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## **Labour Relations Commissions and Industrial Relations: The Era of Great Conciliators**

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This paper describes the involvement of the Central Labour Relations Commission in adjusting major nationwide disputes over a period of about 15 years from its creation in 1946 until 1960. The purpose in doing so is to enhance understanding of the role played by Japan's Labour Relations Commissions in industrial relations. The discussion follows the course of four important disputes adjusted under the guidance of the Central Labour Relations Commission's 2nd Chairman Izutaro Suehiro and the 3rd Chairman Ichiro Nakayama—specifically, the 1946 Densan dispute, the 1946–47 wage dispute by public sector employees, the 1952 Tanro-Densan dispute, and the 1959–1960 Miike Mine dispute.

### **I. Outline and History of the Labour Relations Commission System**

Japan's system of Labour Relations Commissions (LRCs) was created under the Labor Union Act, enacted as part of the labor reform movement during postwar occupation. With the enforcement of the Act on March 1st, 1946, Prefectural LRCs were established in the 46 prefectures, while the Central Labour Relations Commission (CLRC) was also set up as a body dealing with industrial disputes at national level.<sup>1</sup>

Let us now examine the scope of their authority. Until civil servants were deprived of the right to strike under instructions from the General Headquarters, the Supreme Commander for the Allied Powers (GHQ-SCAP) in July 1948, public sector employees also came under the jurisdiction of the Labour Relations Commission, and adjusting labor disputes in the civil service was one of the LRC's important tasks. Then, under the amended National Public Service Act in December 1948, civil servants in clerical/administrative posts lost their rights to collective bargaining and industrial action, and industrial relations came to be conducted under a system of personnel management by the National Personnel Authority as an independent administrative body.

However, a path to collective bargaining still remained for non-clerical workers in the public sector, in the form of the public corporations established in 1948 (only two at first—Japan National Railways and the Japan Tobacco and Salt Public Corporation). Now, since the right to strike was denied, a system for adjusting disputes through conciliation and arbitration was created. By 1956, the Labour Relations Commission for National Public Corporations (LRCNPC) was established. These were authorized to adjust labor disputes in three public corporations (the Nippon Telegraph and Telephone Public Corporation had

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<sup>1</sup> Okinawa remained under US military control until May 1972.

been added in the meantime) and five non-clerical sectors (postal services, national forests, the Printing Office and Mint of the Ministry of Finance, and the Japan Alcohol Corporation). The LRCNPC was converted to the LRC for State-Owned Enterprises under administrative reforms in the 1980s. Finally, in 1988, the LRC for State-Owned Enterprises was integrated into the CLRC, whereupon independent LRCs with jurisdiction over the public sector ceased to exist. Labor unions representing employees in some independent administrative agencies that had not been privatized but continued their civil service status were then returned to the jurisdiction of the CLRC.

For non-clerical workers in local authorities, the Act on Labor Relations of Local Public Enterprises was enacted in 1952. As with the Public Corporations and Government Enterprises Labor Relations Act at national level, this prohibited industrial action while recognizing collective bargaining rights. Labor-management disputes by local public enterprises now came under the jurisdiction of the Prefectural LRCs, while the CLRC also came to be involved in re-investigating unfair labor practices.

Next, let us turn to the composition and functions of LRCs. In principle, Japan's LRCs all comprise three parties—labor, management and public interest. They are administrative bodies whose main remit lies in adjusting disputes and investigating unfair labor practices. LRCs were conceived and created under postwar occupation, and established under the Labor Union Act, which itself was strongly influenced by the US National Labor Relations Act. However, they differ greatly from the US National Labor Relations Board in both composition and functions.<sup>2</sup> The reason for this divergence from the US system is subject to ongoing research on legislative history, but is yet to be satisfactorily explained.

In terms of the actual work of LRCs, their tripartite composition was consistent with the fact that adjusting disputes was overwhelmingly the most important work of LRCs in their infancy. This tripartite composition is characterized by the fact that commissioners on both labor and management sides are not only experts recommended by their respective side, but are also currently active or only recently retired practitioners in their fields. For example, commissioners elected to the very first CLRC included Japanese Communist Party Secretary-General Kyuichi Tokuda, who was not even a union official. This was because, at the time, the most powerful national labor organizations were under the influence of the JCP, and its presence could not be ignored when adjusting disputes. Subsequently, too—from the 1950s to the 1960s, for example—both Kaoru Ota, Chairman of the General Council of Trade Unions of Japan (“Sohyo”), the largest national labor organization at the time, and Minoru Takita, leader of the All-Japan Trade Union Congress (“Zenro”), the second largest national labor organization, were labor-side commissioners of the CLRC.

The fact that currently active leaders of labor movements served as labor-side commissioners meant that they played an effective role in resolving disputes in cooperation with

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<sup>2</sup> Even in the USA, some labor relations boards for public sector employees established at State level also handle both adjustment of disputes and investigation of unfair labor practices.

public interest commissioners and management-side commissioners, while at the same time speaking for the parties when adjusting disputes. On the other hand, friction between labor and management tended to spill over into LRCs when such friction became aggravated, and could have obstructed the dispute adjustment activity of LRCs.

Though carrying this latent risk, the tripartite system suffered no significant setbacks and was able to support the conciliation function of LRCs in adjusting numerous large-scale disputes. This was greatly assisted by the role of the public interest commissioners, and particularly that of the Chairman, who was elected from among the public interest commissioners. Particularly important guiding roles were performed by Izutaro Suehiro, who served as 2nd Chairman of the CLRC from 1947 to 1950, and Ichiro Nakayama, the 3rd Chairman from 1950 to 1960.

## **II. CLRC and Industrial Relations in the Immediate Postwar Era: The Era of Izutaro Suehiro**

As the first CLRC Chairman, Masataro Miyake, was barred from office as part of a GHQ purge soon after his appointment, Suehiro could be described as the de facto first Chairman of the CLRC (including a period as acting Chairman). In this capacity, he came to play an important role. Suehiro, a Professor of Civil Law at the University of Tokyo Law Faculty, had conducted pioneering research as one of the few labor law researchers before the war. Backed by this research record, Suehiro went on to leave a big footprint on labor legislation and labor policy in the early postwar period. The most significant of these was probably his role in drafting the bill for the Labor Union Act. He became a member of the Labor Legislation Deliberation Committee set up as a Diet advisory body for drafting the bill, and displayed strong leadership in drafting the bill as the only expert on labor law.

Suehiro served both as a CLRC public interest commissioner (or, until the 1949 amendment, a neutral commissioner) and as a member of the Tokyo Metropolitan Government Labor Relations Commission and the Central Labour Relations Commission for Seafarers (which dealt with industrial relations for seafarers).<sup>3</sup> In these various capacities, he was involved in adjusting many important labor disputes in the early postwar years.

### **1. The October 1946 Labor Offensive by the Electric Industry Union (Densan)**

The first important national labor dispute conciliated by the CLRC was the wage struggle by the power industry in October-November 1946. The power industry had been made a public interest business under the Labour Relations Adjustment Act, which was

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<sup>3</sup> For seafarers, an organization for adjusting interests based on labor-management bodies had been set up before the war, and thus collective industrial relations were already established. Due to this background, a separate LRC came to be created for seafarers. The CLRC for Seafarers came under the jurisdiction of the Ministry of Transport, rather than the Ministry of Health and Welfare or the Ministry of Labour that was newly created in 1947.

promulgated on September 27 and brought into force on October 13, 1946. For that reason, partly because conciliation by a LRC was necessary as a prerequisite for industrial action, the labor union had no alternative but to request conciliation from the CLRC. GHQ-SCAP (which effectively ruled Japan after the end of the war) and the Japanese government had continued the wartime controlled economy, considering the state of Japanese industry due to the severe damage sustained during the war. But they were unable to control rampant post-war inflation, and labor unions, which had rapidly expanded their organization after the enforcement of the Labor Union Act, had issued demands for doubling or tripling wages. Even that could not keep up with inflation, and so, just a few months later, the unions started a movement demanding further wage rises.

As this went on, the labor union of the electric power industry, which had established its status as an industry-level organization, was not content merely to demand vast wage increases, but also developed a wage system and established a consistent scheme of wages. On the subject of rising consumer prices, meanwhile, it started wage talks in which it demanded the introduction of indexation. The CLRC receiving the conciliation request on November 1st and, after a painstaking conciliation effort, recognized the validity of the union's demands on November 15th. It then drew up a conciliation proposal in which these demands were accepted to a degree. However, the Japanese government (then under Prime Minister Shigeru Yoshida) issued a strong statement of rebuttal, in that recognizing the conciliation proposal would violate the government's inflation control policy. As a result, the CLRC conciliation was derailed. The CLRC then issued a Chairman's statement criticizing the government's hard line. Its content was fiercely critical of the government, demanding that "the Diet be dissolved and a General Election be held to let the people decide whether this government action is appropriate or not."

Following the breakdown of conciliation, the union decided to hold a simultaneous nationwide power strike lasting five hours on December 2nd. This pressurized the government into softening its stance. A change in the attitude of GHQ may have been behind this. At the time, GHQ did not adopt a stance of prohibiting strikes by the power industry, which exerted a huge social influence, on grounds that they negated the purpose of the occupation. The CLRC resumed the conciliation effort, and by November 30 had tabled a second conciliation proposal. Both labor and management accepted this, and the dispute was over.

Behind this confrontation between the government and the CLRC lay the fact that conciliation had run aground in the middle of a postwar economic crisis. Nevertheless, given that the system had only just been launched, it could be seen as a struggle for the *raison d'être* of system deployment, in the sense of defining the degree to which society and the government should respect the authority and powers of LRCs.

## 2. The Aborted General Strike of February 1st, 1947

Of the disputes adjusted by the CLRC in the early postwar years, one that was particularly large in scale and had a significant social impact was the wage dispute by public sector employees between the end of 1946 and early 1947. Private-sector production had not recovered from the devastation of war, and with spiraling postwar inflation, companies saw greater profit in waiting for prices to rise than in producing and selling. And although consumer prices were still under wartime control, the only effect of this was to encourage a burgeoning black market. People could not live on the goods delivered by the government alone, and so had no choice but to rely on the black market. Private companies had ways of profiting from the underground economy and distributing the resultant earnings in response to union demands, but public sector employees had no room for this sort of action. For, although their lives depended on the black market, their salaries were only paid at the official rate. The government's position was that it could neither lower the banner of inflation control nor accede to wage rise demands. This led to an explosion of labor movements by public sector employees. Private-sector labor unions converged with these, with the result that an indefinite general strike by nearly all industries was slated for February 1st, 1947.

This dispute was led by the left-wing National Congress of Industrial Organization ("Sanbetsu"), but the right-wing General Federation of Japanese Trade Unions ("Sodomei") was also involved in a combined struggle. This shows that the desire for wage struggle by public sector employees had risen to such a degree that it was no longer bound by the ideology of their leadership.

The task of adjusting this dispute fell at the door of the CLRC. However, the Japanese Communist Party (JCP), which effectively controlled Sanbetsu, aimed to use the proposed general strike as a platform not only for achieving pay rises but also for toppling the Yoshida administration and establishing a people's democratic government, in which it would itself be involved. As such, there was little prospect of the dispute being resolved, however successfully the CLRC adjusted the wage demand. Behind closed doors at the CLRC, JCP Secretary-General Tokuda, a labor-side commissioner at the time, took part in discussions on formulating a conciliation proposal in support of the wage rise and demanded a compromise from the management side. But to the general public waiting outside the CLRC, he gave a speech in which he vigorously agitated for the start of a general strike.

Faced with this situation, Suehiro and the other neutral commissioners made gradual progress in the conciliation process, with help from the management- and labor-side commissioners. Starting from a proposal to set the average wage at 1,200 yen, they made the management side (actually the government) concede to 1,600 yen just before the date set for the strike. In this process, the actual negotiation was carried out by the CLRC and the GHQ Government Section in charge of fiscal administration, with the management-side commissioners positioned between them. A central figure on the management side was Kazuo Imai,

Director-General of the Finance Ministry's Remuneration Bureau.<sup>4</sup>

However, since the Sanbetsu and JCP intentions had shifted from raising pay for public sector employees to a new target of regime change, these painstaking negotiations were to no avail, and the unions decided to call a general strike. At which point, GHQ intervened. General MacArthur, as Supreme Commander of the Allied Powers, issued a statement banning the general strike. The unions halted the strike action, which thereafter became known as the aborted General Strike of February 1, 1947.

Of course, in terms of the origin of this dispute, i.e. wage negotiations for public sector employees, the conciliation by the CLRC was by no means of minor importance. As a result of various other adjustment efforts outside the CLRC continuing after February 1947, this wage dispute by public sector employees concluded with a proposal to raise the average wage of public sector employees to 1,800 yen in July. This clearly underlined the significance of the CLRC conciliation process, which had taken it to 1,600 yen.

Given this pivotal role played by the CLRC in adjusting wages to cope with inflation, it was inevitable that the government and GHQ would start to monitor the CLRC's movements, as their interest lay in controlling consumer prices. In November 1948, the "three wage principles" (banning deficit financing, wage rises that influenced consumer prices, and price support subsidies) were announced under instruction from GHQ. The main aim of this was to ensure that wage rises were not reflected in controlled prices, and that there was no increase in subsidies in response to this. One of the main targets of these three wage principles was the CLRC, which had the task of adjusting labor-management negotiations and keeping wage levels in line with inflation. In fact, GHQ Labor Division Chief Chester Hepler is said to have ordered the CLRC not to engage in wage conciliation that would raise prices of products and services, and threatened to crush the CLRC if the order was not obeyed.<sup>5</sup>

There was never actually a situation in which the CLRC clashed with the government or GHQ on this problem, however. This was because, in 1949, the Dodge Line (a financial and monetary contraction policy designed to promote the independence and stability of the Japanese economy) was announced, price controls themselves were lifted, and a transition was made to a market economy. As a result, methods of adjusting wages also underwent a major change.

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<sup>4</sup> Secretariat of the Labour Relations Commission for National Public Corporations, ed., *Kokyo Kigyotai-to Rodo Inkai no Nijunen* [Twenty years of the Labour Relations Commission for National Public Corporations.] (Tokyo: The Institute of Labour Administration, 1971), 233.

<sup>5</sup> Statement by Ichiro Nakayama in Secretariat of National Labour Relations Commission Liaison Council, ed. *Rodo Inkai no Nijunen* [Twenty years of Labour Relations Commissions] (Tokyo: National Labour Relations Commissions Liaison Council, 1966), 85.

### III. Industrial Relations and the CLRC in the 1950s: The Era of Ichiro Nakayama

In 1950, Ichiro Nakayama became the third (effectively the second) CLRC Chairman. He was an economic theorist at Hitotsubashi University (until 1949, Tokyo University of Commerce) and was responsible for introducing the general equilibrium theory into Japanese economics. After the war, he not only left a huge mark as a policy expert involved in the reconstruction and development of the Japanese economy, but was also active as the most important dispute conciliator in the CLRC. He also exerted a powerful influence as a policy expert in industrial relations, proposing a variety of initiatives for stabilizing industrial relations. In 1946, he was appointed a commissioner upon the launch of the CLRC, became Chairman in 1950, and remained so throughout the upheavals of the 1950s, resigning in March 1960.

#### 1. The 1952 Tanro-Densan Strike: The Largest Postwar Wage Dispute<sup>6</sup>

Postwar labor reforms initiated by GHQ caused Japan's labor movement to snowball into increasingly vigorous activity, in an environment of inflation and employment uncertainty. But a number of factors took this labor movement to a major turning point. One was the shift in GHQ labor policy toward suppressing the labor movement. This included stripping public sector employees of their right to strike in 1948, the amendment of the Labor Union Act in 1949, and the "Red Purge" of 1951 (when JCP members and their sympathizers were barred from certain workplaces). Another was the radical change in the economic environment due to the "shock therapy" of transition to a market economy, as well as large-scale cuts in fiscal expenditure under the Dodge Line. These dealt a devastating blow to the left-wing Sanbetsu congress, which had led the labor movement in the immediate postwar years, and the movement as a whole was in stagnation. As this went on, unions belonging to the right-wing Sodomei federation joined forces with others that had left Sanbetsu, some neutral unions that belonged to neither affiliation, and others to form the General Council of Trade Unions of Japan (Sohyo) as a new national center in July 1950. The labor movement of the 1950s would now revolve around the core of Sohyo. The CLRC led by Nakayama, who had incidentally been appointed Chairman in the same year, would have a strong interaction with this Sohyo labor movement throughout the 1950s.

The first peak of the 1950s labor movement was the wage struggle by the Japan Federation of Coal Workers' Unions (JFCU or "Tanro") and the All Japan Electric Workers Union (AJEWU or "Densan") in autumn 1952. Densan called strikes in sixteen waves, starting with the first on September 24th. The union fought hard, using electric power strikes among its tactical armory. These had a major impact on society, with lengthy power

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<sup>6</sup> This section refers to statements in Ohara Institute for Social Research, Hosei University, ed., *Nihon Rodo Nenkan: Sengo Tokushu, Dai 26-shu* [The labour yearbook of Japan: Postwar special feature, volume 26] (Tokyo: The Ohara Institute for Social Research, 1970), Part 2 Sections 9 and 10.

outages affecting ordinary homes as the strikes went on. After Tanro had held a 48-hour strike on October 13th and 14th, labor unions of 17 leading companies called an indefinite strike starting on October 17th, on grounds that no progress was being made in negotiations. The strike continued for 61 days. As the energy revolution had yet to occur, coal was still the primary source of energy, both for industry and for ordinary homes. When the production of coal stopped and reserves started to fall dramatically, the situation also began to impact economic activity.

That year, the number of lost working days reached a total of 15 million, unparalleled before or since in the history of the postwar labor movement. Of this total, 11.82 million days were lost in the coal mining industry alone, revealing the sheer scale of strikes in this Tanro dispute. The Densan strikes also had a huge social impact, since they involved power outages. But fewer working days were lost as a result, because the union adopted a partial strike strategy in which only key personnel in power generation and transmission were called out. This meant that Densan union members suffered a smaller loss of income and less hardship in daily life as a result of the strikes. By contrast, mine workers who took part in all-out strikes lasting two months with meager backup funds suffered acute economic hardship. Sohyo canvassed for donations of funds from unions under its umbrella, but the outcome was far short of the level needed to fund such a large-scale strike. Yet even under these harsh conditions, the only major union to withdraw from the Tanro unified strike action was the Joban Coal Mine labor union. The others endured the harsh conditions of the struggle to the bitter end. This shows the sheer scale of expectation toward higher wages among mineworkers and their families.

Of the disputes by the Tanro and Densan unions, no mediation or conciliation was requested of the CLRC for the former, as both management and unions attempted to resolve the issue through collective bargaining. As a result, the CLRC took no direct action to adjust the dispute until the very final stage. Tanro had tabled a demand for a massive wage rise as a uniform demand for the industry. The response from the management side was that the Coal Mining Industry Federation agreed to unified collective bargaining, but its reply was that company-specific wage responses would be maintained. Not only did it refuse to accept any wage increase, but it also proposed the vast increase in the standard work quotas of workers paid by output. As such, the demands of the two sides collided head-on. No progress was made between August 13th, when the union tabled its demands, and the tenth round of talks on October 4th. At the 11th round on October 9th, the proposal to increase standard work quotas was revised (slight concessions was made), but the pay rise demanded by the union was flatly refused. As a result, the union launched strike action. Both sides remained entrenched, resulting in a waiting game without any collective bargaining for nearly 50 days until November 26th.

By contrast, the CLRC was involved in conciliation and mediation for the Densan dispute from an early stage. The Densan union tabled a demand for a huge wage rise to the Electric Utility Enterprises Forum (the employers' group) on April 14th. When talks broke

down during the 5th round of negotiations on May 15th, the union asked the CLRC to conciliate, and on June 18th the first conciliation committee meeting was held. By September 6th, a conciliation proposal with an average offer of 15,400 yen per worker per month had been tabled. Although this fell short of the union's demands, it would have represented a wage rise of nearly 20%, taking account of consumer price inflation and other factors. However, the union immediately decided to reject the proposal after a vote by the Central Executive Committee on September 7th. The management side took longer to make up its mind, but on September 29th also declared that it could not accept the conciliation proposal.

After that, Densan continued time-limited strike action in waves, causing power outages, and the collective bargaining effort remained in deadlock. As this situation went on, it was decided in mid-November that CLRC Chairman Nakayama would launch a mediation attempt. Before that, on November 10th, the union had decided to start industrial action including a 40-hour continuous power strike starting on November 17th, but Nakayama strongly urged the union to cancel the strike. The union agreed to this, and although falling short of calling off the dispute, it changed its tactics.

On November 26th, the CLRC tabled a mediation proposal. On the wage rise demand, its content included an extension of the working week to 48 hours, though remaining in line with the conciliation proposal of September 6th. The management side declared its acceptance of this on November 28th. But Densan had already rejected the proposal on November 26th, deciding instead to escalate its tactics starting with a 40-hour continuous power strike from December 2nd. This seemed to signal an all-out confrontation between the union and management, but then the unified action by the union started to fall apart. Of the nine national power companies across Japan, individual agreements were concluded with Tokyo Electric Power Company (December 8th), Kansai Electric Power Company (15th) and Chubu Electric Power Company (16th) in disregard of Densan instructions. At Chubu, a 2nd union was formed, and this very soon came to have the majority of the company's employees as its members. As this represented an organizational crisis for Densan as an industry-level union, Densan headquarters also turned toward a compromise, and on December 18th agreed to a new mediation proposal. In this new proposal, the 48-hour working week had been modified to 42 hours. The management side did not oppose this, either.

The "hidden agenda" behind this power industry dispute was a quest to re-organize industrial relations after the transition to nine electric power companies. Japan's power industry between the war years and the immediate postwar era adopted a segmented system, whereby electricity was generated exclusively by the privately owned but state controlled Japan Electric Generation and Transmission Company (JEGTCO), while the electricity it supplied was delivered to homes and businesses by power distribution companies in various parts of the country. Electricity prices were under state control. This industrial structure was utterly transformed by the change to a system of 9 electric power companies on May 1st, 1951. JEGTCO was carved up into regional divisions, so that now 9 monopoly-style regional power companies were wholly responsible for all processes from generation to

transmission and distribution of electricity. And although the government control remained for electricity prices, the immediate postwar policy of maintaining low electricity prices and subsidizing costs was scrapped, shifting instead to a system of setting appropriate electricity prices in line with appropriate cost calculations.

Although the customary practice in other industries was to form unions at company level and to set up industry-level organizations as federations of these, Densan chose to keep the single industry format that had been formed in the immediate postwar era. In the 1952 dispute, too, the negotiating partner targeted by the union was not an individual company but the Electric Utility Enterprisers Forum, as a management-level group. The CLRC also engaged in mediation and conciliation on the premise of this bargaining system, but in its conciliation and mediation proposals, it was compelled to grant a degree of deferment to regional electric power companies that had low payment capability. Because the electric power companies responsible for supplying major cities had considerably higher capacity to pay, negotiating individually with companies could have been expected to yield higher wage rise offers for union members in these companies. However, Densan insisted on the same amount for the whole industry (though at the level of average wages), and refused to recognize these individual interests. This led to the division and collapse of Densan as a result of this dispute, and the shift to a system of company-level unions. At the conclusion of this dispute, individual company talks were held with Tokyo, Kansai and Chubu, resulting in a higher pay offer than the 15,400 yen won by Densan. In its final mediation proposal, the CLRC also seems to have given some consideration to Densan's position by not negotiating the unified industry offer. However, the system of unified industry negotiations by Densan was effectively dismantled after this dispute.

By late November, as the power industry dispute headed toward a conclusion as described above, the mining industry dispute also started moving toward a resumption of talks with a view to reaching a long-awaited resolution. On November 26th, the 12th round of collective bargaining was held after a 47-day hiatus. At the talks, the management side tabled a proposal for a compromise on increase standard work quotas. Then, at the 13th round on November 28th, a 4th offer was made, to the effect that the increase of standard work quotas would be abandoned and wages kept at their existing level. A clause was added offering a loan of 5,000 yen to each miner. But the union maintained the stance that it would make no compromise without a pay rise, and thus did not accept the management side's offer. The depletion of coal reserves was now having a serious impact on industry. On December 11th, the Japan National Railways was forced to reduce the number of trains in operation.

On December 2nd, the Minister for Labour attempted to reach a settlement by inviting both parties to explain their respective situations and persuading them to accept third-party mediation. On meeting the Minister, Chairman Nakayama conveyed his wish to mediate between the parties, on the 3rd both parties agreed to this, and mediation meetings were held on the 4th and 5th. Finally, on the 7th, Nakayama presented the CLRC mediation

proposal to the two parties.

Among others, the proposal consisted of a 7% wage rise that had been consistently rejected by the management side, and a deferment of standard work quotas. For the union side, therefore, it represented a degree of progress. But on December 8th, the Tanro Central Strike Committee rejected this mediation proposal by a vote of 29 to 28, in spite of the leadership's plan to accept it. Now forced into a corner, the Tanro leadership recognized the need to escalate its tactics and decided to call out all security personnel. There were fears that, if this were actually carried out, it could have serious consequences including flooding of mineshafts, which would in turn deliver a massive blow to coal production facilities.

In response, the government started taking steps to activate "emergency adjustment" as provided in Article 35-2 of the Labour Relations Adjustment Act (which, if activated, prohibits industrial action for 50 days). At a Cabinet meeting on December 15th, the government started the process for asking the CLRC's opinion, as required by law before activating emergency adjustment. The CLRC held an Emergency General Meeting, in which it settled on the opinion that "Emergency adjustment is unavoidable" after a majority vote by the public interest and management sides, overruling objections from the labor side. On receiving this opinion, the government decided to activate emergency adjustment on the 17th. And in response to this decision, Tanro in turn decided to call off the strike from the morning of the 17th.

Meanwhile, Chairman Nakayama prepared a 2nd mediation proposal and presented it to both parties with a view to resolving the dispute, given the imminence of emergency adjustment. This was almost the same as the 1st mediation proposal, but with an additional lump sum payment of 5,000 yen. The union side accepted this. The management side, judging itself to hold the stronger negotiating position with the activation of emergency adjustment, claimed that there was no further need for negotiation and resisted the proposal at first. Eventually, however, it also accepted, whereupon this lengthy dispute that had lasted 63 days was resolved. Chairman Nakayama had saved the union from the jaws of utter defeat by presenting his 2nd mediation proposal at the 11th hour, while overruling resistance from the labor side and consenting to the activation of emergency adjustment. Praise for his skill as a conciliator is said to have intensified following his resolution of this dispute.

## 2. The Miike Mine Strike<sup>7</sup>

If the 1952 Tanro and Densan strikes were the most important disputes in the early Nakayama years as CLRC Chairman, the strike in protest against layoffs at the Mitsui Miike Mine in 1959–60 was the most important dispute at the end of his tenure.

Behind this dispute lay the so-called "energy revolution," which was quickly gathering momentum during this period. This was also when the Japanese economy entered a pe-

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<sup>7</sup> This section is based on statements in Sohyo 40-Year History Compilation Committee, ed., *Sohyo Yonjunenshi, Dai 1-kan* [A 40-year history of Sohyo, volume 1], (Tokyo: Daiichi Shorin, 1993), Chaps 2 and 3; Omutashi-shi [The history of Omuta city], <http://omuta-miike.news.coocan.jp/history/1959-3.html>.

riod of high-level growth and rapid economic expansion was underway, placing the economy as a whole on a favorable footing. However, the expansion of oil imports, partly influenced by the development of Middle East oil fields, exposed the coal mining industry to competition with oil as a cheaper and more amenable alternative. This placed the industry in a dire predicament, ushering in hardships including mine closures and mass layoffs of workers.

Mitsui Mining, Japan's largest coalmining company, was not spared the enormity of this impact. In January 1959, it presented unions at six of its mines with a proposal to lay off 6,000 workers, and concluded labor-management agreements with them. In April, it started offering voluntary redundancies, but only 1,324 workers took up the offer. So then, at the end of August, the company made a second offer of voluntary redundancies to 4,580 workers. Of these, 2,210 redundancies were allocated to the Miike Mine, the company's largest mine employing 15,000 workers and boasting the richest coal seams. In the five mines other than Miike, voluntary redundancies more or less reached the numbers proposed by the company, but there were fewer volunteers at Miike, where the labor union was waging an opposition campaign. Based on this situation, the company issued compulsory redundancy notices to 1,278 union members working at Miike Mine on December 10th.

This dispute increased in gravity not only because the scale of layoffs was so great but also because the company, in selecting workers for redundancy, had tried to include 300 union workplace activists whom it accused of obstructing its business. Since these activists were at the front line of union activities controlling production volumes at workplace level, they were in the midst of a struggle between labor and management over productivity and labor intensity. There was fierce antagonism between the company, which claimed that it would be impossible for productivity at the Miike Mine to recover unless these activists were removed, and the union side, which absolutely opposed this targeting of union activists, in that it constituted a serious attack on the union itself. The result was a hopeless impasse.

As a consequence of this antagonism, collective bargaining between the company and the Federation of Mitsui Mining Labor Unions (parent organization of the Miike labor union) broke down on November 12th, 1959. In response, the CLRC instigated *ex officio* mediation, and on November 21st Chairman Nakayama tabled a mediation proposal. On November 25th, both sides rejected the proposal. Meanwhile, the company issued voluntary redundancies requests to 1,492 employees on December 1st and 3rd, and on the 16th dismissed 1,210 workers who refused the request.

This was followed on January 25th, 1960, by a company lockout and retaliation from the union in the form of an indefinite strike. On March 17th, the Miike labor union split and a 2nd union was formed. The members of the 2nd union were willing to work under an agreement with the company, leading to violent clashes with the 1st union whose members tried to stop them. In one incident on March 29th, a member of the 1st union was stabbed to death.

On April 6th, Keizo Fujibayashi, who had been appointed the new Chairman following the resignation of Ichiro Nakayama in March, tabled a 2nd mediation proposal. The dismissals would be rescinded, but the dismissed workers would retire voluntarily. The company accepted this content, but the union, following long hours of debate at the Tanro Congress on April 17th, decided to reject it. The Federation of Mitsui Mining Labor Unions, which had advocated acceptance, walked out of the Congress in protest. The (1st) Miike labor union withdrew from the Federation of Mitsui Mining Labor Unions. Violent confrontation between this 1st union and the company and 2nd union, which were pushing for pit entry and resumption of production, continued thereafter. The 1st union tried to block coal shipments, with the support of Sohyo members. Ultimately, however, just before it came to a head-on confrontation between these and the police who came to remove them armed with a court mandate, the CLRC produced a 3rd mediation proposal. Bloodshed had been avoided at the last minute.

Although the 3rd mediation proposal (the Fujibayashi mediation proposal) was presented on August 10th, its content basically followed that of the 2nd mediation proposal. As such, the company accepted it, while the union, following fierce internal debate, decided to accept it at an Emergency Tanro Congress on September 6th, and the dispute moved toward a resolution.

The Miike mine strike is said to be the dispute that caused the most serious confrontation between labor and management since the war. To resolve it, the CLRC not only tabled three mediation proposals, but also strove to reach a solution through public and private approaches to the parties concerned. And when the dispute was finally resolved, it would surely have been impossible for the union to lay down arms without the CLRC's mediation. In terms of dispute adjustment, however, the most interesting and important of the three mediation proposals was the 1st proposal by Chairman Nakayama.

This was a very unusual mediation proposal in which, firstly, Nakayama criticized the obstruction of coal production and asked both labor and management to restore workplace discipline; secondly, though recognizing the need for layoffs as asserted by the company, his basic principle was to resolve the issue by offering voluntary redundancies, and the union would not obstruct this; thirdly, if the numbers accepting voluntary redundancies did not meet the required target, he would take steps to reach a resolution by transferring to a discussion between the company's Head Office and Tanro, together with the Federation of Mitsui Mining Labor Unions; and if even this did not solve the problem, a final resolution would be based on a ruling by the mediator, i.e. Chairman Nakayama himself. Since the possibility of resolving the problem through voluntary redundancies is thought to have been low, this means that the CLRC Chairman would have had to judge the appropriateness of personnel targeted by the company for compulsory redundancy as workers who were obstructing production. If both sides had accepted this mediation proposal, one wonders how Chairman Nakayama would have dealt with this conundrum. Sadly, the answer to that question will forever remain a mystery, as first the company, then the union announced their

rejection of the mediation proposal.

Bearing subsequent developments in mind, one feels compelled to say that it would have been better for both sides if they had swallowed this first mediation proposal. The union, though forced to change its policy and pressed into a position of having to accept dismissals, could have avoided the tragedy of division and degradation to a minority group. The company, for its part, could have avoided enormous dispute-related losses that were to affect its subsequent business fortunes, and could have coped with the upheaval of the energy revolution while preserving its business resources. And so, although the dispute itself ended in what seemed like a victory for the company, it had suffered deep wounds in the process. It had, as the saying goes, won the battle but lost the war.

#### **IV. Conclusion**

In this retrospective study, I have considered whether Japan's LRCs have contributed to the adjustment of labor disputes and the stability of industrial relations, based on the records of two CLRC Chairmen, Izutaro Suehiro and Ichiro Nakayama. From the 1960s onwards, there were fewer industrial disputes involving serious confrontation between labor and management, and changes also emerged in the role played by LRCs within industrial relations. But without the efforts of LRCs in adjusting disputes during the tumultuous post-war period, it is inconceivable that the subsequent stabilization of industrial relations could have been achieved. Everyone who enjoys the benefits of this today—labor and management officials, policy-making authorities, and the general public—should remember this fact when striving to challenge the various issues that will be faced by industrial relations in future.