

INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

3265

FROM: IS POLAD, Tokyo.

Action Assigned to *NA* JAN - 3 1950

CONFIDENTIAL Action Taken *No action* Date of *NA* December 23, 1949.

Rec'd: Dec. 28, 1949 5:01 pm

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Secretary of State Action *1/4/50*

Washington Office Symbol *NA*

Name of Officer *NA*
A-383, December 22, 1949.

Direction to DC/R *file*

Office of
FAR EASTERN AFFAIRS
JAN 3 - 1949

Japanese Cabinet on December 19, 1949, submitted to recently convened Seventh Diet for consideration a plan calling for payment of year-end bonuses averaging yen 3,000 for each of approximately 1,780,000 Civil Service, National Railway and other Public Corporation workers, amid dissatisfaction on all sides as to Cabinet's decision. Formal recommendations were recently submitted to Cabinet by National Personnel Authority (NPA) for increase of average Government wages from yen 6,307, reportedly at least 1,000 yen under wages paid by private enterprises for equivalent work to yen 7,877. The strong National Railway Workers' Union (NRWU), with membership of 500,000, has made even greater demands, which were referred to Public Enterprise Arbitration Committee. Latter's recommendation's, agreeable to NRWU, called for payment of yen 6,000 year-end bonus to each railway worker to cover family budget deficit said to have existed since early 1948 when present yen 6,307 monthly wage established, as well as implementation of employee promotion program, wages and positions having long been frozen. Government workers' unions announced they were not pressing for traditional year-end bonus as such (private enterprises have already granted one to twenty thousand yen bonuses) but rather reimbursement to family budgets of about yen 10,000 incurred by 30 per cent increase in cost of living since March 1948, when present base wage was established by Government.

Cabinet announced early December 1949 that current wages would not be revised, since adoption of NPA recommendation or NRWU demands would shake budget plans for at least 12 months, and would violate Dodge Line and economic stabilization principles. Finance Minister Hayato IKEDA, to whom this stand attributed, later reportedly agreed, for political reasons, to uniform year-end bonus of yen 1,000, but no wage increase, while other officials, including Postal Service Chief Saeki OZAWA, supported plan for yen 3,000 allowance. Transportation Minister Shinso OYA consulted with SCAP officials, including Economic and Scientific Section (ESS), on his plan to allocate 1.8 billion yen for payment of a yen 3,600 bonus to each of 500,000 rail workers, excluding all other Government employees at present time. His plan called for raising of bonus money through coal consumption and other railway savings (amounting to about 700 million yen) and postponement of scheduled repairs to rolling stock, latter scheme being strongly

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JAN 25 1950
LIAISON OFFICE
DC/L

Tokyo's A-383,
December 22, 1949.

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Cabinet, after "fruitlessly mulling" (according to editorials) over NPA recommendation and Arbitration Committee's decision, referred entire matter to Diet, amid outcries from opposition which claimed action was tantamount to demand for Diet adjudication of Arbitration Committee's decision. At Diet insistence, Cabinet then restudied case and, after conferences between Prime Minister YOSHIDA and SCAP officials, announced that it no longer considered bonus demands inconsistent with budget planning or Dodge Line. Concrete Cabinet plan mentioned above for payment of average yen 3,000 year-end bonus (with yen 5,000 maximum) then presented to Diet for consideration.

NRWU, having held rallies of 50,000 members and sit-down and hunger strikes in Government offices, of which "second round" now being staged, apparently determined to develop bonus and wage increase issue into "labor offensive". Public opinion largely supports Union, and local press, while admitting importance of budgetary considerations, points out social and labor unrest will result if NRWU demands ignored. ESS/ Labor Division officials agree with NRWU moderate leaders who claim failure to secure awards recommended by Arbitration Committee may well result in resurgence of Communist influence in Japan's labor movement. All other union still undecided on status of their leftist leaders, closely watching success attained by NRWU which recently purged Communist leaders.

Cabinet plan now referred to Diet calls for total expenditures of 5,382 million yen, in addition to 3600 million yen which Cabinet "hopes" local governments throughout Japan may be in a position to pay in local bonuses averaging yen 3,000. Government's "political compromise" on wage-bonus dispute has not satisfied concerned Ministries, which consider total payment too large, nor NRWU, which protests that its legitimate demands have been completely ignored. Diet action expected shortly, probably as early as December 23, at which time further report will be forwarded to Department.

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INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

NORTHEAST ASIAN AFFAIRS

JAN 5 1950
AIRGRAM

295

DEPARTMENT OF STATE

FROM: USPOLAD, Tokyo.

Action Assigned to *NA*

Date of mailing: December 30, 1949.

UNCLASSIFIED

Action Taken *no action*

Rec'd: Jan 4, 1950 10:24 am

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Secretary of State, Date of Action *1/5/50*

Washington, Action Office Symbol *NA*

A-396, December 26, 1949,ecer *int*



Following news item released December 23, 1949, by Public Information Office, General Headquarters, (U.S.) Far East Command, Tokyo, under heading "Approve Two Counterpart Fund Loans Totalling 301,000,000 Yen:"

"The approval of two Counterpart Fund loans totalling 301,000,000 yen was announced today by the Public Finance Division of SCAP's Economic and Scientific Section.

"The total loan of 100,000,000 yen will be released immediately to the Mike Gosei Company, Ltd., producers of chemicals needed in the production of chemical fertilizers.

"The Taiheiyo Coal Mining Company was granted a loan of 201,000,000 yen. Of this total 81,000,000 yen will be released immediately with the balance made available during the first quarter of Japanese fiscal year 1950.

"Proceeds of these loans will be used to finance the completion of projects for the repair and construction of equipment vital to increased production. This will aid in alleviating the current shortage of high grade coal and lessen the necessity for chemical imports.

"Counterpart Fund policies provide for the release of funds to those companies essential to economic stabilization who are unable to finance their capital needs from private sources. These loans are in accord with established regulations and policy. The interest rate is seven and one-half percent with repayment to be completed within five years after completion of projects."

DEPARTMENT OF STATE
JAN 7 1950
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JAN 10 1950

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894.51/12-2749

INCOMING AIRGRAM

DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

NORTHEAST ASIAN AFFAIRS

JAN 5 1950
AIRGRAM

295

DEPARTMENT OF STATE

UNCLASSIFIED

Action Assigned to NA

Action Taken no action

FROM: USPOLAD, Tokyo.

Date of mailing: December 30, 1949.

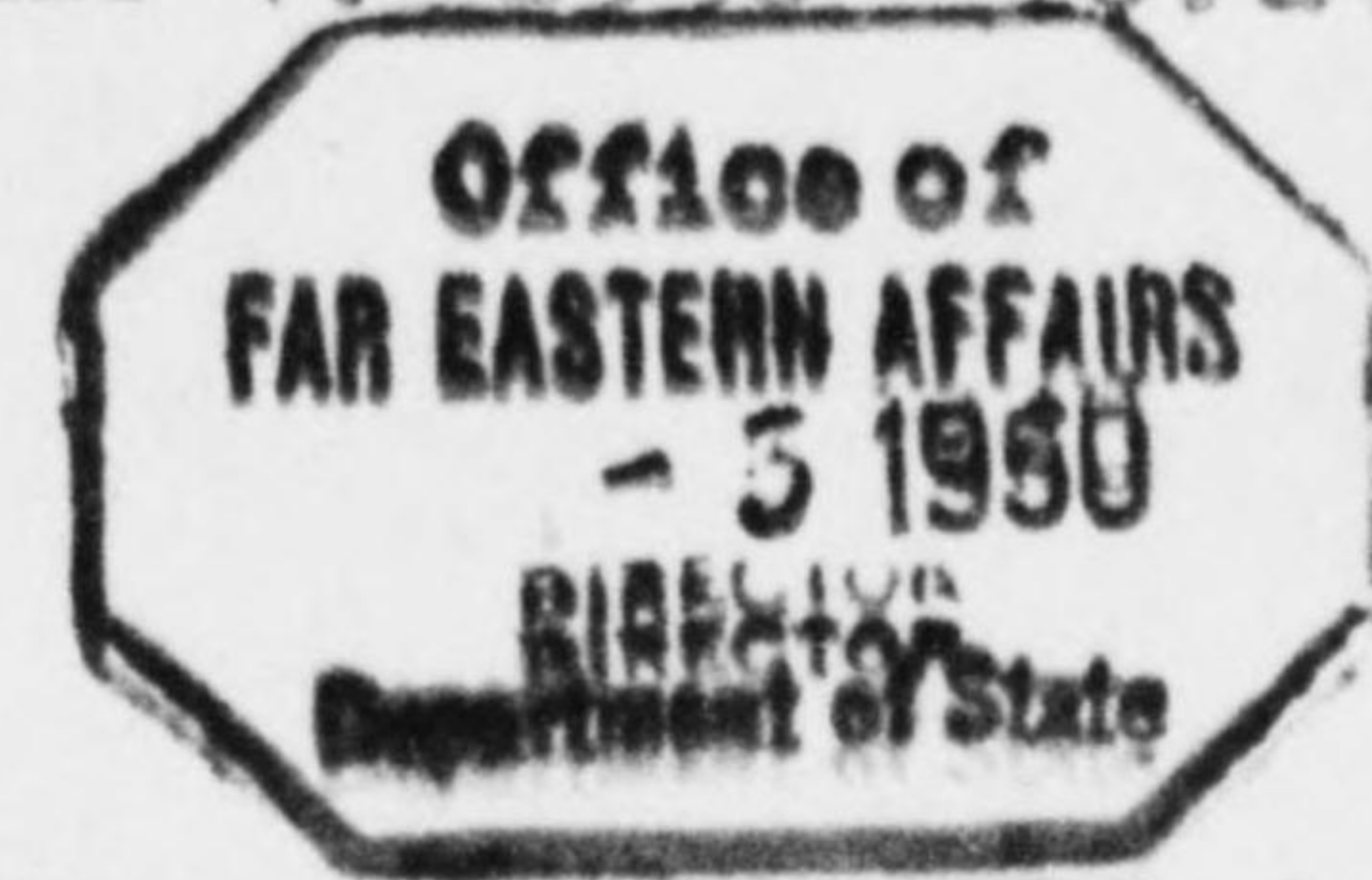
Rec'd: Jan 4, 1950 10:24 am

Secretary of State, Date of Action 1/5/50

Washington, Action Office Symbol NA

A-396, December 25, 1949, Name of Officer Wt

Direction to DC/R file
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DEPARTMENT OF STATE
JAN 7 1950
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JAN 10 1950

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