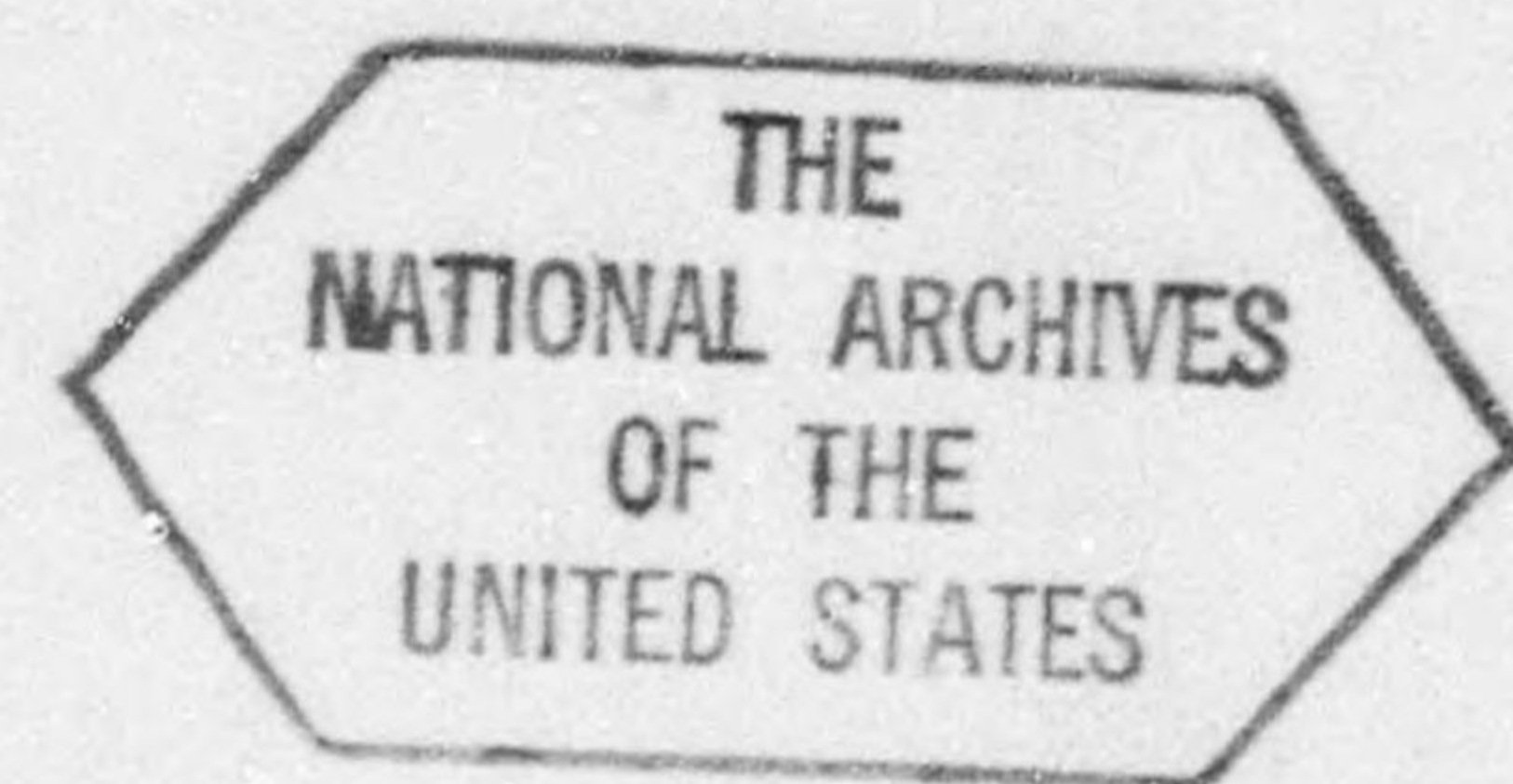


GHQ/SCAP Records(RG 331)
Description of contents



- (1) Box no. 2043
- (2) Folder title/number: (3)
B - New Pay Administration
- (3) Date: Mar. 1948 - Feb. 1950

(4) Subject:

Classification	Type of record
324	e, r

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

(6) Reproduction: Yes No

(7) Film no.

Sheet no.

NO.	FROM	DATE	TO	SYNOPSIS
27	J.B.Bettis	Jan 12 '49	Memo for Rec.	Technical Interpretations of Law Administering New Pay of Government Employees
28	J.B.Bettis	Jan 19 '49	Memo for Rec.	Proposed Rules in Regard to New Pay Law by the NPA
29	J.B.Bettis	Jan 31 '49	Memo for Rec.	Opinions of ONPA Regarding Enforcement of Law Administering New Pay of Government Employees
30	J.B.Bettis	Jan 25 '49	Memo for Rec.	Office of New Pay Administration Circular No. A-9, dated January 14, 1949
31	W.P.MacCoy	Feb 3 '50	Memo for Rec.	Meeting with Social-Democratic Representatives
32	M.Salter	Feb 3 '50	Memo for Rec.	Prefectural Agricultural Experimental Employees

NO.	FROM	DATE	TO	SYNOPSIS
1	J.B.Bettis	Mar 3 '48	Robert S.Hare	Rate Conversion Schedule
2	R.S.Hare	Mar 18 '48	B.Hoover	Proposed "Law Concerning Salary and other Pays Granted to Government Workers."
3	M.Salter	Apr 16 '48	B.Hoover	Comments concerning proposed classification plan of the Allowance Bureau
4	R.S.Hare	Apr 16 '48	B.Hoover	Proposed bill concerning compensation of the Prime Minister and other Attestees
5	M.Salter	Apr 19 '48	B.Hoover	Final Settlement of the Pay Issue
6	M.Salter	May 3 '48	B.Hoover	Proposed Law Administering the New Pay-- Suggested corrections of
7	M.Salter	May 8 '48	B.Hoover	Discussion of Proposed New Wage Committee
8	M.Salter	May 11 '48	B.Hoover	Discussion of Proposed New Wage Committee
9	W.P.MacCoy	Oct 25 '48	M.Salter	Demand for 2.8 Month Supplementary Pay
10	M.Salter	Oct 13 '48	W.P.MacCoy	Status of Conversion to ¥3791 Basis
11	J.B.Bettis	Jun 30 '49	Memo for Rec.	Activities, ONPA
12	J.B.Bettis	Jul 29 '49	Memo for Rec.	Status of ONPA
13	M.Salter	Aug 4 '49	Memo for Rec.	Office of New Pay Administration
14	T.Eliot	Sep 2 '49	W.P.MacCoy	Statement by Masuda, Cabinet Chief Secretary, Regarding Pay Base of Government Employees
15	J.B.Bettis	Sep 20 '49	W.P.MacCoy	NPA Policies
16	M.Salter	Sep 20 '49	W.P.MacCoy	Pay Level for Railway Corporation Employees
17	DeAngelis	Oct 5 '49	Memo for Rec.	Conference 4 October 1949, Salary and Wage Section, Compensation Division, NPA
18	M.Salter	Oct 28 '49	Memo for Rec.	Encumbering of Employees Pay
19	DeAngelis	Oct 31 '49	Memo for Rec.	Transfer of Functions of Office of New Pay Administration to NPA
20	DeAngelis	Dec 1 '49	Memo for Rec.	Transfer of Functions from ONPA to NPA
21	M.Salter	Dec 2 '49	F.B.Roser	Release of Report on Pay Level Prepared by NPA
22	M.Salter	Dec 2 '49	F.B.Roser	Release Dates of Recommendations on Pay Level in 1948
23	N.Borthick	Dec 8 '49	M.Salter	Comments re Law Amending the Law Administering the New Pay
24	G.Peterson	Dec 8 '49	F.Roser	Legal Steps Pursuant to Amendment of Law 46 of 1948
25	M.Salter	Dec 10 '49	Memo for Rec.	National Personnel Authority's Legislation to Effect 78-77 Pay Level
26	M.Salter	Dec 17 '49	W.P.MacCoy	Transfer of Functions of ONPA

CIVIL SERVICE DIVISION
Government Section

3 February 1950

MEMORANDUM FOR: The Record

SUBJECT : Prefectural Agricultural Experimental Employees

1. On January 25 Captain James of the Labor Division, Civil Affairs Section, referred to this office a request from a Regional Civil Affairs Team for assistance in improving the pay situation of agricultural experimental extension employees who were being recruited through a limited examination program during the months of February and March, primarily to fill Home Demonstration positions. Captain James was referred to Mr. Roelof, Agricultural Improvement Specialist, NRS, after a conversation with Mr. Roelof on the relationship of pay controls by NPA.

2. It appears that the traditional pattern of pay level for prefectural employees, where their salaries are dependent upon National Government contributions, is being set by standards prescribed by the National Government. Despite the fact that local autonomy gives to the prefectures the right to determine their own pay levels, the standards of pay prescribed under Law 46 are still being applied for the pay of agricultural extension employees. Apparently the Agricultural Improvement Bureau of the Ministry of Agriculture and Forestry is encouraging the prefectures to follow this practice in order to maintain some standards throughout the country. They seem to fail to recognize local autonomy or to recognize any reasonable range that will permit some variation in pay level dependent upon financial ability of the prefecture. The National Government pays two-thirds of the expenditure of prefectural agricultural experimental work and from the point of view of the prefecture literally maintains a direct control over their activities.

3. It was suggested to Mr. Roelof that he encourage the Agricultural Improvement Bureau to collect the facts concerning the application of pay standards of the National Government to these positions in the prefectures. They should then informally discuss the matter with the Bureau of Compensation, NPA, in order to arrive at an understanding that will not be inconsistent with comparable jobs in the National Government. The object would be to provide a range of pay which could be recommended to prefectures for use in the setting of salaries for agricultural extension employees. NPA is being advised of this situation and warned that they are not to interfere in the determination of pay for local government employees. NPA is only to act as advisors to the Agricultural Improvement Bureau in arriving at a reasonable pay range consistent with comparable positions in the National Government.

*Mr. Takimoto notified
6 Feb 1950 asp.*

MS:rj

MacD.
MacDONALD SALTER
Chief, Classification
& Compensation Branch

*File
2-6-50*

file
2-23-50

CIVIL SERVICE DIVISION
Government Section

3 February 1950

MEMORANDUM FOR : The Record

SUBJECT : Meeting with Social-Democratic Representatives

On 1 February 1950, four members of the Social-Democratic party called on W. Pierce MacCoy, Acting Chief of the Civil Service Division, at 1400. The group was comprised of Messrs. MATSUZAWA, K. (acting as spokesman), NARITA, T. KINOSHITA, G. and KAWASHIMA, K.

Mr. Matsuzawa prefaced his remarks with the statement that although the Social-Democratic party is at present split three ways, the party is acting together in backing the proposed pay raise of government employees from ¥6307 to ¥7877. The purpose of their visit to this office was to discuss the proposed bill which would be identical to NPA's recommendation, and to request that the Civil Service Division officially support the bill. They also wished this Division to contact the Public Finance Division, ESS, and gain their approval to pass the bill through their organization without objection so that it might be discussed openly on the floor of the Diet.

Mr. MacCoy assured the group that this Division would cooperate with them on the proposed pay raise and would not disapprove the bill when it comes through this office, as long as what they recommend follows the NPA's recommendations.

Mr. MacCoy then pointed out that the function of the Civil Service Division is to work directly as a supervisor to the NPA and the Japanese government on the administration and operation of a civil service system and that the Division's responsibility ends with the proper preparation of the NPA report and seeing that it is properly presented to the Diet for legislation. He stated that anything concerning financial and budgetary matters comes under the realm of the Finance Division, ESS, and that the Civil Service Division could not discuss this matter officially with that organization without being criticized for entering a field which was not our responsibility.

One of the S-D members stressed the fact that the attitude of labor is changing. They now feel that if financial conditions are not improved, in spite of the restrictions against it, they might have to engage in strikes to combat government tactics.

Mr. MacCoy called their attention to the fact that although a party in power in the present government may have acted contrary to the interests of the employees, in their opinion, that does not give the labor unions the right to also act contrary to the law. He pointed out that the labor unions would end up by losing more than they would gain since the government party in power could bring the law down on the union heads and would also place SCAP in the embarrassing position of having to assist the Japanese government in enforcing the law. Mr. MacCoy suggested that the labor unions might gain their ends more readily by writing and directly contacting the legislators who are opposed to the bill, impressing on their minds the desires of the people and also the fact that the people who voted them in power have the ability to vote them out of power.

One of the group asked whether the Civil Service Division would approve the bill when it comes through SCAP. Mr. MacCoy pointed out that this Division would not disapprove the bill when it comes to this office but called attention to the fact that other SCAP sections and divisions who were interested also had the right to approve or disapprove - that approval did not rest solely with this Division. He briefly outlined the administrative procedure of the passage of bills through various interested SCAP sections, pointing out that when a bill is disapproved, the Liaison office of the Diet can determine what the objection is and who made it just by calling Parliamentary and Political Division, Government Section, GHQ, SCAP.

Mr. MacCoy then discussed the methods of approach which could be used by the S-D party in achieving the base pay raise. Listed by desirability, they were:

1. Writing a bill, recommending the change in salaries.
2. The NPA will soon submit to the Diet some recommended administrative changes in Law 46 (New Pay Law), for consideration. When this is submitted, the Diet members have the opportunity of suggesting a rider be placed on that particular bill which would include the increase in salaries.
3. When the budget is submitted for consideration, a rider could be placed on the budget bill which would suggest an increase in salaries.

After further discussion, Mr. MacCoy suggested that the group, as leaders of the Social-Democratic party, call on Mr. Reed, Public Finance Division, ESS, to attempt to secure his approval for the submission of the bill to the Diet where it could be openly discussed on the floor. He cautioned them, however, to have a clear-cut idea as to where they could obtain the necessary revenue before going to see Mr. Reed.

Mr. Matsuzawa stated that the Social-Democratic members would consider what Mr. MacCoy had suggested and would call on Mr. Reed, Finance Division, ESS, with some concrete ideas in mind as to a source of funds for the proposed pay raise.

The meeting ended at 1615.

W. Pierce MacCoy
W. PIERCE MacCOY
Acting Chief

Summarized by G. Read

CIVIL SERVICE DIVISION
Government Section

25 January 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Office of New Pay Administration Circular No. A-9, dated
January 14, 1949

In a meeting with Mr. Kobayashi of CLCO and Messrs. Sakai and Hatoyama of the Allowance Bureau, Ministry of Finance, on 24 January, a discussion was held in regard to the circumstances involving the issue of the subject circular.

This circular was issued as a result, and in reply to, Memorandum No. 979, 29 December 1948, from the Director of Labor Bureau, Ministry of Communications, addressed to the Chief of the Office of New Pay Administration and concerning the adjustment of the ¥2920 base pay and to the newly established base pay as of 1 December 1948.

Although the ~~conditions~~^{contents} of the circular would indicate that it was a new rule or regulation being issued by the ONPA in regard to the application of the ¥2920 wage base, it developed that the circular was in reality an interpretation of a regulation that had previously been issued by the ONPA regarding the application of the ¥2920 wage base.

Attention of Messrs. Sakai and Hatoyama was called to the fact that in issuing interpretations of this nature reference should be made on the face of the document to the effect that it was an interpretation of a previous regulation so that the purpose would not be misconstrued and all agencies concerned would have a more complete understanding. This is necessary due to the fact that the New Pay Law (Law No. 265 of 1948), Article 10, had recognized and given the effect of law to Cabinet Orders and regulations issued under Law No. 46 of 1948 regarding the application of the pay schedules thereunder.

It developed that this was only one of many such circulars that have been issued during the past two weeks, none of which have been presented to this office for review prior to issuance. It was suggested that any of these interpretations involving matters of a serious nature be referred to this office for review prior to publication.

JBB
JESSE B. BETTIS
Compensation Specialist

JBB:jd

30 - since has been told within the past couple of days under penalty of being fined that all such documents must come to this office.
ms

Satter
Bettis
Garwood
set copies of these for our files.
ms

CIVIL SERVICE DIVISION
Government Section

31 January 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Opinions of the ONPA Regarding the Enforcement of the Law
Administering the New Pay of Government Employees

Following discussions with Messrs. Keitoku and Hatoyama of the ONPA on 20 January 1949, there has been received in this office, dated 27 January 1949, recommendations of the ONPA in regard to interpretations below (see attachment).

Proposal is made that overtime allowance as provided in Article 21 of the New Pay Law be computed on a daily basis rather than on a weekly basis as has previously been interpreted. To compute overtime on a daily basis rather than on a weekly basis would:

1. Seriously affect the budget of the Japanese government for the balance of the fiscal year.

2. Permit employers and employees to evade the presently established work week as covered by Rule 15-0 of the NPA. It would permit an employee to put in his 48 hours in a period of 3-5 days by working in excess of 8 hours per day and at the same time provide him with overtime pay for all hours worked in excess of 8 hours a day, regardless of the fact that he had not worked in excess of 48 hours during the week. As previously interpreted, and as was the intent when the law was made, an employee should be required to complete his scheduled work hours as provided under Article 19 of the law before overtime payment is effective.

Interpretation has previously been made that all hours worked on Sunday which are in excess of the regularly scheduled hours for the week will be paid for at overtime rate of 125 per cent of their regular hourly rate of pay, except in the case of those employees working an irregular work week wherein their off duty day is designated on another day. Proposal is made by the ONPA that all hours worked on Sunday up to and including 8 hours, would be paid for at their regular hourly rate of pay and that hours worked in excess of 8 hours on Sunday would be paid for at 125 per cent of their regular hourly rate of pay.

Recommendation is also made by the ONPA to the effect that area allowance computed on family allowance should be included in the payment of overtime and holiday work. Interpretation of Article 24 of the law has previously been made to the effect that area allowance computed on family allowance will not be included in computing the rate of overtime or holiday pay. Attention is also invited to the fact that the Labor Standards Law,

31 January 1949

Law No. 49 of 1947, Article 37, provides that in computing the hourly rate of overtime pay, night differential, and for work performed on holidays, "family allowance, commutation allowance and other wages, stipulated by ordinance, are excluded from the normal wage upon which the increased rate wages should be computed".

Insofar as the application of work hours and the computation of overtime for personnel coming under the provision of Article 35 of the law are concerned, the law provides that work hours shall follow the instances heretofore in force. Rule of the NPA should be provided covering the computation of overtime for this category of personnel and where their work hours are not the same for each week overtime should be computed over a period of two weeks or four weeks rather than for one week as in the case for other personnel in the government service.

Further conference will be held on Tuesday, 1 February, with personnel from the ONPA and the Salary and Wage Section of the NPA in order to clarify the points covered in this memorandum.

JESSE B. BETTIS
Compensation Specialist

JBB:jd

Att.

CIVIL SERVICE DIVISION
Government Section

19 January 1949

MEMORANDUM FOR: The Record

SUBJECT : Proposed Rules in Regard to the New Pay Law by
the NPA

1. Conference was held with Mr. Hasumi of the Salary and Wage Section, NPA, on 18 January 1949. Mr. Hasumi submitted a second draft prepared by the Salary and Wage Section in regard to a proposed resolution of the NPA concerning the survey of area allowances; draft of a proposed letter from the Director General of the NPA to various agencies in the Japanese government requesting cooperation of the ministries and agencies concerned on the survey of area allowances; a proposed rule of the National Personnel Authority regarding the delegation of responsibility to the Office of New Pay Administration to establish regulations found necessary in the administration of the New Pay Law; and draft of proposed exceptions of reduction in compensation regarding employees who were late in arriving at their place of duty due to traffic accidents, employees commuting by train and unable to arrive at a fixed time due to the inconvenient train schedules and employees attending evening school who must leave their offices earlier than the regular time.

2. It was suggested to Mr. Hasumi that the proposed resolution be expanded to include a list of the additional cities proposed to be covered by the consumer price survey and methods to be used in the collection of cost-of-living data from the smaller towns and villages in the various prefectures. It was also pointed out to Mr. Hasumi that paragraph 2 of the proposed resolution provided that the National Personnel Authority shall "issue necessary directives" to the various agencies in regard to the collection of cost-of-living data and suggested that the wording be changed so as to "request" the required data and cooperation in extending the surveys. Some change in wording was also suggested in the draft of the letter to the various agencies concerning the survey of area allowances.

3. In regard to proposed rule delegating authority to the Office of New Pay Administration, some change in the wording was also suggested.

4. In regard to the exceptions in reduction of compensation proposed by Mr. Hasumi, it was suggested that these were items

MEMO FOR RECORD

- 2 -

19 January 1949

that should be included in a leave policy at such time as legislation may be submitted covering same. It was explained to Mr. Hasumi that paragraph 1 of these proposed exceptions had some justification but that proposals in paragraphs 2 and 3 were not considered as a justification for making an exception in the reduction of compensation.

5. Copies of the various drafts referred to above are inclosed.

JESSE BETTIS,
Compensation Specialist.

JB:mvb
Incl 4

Exceptions of reduction of compensation

1. Employees who can not be in fixed time on account of the traffic accidents shall have their compensation without reducing it, in case when they are given specific authorization by the chief attached to them.
2. Employees who are attending offices by train and naturally unable to come in fixed time due to the inconvenient timetable of train shall have their compensation without reducing it, when they are specially authorized by the chief attached to them.
3. Employees who attend evening school shall leave offices earlier than the regular time, as scope as authorized by the chief attached to them.

As Submitted:

Rule No. 9 of National Personnel Authority

Regulation of the Office of New Pay Administration

1. The Chief of the Office of New Pay Administration may, with the approval of the National Personnel Authority, establish regulations that may be found necessary in the administration and technical interpretation of the Law Administering the New Pay of Government Officials (Law No. 46 of 1948) and rules and directives of the National Personnel Authority issued thereunder.

Suggested Wording:

The Chief of the Office of New Pay Administration may, subject to technical interpretations of the Law Administering the New Pay of Government Employees (Law No. 46, 1948, Amended by Law No. 265, 1948), rules and directives of the National Personnel Authority issued thereunder, establish regulations that may be found necessary in the administration of the Law.

To: Civil Service Division

From: Mr. Hasumi

Second Draft Prepared by the Salary and Wage Section

January 16, 1949

The Resolution of the Meeting of the Authority Concerning the Survey of Area Allowances.

As it is most urgent in view of the existing economic situations "to make continuous, scientific studies and investigations of the cost of living in areas throughout the country" as provided in Article 2, Item 5 of the Law Administering the New Pay of Government Employees, the National Personnel Authority makes a following resolution in order to establish a process of these studies and investigations.

1. Classification of areas and decisions of the issuing rates of allowances already ^dmade by the Minister of Finance through the resolution of the Area Allowance Committee shall temporarily remain unchanged.
2. The National Personnel Authority shall prepare for the appropriate recommendation concerning the areas to which the area allowances are to be paid and the rates thereof as soon as possible and, for this purpose, shall issue necessary directives to the Statistics Bureau of the Prime Minister's office, the Ministry of Labor, the Ministry of Welfare and other governmental agencies, requesting allout cooperation in preparing and presenting necessary data and drafting the revision plan.

request

3. The National Personnel Authority shall make overall adjustments of the areas which are given area allowances and the rates thereof throughout the country in order to realize fairness and equality. For the purpose of achieving this purpose the National Personnel Authority shall support and aid vigorously to increase the cities covered under Consumers' Price Survey now conducted by Statistics Bureau of the Prime Minister's Office.

To: Civil Service Section

Draft prepared by the Salary and Wage Section

From : The Director General of the National Personnel
Authority

To : The Director of the Bureau of Statistics
The Vice-Minister of Labor

The Vice-Minister of Welfare and The Vice-Director
General of the Economic Stabilization Board

Subject: The Request for Cooperation of the Ministries and
Agencies Concerned on the Survey of Area Allowances

The National Personnel Authority, being obligated in accordance with Article 2, Item 5 and Article 30 of the "Law Administering the New Pay of Government Employees" to make scientific studies and investigations of the cost of living in areas throughout the country, utilizing statistical data offered by the governmental agencies, asks you for your cooperation in it.

And with regard to the details we shall dispatch responsible staff members of our Secretariat with whom we hope you will keep close contact.

CIVIL SERVICE DIVISION
Government Section

12 January 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Technical Interpretations of the Law Administering New Pay
of Government Employees

A conference was held with Mr. Hasumi of the Salary and Wage Section, NPA, on 11 January 1949. Work hours and overtime were the topics of discussion and interpretations of Articles 19, 20 and 21 were thoroughly reviewed with reference to previous drafts of the Law and to the Law as it was finally passed.

Mr. Hasumi and members of his staff were inclined to interpret hours of work as being applicable only to the hours of work scheduled in a day and it was their desire to compute overtime on a daily basis rather than on a weekly basis. It was explained to Mr. Hasumi that to do this would defeat the purpose of the Law insofar as work hours and computation of overtime are concerned.

It was pointed out that Article 19 defined work hours to be established by rules of the NPA within the limitation of not less than 40 hours nor more than 48 hours per week; that NPA had subsequently, by ~~rule~~^{rule} of the Authority, established the work hours as 48 hours per week. It was further explained that "regular hours" as used in Article 21 (1) should therefore be interpreted to refer to the 48 hours in the week and that overtime should not be paid and any hours of work would not constitute overtime until the employee had been in a pay status for 48 hours during the week.

It was suggested to Mr. Hasumi that he discuss work hours and overtime pay with Messrs. Sato and Yamashita and after such discussion to call back to this office and give a report on same.

At the conclusion of the conference Mr. Hasumi appeared to be satisfied that hours of work and overtime should be interpreted as outlined in the discussion above. Further conferences will be held on Thursday in regard to further technical interpretations of the Law and in an effort ^{at} to reach a final decision in regard to overtime.

JB:jd

JESSE BETTIS
Compensation Specialist

CIVIL SERVICE DIVISION
Government Section

file
W. B. M.
12/27/49

December 17, 1949

MEMORANDUM FOR: Mr. W. Pierce ~~MacGoy~~, Acting Chief, Civil Service Division
SUBJECT : Transfer of Functions of ONPA

1. On 29 November 1949, legislation was enacted by both Houses of the Diet transferring the functions of ONPA to the National Personnel Authority. It was agreed with the Ministry of Finance that the transfer would be effected 15 December 1949. It now appears that the Ministry of Finance has requested that the transfer not take place until 28 December 1949. This is a legitimate action since the Cabinet may delay the promulgation of legislation not to exceed thirty days from the time of enactment. This delay is exactly a thirty day period.

2. It is believed that the purpose of this delay is to permit the ONPA and more specifically the Chief Cabinet Secretary (Masuda), to issue circular letters, if it so desires, to effectuate year end payments. Evidence of this intention appeared today. The attached Circular No. 82, Office of the New Pay Administration, dated 14 December 1949 was issued. It is entitled "Advance payments of Overtime Allowances for December". Actually, it appears to be a rather innocuous document except for a parenthetical statement in the body of the document which will permit agencies to pay overtime allowances in December, 1949 ~~by these agencies~~ which normally would not pay such allowances until January, 1950. This clears the path for the use of overtime as a year end bonus for all agencies of the government.

3. It was hoped that the transfer of ONPA would have been effected prior to the time when the question of year end adjustments were in the offing in order that NPA would have complete control of the situation. This circular was issued without any reference to this office despite the fact that we have continuously requested ONPA to informally clear with this office any issuance prior to its release. If it is possible to urge the promulgation of this law effecting the transfer of ONPA, such action would seem advisable.

M. Salter

MACDONALD SALTER, Chief
Classification and Compensation Branch

MS:vr
Att: 1

Circular Letter No. 82 of ONPA to all Agencies:

14 Dec 1949

"Advance Payment of Overtime Allowance for December"

It is hereby notified that notwithstanding the provisions of Article 5 of the detailed regulations concerning the payment of overtime allowance, holiday pay and night allowance (Kuhon-Ko #30 of 28 February 1949) the overtime allowance for December of this year may be issued at the beginning of January next year (however, if necessary the issue may be provisionally effected within this year). It is also to be added as the Tax Administration Agency takes the view that such overtime allowances, etc., do not form the subject of year end adjustment for 1949 since the period of payment falls in 1950.

* The reference Kuhon-Ko No. 30 provides that overtime shall be paid within five days of the payment of salary. Agencies paying on December 22 are therefore not affected by this circular, however, agencies paying at the end of December or the first of January are permitted by this circular to pay overtime in December. The underlined item is obviously a method of issuing all agencies the authority to pay overtime in December. This clears the way for the use of overtime as a method of paying a year end bonus.

C O N F I D E N T I A L

CIVIL SERVICE DIVISION
Government Section

December 10, 1949

1400

MEMORANDUM FOR: The Record

SUBJECT : National Personnel Authority's Legislation to Effect
78-77 Pay Level

1. The National Personnel Authority submitted this morning a proposed amendment to Law 46 of 1948 to effect the 78-77 pay level as of December 4, 1949. In addition, it would eliminate the special schedule for railway employees and substitute therefore special schedule for procurators.

2. The contents of this amendment were reviewed and appear to be technically satisfactory, however, the matter of the effective date being a policy decision was discussed specifically with Dr. Asai.

3. Dr. Asai was advised that the National Personnel Authority should not have an effective date earlier than April 1, 1950. The reasons for this were as follows:

- (1) Should the National Personnel Authority recommend an earlier date as they indicate they so desire, it would immediately place them in a position of participating in a political issue and taking sides thereon. This is exactly what the Cabinet has been attempting to do by its maneuvers and the National Personnel Authority should not be drawn into this political fight.
- (2) In view of the nine point program and the recommendations of Mr. Dodge that no new actions of adjustments should be taken in the current fiscal year, it would be highly inadvisable for the National Personnel Authority to initiate any such action. Recommendation of a different pay base for the 1950-51 budget, which has not as yet been submitted to the Diet, would, of course, be a perfectly legitimate action.
- (3) The National Personnel Authority, in taking sides on this issue, was doing so for the benefit of a small portion of the working population in Japan. The National Personnel Authority was losing its perspective in terms of the total affect it might have upon outside help made for the benefit of

C O N F I D E N T I A L

C O N F I D E N T I A L -

MEMORANDUM FOR: The Record

-2-

December 10, 1949

Japan as a whole. The National Personnel Authority should not be drawn into this position of being charged with the responsibility of effecting any such aid.

MacDonald Salter

MacDONALD SALTER, Chief
CLASSIFICATION AND COMPENSATION BRANCH

MS:vr

C O N F I D E N T I A L

MEMORANDUM FOR: The Record

-2-

December 10, 1949

Japan as a whole. The National Personnel Authority should not be drawn into this position of being charged with the responsibility of effecting any such aid.

MacDonald Salter

MacDONALD SALTER, Chief
CLASSIFICATION AND COMPENSATION BRANCH

MS:vr

The Law for Partial Amendment of the Law
Administering the New Pay of Government
Employees

The Law Administering the New Pay of Government Employees
(Law No. 46, 1948) shall be partially amended as follows:

In Article 1, Paragraph 1, "December 10, 1948" shall be amended as "December 4, 1949", and "six thousand three hundred and seven yen (¥ 6,307)" as "seven thousand eight hundred and seventy-seven yen (¥ 7,877)", and in Paragraph 2 of the same article, "1950" as "1951."

In Article 2, Paragraph 2, "Salary Schedule for Railway Workers (Appendix No. 5)" shall be amended as "Salary Schedule for Public Procurators (Appendix No. 5)".

Article 10, Paragraph 1 shall be amended as follows:

The amount of new base pay of employees shall be that listed in the Salary Conversion Table (Appendix No. 6) corresponding to the amount of base pay as of December 1, 1949. However, the amount of new base pay for employees in the positions allocated in Grade 15 shall be the amount of base pay listed in the salary schedule for their pay step as of December 1, 1949, and the amount of new base pay for public procurators shall be the amount of base pay listed in the salary schedule for their new pay step converted from the pay step as of December 1, 1949 in accordance with the Conversion Table of Pay Steps for Public Procurators (Appendix No. 7).

Paragraph 5 of the same article shall be amended as follows, while Paragraph 6 shall be deleted.

5. In case the pay step within the grade corresponding to the amount of new base pay converted in accordance with the provisions of the body of Paragraph 1 differs from that before conversion, the pay step for the amount of new base pay shall be

the pay step for the employee.

Article 11 shall be amended as follows:

Article 11 Deleted.

Paragraphs 2 and 3 of Article 17 shall be amended as follows:

2. The monthly amount of area allowance shall be the amount obtained by multiplying the sum of the monthly amount of base pay and the monthly amount of area allowance by the rate listed in the following items corresponding to the divisions of the areas .

1 Class 1 Area	5%
2 Class 2 Area	10%
3 Class 3 Area	15%
4 Class 4 Area	20%

3. The divisions of the areas as referred to in the respective items of the preceding paragraph shall be provided for by the Table of the Divisions of the Areas for the Area Allowance (Appendix No. 8).

In Article 28, "¥ 1,000" shall be amended as "¥ 1,250".

The following Paragraph shall be added after Article 29.

(Exception to the Public Procurators)

Article 29-2 Public Procurators ordered to wait for vacancy in accordance with the provision of Article 24 of the Law for Public Procurator's Agency (Law No. 61, 1947) shall be ^{still} paid the family allowance and the area allowance.

2. Public Procurators shall not be paid the overtime allowance, holiday pay and night allowance.

Supplementary Provisions.

1. This Law shall ^{be} come into force as from the date of its promulgation and shall be applied to the compensation subsequent to December 1, 1949.

2. The compensation paid to the public procurators pursuant to the Law concerning the Salaries and Others of the Public Procurators (Law NO. 76, 1948) shall be regarded as the partial payment of the compensation based on this Law.

3. The Law concerning the Salaries and Others of the Public Procurators shall be abolished.

The Appendixes shall be amended as follows:

Appendix No.1	General Salary Schedule
" No.2	Salary Schedule for Tax Collectors and Economic Investigators
" No.3	Salary Schedule for Policemen, Employees of Maritime Security Agency and Prison Workers
" No.4	Salary Schedule for Seamen
" No.5	Salary Schedule for Public Procurators
" No.6	Salary Conversion Table
" No.7	Conversion Table of Pay Steps for Public Procurators
" No.8	Table of the Divisions of the Areas of Area Allowance

*Okayed by Roser
based on his memo & explanation
8 Dec*

*file
Compensation
12-9-49*

CIVIL SERVICE DIVISION
Government Section

8 December 1949

MEMORANDUM FOR: Mr. Foster B. Roser
Acting Deputy Chief, Civil Service Division

SUBJECT: Legal Steps Pursuant to Amendment of Law 46
of 1948

The accompanying six documents are recommended for your clearance. Three of the documents are amendments of Cabinet orders made necessary by the amendment of the law administering the new pay of Government employees or made necessary by the recent changes in names or status of Governmental organizations. Two of the documents are amendments of NPA rules and one is a directive to assure continuity of pay administration during the transition from the Office of New Pay Administration to NPA. Mr. DeAngelis and Mr. Bettis concur in approval of these recommendations by NPA.

One question of legal policy is the expression used in the amendment of Cabinet Order No. 323 pertaining to Item I of Article 80. Although the expression is strange according to Western ideas, it is a device occasionally and lawfully used in Japan. *

*Clearance for NPA 8 Dec
with recommendation but not
condition that par. 2
be given consideration (i.e. that
the text be revised to suit western
ideas)*

GORDON PETERSON
Chief, Organization Branch

* Okabe is considering revision. He agrees that it is not in best legal form but the device used is very convenient, the alternative awkward to draft.

The cabinet should be notified of clearance today - (in any case not later than tomorrow) because the amendment to law 46 will be promulgated tomorrow sat.
24

CIVIL SERVICE DIVISION
Government Section

Files
II. 20

8 December 1949

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

SUBJECT : Comments re Law Amending the Law Administering the New Pay

I have read with interest the draft of the "Law Amending the Law Administering the New Pay" and wish to make the following comments.

Article 8, ~~3~~ and 4. ~~This~~ appears to be inconsistent in that the article specifies that the "special services referred to below" and "are rendered outside of regular workhours". Was or meant instead of and?

Article 10, V. What is the "former" pay step? V, 4, is not at all clear in meaning.

Article 16, 3 (5) Does this apply to non-relatives also?

Article 15. Are all other allowances, other than overtime, area, night and family, to be automatically discontinued?

Article 16. In comparison with base pay for single employees, ¥1250 for each dependent seems entirely too high unless it were desired to stimulate higher birth rate. Also the principle of "equal pay for equal work" is completely lost sight of. I feel that ¥1250 per dependent is entirely unreasonable. Family allowances, even the maximum allowed, should never equal base pay, much less exceed it. Also, family allowances should not be so high as to cause ^{an} employer to discriminate against a married man in selection for appointment. Family allowances are not strictly Japanese tradition; and since they conflict with the principle of "equal pay for equal work" I feel that the desirability of encouraging their use is debatable.

Article 18. I think it unwise to attempt to have these special allowances incorporated until such time as a position-classification plan is installed.

Article 20. Is no provision at all made for leave with pay?

Article 36. Does this mean procurators will no longer be paid under special compensation schedule?

Nora Mae Borthick
NORA MAE BORTHICK
Classification Specialist

NMB:jd

CIVIL SERVICE DIVISION
Government Section

File
12-26-49

2 December 1949

MEMORANDUM FOR: Mr. Foster Roser, Acting Deputy Chief,
Civil Service Division

SUBJECT: Release Dates of Recommendations on Pay Level in 1948

Mr. Takimoto's reply on pay report.

1. On 9 November 1948, the NPA (then called the Temporary National Personnel Commission) submitted a pay report to the Cabinet.

2. On 10 December 1948, the Temporary National Personnel Commission was changed to the National Personnel Authority. On the same day, the pay report was officially submitted to the Diet and the Cabinet simultaneously.

*opening
of reg series.*

Macdonald

MACDONALD SALTER
Chief, Classification &
Compensation Branch

CIVIL SERVICE DIVISION
Government Section

file

12-28-49

2 December 1949

MEMORANDUM FOR: Mr. Foster B. Roser, Acting Deputy Chief,
Civil Service Division

SUBJECT : Release of Report on Pay Level Prepared
by NPA

The National Personnel Authority has submitted its report on pay level which it desires to release on Sunday, December 4, to the Cabinet and the Diet in accordance with the provisions of Article 28 of the National Public Service Law.

It will be remembered that a report of similar nature was submitted last year to the Cabinet and the Diet on the day in which the Diet convened for its regular session. It is desired to continue this precedent this year.

The report has been technically reviewed and is considered to be a conservative scientific analysis of the situation.

There appears to be no reason for delay for the action requested by the National Personnel Authority since ~~the~~ similar ~~action~~ has presently been taken on behalf of the Railway Corporation as a result of the award made by the Arbitration Committee handling the case of the demand by the Railway Employees Union for a wage increase. The recommendation of the Arbitration Committee includes a lump sum payment at this time and a flat lump sum increase for all employees commencing January 1, 1950.

MacDonald Salter

MacDONALD SALTER
Chief, Classification &
Compensation Branch

MS:rj

CIVIL SERVICE DIVISION
Government Section

1 December 1939

MEMORANDUM FOR: THE RECORD

SUBJECT: Transfer of Functions From ONPA to NPA

1. In connection with the above subject, Mr. Fujimaki, Compensation Bureau, NPA, submitted the following report, 30 November 1949:

- (1) NPA has reviewed and determined that out of eighty (80) Kyu Hon Ko (notifications) issued between Dec 24, 1948 and October 18, 1949, forty-five (45) are still in effect. The Kyu Hon Ko apply to all agencies.
- (2) Twenty-two (22) of the forty-five (45) active Kyu Hon Ko pertain to interpretation of Law #46, 1948. The Compensation Administration Unit will be in charge of these notifications.
- (3) Twenty-three (23) Kyu Hon Ko pertain to wage determination procedure. The Compensation Review Unit will be in charge of these notifications.
- (4) Between April 1948 and Dec 1948, ONPA issued Kyu Hon Hatsu, which applied to all ministries and agencies. These are combined in Kyu Hon Ko #1.
- (5) ONPA has issued approximately 8,500 Kyu Hon Otsu (Notification to individual agencies). NPA is inquiring which of these are current. It is expected that a very small number are in effect.
- (6) The effective parts of the Kyu Hon Ko and Kyu Hon Otsu will be incorporated into NPA rules or notifications. Final drafts of such rules and notifications will be ready early in 1950.
- (7) Training of seventeen (17) clerks to perform duties of ONPA started 26 October and ended 9 November. All work of ONPA has been transferred to NPA except that pertaining to the following ministries which will be transferred in the next two or three days:

Finance
Postal Service
TeleCommunications

Transportation
Construction

~~1) Jatter~~
2) Files
1-3-50

- (8) ONPA will remain in existence until amended Law #46, 1948, and amended Cabinet Order 401 and 323 and Imperial Ordinance 192, 1947 are published in the Gazette.

Albert R. DeAngelis
ALBERT R. DeANGELIS
Compensation Specialist

AD:aa

CIVIL SERVICE DIVISION
Government Section

*Satter
De Angeles*

31 October 1949

MEMORANDUM FOR: The Record

SUBJECT : Transfer of Functions of Office of New Pay Administration
to NPA.

1. A conference was held 26 October 1949 with Messrs. Takimoto, Keitoku and Fujimaki on the above subject.
2. The policy to be followed in effecting the transfer of functions, is to place under the jurisdiction of NPA all laws, cabinet orders and any other aspect of compensation affecting regular government employees now under the control of the Office of New Pay Administration. Compensation matters affecting occupation personnel, unrepatriated employees and special government employees will remain with the Ministry of Finance.

Mr. Keitoku was of the opinion that unrepatriated employees were in the regular government service and should fall under the jurisdiction of NPA. Since no determination has been made that unrepatriated employees are regular government service employees and it is not known how many are in the regular service, special service or other category it is felt this matter should remain with the Ministry of Finance.

3. Law No. 167, 1947 (Law Concerning the Emergency Measures of Allowances to the Government Personnel with the Enforcement of the Labor Standard Law) is obsolete except that the Allowance Bureau has issued a circular No. 1327, December 27, 1947 which covers three points:

- (a) Emergency payment of day laborers who request payment before end of pay period. (Art. 25 Labor Standard Law)
- (b) Inability to work allowance - where work cannot be performed through no fault of the employee. (Art. 26 Labor Standard Law)

"In event employees do not receive base pay and other pay during inability to work periods such employee shall receive 60% of average pay.

In event employees receive base pay and other pay during inability to work period, such employees shall receive 60% of the amount after the amount received has been deducted from average pay."

- (c) Accident Compensation. "In event government employees suffer injury in line of duty or in event such employees die as result of sickness, the employees concerned, survivors of employees and those whose living depended on income of employees concerned

*if it is movement
of these could included at
this time in law 46
it would obsolete
those pay matters.*

at time of death will receive accident compensation in accordance with amount stipulated in Labor Standard Law Articles 75 to 81, 83 and operational rules based upon said law, Articles 35 to 45, 47 (except paragraph 2) and Article 48."

Regardless of the existence of Law No. 167, 1947, NPA can issue a rule or regulation on emergency payment of day laborers under Article 18 of the NPSL.

Likewise NPA can issue a rule or regulation covering payments to piece work employees during periods of work stoppage.

In regard to accident compensation Article 93 of the NPSL requires that a system of accident compensation be provided by law. The accident compensation law for government employees is being prepared and is expected to go into effect 1 April 1950.

In the meantime Law No. 167, 1947 is considered the basis for accident compensation to government employees. (accident compensation provisions for officials are provided in the Pension Law). Because of this situation it is believed Law No. 167, 1947 should remain on the books until 1 April 1950. The Accident Compensation Law for Government Employees should abrogate Law No. 167, 1947 in so far as it refers to regular government service employees.

4. Cabinet Order 323, 1947 concerning Special Work Allowances will come under the jurisdiction of NPA.

5. Cabinet Order 401 will be amended to read NPA instead of Office of New Pay Administration. It will continue in effect until Law No. 46, 1948 is revised. At that time any part of the cabinet order not covered by revised Law 46 can be issued as an NPA rule or regulation.

6. NPA will not assume control of compensation for Procurators.

7. NPA will take over compensation control of:

- Kodan employees, except personnel of Foodstuff Distribution Kodan.
- Special Procurement Board employees.
- Members of Security Exchange Commission.
- Members of Highway and Transportation Committee.
- Members of Accounting Management Committee.

This operation will not involve a revision of law. NPA will notify the agencies listed above that it has taken over the jurisdiction of their compensation matters from ONPA.

These are the Occupations Forces Pers. in the special service.

*We
Special Govt employees.
2
Transp. Council
Spec. Govt. Service B.*

8. The Office of New Pay Administration has issued 80 circulars (Kyot Hon Ko) of which approximately 47 are in effect. NPA will take over and review the circulars. The parts that are to remain in effect will be reissued as:

- Rule
- Regulation
- Directive
- NPA Circular

It is not considered necessary to continue the Kyot Hon Ko as a fifth method of publication.

9. Target date for NPA to take over functions of the Office of New Pay Administration is period November 10 to November 20. There is a possibility the Diet may delay necessary legislation until the pay problem is solved.

Albert R. DeAngelis
ALBERT R. DeANGELIS
Compensation Specialist

ARD:med

1) what about files & records? Are they to be transferred to NPA?

2) My initial thought is to take over 401 & not do anything with and except issue a Technical interpretation as Subaki's meant. We may this way be able to reach Min. of Fin. & stop this practice of establishing controls over personnel by force.

MS

CIVIL SERVICE DIVISION
Government Section

28 October 1949

MEMORANDUM FOR THE RECORD:

SUBJECT: Encumbering of Employees Pay

Two incidents have come to the attention of this office in the past few days wherein there is evidence that the pay of certain public employees is being encumbered unnecessarily. It will result in some employees having to make unexpected payments from their income in the months of December and January, and undoubtedly substantially reducing their take home pay. This is a similar situation to that which occurred in the latter part of January 1949. Reports concerning these cases are attached.

The first incident was evident from a report estimating the degree to which income tax has been properly deducted each month from the pay of employees in the National Government. It appears that in general, proper monthly deductions have been made with respect to the basic pay of employees. However, deductions made from overtime payment, in general, have not been well handled. Employees in the higher grades will undoubtedly face the necessity of paying rather large sums of money into the Treasury at the end of the calendar year in order to complete their income tax payments on the basis of their total earned income. Should more adequate income deductions have been made by paymasters on overtime, this situation would not have occurred.

The second incident is based on a Cabinet action and is more serious. Again, it will not affect all employees but only those residing in Hokkaido. The Cabinet on the 21st of October 1949 recognized a policy of encouraging employees to make personal loans from Mutual Aid Associations within the limit of 60 percent of the funds which they would receive as a coal allowance to purchase coal. These loans were believed necessary since funds from the National Treasury as yet have not been allocated for this purpose and employees have an immediate need for the coal. The Cabinet indicated that these loans would be paid back through future appropriated funds covering the coal allowance. However, since these were recognized as personal loans being made by individual employees from Mutual Aid Associations, these employees would have to assume personally the interest charges on such a loan.

Macdonald Salter

MacDONALD SALTER
Chief, Classification &
Compensation Branch

MS:rj

*DeAngelis
Jetter*

CIVIL SERVICE DIVISION
Government Section

5 October 1949

MEMORANDUM FOR: The Record

SUBJECT : Conference 4 October 1949, Salary and Wage Section,
Compensation Division, NPA

1. The weekly (4 Oct. 1949) conference of the Salary and Wage Section, Compensation Division, NPA, was held in the Civil Service Division conference room. Mr. Keitoku was chairman. The last conference was held 23 August 1949. Conferences will be held weekly hereafter.

2. Compensation hearings were held on working hours of employees in special post offices. The union claimed that Article 19 of Law 46 applies in the case of special post offices. The Ministry of Communications claimed that Article 35 of Law 46 applies. NPA has submitted findings to the Commissioners.

The Maritime Safety Board has requested NPA to study the work hours of lighthouse employees. This case is similar to the one above. Lighthouse employees want their work hours to be based on Article 19 of Law 46 instead of Article 35. Investigation is being conducted.

The Central Weather Bureau has a problem similar to the above two cases. Investigations will be made.

3. Now under study is the pay problem of Central Labor Committeemen. The committee claims its pay is lower than other committees. Article 28 of Law 46 applies to the Central Labor Committee and limits pay to not more than ¥1,000 a day. Special Government Service Committeemen may receive as high as ¥32,000 to ¥40,000 a month.

4. A request was made by the Office of Administrative Management to NPA that when the Office of New Pay Administration is abolished, certain of the latter's functions be transferred to the Office of Administrative Management. The Office of Administrative Management wants to determine the fixed number of positions in each grade. NPA feels it is its duty to determine the fixed number by grade from standpoint of law. NPA will study this matter.

A copy of Office of Administrative Management's letter is being forwarded to this office.

5. Preparations are being made for NPA to conduct the business of the Office of New Pay Administration after it is abolished. An amendment to Law No. 46, 1948, will abolish the Office of New Pay Administration.

*NPA has nothing to do with fixing the number by grade.
1) set by law.
2) admin. in hands of admin. agency.*

MEMO FOR: The Record

- 2 -

5 October 1949

6. A translation of the pay plan prepared by the Ministry of Finance on the Special Government Service will be submitted to the Civil Service Division.

7. The Forestry Agency has requested that NPA explain the legal basis of pay for forestry employees. NPA is now studying the request.

*This may
need im-
mediate
attention in
amdt to 46.*

ALBERT R. DeANGELIS
Compensation Specialist

ARD:rj

Jap Govt - Pay. Adm.

C O N F I D E N T I A L

CIVIL SERVICE DIVISION
Government Section

20 September 1949

MEMORANDUM FOR: Mr. W. Pierce MacCoy, Acting Chief, Civil Service Division
SUBJECT : Pay Level for Railway Corporation Employees

Yesterday Mr. Takimoto was invited, and attended, a conference of the Ministry of Labor, the object of which was to discuss generally the question of a new pay level for Railway Corporation employees.

Several days ago Kokutetsu presented a demand for such a pay increase to the Railway Corporation which on September 15 stated that they could not consider such a pay increase because of present budget and economic conditions. The matter was then submitted to mediation and arbitration. Persons present in the meeting yesterday were members of the mediation and arbitration committees. Ideas presented at this time were as follows:

1. Mr. Kaide, Head of Labor Union Section, Ministry of Labor and also Director of the Arbitration Committee for Public Corporations, felt that a new base pay should be recommended predicated upon the system used in the determination of the ¥2920 base. This includes the use of CPS and CPI. He admitted that this action would merely be a "sacrifice play" in order to eventually attain some pay increase.

2. Mr. Kaku, Chief of the Labor Administration Bureau, Ministry of Labor and Chairman of the Mediation Committee for Public Corporations, stood for a lump sum payment at this time, leaving the matter of an increase in pay level to a later date when the yen change might have been completed.

3. Mr. Kaneko, Head of the Research Bureau of the Ministry of Labor and member of the Arbitration Committee, contended that the wage level for railway employees should be similar to that of employment in industry and that the prevailing wage concept should be utilized and not the cost of living. The question of levels for public servants other than the railways could be determined on a different basis than for the railways.

It can be readily seen that the first two expressions are obviously just contributing to the old confused state of pay administration present prior to NPA's recommendation for ¥6307. Mr. Kaneko's statement, on the other hand, has some merit but is inconsistent with the premise laid down in the ¥6307 base pay level that economic recovery has not reached a point where efficiency wages can be paid. The principle that wages are to be based on cost of living is still sound, particularly in view of the austerity program now being supported by the government.

C O N F I D E N T I A L

MEMO FOR MR. MacCOY

-2-

20 September 1949

Mr. Takimoto was advised to completely divorce himself and any of his staff from being party to such meetings for fear of implicating NPA in any manner. However, he was also advised to keep informed to the best extent possible of any contemplated actions or thinking of this group. While the technical information may be of no concern, contemplated actions may have an effect upon timing by NPA. Mr. Takimoto assured me that he did not express himself at all at this meeting yesterday - he merely sat as an observer.

It seemed to be the general consensus of the meeting that these Committees should come out with a specific recommendation and plan for a pay increase within the next few days.

MacDonald Salter

MacDONALD SALTER
Chief, Classification
& Compensation Branch

MS:jd

C O N F I D E N T I A L

CIVIL SERVICE DIVISION
Government Section

20 September 1949

*After meeting
I have arranged
a meeting in the
Director's office
MS 9/20*
*to talk to
MS
9/20*
*File
Pay Admin.*

MEMORANDUM FOR: Mr. W. Pierce MacCoy, Acting Chief, Civil Service Division
SUBJECT: NPA Policies

During the last few months this branch has been working with the NPA Compensation Bureau preparing standard time and attendance reporting and payroll procedures. During this time NPA has been repeatedly advised that it was desirable that the procedures be installed in all agencies on 1 October 1949.

Mr. Keitoku called at this office today and advised that the commissioners had requested that the installation of these procedures be indefinitely postponed until "the time was right". The reasons given for the postponement were as follows:

1. NPA has so much work to do at present.
2. The position-classification plan and the accident compensation plan must be put into force.
3. Early revision of the New Pay Law.
4. Extending guidance in connection with the revision of the mutual aid laws.

Mr. Keitoku further advised that the commissioners feel that Rule 14-7 had caused many political pressures to flood NPA. The commissioners feel that enforcement of the proposed pay system can not be made until payment can be made after the end of the pay period.

The commissioners feel that the installation of these procedures should be delayed until about two months after the pay law has been revised and put into effect. It is their feeling that this much time will be required to orient the various agencies in the procedures.

*This seems
to be the
reason,
MS*

The installation of these procedures and the audit procedures will provide NPA one of the best tools that could be used in that it will allow NPA to inspect the records and determine first-hand compliance or non-compliance with the various laws, rules and regulations. In the absence of such a system there are no records maintained whereby this information can be secured.

adequate & reliable

This action by NPA is typical of the cooperation this branch has been receiving from the NPA in the various compensation matters over a period of the past 60 days.

AB
JESSE B. BETTIS
Compensation Specialist

JBB:jd

Felt

2 Sept. 1949

FOR Mr. MacCoy

SUBJECT: Statement by Masuda, Cabinet Chief Secretary, Regarding Pay Base of Government Employees

Asahi Shimbun for 2 September carries the following article, the gist of which follows:

Mr. Hara, Vice-Chairman of the Japan Teachers' Union, and others representing Zenkanko, called on Masuda and asked the government's opinion on wage raises for government employees.

Masuda replied that the ¥ 6307 wage base is perfectly proper at the moment, and we have at present no idea of changing it. We think that prices will rise slightly because of the cut in subsidies, but the reduction in taxes pursuant to the Shoup recommendations will leave the workers ahead.

Zenkanko then made the following two points:

1. Raises in wages for government employees should be considered if public employees (railway workers, Monopoly Corporation employees, etc. (?)) are raised.
2. There should be a joint government-union agency to study figures on cost of living.

T. Eliot

-14-

Bettis

CIVIL SERVICE DIVISION
Government Section

4 August 1949

MEMORANDUM FOR THE RECORD

SUBJECT: Office of New Pay Administration

At the request of Mr. Nakagawa, Administrative Management Agency, a conference was held at this office today among Messrs. Salter, Bettis and Nakagawa to discuss the proposed transfer of the ONPA to the NPA.

Mr. Nakagawa was not fully aware of the fact that the ONPA could not be abolished without Diet action. In view of this situation the ONPA had to exist and to issue any regulations or take administrative action until such legislation was enacted abolishing the office. In the interim period, however, it might be possible to work out some plan of integration with the NPA through certain staff arrangements. Mr. Nakagawa had no proposed plan. It was suggested that he consider this matter and when he did have a plan to come back and discuss the matter further.

It was pointed out that the only attitude that this office now had was one generally agreed upon by any persons involved in this work, and that was that the principal duties of the temporary agency of the ONPA were now completed and that only limited residual functions were being carried out. In view of this it would seem expedient and a propitious time in which to cause the abolition of the ONPA and the transfer of its functions to NPA. Mr. Nakagawa stated that he would consider the matter further and would discuss it with Mr. Kori, Deputy Director of the Cabinet Secretariat and see if further ideas might not be developed on this matter. Furthermore, he believed that Mr. Kori would discuss the matter with Dr. Asai in the very near future.

Dr. Asai was fully informed of this meeting. Capt. McWherter of Government Section was also properly informed.

MacDonald Salter

MacDONALD SALTER
Chief, Classification
& Compensation Branch

MS:jd

CIVIL SERVICE DIVISION
Government Section

29 July 1949

File
7-29-49

MEMORANDUM FOR THE RECORD

SUBJECT: Status of ONPA

As a result of a newspaper announcement that Dr. Imai, Chief of ONPA, had been appointed to one of the labor mediation boards, and information to the effect that he had submitted his resignation to the Prime Minister, so far as his position as Chief of ONPA was concerned, he was called into this office on 29 July.

Upon questioning Dr. Imai stated that his resignation had been submitted to the Prime Minister and had been accepted, effective 27 July, 1949. Although it would have been possible under provisions of law for him to retain his status in two positions, he and the Cabinet decided that this should not be done. In accepting Dr. Imai's resignation the Cabinet requested that he remain active in ONPA for the time being and that he take particular pains to put the affairs of the office in good condition not later than 10 August, at which time he will leave that office.

Dr. Imai was of the opinion that the ONPA should be abolished by law immediately upon the convening of the next session of the Diet. This opinion is concurred in by the Cabinet. Dr. Imai stated that this had been discussed in a conference with Dr. Asai, and Messrs. Yamashita and Sato of NPA. Messrs. Yamashita and Sato expressed their approval that ONPA functions should be taken over by NPA at the earliest possible date, while Dr. Asai withheld any stated opinion.

Dr. Imai stated that Mr. Keitoku, presently of the Allowance Section, Bureau of the Budget, was to assume his duties in the Compensation Bureau, NPA, as of 10 August. He also stated that Mr. Suzuki, Sr. staff member under him in the ONPA, was resigning to accept a position in social work with the Office of the Attorney General on 10 August.


Inasmuch as the ONPA can not be abolished except by law, there appears to be no way in which the NPA could take over these functions prior to the enactment of law by the next session of the Diet. Dr. Imai was questioned as to his opinion regarding the possibility of some official of NPA being appointed concurrently as acting chief of the ONPA. He stated that, due to the fact that it was very difficult to find an individual with sufficient experience in the matters of this office and the reluctance of any individual to accept the office on a temporary basis, this might be the solution. He was of the opinion that Mr. Kori

29 July 1949

Cabinet Secretariat and Chief of ONPA by law, would give favorable consideration to such an idea; also it was his belief that the Cabinet would concur in such action. In this case it would be necessary for the Prime Minister, by Cabinet approval, to make the appointment. This arrangement might enable NPA, through the closer liaison that would be maintained, to readily absorb the functions of ONPA.

Dr. Imai stated that the work load at the present time of the ONPA consists of the CMMC schedules and special allowances for land-based personnel, a pending Cabinet Order regarding the coal and cold area allowances, and changes in allocations of positions which had been caused by the administrative adjustment program. This particular item, he stated, was requiring more time and effort than any of the others. Other work presently being performed consists of interpretation of laws and regulations, the handling of grievances and the resulting adjustments in the allocation of positions where appropriate. There are at the present time about 10 employees performing all of the work of this office, with the exception of a few typists and lower grade clerks.

It is recommended that the NPA initiate a study and prepare draft of legislation to abolish the ONPA and to assign the function to the NPA. It is believed that this should be handled in a brief piece of legislation without reference to other needed revisions of the New Pay Law, which should be handled along with pay recommendations at a later date during the session of the Diet.


JESSE B. BETTIS
Compensation Specialist

JBB:jd

CIVIL SERVICE DIVISION
Government Section

1) ~~Mr. MacLean~~
Satter
note 7.
2) Files 6-30-49
June 30, 1949
Pay admini.

MEMORANDUM FOR: The Record WS

SUBJECT : Activities, ONPA

1. Mr. Suzuki of the Office of New Pay Administration was called into this office on 29 June for an informal discussion concerning the activities of the Office of New Pay Administration and to specifically determine what had been done by that office in regard to investigation of allocation of positions and recomputations under the provisions of Law No. 46 revised.

2. In regard to the investigations concerning the recomputations in accordance with Law No. 46, Mr. Suzuki stated that they had carried out no organized program of over-all inspections of government agencies in regard to the matter. He stated that they had sent out teams of from two to three persons on various occasions to the different agencies in Tokyo and to different parts of the country in order to make spot checks at random to determine if there were any indications of misapplication of the Law and regulations applying thereto. Mr. Suzuki stated that he himself had been out on several of these trips and that in every instance there was no indication that there had been any misapplication or misinterpretation, that the Law and regulations were well understood and had been properly carried out. Only in a few instances was it discovered that there had been, through mathematical error or otherwise, mistakes made and in each instance, orders were given to correct the situation immediately. He further stated that outside of these few instances that it had never been necessary for the Office of New Pay Administration to order any agency to take corrective actions.

3. Mr. Suzuki stated that his office received on an average, not in excess, of two to three complaints each day from individual employees regarding their status and grades. Each individual case is handled separately and a complete written explanation is returned to the employee. Experience has proven that 99% of these complaints have no basis or justification.

4. Mr. Suzuki further stated that the chiefs of the Personnel Sections of the various agencies are concurrently ~~visiting~~ of the Office of New Pay Administration and that these Section Chiefs or their subordinates make daily visits to the Office of New Pay Administration, that they understand the Law and the regulations based thereon well and that he can state without reservation that there have been no gross inequities as a result of misinterpretations or misapplications of the standards.

5. Adjustments are made daily through review of requests forwarded to the Office of New Pay Administration by the Personnel Sections of the various

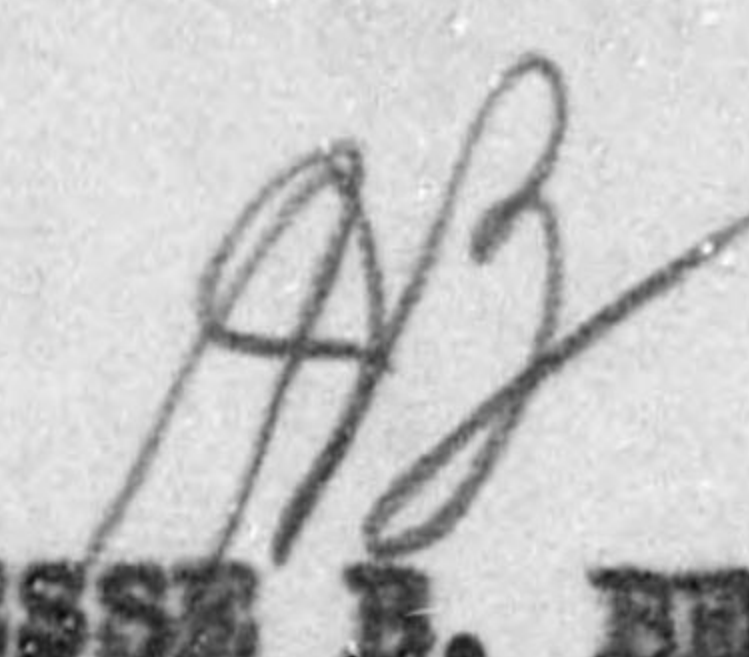
WPM
6/30/49

June 30, 1949

agencies. Ninety percent of these are individual cases and ninety percent of the grievances received are amicably settled through explanation and proper interpretation of the laws, rules and regulations.

6. Mr. Suzuki stated that they are occasionally approached by some Ministry or responsible officials of government agencies requesting unreasonable decisions but these are in most cases "laughed off" and no serious consideration is given them.

7. When questioned regarding the draft of proposed Cabinet Order concerning separation allowances for government employees, Mr. Suzuki stated that this was a matter of very grave concern and he fears that it may result in many disorders and much trouble. He anticipated that this Cabinet Order would be issued during the current week, after having been approved by the Finance Division, ESS.


JESSE B. BETTIS
Compensation Specialist

JBB:vr

**CIVIL SERVICE DIVISION
Government Section**

October 13, 1948

**MEMORANDUM FOR: Mr. W. Pierce MacCoy
Acting Chief, Civil Service Division**

SUBJECT : Status of Conversion to ¥3791 Basis

1. We received today from the Allowance Bureau, Ministry of Finance, a written statement tabulating those units of the government in which the ¥3791 base of pay has not been completely implemented. This group covers approximately 16,000 persons distributed generally throughout the government and apparently primarily involving medical personnel.

2. The Allowance Bureau states that 98.93% of the National government personnel are now being paid on the ¥3791 base and that only 1.07% are still under discussion, although officially covered by scales. The question involved is actually the allocation of positions to grades.

3. Among the local autonomous bodies, approximately one-third have reported conversion to the ¥3791 base as of the end of August, 1948. The remaining two-thirds, by the middle of September, indicated that they were in the process of conversion to the new base. There is believed to be some delay resulting from (1) considerations of allocation of positions; (2) delay resulting from demands by the Japanese Teachers' Union; (3) administrative delays caused within local autonomous bodies.

**MACDONALD SALTER
Chief, Classification and Compensation Branch**

MS:VT

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

25 October 1948

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

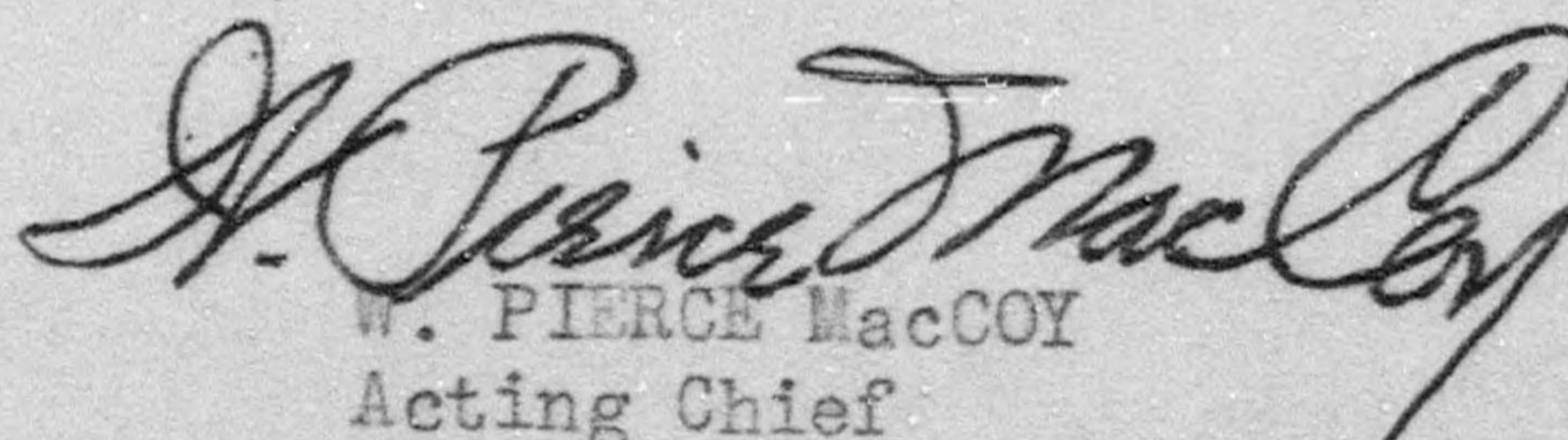
SUBJECT : Demand for 2.8 Month Supplementary Pay.

1. Pursuant to the information contained in your memorandum of 22 October, Dr. Fine of ESS called me on Friday, 22 October, to state that the Ministry of Finance had made a formal request to ESS for approval of changing the date of pay day. They wish to move the date up five days.

2. Mr. Bell had previously reported to this office that he had received information from the NPA that the Ministry of Finance would attempt this move. Dr. Fine stated that ESS wished to issue a flat disapproval and wanted to know whether the Civil Service Division would concur in ESS's action and support them. He stated that one of the reasons he wished to avoid the change in pay day was that he was sure they were using this means to enable them to arrive at the end of the year in a situation where they would be completely paid up for twelve months of work even though they had not completed the twelfth month. He felt that this would then place them in the same position they were in last year in which they used this condition as a lever to start the movement for the 2.8 additional salary.

3. I advised Dr. Fine that we were already aware of the intended move and that the Civil Service Division was definitely against such an action. I assured him that we would not only concur in his present disapproval of their request but would likewise support their disapproval of the additional salary which they were sure the government workers would request for the end of the year. He indicated that if the government workers were successful in this move that all of the industries would try the same technique.

4. I advised Dr. Fine that we would object to both moves strictly on the basis of poor administration.


W. PIERCE MacCOY
Acting Chief
Civil Service Division

WPM/hm

CIVIL SERVICE DIVISION
GOVERNMENT SECTION

11 May 1948

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

SUBJECT: Discussion of the Proposed New Wage Committee.

1. Director, Imai, Mr. Futai, Mr. Hare and Mr. Salter discussed, this morning, the meeting of certain government officials with the 8 principal union representatives yesterday concerning negotiations for the establishment of a new wage committee.

2. The government made three proposals:

First - That a new wage committee be established. This committee is not to be a collective bargaining body but rather to consist of specialists from government and unions who will discuss technically various wage problems and make their recommendations to the Cabinet.

Second - The government insisted on an agreement to establish a mediation committee when and if differences arise between the government and unions which cannot be settled through the work of the above committee.

Third - The government will not agree to the establishment of pay system which would be contrary to the provisions of the National Public Service Act. For example: It was stated the government cannot agree to a minimum wage plan based on 2400 calories per day.

3. The government, which in this case means decisions of the Cabinet, insists that these three points be accepted or they will be unwilling to establish a new wage committee.

4. The unions rejected all points. Another meeting will be held with the unions this afternoon. In the interim period Director Imai is meeting with the pay officers of the various Ministries and agencies to explain the Cabinet proposals made to the unions and to keep them informed on the negotiations to date.

5. Director, Imai, stated that the unions had pressed for an explanation as to why the new pay law had not been enacted and that he found it very difficult to explain the situation, attributing the delay to the proposed change in price structures.

6. The above Cabinet proposals were in answer to two of the demands presented by the unions, namely, that a new wage committee be established and that a minimum wage be recognized. A third demand involves representation on the wage committee and in the present conferences being held. The unions expect comparative representation. They are represented by their most important personnel and they would like the government also represented by its most important personnel such as the Prime Minister and Ministers of State. The government has taken no action at all with respect to this last demand.

7. Conferences that have been and are being held concerning this proposed new wage committee include representatives from the 8 principal unions and for the Government—Imai, Director Allowance Bureau, Ministry of Finance; Arita, Vice Chief Cabinet Secretariat; Yoshitake, Vice Minister of Labor; Kaku, Director Labor Administration Bureau, Ministry of Labor; Ushijima, Chief Personnel Bureau, Railway Board; Urashima, Chief Labor Bureau, Communications Ministry; Watanabe, Chief Labor Bureau ESB. Sone, Director of Central Liaison and Coordination Office, has been attending but not as a regular conferee.

MACDONALD SALTER
Compensation Specialist.

MS:mvb

GOVERNMENT SECTION
Civil Service Division

8 May 1948

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

SUBJECT: Discussion of the Proposed New Wage Committee

1. A meeting was held this morning between Mr. Salter, Mr. Hare, and Director Imai, Mr. Hatayama and Mr. Futai to discuss the origin and status of this new wage committee.

2. According to Mr. Imai the unions requested of the Cabinet this week the establishment of a new wage committee. In interrogating Mr. Imai as to where the idea for this wage committee had originated, it appeared certain that it was not the result of recommendation made by the Central Administrative Inspection Committee pertaining to such a type of organization. This is a union initiated concept. The Cabinet instructed Mr. Imai to meet with the unions to determine their intentions. The unions did not officially reveal their plans, though one representative present expressed his personal opinion, basically, in line with the newspaper report which is as follows:

- a. That a mediation committee be set up only when both parties agree on the need;
- b. That at least 3 Ministers be among the government's representatives in collective negotiations, and that experts be made members of the specialist committee;
- c. That the agenda of the committee primarily consider
 - (1) New wage level,
 - (2) New wage structure,
 - (3) Decisions on the retirement allowances,
 - (4) To include one union representative from each member union (8) on the Wage Committee and two on the Specialist Committee.

3. Mr. Imai reported on his meeting with the unions to the Cabinet on Friday. The Cabinet then directed that officials of the government concerned with these wage matters meet again with the unions on Monday, May 10. The Cabinet apparently is disposed to establish this committee and is concerned with (a) Whether it should be an advisory body to the Cabinet, or (b) A negotiating body. The functions of this committee have not been agreed upon. It is understood, however, that the committee will be primarily concerned with a new wage level. * It will not have any bearing or connection, at the moment, with the organizations proposed under the "Law Administering the New Pay."

*Refer memorandum on Press Summary No. 606, May 6, 1948, item 3.

4. The unions involved are the eight principal unions and represent 95% of the government employees. The union has not, at the moment, pressed for any written agreement but Mr. Imai would recommend that a written agreement be finally developed.

5. Mr. Imai will call on Monday for an appointment with you early Tuesday morning following the meeting which will be held late Monday afternoon.

6. It was pointed out this morning that this office expected continuous and immediate information on any matters pertaining to government employment and that it did not expect to have to rely on newspaper reports. Mr. Imai promised faithfully to report any and all such activities that come to his attention.

MACDONALD SALTER
Compensation Specialist

MS:vo

CIVIL SERVICE DIVISION
GOVERNMENT SECTION

3 May 1948

MEMORANDUM:

TO: Mr. Blaine Hoover, Chief, Civil Service Division

FROM: Mr. MacDonald Salter

SUBJECT: Proposed Law Administering the New Pay---Suggested corrections of.

Article 1. Article 1 of this law has already been modified in your copy. It should be emphasized, however, that the purpose of this law is to complete provisions for the payment of ¥ 2920 average recommended in the Temporary Wage Committee's reports and provided under Law 12. This ¥ 2920 average was devised and arrived at in order to meet the economic situation with respect to the need for increasing wages of government workers. This law should be construed as part of a wage adjustment program.

Article 2. The proposed administrative organization is felt necessary. It has been located under the Prime Minister rather than in the Ministry of Finance as a method of giving it prestige value. Actually the functions of the Allowance Bureau provide that it should be the administrative agency to plan and direct methods and procedures for the implementation of Law 12.

Article 3. The office of New Pay Administration probably should be the Allowance Bureau rather than a new agency.

Article 4. The administrative organization, after it is finally decided upon, will determine the content of this Article.

Articles 5, 6, and 7. These articles deal with the Areal Allowance Committee. The function to be carried out is one currently recognized as within the jurisdiction of the Minister of Finance. This is provided for in paragraph 19.3. These articles provide in essence for Locality Wage Boards. This type of operation is an administrative matter in which the use of committees is somewhat questionable. Provision should be made for a basis upon which local wage survey work should be conducted, leaving the administration of this function to an administrative body.

Articles 8, 9, 10 and 11. The New Pay Grievance Committee provides a necessary organization. The method of handling grievances, in the light of decentralized administration of the new pay plan, is inconsistent.

It would appear from the appeal procedure set up in Articles 23 and 24 that those actually doing the allocating of existing jobs to the new pay plan will not be properly brought into the appeal procedure.

Article 13. The word "remunerated" may be a poor translation. In lieu of this word a phrase such as "based on the relative value of" or such like phrase might better be used.

Article 14. Reference should probably be made, not alone to key jobs, but also to definitions of grades. This would appear in part 1 and 2 and could result in the inclusion of the definitions in the annexed tables.

It would not seem right that exceptions as provided in Section 3 be permitted since the new pay adjustment plan is a government service-wide proposal. All personnel should fall within the salary schedules.

Article 19. In Section 3 it is proposed that the Minister of Finance be advised by the Areal Allowance Committee on the allocation of areas according to cost of living. Should a method of cost of living surveys be provided and the function continued to be carried out by the Minister of Finance, then this Article must be revised.

Article 20. In Section 2 very broad description is allowed in the determination of other allowances. While it is not specified, this function undoubtedly would be carried out through the Minister of Finance. This should be revised to be more specific--to indicate such allowance as being for extremely hazardous employment, for special working conditions or night differential.

Articles 23 and 24. These provide for an appeal procedure by employees dissatisfied with the decision with respect to the allocation of their position. It omits to provide for the procedure outline. It does not provide for adequate review by the decentralized allocating agency. Furthermore, the final decision on these matters should be made either by the proposed New Pay Administration Office or the Allowance Bureau, chief agency to administer the new pay plan. The grievance procedure should lead up to that point through administrative channels.

Salary Schedule. The proposed salary schedule does not present a very clear picture because of the heavy over-lap in grades, the large number of steps in certain grades and the ceiling limit placed on the higher grades.

CIVIL SERVICE DIVISION
GOVERNMENT SECTION

19 April 1948

MEMORANDUM:

TO : Mr. Blaine Hoover, Chief, Civil Service Division.

FROM: Mr. MacDonald Salter.

SUBJECT: Final Settlement of the Pay Issue.

1. According to the Nippoin Times of April 17, 1948, the government, through collective bargaining, has reached a final agreement with the government workers with respect to the payment of their new salaries.
2. The ¥ 2,920 level is to be immediately instituted by the payment of salaries up to the ¥ 2,500 level, leaving the balance to be paid on the basis of "a full scale classification system." It is expected that this will be passed by the Diet and instituted by May 1.
3. In addition, three committees are to be established:
 - (a) The New Pay Adjustment Committee to work out the details of the formulation for the payment of the new wages.
 - (b) The New Pay Mediation Committee to undertake mediation on those matters on which the members of the former committee cannot agree.
 - (c) New Pay Enforcement Board to act as a Secretariat for the two committees.
4. Your specific attention is drawn, not alone to the statement of "a full scale classification system" be established, but also to the fact that the New Pay Enforcement Board is to be created within the Cabinet and will be headed by the Chief Cabinet Secretary with its Vice-Director the Chief of the Pay Bureau of the Finance Ministry.
5. A Jiji Press release of April 2, 1948, recorded the recommendations of the Central Administrative Supervisory Committee which has for the past six months been studying the operations of the government. One of these recommendations was to "establish an agency under the Cabinet to work out over-all policies on government labor." It would seem that the New Pay Enforcement Board would fit into this picture.

6. These facts lead to the conclusion that an agency is being established within the Cabinet which will acquire, from time to time, powers and responsibilities similar to the National Public Service Commission. This is a well planned development.

MS/mvb

CIVIL SERVICE DIVISION
GOVERNMENT SECTION

16 April 1948

MEMORANDUM:

TO: Mr. Blaine Hoover, Chief, Civil Service Division

FROM: Mr. Robert S. Hare, Chief, Classification and Compensation Branch

SUBJECT: Proposed bill concerning compensation of the Prime Minister and other Attestees.

1. Attached are three copies of the "Bill concerning salary and other compensations granted to Prime Minister and those attested as in the Constitution, Article 7 (Draft)" which Mr. Watanabe of the Allowance Bureau brought in April 12, 1948. He requested that two copies be sent to Mr. Marcum and that his concurrence in the draft bill be obtained.

2. The rewording of paragraph 2 of the Supplementary Provisions makes it clear that the members of the Temporary National Personnel Commission are covered by the bill until the National Personnel Commission is established and after that time they are specifically covered by the schedule.

3. At our suggestion those attested officials covered by the pay bills relating to procurators and judges have been omitted from the schedules of salaries attached to this proposed bill. We understand that the two fore-mentioned bills, approved by the Government Section, are under consideration by the Cabinet and the inclusion of the judges and certain procurators in this bill would simply complicate the situation.

4. It is recommended that this bill be forwarded to the Administrative Management Division for concurrence and proper disposition with the understanding that the Civil Service Division has no objection to it but neither approves or disapproves the pay schedules attached which are markedly lower than those in the two bills previously cleared by the Government Section.

Hare

CIVIL SERVICE DIVISION
GOVERNMENT SECTION

16 April 1948

MEMORANDUM:

TO: Mr. Blaine Hoover, Chief-Civil Service Division.

FROM: Mr. MacDonald Salter.

SUBJECT: Comments concerning proposed classification plan of the Allowance Bureau.

1. The Allowance Bureau of the Ministry of Finance is proposing a classification plan for all positions in the government service including government enterprises. The Bureau is acting in conformance with certain recommendations of the Temporary Wage Committee as approved by the government and incorporated into Law 12 of 1948.

2. The Temporary Wage Committee had before it three major problems:

a. The need for effecting a fundamental reform in wage structure for the national government.

The solution recommended by the Committee is the development of a classification plan wherein "the principle of equal work for equal pay" should be applied.

b. The need for bridging the wide gap between the present wages and cost of living.

The solution recommended by the Committee is the raising of the average wage to ¥ 2,920 per month.

c. The immediate implementation of a plan for increasing wages effective January 1, 1948.

The solution was to pay on a percentage basis on the basis of existing wages such that an average of ¥ 2,500 per month would be reached. The remaining ¥ 420 would be withheld until the application of the recommended classification plan.

3. The classification plan proposed by the Allowance Bureau is the plan referred to above wherein a fundamental reform in the wage structure of the national government would be achieved. From the reports of the

Temporary Wage Committee the conclusion may be drawn that this was intended to be a permanent plan. Report number 2 specifically stated since this plan would be applied through the various Ministries that in order to reach a uniform application that a "central organ might be set up with powers specified by law to enforce a fixed and consistent policy."

4. The proposed plan, while reflecting certain accepted techniques in good classification work, is fundamentally a fiscal document. It is predicated primarily upon the use of class titles which, it is assumed, will reflect work performed and make it possible to roughly group positions according to grades. Where technical classification of positions does not exist, such a pattern is quite often employed for the purpose of standardizing titles and making it possible to establish reasonable patterns of organization for fiscal and budgetary purposes. Unless definitions can be devised for the grade levels, the application of such a plan by agencies themselves will result in innumerable inconsistencies. In fact it could be deliberately misused for the purpose of perpetuating existing improper relationships between positions when viewed on the basis of work performed. Or it may be maliciously utilized to the advantage of certain individuals and to the disadvantage of certain others. It is unlikely that there would be serious effort to apply such a plan on a standardized basis.

5. Should such a plan be instituted, every effort should be made to point out that this is part of the interim plan for the payment of the ¥ 2,920 average wage rate in order to distribute the balance of the average between ¥ 2,500 and ¥ 2,920. It should not be considered as part of the "fundamental reform of the wage structure" recommended by the wage committee. This should appear both in official documents and in any publicity by the government or unions regarding the application of this proposed plan. Furthermore, indications should develop pointing out the provisions of the National Public Service Act and that such provisions come into effect July 1, 1948, at which time the whole classification and compensation problem will be technically reviewed and developed and submitted to the Diet.

6. The unions are primarily concerned in the bridging of the gap between the cost of living and present wages. The application of a classification plan as proposed by the Allowance Bureau may satisfy their demands but it is quite possible that the maladministration of such a plan will result in serious criticism and dissention on the part of the unions with respect to the plan. The Temporary Personnel Commission, having made it known that its authority will take effect July 1, may receive many inquiries and actual support for its compensation and classification plan.

7. The grade system proposed by the Allowance Bureau allows for an over-lap in grades. While this is not too serious a matter, it is usually to the advantage of the jurisdiction not to have over-laps other

than the first and last steps of grades being the same. The increments vary from 50 to 100 to 200 and are not necessarily consistent within the grade levels. As a matter of good practice increments should be consistent within grade levels. In order to adjust these two problems, the number of steps within the grades should be reduced to 5 from 7. As to the actual number of grades, it would seem rather large. However, that would have to be determined by careful study.

8. Law Number 12 incorporates the recommendations of the Temporary Wage Committee into law and provides that the solutions recommended under paragraph 1 above be implemented. No mention is made of the Public Service Act and its provisions. Law 12 should be modified in this respect. It would seem that this law could be interpreted, in view of its very loose reference to the contents of the reports of the Temporary Wage Committee, to permit the application of a percentage system of salary increases based on existing wages up to ¥ 2,920 average, allowing the more permanent adjustment of the wage structure to come at a later date.

MS:mvb

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

18 March 1948

MEMORANDUM:

TO: Mr. Blaine Hoover
FROM: Mr. Robert S. Hare
SUBJECT: Proposed "Law Concerning Salary and other Pays Granted to Government Workers."

1. In reading the above-titled Law proposed by the Allowance Bureau, Ministry of Finance, I note that paragraph three provides as follows:

"The specific salary ranges by occupation and other components of pay shall be separately prescribed by law."

I am inclined to believe that this would be a piece of permanent legislation and might very well be regarded legally as having superseded those provisions of the National Public Service Act relating to the determination of a compensation plan by the National Personnel Commission. This may be further substantiated by the first clause in Article two of the Supplementary Provisions which states "Pending the establishment of the new pay system as described in paragraph two above ***".

2. In its present form, it is my opinion that this bill would be a dangerous piece of legislation from the standpoint of the over-all personnel program; although, we are not concerned over the new wage standard as an interim measure.

GOVERNMENT SECTION
CIVIL SERVICE DIVISION

MEMORANDUM

5 March 1948

TO: Mr. Robert S. Hare
FROM: J. B. Bettis
SUBJECT: Rate Conversion Schedule

Attached hereto for what it may be worth in connection with the establishment of classification services, grades and rate ranges in the Japanese government service, is a conversion chart.

This chart provides for an "official" service of 17 grades; "clerical" service of 19 grades and "crafts and trades" service with 14 grades.

The "official" service provides for a spread between grades on the basis computed (¥1200 minimum) as follows:

Grades 1	and 2	¥480	spread	
" 3	" 4	600	"	
" 5	" 6	900	"	
" 7,8	" 9	1200	"	
" 10	" 11	1500	"	
" 12 to	17	1800	"	(12 to 17 incl.)

Step rates in the first three grades provide a range of ¥120, grades 4, 5 and 6, ¥180; grades 7 and 8, ¥ 240; grades 9 and 10, ¥300 and grades 11 to 17 inclusive, ¥360.

The "clerical" service provides for a spread between grades on basis computed, as follows:

Grades 1 thru 4	-	¥180
" 5 " 6		300
" 7 " 8		360
" 9 " 10		480
" 11 " 12		600
" 13 " 14		900
" 15 " 17		1200
" 18 " 19		1500

Step rates are	¥60	each	in	grades	1	thru	5
"	"	"	120	"	"	"	7 " 11
"	"	"	180	"	"	"	12, 13 and 14
"	"	"	240	"	"	"	15 and 16
"	"	"	300	"	"	"	17 " 18
"	"	"	360	"	"	"	19

The "crafts and trades" service provides for a spread between grades (on basis computed) as follows:

Grades	1	thru	8	-	¥	60
"	9	"	10			180
"	11	"	12			300
"	13	"	14			360

Step rates in grade ranges are as follows:

1	thru	11	-	¥	60
12	"	14			120

In adopting or establishing a salary schedule it is only necessary to establish the "floor" or minimum rate (for grade 1, Yonin service). All other rates are arrived at by multiplying the floor or minimum rate by conversion factor shown on schedule.

This method provides for a constant ratio between grades and rate ranges.

Attention is invited to the fact that the schedule can be changed to apply to any system of services and/or grades that may be adopted.

Rates used are approximate minimum and maximums as provided for in grades and pay scales in effect at the present time.

KWAN	KOIN	CLASSIFICATION PAY/SCALE							YONIN	
		FACTOR								
		1.00	1.05	1.10	1.15	1.20	1.25	1.30	Special M-M	1
		1.05	1.10	1.15	1.20	1.25	1.30	1.35		2
		1.10	1.15	1.20	1.25	1.30	1.35	1.40		3
		1.15	1.20	1.25	1.30	1.35	1.40	1.45		4
	1	1.20	1.25	1.30	1.35	1.40	1.45	1.50	30	5
		1.25	1.30	1.35	1.40	1.45	1.50	1.55		6
		1.30	1.35	1.40	1.45	1.50	1.55	1.60		7
	2	1.35	1.40	1.45	1.50	1.55	1.60	1.65	30	8
	3	1.50	1.55	1.60	1.65	1.70	1.75	1.80	30	9
	4	1.65	1.70	1.75	1.80	1.85	1.90	1.95	30	10
	5	1.90	1.95	2.00	2.05	2.10	2.15	2.20	30	11
	6	2.15	2.25	2.35	2.45	2.55	2.65	2.75	60	12
	7	2.45	2.55	2.65	2.75	2.85	2.95	3.05	60	13
	8	2.75	2.85	2.95	3.05	3.15	3.25	3.35	60	14
	1	9	3.15	3.25	3.35	3.45	3.55	3.65	60	
	2	10	3.55	3.65	3.75	3.85	3.95	4.05	60	
	3	11	4.05	4.15	4.25	4.35	4.45	4.55	60	
	4	12	4.55	4.70	4.85	5.00	5.15	5.30	90	
	5	13	5.30	5.45	5.60	5.75	5.90	6.05	75	
	6	14	6.05	6.20	6.35	6.50	6.65	6.80	75	
	7	15	7.05	7.25	7.45	7.65	7.85	8.05	100	
	8	16	8.05	8.25	8.45	8.65	8.85	9.05	100	
	9	17	9.05	9.30	9.55	9.80	10.05	10.30	125	
	10	18	10.30	10.55	10.80	11.05	11.30	11.55	125	
	11	19	11.55	11.85	12.15	12.45	12.75	13.05	150	
	12		13.05	13.35	13.65	13.95	14.25	14.55	150	
	13		14.55	14.85	15.15	15.45	15.75	16.05	150	
	14		16.05	16.35	16.65	16.95	17.25	17.55	150	
	15		17.55	17.85	18.15	18.45	18.75	19.05	150	
	16		19.05	19.35	19.65	19.95	20.25	20.55	150	
	17		20.55	20.85	21.15	21.45	21.75	22.05	150	

KWAN

KOIN

CLASSIFICATION PAY SCALE

YONIN

		1200	1260	1320	1380	1440	1500	1560	1
		1260	1320	1380	1440	1500	1560	1620	2
		1320	1380	1440	1500	1560	1620	1680	3
		1380	1440	1500	1560	1620	1680		4
1		1440	1500	1560	1620	1680	1740	1800	5
		1500	1560	1620	1680	1740	1800	1860	6
		1560	1620	1680	1740	1800	1860	1920	7
2		1620	1680	1740	1800	1860	1920	1980	8
3		1800	1860	1920	1980	2040	2100	2160	9
4		1980	2040	2100	2160	2220	2280	2340	10
5		2280	2340	2400	2460	2520	2580	2640	11
6		2580	2700	2820	2940	3060	3180	3300	12
7		2940	3060	3180	3300	3420	3540	3660	13
8		3300	3420	3540	3660	3780	3900	4020	14
1	9	3780	3900	4020	4140	4260	4380	4500	
2	10	4260	4380	4500	4620	4740	4860	4980	
3	11	4860	4980	5100	5220	5340	5460	5580	
4	12	5460	5640	5820	6000	6180	6360	6540	
5	13	6360	6540	6720	6900	7080	7260		
6	14	7260	7440	7620	7800	7980	8160		
7	15	8460	8700	8940	9180	9420	9660		
8	16	9660	9900	10,140	10,380	10,620	10,860		
9	17	10,860	11,160	11,460	11,760	12,060	12,360		
10	18	12,360	12,660	12,960	13,260	13,560	13,860		
11	19	13,860	14,220	14,580	14,940	15,300	15,660		
12		15,660	16,020	16,380	16,740	17,100	17,460		
13		17,460	17,820	18,180	18,540	18,900	19,260		
14		19,260	19,620	19,980	20,340	20,700	21,060		
15		21,060	21,420	21,780	22,140	22,500	22,860		
16		22,860	23,220	23,580	23,940	24,300	24,660		
17		24,660	25,020	25,380	25,740	26,100	26,460		