

Ltr, KCAR, 3 Mar 50

Subj: Statements made by Officials fr Labor Div, ESS, SCAP, 27 Feb 50.

4. If it was the intention of the Labor Division, ESS, SCAP, to offer such an immediate alternative to labor or management, it is felt that this should have been done through regular command channels, and word of such a decision passed on to Kinki Civil Affairs, Labor Division, through the Labor Division Chief, Civil Affairs Section, GHQ, SCAP.

5. The net result of this action by Messrs. Warren and Grosiak is to place the completion of this Master Agreement in complete jeopardy.

6. If there has been a change in policy in connection with this Master Agreement, request same be made known.

4 Incls

- 1-Telephone Abstract  
Fr Mr Grosiak to  
Mr Lethbridge, 2 Mar 50
- 2-Pers Interview, Mr Kanda  
and Mr Lethbridge, 3 Mar 50
- 3-Telephone Abstract, Fr  
Mr Kanda, to Mr Lethbridge  
3 Mar 50
- 4-Telephone Abstract, Fr  
Mr Sugita, to Mr Lethbridge,  
3 Mar 50.

WILEY H O'MOHUNERO  
Colonel, Infantry  
Chief



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Civil Affairs Section  
APO 500

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230.42 (3 MAR 1950) GAS-EL

3 MAR 1950

SUBJECT: Transmittal of Labor Reports

TO:

- Chief, Kanto Civil Affairs Region, APO 500
- Chief, Kinki Civil Affairs Region, APO 25
- Chief, Tohoku Civil Affairs Region, APO 547
- Chief, Kyushu Civil Affairs Region, APO 24-5
- Chief, Chugoku Civil Affairs Region, APO 248
- Chief, Shikoku Civil Affairs Region, APO 1050
- Chief, Hokkaido Civil Affairs Region, APO 7
- Chief, Tokai-Hokuriku Civil Affairs Region, APO 710

*File*  
*1 copy*  
*sent to labor*

1. Forwarded herewith for your information are two copies each of three reports published by the Labor Division, Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers.

2. The material is not to be construed as directive nor as granting additional authority.

FOR THE CHIEF, CIVIL AFFAIRS SECTION:

3 Incls  
1. Lbr Div Monthly Report  
2. Lbr Developments 1949  
3. Lbr Div Report 1949

J. A. O'BRIEN  
CWC USA  
Adm 4-Off





GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Labor Division

DEVELOPMENTS IN THE FIELD OF LABOR DURING 1949

General

The primary objectives of programs in the field of labor during 1949 were to (1) discourage undemocratic tendencies or control of labor unions by outside groups, (2) encourage the adoption of democratic features in constitutions and other guarantees of internal democracy in unions, (3) encourage bona fide collective bargaining to promote peaceful settlement of disputes, (4) make effective use of manpower resources and provide for orderly transfer of workers from industries contracting or with surplus workers to expanding industries, and (5) achieve relative stability of wages.

Labor Organizations and Activities

The most significant development during the year was the failure of Communists in their intent to use the labor movement as an instrument to gain political power and the alignment of labor with anti-Communist forces both on the home front and internationally. Following continual renouncements of leadership acting in conformance with Communist Party line, labor was finally successful in subduing such leadership when an overwhelming majority of the 6.5 million organized workers chose to affiliate with the new anti-Communist International Confederation of Free Trade Unions. The strength and ability of the anti-Communist factions to take over the leadership are indicated by the fact that the delegation to the inaugural conference of the new international confederation represented the joint interests of more than two-thirds of the organized workers.

On the home front the Japanese labor movement was going through significant upheaval and realignment of forces, not only opposing Communist domination but also ultra-conservatism and other political party domination. The All Japan Liaison Council of Labor Unions (Zenroren) and the National Congress of Industrial Unions (Sanbetsu) which attempted to unify Japanese labor under Communist leadership and affiliate it with the World Federation of Trade Unions, lost their influence and virtually disintegrated while the majority of labor rallied around the new anti-Communist General Council of Japanese Trade Unions. The General Federation of Japanese Trade Unions (Sodomci) was also losing its position as the leading labor organization as labor objected to its ultra-conservative leaders and attempted domination by the Social Democratic Party.

Internally, the unions, aside from their anti-Communist activities, were primarily preoccupied with (1) negotiations for wages at levels which would keep up with the creeping increases in cost of living, (2) unemployment arising from rationalization of industry, and (3) adjustment of union constitutions and structures in compliance with the revised Trade Union Law to strengthen their autonomy and democratic practices. Despite attack on the revision of the Trade Union Law by Communist sources, by the end of the year about 99 per cent of the unions had chosen to comply with the revised provisions.

Labor Relations

Collective bargaining has become a generally accepted procedure in labor-management relations. Nearly 57 per cent of organized workers are covered by formal collective bargaining agreements. Although in many instances the agreements are inadequate or misunderstood, both labor and management are complying



with their contractual obligations. The labor relations adjustment machinery, strengthened through the revisions of the Labor Relations Adjustment Law and promulgation of the Public Corporation Labor Relations Adjustment Law, has been instrumental in preventing or adjustment of all major disputes. Labor, under current economic pressures and the anti-Communist leadership which has adopted the policy to use only legal means to attain its demands, resorted even less frequently to strikes in 1949 than in previous years. Time lost due to work stoppages during 1949 amounted to only little over one tenth of one per cent of total available working time. The only major dispute of the year accompanied by work stoppages which accounted for more than half of the idle time was in coal mining over wage demands.

#### Employment and Unemployment

Labor force and employment levels reached a new high in 1949, along with the growing population and the continued stringent economy. In November the labor force totalled 39,920,000 or nearly one-half of the total population of 82,000,000. The total employment of 39,530,000 showed a net increase of more than 1.5 million over the preceding 12-month period, with more than four-fifths of the increase absorbed in agriculture which included over half of employed persons. Although during the first part of 1949, implementation of the Economic Stabilization Program caused larger layoffs among paid industrial workers than any experienced since the cessation of hostilities, the number of totally unemployed persons never exceeded 470,000 during any one month. This was in direct contrast to the dire predictions of large scale unemployment resulting from the application of the economic stabilization policies. It should be noted, however, that because of the characteristics of the Japanese working population, two-thirds of which is comprised of proprietors and family workers, and more than half of which is agricultural work force, changes in the employment status of the remaining small portion of paid industrial workers are not evident in the overall labor picture. For the same reason, unemployment figures alone are not indicative of the general economic stress in Japan as is usual in western countries.

By the end of the year the initial impact of the economic readjustment program on employment appeared to have passed. Layoffs which from the beginning of the year through August grew more extensive from month to month since September started to diminish progressively and hirings have been gradually increasing. By November paid industrial employment reached a post-war peak of 12.7 million. Unemployment compensation claims show the same trend with initial claims increasing until September and levelling off in October.

During the period of February through November about 330,000 workers employed in private industrial establishments with 50 or more workers were laid off according to a Labor Ministry monthly survey of 7,000 establishments employing a total of some 3 million workers. These layoffs were considered to represent the bulk of layoffs among paid workers in private industry. Major reasons given by employers for these layoffs were: (1) enforcement of the nine-point stabilization program making it necessary for most enterprises to operate without governmental subsidy and considerably restricting them in obtaining loans, (2) single exchange rate making it unprofitable for some enterprises to operate, (3) decrease in effective internal demand and depression of foreign trade, and (4) increase in credit sales and the difficulty of collecting debts.

Although the effects of the Economic Stabilization Program on employment were not as drastic as predicted, nevertheless there was considerable impact on certain industries resulting in dislocation of workers, increased unemployment and shortage of jobs, all of which required special attention to prevent or minimize social difficulties and the general feeling of insecurity among workers. The Japanese Government was able to cope effectively with whatever unemployment developed during the year. The unemployment countermeasures directly affecting workers were carried out by the Employment Security Agency through a four-point program which included:



1. Integration of special placement programs into the basic Public Employment Security Office functions of providing properly qualified workers where needed and generally improved service to employers and workers as a result of improved operations, better trained personnel and greater awareness of the government officials that they are public servants.
2. The unemployment compensation program which paid out compensation to as many as 260,000 persons weekly who had been previously regularly employed.
3. Work relief program providing temporary employment for unemployed persons on useful projects in areas where unemployment became especially acute. The maximum number of persons at any one time during the year requiring such employment was around 40,000.
4. Short term training of some 21,000 workers in government-operated vocational training centers to meet special needs of industries for skilled workers.

#### Wages and Wage Stabilization

The outstanding wage development of 1949 was the general stabilization of wages, which rose only 5.4 per cent through October, as a result of the application of indirect wage controls embodied in the so-called "3 principles." The effectiveness of these indirect controls is dramatically indicated when previous rates of wage increases are compared. For example, the increase from October 1948 through December 1948, when the indirect controls went into effect, was 25%, and the increase during the immediately preceding one-year period, October 1947 through September 1948, was 188%.

Concomitant with wage stabilization was stabilization of prices, which rose only 2.9 per cent during the first ten months of 1949. Although the comparative wage and price increases indicate a slight increase in real wages, wage levels are still so low that over 60 per cent of the total family income continues to be consumed by food expenditures alone. Another indication that it is too early to become over-optimistic about improvement in real wages is the prevalence of non-payment of wages, also a 1949 development. From January through October 1949, Labor Standards inspectors discovered 9,834 enterprises which have failed to pay wages in the amount of 6.1 billion yen. As a result of Labor Standards Bureau action, 6,868 of these employers have paid 4.6 billion yen, but about 1.5 billion yen still remains unpaid by 2,966 employers. In evaluating the magnitude of this non-payment, it must be kept in mind that these cover only the cases discovered to date.

No legal compulsory minimum wage has been established. However, the downward pressure on wages exerted by the tight money situation and the possibility of similar pressures as a result of the removal of floor prices on exports have created increased pressure for establishment of such minimum wages. Further, the stabilization of general wages has made the practical task of setting minimum wage levels much simpler. Therefore, the Japanese Government has announced plans for formation of a wage committee by April 1950, to make recommendations to the Japanese Government for minimum wage levels, to be established by the Labor Minister under the provisions of the Labor Standards Law.

#### Legislation

Most of the labor laws and implementing ordinances underwent some revisions found necessary through past experience. The most significant of these were: (1) revision of the Trade Union Law requiring that union constitutions include certain minimum provisions to assure democratic operation of union affairs and prohibiting financial support of unions by employers, (2) revision of the Labor Relations Adjustment Law extending the functions of the Central Labor Relations Committee and clarifying certain provisions, (3) promulgation of the Public Corporation Labor Relations Adjustment Law to handle disputes in government operated enterprises, (4) extension of unemployment compensation to casual workers by the



passage of the Casual Workers Unemployment Compensation Law, (5) addition of provisions to the Employment Security System providing special placement service to new school graduates, and (6) revision of the enforcement and safety and sanitation regulations under the Labor Standards Law to reduce record-keeping and reporting requirements for employers and to amend safety and sanitation standards.

#### Administration

The Labor Ministry and its local operational agencies, as well as the central, prefectural, and local labor relations committees, have gained significantly in maturity and effectiveness, and labor, management and the government are making increasing demands on their services. The Labor Policy Bureau and the prefectural and local labor policy offices have played a vital role in easing and controlling labor relations conditions, not only through formal application of existing laws but also through the extensive educational programs which constituted a large part of their activity.

The Employment Security Bureau and its 415 local offices handled effectively an increased load in all their activities, not only because of normal extension and better trained personnel and improved techniques, but also a result of industrial rationalization which increased dislocation and unemployment among industrial workers. In the latter part of the year the Public Employment Security Offices handled monthly around 400,000 applicants for regular jobs and around 1,250,000 applicants for casual work; over 250,000 regular and 1,250,000 casual and temporary job openings; and placed on an average some 80,000 workers on regular jobs and some 1,200,000 on casual and temporary jobs. The greatest burden added on the employment security system as a result of the industrial adjustment was almost a ten-fold increase in unemployment compensation claims which increased from the average weekly number of 28,000 in January 1949 to 260,000 in October. In October 1949 the system covered little over 136,000 establishments and some 5,700,000 workers, and as of 1 November was extended to an estimated 800,000 casual workers. In addition the employment security system handled work relief projects, operated vocational training centers including special setups for handicapped persons, conducted special recruitment programs for new school graduates and special industries, and surveilled private recruitment and compliance with legal provisions abolishing labor bosses.

The Labor Standards Bureau and its 46 prefectural and 336 local inspection offices accomplished much in safeguarding working conditions. The average of more than 30,000 monthly inspections served not only to correct conditions but to educate employers and workers and to deter violators. Although the number of violations has been high as may be expected in a newly administered program, in general employers have voluntarily corrected adverse conditions and prosecutions were necessary in only a limited number of cases. One of the major concerns of the labor standards offices during the year was non-payment of wages resulting from tight financial conditions. The agency has been successful in obtaining restitution of more than 70 per cent of the back wages due during the first ten months of the year.

The Workmen's Compensation Insurance program administered through the Labor Standards Agency in October 1949 covered more than 254,000 establishments and approximately 6,800,000 workers. An average of some 108,000 claims amounting to nearly ¥430,000,000 were being paid out each month. During the year categories of premium rates were increased from 6 to 22 to distribute more evenly premium assessments. Payment of benefits was decentralized from the 46 prefectural labor standards offices to 336 local inspection offices to give better service to workers and to investigate claims more carefully.

The Women's and Minors' Bureau and its field representatives working jointly with other bureaus of the Labor Ministry and various other government and private agencies has engaged in large-scale information and education programs and research on special conditions relating to women. The results of its work are reflected in the marked increase in articulateness and assumptions of responsibility by women in asserting their rights in working conditions, union activities and in generally more extensive participation in affairs affecting them.



GENERAL HEADQUARTERS  
SUPREME COMMANDER FOR THE ALLIED POWERS  
Economic and Scientific Section  
Labor Division

LABOR DIVISION REPORT FOR 1949

Mission of the Division

There are four major objectives in the Labor Division mission: (1) creation of conditions under which a free and democratic labor movement could develop, (2) encouragement and development of sound collective bargaining and labor relations, (3) creation or extension of democratic labor legislation and administrative agencies, (4) effective use of Japan's manpower resources. Many of these objectives were accomplished in large portion between 1945 and 1948. At the end of 1948 Japan had ten basic labor laws comprising a system of labor legislation meeting international standards and the first Ministry of Labor to administer labor affairs.

During 1949 the Labor Division and the Japanese Government, continuing to expand and strengthen accomplishments in line with these objectives were primarily concerned with: (1) discouragement of undemocratic tendencies within labor unions or control of labor unions by outside groups, (2) encouragement of adoption of democratic features in labor union constitutions and other guarantees of internal democracy in unions, (3) encouragement of greater participation in labor union activities by the rank and file, (4) encouragement of bona fide collective bargaining to promote peaceful settlement of labor disputes, (5) effective use of manpower resources to provide for orderly transfer of workers from industries contracting or with surplus workers to expanding industries, (6) achievement of relative stability of wages, (7) improvement of labor administration machinery.

The mission of the Labor Division during 1949 was being carried out without any formal directives to the Japanese Government. The mission was being accomplished through instructions and guidance given orally to the respective Japanese Government officials and through an educational and guidance program to workers and employers largely in the form of conferences ranging from meetings with individuals to mass rallies and the education and information program channelled through the Ministry of Labor.

Labor Division Staff and Organization

Staff - Labor Division staff was reduced in number from December 1948 level of 34 Department of the Army civilians, 35 Japanese and foreign nationals, three officers and five enlisted men to the December 1949 level of 33 Department of the Army civilians, 20 Japanese and foreign nationals, one officer and three enlisted men. The large reduction in Japanese and foreign national staff was due to elimination of a translator pool which serviced all of Economic and Scientific Section but was housed and supervised by the Labor Division.

Organization - Organizationally, one branch, the Research, Coordination and Analysis Branch which handled the direction of labor research, was eliminated as such. A large part of the work of this branch, that is, technical guidance to the Division of Labor Statistics and Research of the Ministry of Labor, was transferred to the responsibility of Programs and Statistics Division, Economic and Scientific Section, and a small staff was attached to the Labor Division Executive Office to maintain liaison with Programs and Statistics Division, Economic and Scientific Section, in the direction of policies and programs affecting labor statistics and research and preparation of Labor Division reports.

The Labor Relations and Labor Education Branches, in existence the first part of 1948, were consolidated. The liaison officer's position under the Executive Office was eliminated and liaison with civil affairs units became the responsibility of the respective division branch chiefs.



AccomplishmentsActivities of Labor Organizations

Discouragement of Undemocratic Practices - The movement by moderate labor factions to overcome communist and minority control of unions, which started gathering momentum in late 1948, after many tense situations, by the end of 1949 had made significant progress towards this objective. The communists failed in their intent to use the labor movement as an instrument to gain political power and disrupt the economic recovery of Japan. The anti-communist forces gained control of labor both on the home front and internationally.

The anti-communist faction of the Japanese labor movement, embracing about two-thirds of organized workers, became affiliated with the newly organized anti-communist International Confederation of Free Trade Unions. A Japanese delegation attended the inaugural conference of the International Confederation of Free Trade Unions held in December in London. Three of the delegates became members of committees of the new Confederation; namely, Etsuo Kato of the National Railway Workers' Union was elected a member of the new organization's executive committee to represent the interests of the Asian countries, Yukitaka Haraguchi, National Metal Mine Workers' Union, a member of the Constitution Committee and Minoru Takita, National Textile Workers' Union, a member of the Economic and Social Demands Committee.

Organizational Activities - The labor movement did not expand numerically during 1949. At the end of June 1949 labor unions numbered 34,688 with 6,655,483 members, representing about 56 percent of paid industrial workers. (See Section D, Appendix - Labor Unions by Industry and Sex.) There was, however, almost complete realignment in the old federations of labor unions and new organizations were formed or were in the making as labor objected not only to communist domination but also ultra-conservative leadership and interference by political parties.

The General Federation of Japanese Trade Unions (Sodomei) was losing its position as the leading labor organization, as labor objected to its ultra-conservative leaders and attempt of the Social Democratic Party to use labor as its instrument. The National Congress of Industrial Unions (Sanbetsu), which always included the strong leftists elements within its organization, was split and only organizations representing about one-third of its old membership remained with it. The dissidents formed the National Federation of Industrial Organizations (Shin-Sanbetsu).

By the end of 1949 the most concrete development in unification of the anti-communist labor front was the proposed formation of a General Council of Japanese Trade Unions by labor groups who were successful in affiliating the Japanese labor movement with the anti-communist international confederation. The formation of the proposed general council was backed by almost all major national unions, particularly the independent unions and the Shin-Sanbetsu group. Some Sodomei affiliates were also backing the formation of the council but their stand was expressed and influenced by Sodomei. Sodomei originally supported the unification plan but when the actual formation of the proposed council was pressed its leaders, fearful of losing their position and influence, posed reservations and started a unification and expansion movement of their own.

Encouragement of Adoption of Democratic Features in Labor

Unions - In the revisions of the Trade Union Law provisions were added requiring certain minimum standards in labor union constitutions to assure rank and file participation in control of unions and financing of unions by employers was prohibited. Considerable attack was levelled at the revisions by communist sources when they were proposed and under consideration in the Diet but by the end of the year nearly 99 percent of the unions had chosen to comply with the revised law.

Labor Education - The other major factor to stimulate democratic practices within unions was the intensive labor education program aimed at the rank and



file. The program, under close guidance of the Labor Division, was largely conducted through the Ministry of Labor, Labor Policy Bureau and the prefectural and local labor policy offices in the form of a service to the unions providing meeting places, speakers, instructors and materials.

The Ministry of Labor produced and distributed, through above channels, hundreds of thousands of posters, leaflets, pamphlets and various other labor publications, as well as films, film strips, recordings, turntables, slides and cartoon stories; it also sponsored nationwide radio programs, conducted summer and year-round labor schools in all prefectures and held labor rallies. Encouragement was given to writing of books on labor subjects and many books and publications on labor in United States, United Kingdom and other democratic countries were translated and reproduced.

The Ministry of Labor Library, a branch of the National Diet Library, was expanded, special libraries were established throughout the country and other local libraries were supplied with materials on labor subjects. Many of the major labor organizations also set aside considerable budgets for labor education and some universities included labor subjects in their regular curricula.

Every possible means of communicating information on a large scale to reach the rank and file was used. As a result of these efforts, there has been marked progress in the awareness and participation in union activities by the rank and file and obviously a larger understanding of proper labor union functions as evidenced to some degree by the labor relations record throughout the year.

#### Labor Relations

Collective Bargaining - Collective bargaining has become a generally accepted procedure in labor-management relations. Nearly 57 percent of organized workers were covered by formal collective bargaining agreements in June 1949. However, during 1949 there was a growing tendency on the part of employers to insist on considerably lower standards in collective bargaining agreements with respect to working conditions, workers' prerogatives and wages than those included in earlier contracts. The workers were not willing to give up their gains, consequently agreements were not being reached or signed. The tight money situation also greatly stymied conclusion of wage agreements. Thus, many old agreements, both national and local, had lapsed or were being tentatively extended.

Labor Relations Machinery - The labor relations adjustment machinery was strengthened through the revision of the Labor Relations Adjustment Law and promulgation of the Public Corporation Labor Relations Adjustment Law. With the strengthening of the Central Labor Relations Committee's jurisdiction over prefectural labor relations committees and improvement in procedures, national policy on labor relations issues is being followed with greater conformity. The strengthened and better organized labor relations machinery has been instrumental in prevention or adjustments of all major labor disputes during the year.

Work Stoppages - Labor, under the current economic pressures and the anti-communist leadership which has adopted the policy to use only legal means to obtain its demands, resorted even less frequently to work stoppages in 1949 than in previous years. The time lost due to work stoppages during 1949 amounted to only little over one-tenth of one percent of total available working time. The only major dispute of the year, accompanied by work stoppages which accounted for more than one-half of the idle time, was in coal mining over wage demands.

#### Employment and Unemployment

Labor Force and Employment Levels - Labor force and employment levels reached a new high in 1949. In November the labor force totalled 39,920,000 or nearly one-half of the total population of 82 million. The total employment of 39,530,000 showed a net increase of more than 1.5 million over the preceding 12-month period. The extensive layoffs among paid industrial workers during the



first part of the year caused by the implementation of the Economic Stabilization Program were offset by expanding employment in other industries. By November paid industrial employment reached a postwar peak of 12.7 million.

Unemployment - In direct contrast to the dire predictions of large-scale unemployment from the application of the economic stabilization policies, the number of totally unemployed persons never exceeded 470,000 during any one month. The magnitude of employment and unemployment figures, however, is not indicative of the general economic conditions or stress in Japan as it would be in western countries because of the characteristics of the Japanese working population. More than four-fifths of the 1.5 million persons added to the labor force during the preceding year were absorbed in agriculture, which includes over half of the labor force. Moreover, two-thirds of the labor force is comprised of proprietors and family workers. Both of these conditions are the absorption spots not only for the expanding labor force but also for the dislocated paid industrial workers, who represent only about one-third of non-agriculture employment. Thus, the employment problem is rather that of "diluted employment" and "decreased family incomes."

Layoffs - Layoffs larger than any experienced since the cessation of hostilities occurred during 1949. From February through November about 330,000 workers employed in private industrial establishments with 50 or more workers were laid off, representing the bulk of layoffs among paid workers in private industry. In addition some 160,000 workers were laid off in government operated enterprises and government services. Major reasons given by private employers for layoffs were:

1. Enforcement of the stabilization program, making it necessary for most enterprises to operate without governmental subsidies and restricting them in obtaining loans.
2. Single exchange rate making it unpracticable for some enterprises to operate.
3. Decrease in effective internal demand and depression of foreign trade.
4. Increase in credit sales and difficulty in collecting debts.

By the end of the year, however, the initial impact of the Economic Stabilization Program on employment appeared to have passed. Layoffs, which from the beginning of the year through August grew more extensive from month to month, in September started to diminish.

Unemployment Countermeasures - Although the effects of the Economic Stabilization Program on employment were not as drastic as predicted, nevertheless there was considerable impact on certain industries resulting in dislocation of workers, increased unemployment and shortage of jobs, all of which required special attention to prevent or minimize social difficulties and the general feeling of insecurity among workers. The Government was able to cope effectively with the unemployment problem through previously existing unemployment countermeasures or extension of them.

The unemployment countermeasures directly affecting workers were carried out by the Ministry of Labor through the employment security system largely through a four-point program which included:

1. Integration of special placement programs into the basic public employment security office functions of providing qualified workers where needed and a generally improved service to employers and workers as a result of better equipped and staffed public employment security offices, better trained personnel and greater awareness of government officials that they are public servants.
2. Unemployment insurance program extended during the year to casual workers under which benefits were paid to as many as 260,000 persons weekly.



3. Provisions under the continuous Public Works Program designed to absorb unemployed.

4. The newly enacted emergency work relief program designed for rapid expansion in areas where serious unemployment developed which provided casual employment to a maximum of some 40,000 persons at any one time during the year.

5. Expansion and improvement of already existing vocational training centers which during the year trained some 21,000 workers.

#### Wages

Wage Stabilization - In 1949 wages in general were stabilized. The two factors acting as a break on wage increases, aside from the stabilizing effect on wages as a result of improved supply and distribution of food and consumer goods, were the indirect wage control embodied in the so-called "three principles" and the application of the economic stabilization program, both adopted late in 1948. The "three principles" allowed no financing of employers for the purpose of wage increases through increase in official prices, deficit financing or additional subsidies in excess of available government revenues. The combination of the two measures virtually brought wages to a standstill. During the first eleven months of the year average wages in manufacturing, considered the most reliable wage index available, rose 9 percent in contrast to the 137 percent increase during the corresponding period of 1948.

Concomitant with wage stabilization was stabilization of prices. The urban Consumer Price Index was about the same in November as in January 1949, thus the leveling off in increases of prices indicated a slight increase in real wages. However, the wage levels were still so low that nearly 60 percent of the family income continued to be consumed for food expenditures alone.

Non-Payment of Wages - Another condition which developed during 1949 and which somewhat depressed the improvement in real wages was the prevalence of non-payment of wages resulting primarily from the tight financial situation. From January through November 1949 labor standards inspectors discovered 11,700 enterprises which had failed to pay wages in the amount of ¥7.3 billion. Some ¥5.6 billion was paid as a result of the Labor Standards Bureau's action but ¥1.7 billion owed by 3,422 employers still remained unpaid. Information was not available as to the full extent of the wage delinquency and the above cases were only those discovered by the Labor Standards agency or brought to its attention. There were, however, indications that the problem would continue to grow.

Plans for Establishment of Minimum Wage Levels - Although the Labor Standards Law permits the Ministry of Labor to establish legal minimum wages, no regular compulsory minimum wage was established in 1949. However, the downward pressure on wages exerted by the tight money situation and the possibility of similar pressure as a result of the removal of floor prices on exports have created increased pressure for establishment of a minimum wage. Furthermore, the generally stabilized wages would make the practical task of setting minimum wage levels a simpler process. Therefore, the Government announced plans for formation of a wage committee by April 1950 to make recommendations to the Japanese Government for establishment of minimum wage levels.

#### Legislation

On the basis of experiences in actual application, most of the labor laws and implementing ordinances underwent some revision to clarify ambiguous sections, or make them more effective and new legislation was enacted to fill in gaps and provide for newly arising conditions. The most significant of these were:

1. Revision of the Trade Union Law requiring that union constitutions include certain minimum provisions to secure democratic operation of union affairs and prohibiting financial support of unions by employers.



2. Revision of the Labor Relations Adjustment Law clarifying definitions of proper acts of dispute, amending the law to correlate with legislation enacted subsequently to its passage and extending the functions of the Central Labor Relations Committee.
3. Promulgation of the Public Corporation Labor Relations Adjustment Law to adjust disputes in government-operated enterprises.
4. Extension of the Unemployment Compensation Law to cover casual workers.
5. Addition of provisions to the Employment Security Law providing special placement service to new school graduates.
6. Revision of the enforcement and safety and sanitation regulations under the Labor Standards Law to simplify record keeping and reporting requirements for employers and to amend safety and sanitation standards.
7. Amendment of the Labor Ministry Law, reducing the Bureau of Labor Statistics and Research to a division within the Ministerial Secretariat.
8. Enactment of the Emergency Counter-Unemployment Measures Law providing for work relief projects to meet any extended unemployment that might develop. (See Section D, Appendix - Labor Legislation.)

#### Labor Administration

Ministry of Labor - The Ministry of Labor and its local operational agencies as well as the central and prefectural labor relations committees had gained significantly in maturity and effectiveness and labor, management, the government and the general public were making increasing demands on their services. Under the retrenchment program in government agencies, Ministry of Labor units suffered cuts ranging from 30 percent in clerical personnel to 18 percent in labor standards inspectors. The cuts were absorbed in some portion by authorized unfilled positions. As far as was permissible and feasible, the actual reductions were made at the clerical level to minimize the limiting effects on the scope of the Ministry's work. The personnel cut necessitated considerable reshuffling of personnel and reorganization of activities within the respective units. In the government reorganization plan the Bureau of Labor Statistics and Research was reduced to a division level within the Ministerial Secretariat. The Division, however, retained all the functions, programs and personnel just as they existed in the Bureau.

Labor Policy Agency - The Labor Policy Bureau, the 46 prefectural and the 276 local labor policy offices have reoriented their work strictly to interpretation of the Trade Union Law and labor relations legislation, particularly through extensive education programs at the local level. This agency was instrumental in producing and making available to the labor unions and the public the thousands of labor education materials which were developed during the year. (See Section on Activities of Labor Organizations - Labor Education.)

#### Employment Security Agency

The Employment Security Bureau and its 415 local offices handled effectively an increased load in all their activities not only because of normal expansion, better trained personnel and improved techniques, but also as a result of industrial rationalization and unemployment among industrial workers. The work load figures for the public employment security office activities show that:

1. In the latter part of 1949 the public employment security offices handled monthly around 400,000 applicants for regular jobs and around 1,250,000 applicants for casual work; over 250,000 regular and 1,250,000 casual and temporary job openings and placed on an average some 80,000 workers on regular jobs and some 1,200,000 on temporary jobs.



2. The greatest burden added on the employment security system as a result of industrial adjustment was almost a ten-fold increase in unemployment insurance claims which increased from the average weekly number of 28,000 in late 1948 to 260,000 in October 1949. The employment security agency also handled the premium collections for the unemployment insurance program, which in October 1949 covered little over 136,000 establishments and some 5,700,000 regular workers and as of 1 November was extended to an estimated 800,000 casual workers.

3. In addition, the employment security system handled an expanded program of work relief projects, operated 305 vocational training centers with an average capacity for some 17,000 trainees, including special set-ups for handicapped persons, conducted special recruitment programs for new school graduates and special industries, surveilled private recruitment and compliance with provisions abolishing labor bosses.

#### Labor Standards Agency

Labor Standards Inspection - The Labor Standards Bureau and its 46 prefectural and 336 local inspection offices accomplished much in safeguarding working conditions through enforcement of the labor standards provisions and educational programs. The monthly inspections which increased from an average of some 22,000 monthly at the end of 1948 to an average of more than 30,000 in late 1949, served not only to correct adverse conditions but to educate employers and workers and to deter violators. Although the number of violations was high as may be expected in a newly administered program, prosecutions were necessary in only a limited number of cases because employers, in general, voluntarily corrected adverse conditions.

Mine Safety - The Mine Safety Law transferred jurisdiction for inspection and enforcement of safety in mines from the Ministry of Labor to the Ministry of International Trade and Industry. With the transfer of this function, the Mining Section of the Labor Standards Bureau and similar sections in seven prefectural labor standards inspection offices were abolished. Inspection of mines for compliance with other provisions of the Labor Standards Law was assigned as the responsibility of the regular inspection agencies.

Discussions on the establishment of the mine safety advisory committees at each mine specified by the Mine Safety Law were underway during the year, but the formation of the committees was delayed because of disagreement between mine owners and unions on their composition. The mine owners insisted on barring union officials from the committees and that management officials be considered "workers" and hence be eligible for appointment to the committees.

Workmen's Compensation Insurance - The workmen's Compensation Insurance Program, also administered through the labor standards system, increased in coverage from some 200,000 establishments to some 254,000 establishments covering approximately 6,800,000 workers. An average of some 108,000 claims amounting to nearly ¥430 million was being paid out each month during 1949. During the year, categories of premium rates were increased from 6 to 22 to distribute more evenly premium assessments. Payment of benefits was decentralized from the 46 prefectural labor standards offices to the 336 local inspection offices to give better service to workers and investigate claims more carefully. The auditing system of premium collection and claims was strengthened through additional personnel and training.

#### Women's and Minors' Bureau

The Women's and Minors' Bureau, responsible for protecting the interests of women and minors, gained significantly in experience, confidence and prestige and is being looked upon as the vanguard of the newly won status of Japanese women. Despite the fact that it is the Ministry's smallest bureau and that it suffered most in personnel reduction under the government retrenchment program, the Bureau and its field staff is engaged in large-scale information and education and research programs in fields relating to women and minors.



To inform the women and the general public of women's rights, protective legislation for women and young workers and available services, to stimulate the women to greater participation in affairs affecting them and to enlarge their social and employment opportunities, the Bureau sponsored numerous rallies, meetings, group discussions and radio programs and produced and distributed thousands of posters, pamphlets, booklets and other informational materials.

Two periodic publications are being put out by the Bureau, the "Monthly Report on Facts About Women," giving highlights on information pertaining to employment of women, status of women and protection of young workers and a series of "Information Sheets" explaining the revised Civil Code, Child Welfare Law, Labor Standards Law and other legislation and the operation of agencies and organizations affecting women.

Under the Bureau's sponsorship and in cooperation with other government and private organizations the week of 10 April was celebrated as "Women's Week" and the first week of August was the first "Women Workers' Week." During November the second annual nationwide "Young Workers' Protection Campaign" was sponsored by the Bureau to focus attention on the problems of young workers of whom there are more than four million under 18 years of age.

Numerous special projects were undertaken by the Bureau. For instance, a campaign to expand employment opportunities for women and to make women more alert to employment possibilities was sponsored by the Bureau during November and December in the form of public meetings and group discussions in six major industrial areas. The Bureau and the Advisory Committee on Women's and Minors' Affairs made a joint study of work opportunities in the nursing field which although outstandingly suitable for employment of women is suffering shortage of workers because of bad working conditions. The Bureau is carrying out the remedial recommendations made by the Advisory Committee on the basis of this study. A survey of conditions under which minor workers are engaged in street trades disclosed unsatisfactory conditions and that such workers were not covered by protective legislation. Thus, the Bureau is working on plans to correct the situation. Reasons for increasing absenteeism among school children or failure to attend school were studied jointly with educational authorities and disclosed that such children were also employed in violation of law or in places not covered by protective legislation. The Bureau brought these conditions to the attention of proper enforcement agencies and is working on plans for measures to prevent such instances. Following the disclosure of "child slavery" cases the Bureau has been working in cooperation with the Welfare Ministry and other government agencies on corrective measures.

The recognition of the Bureau and confidence in it were well demonstrated by the deluge of petitions to the Bureau asking action to forestall possible discrimination against women in the government retrenchment program. In response the Bureau addressed a request to the Chief Cabinet Secretary and the President of the National Personnel Authority that women be treated equitably, and in public announcements asked that, similarly, there be no discrimination in layoffs in private industry.

#### Division of Labor Statistics and Research

The Division of Labor Statistics and Research, which during the year was reduced from bureau level in the government reorganization plan, extensively developed its activities in all fields of research on labor at a level meeting the international standard. The Government, Diet members and other units of the Ministry of Labor became greatly dependent on the economic data supplied by it. Aside from routine collection of data on employment, wages, labor organizations and labor relations, social security programs under the jurisdiction of the Ministry of Labor and other major labor fields, the Division conducted a number of special studies on conditions that developed during the year, as well as on broad subjects of concern to the International Labor Organization. Upon request the Division has been supplying data for the International Labor Organization Yearbook, other ILO publications and the conventions.



The Japanese-English Monthly Labor Statistics and Research Bulletin, the official Japanese Government publication on labor subjects, published by the Division, was expanded during the year to include, in addition to statistical data, analysis of labor economic trends and special studies. The Division was in the process of preparing the first labor year book which is to cover prewar, wartime and postwar data.

The Division has the responsibility for providing tabulating service to all units of the Ministry. To improve this service, a separate section was established within the Division by pooling all tabulating personnel and equipment previously assigned to the various sections of the Division and combining it with the already existing mechanical tabulating unit, enlarged during the year with additional equipment.

The Ministry of Labor Library, operated by the Division, has recovered from various agencies books and materials on labor subjects, completed indexing of the materials and expanded physical facilities. A large quantity of current books and publications, both Japanese and foreign, have been made available to the Library through special appropriations and GHQ SCAP sources. The Library is being extensively used not only by government officials but by Diet members, workers, employers, students and the general public. The number of outside persons using the Library averages between 50 and 60 persons daily.



APPENDIX D  
LABOR UNIONS BY INDUSTRY AND SEX  
30 June 1949

INDUSTRY	UNIONS	MEMBERSHIP		
		Total 1/	Male	Female
<u>TOTAL</u>	<u>34,688</u>	<u>6,655,483</u>	<u>5,126,333</u>	<u>1,519,782</u>
Agriculture	99	5,474	3,920	1,554
Forestry	564	54,193	47,834	6,359
Fishing	170	49,383	47,715	1,668
Mining	1,468	573,573	504,565	69,008
Construction	2,097	392,329	371,313	21,016
Manufacturing	13,503	2,205,349	1,567,040	636,024
Gas, Electricity and Water Supply	759	175,038	159,068	15,311
Commerce	1,407	192,305	138,117	54,188
Finance	948	199,722	117,683	82,039
Transportation and Communication	4,408	1,370,693	1,177,881	188,986
Personal Services	438	38,736	24,936	13,800
Professional Services	3,195	680,477	410,188	268,341
Government and Public Organizations	5,374	627,837	482,942	144,245
Not Elsewhere Classified	258	90,374	73,131	17,243

1/ Totals include following figures for which no sex breakdown was available:  
TOTAL 9,368: MANUFACTURING 2,285, GAS, ELECTRICITY & WATER SUPPLY 659,  
TRANSPORTATION & COMMUNICATION 3,826, PROFESSIONAL SERVICES 1,948 and  
GOVERNMENT & PUBLIC ORGANIZATIONS 650.

SOURCE: June 1949 Survey, Ministry of Labor.



APPENDIX D  
LABOR LEGISLATION AMENDED AND ENACTED DURING 1949

<u>Name of Law or Enforcement Ordinance</u>		<u>Number</u>	<u>Date of Amendment or Enactment</u>
Ministry of Labor Establishment Law			
1st Amendment	Law	162	21 Mar 49
2nd Amendment	Law	172	1 Jun 49
Ministry of Labor Organization Rules			
1st Amendment	Ministerial Ordinance	11	30 Jun 49
Trade Union Law			
4th Amendment	Law	174	1 Jun 49
Enforcement Order of Trade Union Law			
5th Amendment	Cabinet Order	231	24 Jun 49
Labor Relations Adjustment Law			
1st Amendment	Law	175	1 Jun 49
Enforcement Ordinance of Labor Relations Adjustment Law			
5th Amendment	Cabinet Order	232	24 Jun 49
Public Corporation Labor Relations Law			
1st Amendment	Law	16	31 Mar 49
2nd Amendment	Law	174	1 Jun 49
Order for Enforcement of Public Cor- poration Labor Relations Law			
1st Amendment	Cabinet Order	370	18 Nov 49
Enforcement Ordinance of Labor Standards Law			
3rd Amendment	Ministerial Ordinance	9	20 Jun 49
4th Amendment	Ministerial Ordinance	26	16 Nov 49
Regulations of Labor Safety and Sanitation			
1st Amendment	Ministerial Ordinance	9	20 Jun 49
2nd Amendment	Ministerial Ordinance	30	16 Nov 49
Ministerial Ordinance Concerning Labor Standards for Women and Minors			
1st Amendment	Ministerial Ordinance	29	16 Nov 49
Apprenticeship Ordinance			
2nd Amendment	Ministerial Ordinance	9	20 Jun 49
3rd Amendment	Ministerial Ordinance	27	16 Nov 49
Rules of Dormitory Attached to Enterprise			
1st Amendment	Ministerial Ordinance	28	16 Nov 49
Workmen's Accident Compensation Insurance Law			
2nd Amendment	Law	82	19 May 49
3rd Amendment	Law	166	31 May 49
Enforcement Ordinance of Workmen's Accident Compensation Insurance Law			
2nd Amendment	Ministerial Ordinance	7	1 Jun 49
3rd Amendment	Ministerial Ordinance	13	15 Aug 49
4th Amendment	Ministerial Ordinance	19	10 Sep 49
5th Amendment	Ministerial Ordinance	32	16 Nov 49
Employment Security Law			
2nd Amendment	Law	88	20 May 49
3rd Amendment	Law	166	31 May 49
Enforcement Ordinance of Employment Security Law			
3rd Amendment	Ministerial Ordinance	8	1 Jun 49
4th Amendment	Ministerial Ordinance	12	10 Aug 49
Unemployment Insurance Law			
1st Amendment	Law	87	20 May 49



APPENDIX D  
LABOR LEGISLATION AMENDED AND ENACTED DURING 1949  
 (Continued)

<u>Name of Law or Enforcement Ordinance</u>		<u>Number</u>	<u>Date of Amendment or Enactment</u>
Enforcement Ordinance of Unemployment Insurance Law			
4th Amendment	Ministerial Ordinance	6	1 Jun 49
5th Amendment	Ministerial Ordinance	15	17 Aug 49
6th Amendment	Ministerial Ordinance	17	1 Sep 49
7th Amendment	Ministerial Ordinance	25	25 Oct 49
8th Amendment	Ministerial Ordinance	33	21 Nov 49
Emergency Unemployment Counter- Measures Law	Law	89	20 May 49
Enforcement Ordinance of Emergency Unemployment Counter-Measures Law	Ministerial Ordinance	1	21 Jun 49



Economic and Scientific Section  
Labor DivisionLABOR DIVISION MONTHLY REPORT FOR JANUARY 1950I. Activities of Labor OrganizationsPolitical Influences on Labor

Political party splits and dissensions threatened the growing unity of the labor front. However, so far, labor organizations succeeded in keeping the political struggles outside their structures and declared a neutral stand considering a solid labor front of paramount importance.

Social Democratic Party Split--Political development affecting the labor movement most is the split of the Social Democratic Party into the right and left wings by the struggle for Party leadership and disagreement of the two factions on the issue of the Independent Youth League. Both issues are closely tied up with the labor movement. The Party leaders are also key leaders in labor organizations, thus their divided political allegiance is considered threatening to the unity of the labor movement. The Youth League, organized within major unions under the sponsorship of the Party's right-wing to influence support for it, was regarded with hostility by party's Youth Department under domination of the left-wing. The Government Railway Workers' Union and General Federation of Japanese Trade Unions (Sodomei) sometime earlier rejected the League, considering it a dangerous political intrusion which might split their organizations.

Despite the difficult position in which the leadership was placed by the split, the Party and labor groups endeavored to keep unity in the labor front. The extreme right of the Social Democratic Party advised unions "not to get involved in political party splits so as not to break up or weaken union forces." All factions of the Party promised unified support in the Diet on the wage issues. The executive committees of the Government Railway Workers' Union, National Federation of Industrial Organizations (Shin-Sanbetsu) and, less emphatically, Sodomei stated that their organizations would not be affected by the split in the Party.

Communist Party--The Cominform attack on Sanzo Nosaka, the leading Japanese Communist and member of the Japan Communist Party Politburo, also bore implications to the labor movement. The Japanese labor leaders interpreted the attack as a notice served by the Kremlin on the Japan Communist Party to give up attempts for political power through parliamentary means and convert itself, even at the risk of losing mass support, into a small revolutionary core to carry out espionage and harassment. The predictions are that should the Cominform criticism be accepted and disruptive tactics undertaken, there will probably be serious repercussions in the labor movement. Moderate leaders will be forced to adopt more radical attitudes under the Communist-inspired demands for wage increases and other benefits.



### International Confederation of Free Trade Unions Delegation

The Japanese delegates to the London international labor union conference returned in January through the United States where they conferred with union leaders and United States officials. The international contact was extremely enlightening to the delegates and they returned much matured and serious-minded with regard to their responsibility and labor's position in relation to the rest of the nation. The delegation expressed amazement that in contrast to the limited interests of the Japanese labor movement, unions and labor leaders of other countries concerned themselves profoundly with the over-all national economy of their countries and based labor's demands with consideration to the well-being and interests of other segments of the population. Acknowledging their past deficiency and that the welfare of workers depends on the welfare of the nation as a whole, the delegates pledged themselves to take a statesmanlike position to direct the labor movement on a course contributing most to the economic recovery of Japan and demand for labor only a fair share of the nation's resources.

### The Proposed General Council of Japanese Labor Unions

The return of the International Confederation of Free Trade Unions delegation gave the expected impetus to the unification of the Japanese labor front which is being supported with growing enthusiasm and cooperation by almost all major labor groups. The Preparatory Committee to Organize the Proposed General Council of Japanese Labor Unions which had its beginning in the Joint Committee for affiliation with the International Confederation of Free Trade Unions met from 29 January continuously for several days to complete drafts of the charter and constitution. The inaugural convention is planned for 15 March.

## II. Labor Relations

The usual January holiday lull prevailed in labor relations. However, strong statements were being made by major labor organizations and political parties that they would exert or support concerted pressures for wage increases, particularly for government workers. The ultra-conservative Sodomei Central Committee, somewhat under pressure to take positive action to hold support of its membership, set up a Joint Central Struggle Committee to prepare for "a unified strike among all labor unions as a weapon in the wage struggle." All factions of the divided Social Democratic Party decided to give unified support in the Diet to the National Personnel Authority's recommendation for government workers' wage increase and on the railway and monopoly corporations' wage issues.

### Government Railways

The National Government Railway Workers' Union continued to press its case before the Tokyo District Court for full payment of the ¥6,000 year-end bonus award against which the Government with Diet approval paid only ¥3,001. The Union's repeated demand for a ¥9,700 average monthly wage was rejected by the Railway Corporation 9 January and on 25 January the Union



placed the case before the National Railway Mediation Committee.

#### Monopoly Corporation

The award to pay each Monopoly Corporation employee an average bonus of ¥3,400 by the end of March, submitted by the Government to the Diet where it was unfavorably considered, was also placed before the Tokyo District Court. The award involves some 40,000 workers and would cost some ¥128 million, which, according to the Corporation's president, represents about 1/1000 of the Corporation's ¥120 billion profits in 1949.

From technical aspects, the controversy in this award, the same as in the National Railway case, revolves around the interpretation of provisions regarding operation of public corporation budgets and consequently whether the money to pay the award is available. The corporations and the mediation committees maintain that the corporation budgets are lump sum appropriations and funds are transferrable between accounts. The Government and the Finance Minister backed by the Diet maintain that corporation budgets are line item budgets, therefore funds are not transferrable and can be used only for the specific purposes for which appropriated. Thus, according to the letter's interpretation, funds are not available for wages above the level of the basic appropriations.

#### Private Railways

The long-standing dispute between the Private Railway Workers' Federation and private railway companies in Kansai area, which on several occasions was accompanied by brief strikes, was settled "in principle." The details of the settlement involving base wages, year-end bonuses and rationalization are being worked out with respective companies.

#### Collective Bargaining Agreements

While collective bargaining has become an accepted procedure in labor relations and in June 1949 some 57 percent of organized workers were covered by formal agreements, within recent months very few agreements are being signed and many old agreements were lapsed or only tentatively extended. This condition is attributed to: (1) the growing tendency on the part of employers to insist on considerably lower standards with respect to working conditions, workers' prerogatives and wages than those granted in earlier contracts which the workers are not willing to accept, and (2) the tight money situation.

### III. Employment and Unemployment

Over-all employment and unemployment during December remained at about the same level as in November with 340,000 totally unemployed out of a total work force of 37,300,000 according to preliminary Labor Force Survey data. Paid industrial labor market was virtually at a standstill; both separations and hirings were low. Consequently, the number of persons remaining on unemployment insurance rolls and work relief projects was increasing.



### Unemployment Countermeasures

The existing unemployment countermeasures are sufficient to cope effectively with current unemployment; however there are some indications that additional social problems may arise from the extended unemployment. In the event of such developments, the Labor Ministry administrative machinery to operate the work relief program can be readily expanded to meet the enlarged needs but the work relief budget appropriation for 1950-1951 fiscal year may not be sufficient.

Unemployment Insurance--New unemployment insurance claims in December dropped four percent below November and numbered nearly 59,000 while the average weekly number of persons claiming unemployment insurance benefits was 11 percent more or some 313,000. An increasing number of claimants remained on the rolls for the full duration of their benefits. Almost half of the 15,000 persons who exhausted their benefits in November drew benefits for a full six months. The same trend was disclosed in a Labor Ministry survey of persons discharged in the personnel reduction during the middle of 1949. More than half of the surveyed persons were still unemployed six months after dismissal.

Work Relief--Labor Ministry standards for determining serious unemployment in individual localities disclosed that as of 1 December, 255 Public Employment Security Office areas out of a total of 415 required unemployment countermeasures to relieve a total of 250,141 persons of which 125,310 were regular workers and 124,831 day laborers. Consistent with the trend for the past months, the number requiring relief increased over October by approximately 50,000. For the first time since the program began, the number of unemployed regular workers exceeded that of day laborers. Virtually no insured regular workers are accepting work relief jobs while they are still eligible for unemployment insurance benefits. To meet the growing number of persons requiring relief, as of 1 January the number of jobs available on work relief projects was doubled to 81,534 for the remainder of the current fiscal year and, if necessary, will be increased to 100,000 in the coming fiscal year.

Preliminary field investigations of the operation of the work relief program disclosed that during January there was some tendency for surplus workers on farms to appear at Public Employment Security Offices requesting employment on work relief projects. This is the first indication of such tendency since the beginning of the Occupation, although on a very small scale as yet.

## IV. Economic Developments

### Wages and Prices

December wages and prices showed the customary year-end holiday peaks; however, the seasonal differences were markedly smaller than in previous years, reflecting the more stable price-wage relationship which prevailed during 1949.



All-manufacturing wages for December were reported at ¥10,300 or 18 percent above November but more than three-fourths of the increase was actually accounted for as year-end bonus payments. Large portion of the remaining increase was attributed in part to reporting which did not reflect the year-end payments as such and to periodic increases in wages of individual workers usually made in June and December. The 1949 year-end bonuses, however, were substantially smaller in actual amount than in 1948 and represented a smaller percentage of total wages than in any year since the Surrender. "Irregular" wages which reflect the year-end bonus payments in December 1949 were 14 percent of total wages; in December 1948, 23 percent; in December 1947, 29 percent and in December 1946, 30 percent.

The December Consumer's Price Index for Urban Japan increased by two percent over November to 134 and was 5.1 percent above December 1948 and 6.2 percent below the 1949 peak registered in May. The December increase over November, influenced by year-end buying, was smaller than in other postwar years. Most noteworthy change was that despite year-end buying, the December clothing index remained the same as November and was 14.2 percent below December 1948. The low price of clothing was attributed to the release of textiles for domestic consumption and the general easing of clothing shortages.

Urban Family Expenditures for December of ¥16,307 were 35 percent above November, whereas in 1948 the December expenditures were 44 percent above November. The December Urban Workers' Family Income was ¥18,226 or 40 percent above November and in 1948 December was 56 percent higher than November.

#### Non-Payment of Wages

In November, wage payment delinquencies were discovered in 1,866 enterprises involving ¥1.2 billion. Total cases of non-payment of wages from January-November 1949 covered 11,700 enterprises and involved ¥7.3 billion. Most of the delinquent employers paid up, primarily through pressure of labor standards agencies. However, at the end of November 3,422 employers still owed ¥1.7 billion.

### V. Program Developments

#### Unemployment Insurance

Casual Workers--In January, the first month during which Casual Workers' Unemployment Insurance benefits were payable, few workers collected benefits because of inability to meet eligibility requirements. The reasons given in the field spot checks covered two extremes, either the workers did not work the minimum of 32 days during the preceding two months or had so few days of unemployment that they failed to meet the waiting period requirements.



Regular Workers--Field checks on the payment of unemployment insurance to regular workers disclosed need for further tightening of administration to prevent unqualified claimants from remaining on benefit rolls. Records show that almost half of the claimants remain on benefit rolls for the full duration of their benefits. Among these a significant number are not accepting work until their benefits are exhausted. During November an appreciable number of penalties were imposed for quitting without cause, but no workers were disqualified because of unavailability for work and penalties imposed for other reasons were few. One large Public Employment Security Office was paying out benefits at the rate of one million yen a day to some 1,000 claimants without checking of earnings or availability or exposing claimants to jobs. According to the Public Employment Security Office manager the present staff was too small to handle the work load properly.

There has been a significant shift in the age groups of persons claiming benefits when the program was initiated two years ago and of the present claimants. The first claimants were concentrated in undue proportion in the higher age brackets and actually were persons retired from the labor market. In November 1949 some 15 percent of the claimants were 50 years and over and another 15 percent between 40-49, a distribution corresponding to the age distribution of the working population, indicating that the number of older persons claiming benefits now is not excessive.

The unemployment insurance coverage continued to increase somewhat with 150,000 employers and 5,686,000 workers covered in November 1949. Two-thirds of the employers were current in their premium payments. Of the delinquents, only 10 percent were behind in payments four months or longer owing, a cumulative total of ¥280 million or 2.4 percent of the total paid in premiums since the program started and substantially less than several months ago. The improvement in coverage and premium collection was largely a result of attachments for premium non-payments which in November numbered almost 1,000 cases plus nine cases referred to procurators and an additional 10,000 threatened with attachments but withheld because employers promised to pay.

#### Workmen's Accident Compensation Insurance

The Workmen's Accident Compensation Insurance coverage increased during November by 3,867 establishments and 48,611 workers, bringing the cumulative totals to 258,253 establishments and 6,871,354 workers. Collection of the third and final premium installment for the 1949-1950 fiscal year, due in November, showed considerable improvement over collection of the second installment during July.

#### Migration for Employment Legislation

The first draft of legislation governing migration of Japanese workers to other countries for employment, based on minimum standards established by the pertinent International Labour Organization Convention of 1949, was completed by the Labor Ministry. As an interim measure the



Government established administrative machinery for handling migrants for employment in compliance with SCAP directive of 5 January 1950. The interim program also incorporates the more important International Labour Organization Convention principles.

#### Employment of Prison Labor

To prevent possible competition between prison labor and free labor, the draft law providing for rehabilitation of prisoners adopted by the Cabinet 31 January includes the principle that prison labor must be used solely on public projects. This principle has been in effect since late 1948 on the basis of a Cabinet decision. However, its immediate application has not been possible due to present shortages of prison buildings and equipment. To alleviate these shortages, certain prisoners are permitted to work for private employers with the stipulation that the employer pays to prison authorities the prevailing wages for the services rendered by the prisoners.

#### Women's and Minors' Bureau Program

The Women's and Minors' Bureau has outlined a broad program for 1950 to be carried out through the combined activity of the central office and field staff. The program, in addition to the general information and education activities, includes plans for a Women's Week and Minor Workers' Week and studies on working conditions for nurses, industrial homework, employment of hotel maids, minor workers engaged in street trades, employment for rural women, employment opportunities for women and minors, conditions in women's dormitories, causes for delinquency among minors, use of leisure time by minors and families in which women are heads of households.

#### Employment Service Handbook for International Labour Organization

The Labor Ministry was requested by the International Labour Organization to submit material for a handbook on Japan's employment service which in turn will be used to prepare an International Labour Organization handbook for guidance in the development of employment services in other countries. This is considered a signal honor by the Labor Ministry because it represents international recognition of the rapid developments in the Japanese employment security system during the past four years.