of converting from the old to the new base pay had also been established. It was assumed by the writer that the conversions had been made and that these employees were now receiving pay under the ¥6307 base. Mr. Hasumi was instructed to contact Mr. Suzuki of the ONPA to determine if there had been a delay.

It was pointed out to Mr. Hasumi that it was the responsibility of the NPA under the provision of Article 15, paragraph 3 of the New Pay Law to make studies in regard to the pay of CMMC personnel to determine if their request for a differential or special allowance was justified, and that if it was found that there was sufficient justification it was the responsibility of the Authority to draft and present to the Diet necessary legislation to effect same.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

NPA 9 pp
ONPA 1 dec. 007

Rec'd 14 March 49 from Mr. Okabe of NPA delivered for Maritime Bureau - Hsp

GMB NO.464 (GG)

14 March, 1949
GENERAL MARITIME BUREAU
MINISTRY OF TRANSPORTATION.

Better this one should be investigated and a decision reached. HS

REASONS NECESSITATING THE ESTABLISHMENT
OF A "CABINET ORDER GOVERNING THE OFFICIAL STATUS
AND PAY OF THE CMMC OFFICERS AND SHORE STAFF".

1. The President of the National Personnel Authority decided on February 3 this year that the CMMC shore staff should fall within the category of the national public personnel, in accordance with the provisions of Art. 2 Para. 2 of the National Public Service Law.

2. As it is evident that the CMMC shore staff are employed in the ordinary Government service, they are to be paid in accordance with the provisions of the Law administering the New Pay of Government Officials, and no exception is allowed thereto by virtue of the provisions of Art. 1 of the same Law unless special provisions are made in a law.

3. It is necessary, however, to pay a special allowance to the CMMC shore staff for the following reasons, as with personnel of Kodan.

(a) The staff of CMMC, an agency executing Government functions, is composed of former employees of private enterprises.

CMMC, alike various Kodans, is a body which is designed, being composed of personnel formerly employed by private enterprises, to execute national policies.

(b) CMMC is a temporary organization.

CMMC, alike various Kodans, is a temporary organization, whose term of existence is renewed every six months by virtue of a Cabinet Order issued in consequence of the acceptance of the Potsdam Declaration.

(c) Special knowledge and experience are required.

The CMMC shore staff, alike personnel of various Kodans, are required to have special knowledge and experiences which are mostly needed

for carrying out the business of private enterprise.

(d) Pension system is not applied.

The CMMC shore staff, along with personnel of various Kodans, are national public personnel, but not regular government officials. Therefore, the pension system is not applicable to them.

(e) Welfare facilities are poor.

As in the case of various Kodans, CMMC being unable to own immovable property, the benefit of various welfare facilities for CMMC shore staff (such as hospitals, dormitories, co-operative stores, etc.) is far from being sufficient.

4. The "allowance for Kodan personnel" is given to the Kodan officials in accordance with an exception to the Law administering the New Pay of Government Officials. This is allowed by virtue of the provisions of the respective Kodan law to the effect that the Minister responsible for the enforcement of the law may make an exception for the Kodan personnel in respect to their pay.

5. Unless a law or a "Cabinet Order issued in consequence of the acceptance of Potsdam Declaration" is established to make an exception to the Law administering the New Pay of Government Officials for CMMC personnel alike, they will eventually be paid worse than the Kodan personnel, being handicapped simply because they were designated for the national public personnel.

6. Under the circumstances, the Japanese Government earnestly wishes to establish the subject Cabinet Order at an earliest possible day in order to have the CMMC staff relieved from the above uneasiness.

It is cordially requested that you will favor as with your kind approval in this connection.

MH

CIVIL SERVICE DIVISION
Government Section

26 February 1949

file

MEMORANDUM FOR: The Record

SUBJECT : Status of CMMC Employees

1. A phone call was received this morning at 11:15 from Mr. Richers of Civil Transportation Section asking that the following information be conveyed to Mr. Hoover:

a. The union members have not officially taken any action or gone on record that a strike would be called on Sunday.

b. The four offices of SCAP still feel the same way, that the seamen should be considered outside of the government service. Public Finance of ESS, however, still states that there are no funds available for the payment of salary and wages of the seamen of CMMC should they be declared non-government employees. Mr. Richers stated that he had intended to call the officials of the union and to formally discuss the matter with them and urge them to delay any action. The Ministry of Transportation advised him that they did not think this was advisable at the moment. They stated that they were preparing a complete file to be submitted to Mr. Reed, Public Finance, ESS, Monday. This was being done on the assumption that Mr. Reed did not fully understand the history and background of the present situation and that should it be presented to him fully he would appreciate the actions contemplated.

c. Civil Transportation Section has decided to temporarily hold up the "check sheet" at least until the first of the week.

2. The above information was submitted to Mr. Hoover who in turn requested that Mr. Richers attention be drawn to the fact that "for three years a SCAP directive has been on the books, during which three years Finance, ESS, has not obstructed payment of salary and wages due to non-implementation of the directive."

3. Mr. Richers was advised by phone as suggested.

MacDonald Salter

MACDONALD SALTER,
Chief, Classification, Compensation Branch.

MS:mvb

-29-

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

C.O.3mc.

~~1-Mr Hoover~~
2-file

25 February 1949

MEMORANDUM FOR THE RECORD:

SUBJECT : Seamen Employed by the Civil Merchant Marine Committee.

Following the discussions held between the National Personnel Authority and the Civil Service Division and between Mr. Blaine Hoover and General Whitney, it was decided ~~to declare~~ the seamen employed by the Civil Merchant Marine Committee as ~~outside the~~ national government ~~service~~ employees and therefore not subject to the purview of the National Public Service Law. They become private enterprise employees 1 Apr 49 and endless confusion would be caused by such a ruling.

Mr. MacCoy was authorized by Mr. Hoover to convey this information to Mr. Richers of Civil Transportation Section, Mr. Amis, of Labor Division, Economic & Scientific Section and Mr. Gene Reed of Public Finance Division, Economic & Scientific Section on 24 February.

Both Mr. Richers and Mr. Amis were in complete accord with this decision and felt that under the circumstances it eased a very serious situation and was the correct operating procedure to follow. Mr. Reed, however, objected very seriously to the decision and indicated that his office would withhold any approval of agreements signed between the seaman's union and the Civil Merchant Marine Committee if they involved promotions for the seamen. Mr. Reed also indicated that if given the opportunity to comment on the proposed SCAPIN which would alter the SCAPIN issued by G-4 on 11 January 1946 placing the seamen outside the national government service, that he would voice serious and official objection to such a change.

W. Pierce MacCoy

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM/hm

1 - Mr. Hoover
2 - file
cm me.

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

25 February 1949

BM

MEMORANDUM FOR THE RECORD :

SUBJECT : Seamen of the Civil Merchant Marine Committee.

Late in the afternoon of Thursday, 24 February, Mr. Richers' secretary called this office to advise that Civil Transportation Section is willing to write a check note asking for amendment to the SCAPIN of 11 January 1946 which will place the seamen in a different category than the land-based personnel of the Civil Merchant Marine Committee.

Following this call, Mr. MacCoy phoned Mr. Richers who explained that G-4 had originally issued the SCAPIN of 11 January 1946 since at that time, GHQ, SCAP did not have the formalized organizations handling the various subject matters and G-4 was issuing all such orders to the Japanese Government.

Mr. Richers had personally called the Executive Officer of G-4 and explained the entire situation to him, securing his approval for the initiation of a SCAPIN to rescind the one of 11 January 1946 and altering the terms of such instructions. G-4 understands that the new SCAPIN will be initiated by the Government Section with the technical advise of Civil Transportation Section.

Purse - I don't know why. Let them sweat it out. Legal. CSD approves.

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM/hm

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

24 February 1949

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

SUBJECT : Rates of Pay for Seamen Employed by the Civil Merchant Marine Committee.

At 1630 on 23 February, Mr. Sato, Executive Director of the National Personnel Authority reported that Mr. Akayama, Director of the Civil Merchant Marine Committee had appealed to Dr. Asai relative to the establishment of wages for the seamen employed by his organization. He stated that he had conducted collective bargaining with the seamen union and that they had reached an agreement on the wages to be paid.

Upon presenting this to Mr. Reed, Chief of Public Finance Division, Economic & Scientific Section, he had encountered an impasse due to the fact that Mr. Reed stated that he had never been officially advised by the Civil Service Division as to the status of the seamen and whether they were subject to collective bargaining or not. Since Mr. Reed had never appeared in the picture before, no calls were ever made to him, though I advised both Mr. Richers and Mr. Amis.

At 0830 on 24 February, Mr. Richers called to advise that the seamen union felt they had been sufficiently patient in awaiting the approval of the collective agreement which they had entered into with the Civil Merchant Marine Committee and not having received any advice or approval or confirmation of the agreement, had decided to call a strike after noon on Thursday, 24 February. Mr. Richers was particularly anxious that the matter be settled before the union called the strike since he did not want the union to have the idea confirmed that they must resort to force in the form of a strike to secure their demands. He felt this was particularly true and pertinent at this time in view of the fact that the union, the Civil Merchant Marine Committee and the SCAP counterpart which is guiding the destinies of the Civil Merchant Marine Committee have all amicably agreed to the suggested settlement.

At 1005 on 24 February, Mr. Burati of Mr. Amis' office called urging a quick decision on the matter and stated that they had assumed

that the matter was decided in view of the fact that the Civil Service Division had ruled specifically on the land based personnel but had made no mention of the seamen who were in the same organization and therefore it was their understanding that there was no bar to the negotiation of any agreements between the seamen and Civil Merchant Marine Committee between now and 1 April.

Mr. Richers had requested a conference between the navy personnel involved in operating the ships, Mr. Akayama of the Civil Merchant Marine Committee, Mr. Amis, Mr. Reed and himself with Mr. Hoover to settle this matter.

W. Pierce MacCoy

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM/hm

February 22, 1949

To:

Mr. Gordon W. Peterson,

Civil Service Division,

Government Section, GHQ, SCAP

I hereby submit to you, at your request, a copy of the minutes of the meeting of the National Personnel Authority held on February 3, 1949.

Sato Tomoo

Sato Tomoo

Director-General

Copy of Minutes of Meeting of National
Personnel Authority

Meeting of National Personnel Authority

Date: From 5:50 P.M. 6:50 P.M. Thursday, February 3, 1949

Place: The Office of the President

Members Present: President Asai
Commissioner Yamashita
Director-General Sato (Executive Secretary)

Subject: Treatment of the Civil Merchant Marine Committee Land Personnel

Process: The plan to the effect that Civil Merchant Marine Committee land personnel shall be Government employees prescribed in Article 2 of the National Public Service Law was presented by the Executive Secretary with explanations of the reasons.
Each Commissioner discussed all phases of the plan.

Result: The plan was passed in its original form.

CIVIL SERVICE DIVISION
Government Section

17 February 1949

MEMORANDUM FOR: Mr. Jesse B. Bettis, Compensation Specialist

SUBJECT : Conversion of Pay of CMMC Employees

I received this morning a memorandum from Mr. MacCoy reporting a conversation concerning the conversion of CMMC employees to the ¥6307 pay level. A copy of this is given to you for your information. The question of pay apparently was already adequately covered by you yesterday, February 16.

I would suggest that you discuss this matter with the ONPA and urge the immediate payment of land-based personnel of CMMC on the 1.338 basis for the month of February. Determination as to the effective date of the conversion, whether it should be December 1, 1948 or February 1, 1949, would not affect this payment. This decision, however, should be made at the earliest possible moment. The actual conversion to the ¥6307 pay level should be urged to be completed by February 28 in order that employees' pay may be adjusted for the first pay period in March to put them on the actual ¥6307 pay base.

MacDONALD SALTER
Chief, Classification
& Compensation Branch

MS:jd

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

Dr Salter

See Dr Hoover's note

16 February 1949

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

SUBJECT : Classification and Change in Salary Levels for Civil Merchant Marine Committee.

Mr. Richers, Civil Transportation Section, called at 1030 on 16 February to advise this division of the situation which has arisen in the Civil Merchant Marine Committee.

Since the National Personnel Authority issued the ruling that the land-based forces of the Civil Merchant Marine Committee were to be considered a part of the national government, he has received two complaints from the Civil Merchant Marine Committee:

1. Change in salary to the government rate of ¥6307 has not been effected as yet even though approximately ten days have elapsed since the order was issued.

2. Even at the changed rate, many key men in the Civil Merchant Marine Committee will suffer cuts and are seriously considering leaving to return to industry.

The government organization, according to Mr. Richers, cannot stand this loss of key men during this decentralization program in preparation for turning the organizational work in this particular field back to private industry. In further amplification of his statement, Mr. Richers stated that the Civil Merchant Marine Committee had been advised by the Ministry of Finance that it will take approximately three months to classify their positions and also that since it is not attached to a regular ministry, that all positions will have to be classified at one or more steps lower than similar positions will receive in classification if they are ~~not~~ ministries.

Mr. Richers says this will cause the Civil Merchant Marine Committee to lose most of its men before the three months are up. I suggest that we might "put the heat" on the Ministry of Finance to break this log-jam, and have told Mr. Richers that any further contact on this question will be made by you directly with him.

WPM

W. PIERCE MacCOY
Deputy Chief
Civil Service Division

WPM/hm
cc: Mr. Blaine Hoover

Mr MacCoy
Have N.P.A. put item on Finance Ministry report to us.
WPM
2/16/49

-23-

CIVIL SERVICE DIVISION
Government Section

16 February 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Conversion of Pay of CMMC Employees

In conference with Mr. Suzuki of the Allowance Bureau, Ministry of Finance, on 15 February 1949, an outline of the procedure to be followed, as had been previously agreed upon by this office, was presented. A copy is attached hereto.

As outlined in Memorandum for the Record, above subject, 14 February 1949, this procedure provides for payment of these employees on an interim basis at 1.338 times their salary received under the ¥3791 base. It also provides for conversion to the ¥6307 base on the same basis as other government employees as provided in Article 10 of Law No. 265.

Further discussions are to be held with representatives of CMMC in regard to the effective date of the application of the ¥6307 base.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

Att.

MINISTRY OF FINANCE
THE JAPANESE GOVERNMENT

February 12, 1949

1. The land personnel belonging to C.M.M.C. (Sempaku Unei-kai) has been paid basic pay, family allowance, area allowance on an analogous level and system as that for regular government employee not because that they fall under the category of government employee in the sense of the term, but because that personnel expenditure has been financed by government subsidy to a considerable extent. But as far as basic pay is concerned, it has been slightly higher than when compared to that for corresponding regular officials for the reason that they are civilian in status.

In December 1948, when the pay level for regular government employee was upped from 3,791 yen base to 6,307 yen base in accordance with the newly revised law, the land personnel laid before the management of the C.M.M.C. their demand to keep pace with it in their pay level. But in connection with the increase rate to realize their demand, dispute arose between the both parties and continued unsettled until recently.

In consequence, a nation-wide strike was projected and the situation became treachering.

2. On February 3, the National Personnel Authority ~~decided to~~ designate the land personnel of C.M.M.C. as general service government employee provided for in the Article 2 of the Public Service Law. Thereupon the land personnel called off their scheduled strike in view of the specific strike-banning provisions contained in the said law which is applicable to government employee.

3. With the situation thus being stabilized, the N.P.A., Maritime Affairs Bureau, Ministry of Transportation, and also C.M.M.C. directors have naturally become anxious to have the pay level of land personnel

elevated from 3,791 yen base up to 6,307 yen base as promptly as possible and approached the New Pay Administration with this proposal.

The plan now contemplated by the administration is as follows.

a. Inasmuch as the land personnel has become general government employee, their pay schedule shall have to be governed by the current laws concerning pay system for government employee, especially the Law No. 265 of 1948, that is to say, that their pay system shall have to be switched over with utmost accuracy to the classification system as rapidly as possible.

b. Special favorable treatment hitherto accorded to them, namely, a balance expected to arise between the present pay and that based upon regular classification system would do well be maintained by means of another new law that may be enacted hereafter, not only on 3,791 yen base but also on 6,307 yen base.

4. In order to ascertain how much the present pay on 3,791 yen base for land personnel is higher than that based on pay system for government employee, one hundred and a half employees of C.M.M.C. has been picked up from among C.M.M.C. headquarters and from Yokohama local branch and correct computation for each individual has been done.

As a result of the above it has been found out that on an average the basic pay on 3,791 yen base for land personnel is higher by 1.17 times than when their pay system is converted to classification system.

From this figure (1.17) we may be able to estimate an average rate of how much the land personnel are receiving better treatment compared with government employee.

5. As the increase rate of basic pay for government employee from 3,791 yen base to 6,307 yen base is 1.613 on an average, it can be said that by means of multiplying each basic pay of land personnel by 1.33

(1,613 x 0.83) the pay of land personnel shall be adjusted to pay system for government employee on an average.

It is true that the said method shall inevitably entail too much advantage to some body and on the contrary may cause too much disadvantage to others. However, in our opinion this is the best way as a temporary expendient to satisfy the strong demand from land personnel which is deemed well-grounded in order to have their pay level increased from the 3,791 yen base to 6,307 yen base.

Needless to say, a recomputation designed to adjust the possible disparity expected to result from the above-mentioned plan for each individual is absolutely necessary after they shall have been paid in the said manner.

7. As regards the question of what way shall be desirable and proper to retain the present advantage over government employee, it is proposed hereby that when the switching over of the present pay stytem to regular classification system shall be completed, some specific law intended to increase the basic pay for each personnel by 1.17 times would be enacted.

CIVIL SERVICE DIVISION
Government Section

15 February 1949

C. of C. M.C

~~Hoshi Hosoya~~ - these persons wanted to see Mr. Hosoya & were referred to me -
2) Jobs
TI. 12.

MEMORANDUM FOR THE RECORD

SUBJECT: Civil Merchant Marine Committee Employee Union

A conference was held this morning among Mr. Okada of the Operations Division; Mr. Toki, Chairman, Employee Union; Mr. Matsunaga, Secretary of the Union; and Mr. Salter. These genelemen wished for an explanation of the proposed salary adjustment upon their recognition as government employees.

WPR 2/17/49

It was explained that the New Pay Law provided only a general salary schedule and the use of existing rules and regulations for the allocation to salaries. No special schedule for these employees could be considered under any circumstances. It was pointed out that a sample study of the current salaries of the CMMC employees under the ¥3791 base showed that they were being paid on an average 17 per cent more than they would normally receive if they had been paid a salary in accordance with the rules and regulations provided under the ¥3791 pay level. This 17 per cent, of course, could not be continued in their conversion to the ¥6307 pay level. In fact, because of their failure to comply with the SCAPIN of January 11, 1946 in which they were declared government workers, they had in essence received higher pay to date than they should have received.

Inquiry was made as to what action of the Japanese government was necessary and clearance with GHQ to effect their conversion to ¥6307 pay level. The relationship between NPA's decision that they were government employees and action by the Cabinet as to the effective date of their conversion was explained. It was suggested that they study carefully the effect of conversion either on December 1 or February 1 to determine which would be to the greatest advantage of the employees. Upon the results of that study they should make their representations to the Japanese government. It appears on the surface of the situation that the effective date should be December 1, 1948, which is within the provisions of law.

MacDonald Salter

MacDONALD SALTER
Chief, Classification
and Compensation Branch

MS:jd

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Mr. Hooper:
These memo's
I believe will
clarify the
17% on
C.M.M.C.
Please return
to me —
DB

CIVIL SERVICE DIVISION
Government Section

14 February 1949

MEMORANDUM FOR THE RECORD

SUBJECT: The Pay of CMMC Employees

Mr. Suzuki of the Allowance Bureau, Ministry of Finance, called at this office on Friday, 11 February 1949, to discuss methods of computing the pay of maritime employees. Mr. Suzuki stated that there were approximately 4,000 land-based employees under the CMMC, that these employees are presently being paid on the ¥3791 base, and that the average pay of these employees was 1.17 times that of government employees when they were being paid on the ¥3791 base.

Mr. Suzuki stated that the ONPA desired to pay these employees as an interim measure on the basis of 1.338 times their salary received on the ¥3791 base until such time as the change over to ¥6307 could be made. It was decided that the change over to the ¥6307 base should be made on an individual basis by converting at the individual ratio in which their salary compared to one of the 70 step rates.

It was explained to Mr. Suzuki that this could be done but that the 17 per cent increase could not be authorized to these employees.except by amendment to the Pay Law or legislation providing for same; that the employees would of necessity be converted to the ¥6307 base at the same levels as for other regular government employees.

Mr. Suzuki is to hold further conferences with the Director of CMMC and explain these matters to him, after which time he is to present a full outline of the plan to this office to convert these employees to the ¥6307 base.

JESSE B. BETTIS
Compensation Specialist

JBB:jd