

# SOCIAL AND POLITICAL CAUSES OF THE PASSAGE OF THE 1959 NATIONAL PENSION SYSTEM LAW

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This article will study the social and political causes of the passage of the 1959 National Pension System Law. The focus will be on events prior to June 1956, the time when it can be said that the government had made the decision to establish a national pension system by 1960. Analysis will cover all reasons for the passage, classified in three main groups: the family, economy, and polity.

## I. Family

Discussion of the family can in turn be broken down into three separate issues: (A) the breakdown of the family system, (B) the aging of society (fewer children per parent), and (C) fatherless families.

**A. Breakdown of the Family System.** By some measures the Japanese family system broke down, but by other measures it remains strong today. The postwar constitution and the revision of the Civil Code greatly reduced the legal powers of the family head and abolished primogeniture. Although these legal changes caused anxiety about the fabric of Japanese society and the security of old people, they had little effect on those aspects of family structure related to pensions: (1) The percentage of nuclear families among normal families was 54% in 1920, 60% in 1955, and 64% in 1975. In 55 years the proportion increased only 10 percentage points (Saguchi Takashi 1977, *Nenkin Dokuhon*. Tokyo: Toyo Keizai Shimposha, pp. 72-74). (2) The percentage of old people living with children remains high: 82% in 1960, and 75% in 1974, compared to less than 35% for all western countries (Ohkochi Kazuo 1978. *Kaisetsu: Kai-Nenkin-ka no Shin-Nen-*

*kin-Taikei*. Tokyo: Sorifu Shakai Hoshō Seido Shingikai Jimu-kyoku. p. 366; Shanas, Ethel, et al., 1968. *Old People in Three Industrial Societies*, London: Routledge.) (3) Attitudes concerning children's duty to support parents had changed very little by 1956. Even in 1975, 82% of the people age 30-34 believed that it is best to live with their parents (42%), or live with their parents when they begin to lose their health (41%) (Shukan Shakai Hoshō 1978. *Nenkin Seido Bappōn Kaisetsu to Shiryo*. Tokyo: Shakai Hoshō Hōki Kenkyukai. p. 41). When asked why they thought it best to live together, over half responded "because it is the proper and natural thing to do (*atarimae*)," an answer based on traditional values (Saguchi 1977, p. 73-74). All of these data are for Japan as a whole, but farm families, the principle target population for NPS, had an even stronger family structure than the average for Japan as a whole. Thus the breakdown of the family system was not a major cause of the passage of the 1959 NPS Law.

**B. Aging of the Population.** No one claims that gray power, an organized political movement of the elderly, or an enlarged electorate over age 65 voting their interests caused the passage of the 1959 NPS Law; indeed the proportion of Japan's population age 65 and over was actually lower in 1955 than it had been in the 19th century. The proportion was 6% in 1872, and 5.3% in 1955; compared to 8.5% for the United States, nearly 10% for West Germany, and over 10% for Sweden, England, and France.

It is often stated, however, that the *future* aging of Japanese society justified, or caused, the passage of the NPS Law. After Japan's baby

boom peaked in 1950, predictions of future aging became a focus of public attention in 1952 (Koseisho 1962. *Kokumin Nenkin no Ayumi*. Tokyo: Ministry of Welfare. p. 11), and by 1955 remarkably accurate predictions of population trends into the 21st century were available.

Nonetheless, rapid aging would not take place until the 1980's and 1990's. If aging of society caused the passage of NPS, it could only have been because people were preparing for 30 and 40 years in the future, knowing that a contributory pension system requires a long lead time. Some people undoubtedly were convinced by this reasoning, but in 1955-56, when the decision for NPS was made, the strongest protagonists for NPS wanted it to be non-contributory, beginning payments immediately, not 30 years in the future. The Ministry of Finance, too, was looking forward to an immediate build-up in the pension fund, which would take place irrespective of future aging.

More importantly, Diet members, members of the Social Security Board (Shakai Hosho Seido Shingikai) and others advocated a national pension system before 1950 (i. e. before the predictions of future aging) based on other reasons, without referring to the future aging of society. In a similar vein, the future aging of society was used after 1952 to justify almost anything related to old people: it was also used, for instance, to justify the construction of old peoples' homes, even though the advocates obviously wanted the homes to be built immediately, not 30 years in the future. Thus, the aging of the population was not a major cause of the passage of NPS.

**C. Fatherless Families.** Fatherless-family pensions and old-age pensions were both included in the same NPS Law. Indeed the political demand for fatherless-family pensions was so much stronger than that for old-age pensions that at one time both the Socialist Party and part of the Liberal Democratic Party tried to have a fatherless-family pension bill enacted separately from and before the old-age pension bill (Koseisho 1962, p. 18). The fact that the two were tied together

might well have hastened the passage of the NPS old-age pension system (Saguchi 1977, p. 77).

## II. Economy

NPS can be said to be caused partly by poverty and partly by prosperity. Poverty was dealt with by the Occupation authorities through the National Assistance program (Seikatsu Hogo). Japanese dissatisfaction with this program led to some of the early proposals for NPS (Ushimaru Yoshito, *Gekkan Shakai Hosho* January 1958, p. 32). Prosperity of prewar levels returned by 1955, and despite wide fluctuations in economic growth thereafter, the government continued to run surpluses which provided confidence that the government could help finance a new pension system.

The wiping out of personal savings and insurance policies by postwar inflation is sometimes cited as a cause of the passage of NPS, but this would have a greater effect on the employee than on the farmer. Farmers in the immediate postwar period were said to be better off than city workers, because they owned land and a house and could grow food. Until 1956, rural/farm income was nearly as high as urban income.

If NPS was passed primarily for economic reasons, its main target population should have been employees in workplaces with fewer than five employees, since their economic situation was worse than that of farmers. Yet all discussion of NPS indicates that farmers were intended to be the primary target of NPS.

Control over the pension fund was undoubtedly an attractive prospect for the Ministry of Finance. But the Ministry of Finance did not make the original proposal for NPS, it merely accepted the proposal after it had already been made.

Thus, although the removal of economic barriers was important, the economy was not the primary positive cause of the passage of NPS.

## III. Polity

Japanese observers are divided as to which

political group was primarily responsible for the passage of NPS: some give primary credit to the bureaucracy, others give it to the LDP, and still others (including some bureaucrats) give credit, or blame, to the Socialist Party.

#### A. Ministry of Welfare.

When Diet members in 1941 and 1944 expressed their desire for universal pension coverage, Ministry of Welfare officials gave noncommittal responses (Goto Kiyoshi and Kondo Bunji, 1947. *Rodosha Nenkin Hokenron*. Tokyo: Toyo Shokan. pp. 214-216; Saguchi 1977, p. 67). In 1946-47 the Ministry sponsored an advisory council which recommended idealistic plans based on the Beveridge Plan. Shortly after Japan regained independence in 1952, a national pension system was proposed within the Ministry of Welfare by Koyama Shinjiro (Takahashi Mitsuo, interview 1979). In 1954 the Diet asked the government to begin investigation into a national pension system. In July 1955 a Planning Room was established in the Ministry; its preliminary report of November 1955 called for the establishment of a national pension system by 1960 (Shakai Hoshō Kenkyūjo, 1968. *Sengo no Shakai Hoshō Shiryo*. Tokyo: Social Development Research Institute. p. 384) which is what actually happened. However the Planning Room report was only a preliminary "Test Draft," and its contents appear to have been related to the politics of the Liberal Democratic Party (Shakai Hoshō Kenkyūjo 1968, p. 383).

Although the position of the Ministry of Welfare concerning NPS is largely hidden in that secrecy which Max Weber saw as the besetting sin of bureaucracy, indications are that opinion was divided. One of the most forceful protagonists of NPS within the Ministry was Koyama Shinjiro, who was eventually made the administrative officer in charge of planning and negotiating NPB for the Ministry. One of Koyama's subordinates at the time (Takahashi interview 1979) estimates that without Koyama's efforts, NPS might have been delayed ten years. The attitude of the Ministry as a whole, however, is often described

as cool towards NPS (See for example Hishiyama Shinichi, *Shakai Hoken Junpo* No. 554, 1958. 11. 11, p. 5).

**B. Social Security Board.** The Social Security Board (Shakai Hoshō Seido Shingikai) was created in 1948 in the Prime Minister's office in order to plan coordinated and unified social security legislation. Although it is composed of Diet members, government officials, representatives of labor and management, etc., it is dominated by independent-minded scholars and specialists. Although the Board's plans were given great publicity, the Board had little direct influence on the government's 1956 decision to establish NPS.

When the Board's predecessor (Shakai Hoken Seido Chosakai) in 1949 recommended a Beveridge style pension system, it was rebutted by a team from the American Social Security Administration which declared that coverage of farmers and self-employed persons is difficult and not urgently necessary. Taking note, the Board's first full report of October 1950 recommended cautiously that farmers and self-employed persons be covered by a non-contributory pension system "if finances permit" (Shakai Hoshō Kenkyūjo 1968, p. 193).

In reports dated December 1952 and December 1953, the Social Security Board proposed that the existing pension systems be transformed into a universal pension system in three stages: (1) Unification of the existing employee pension systems (i. e. the Employee Pension System, Kosei Nenkin Seido, and the Mutual Aid Association pension systems, Kyosai Kumiai Nenkin) with a fixed-amount pension as a common floor, on top of which the preexisting pension systems would continue, slightly modified, as supplemental income-related pension system. (2) Expansion of the fixed-amount pension system to cover workplaces with fewer than five employees. (3) Further expansion of the fixed-amount pension system to cover the entire population.

The Board's 1953 proposal was discussed by the Diet during deliberations of the 1954 revision of the Employee Pension System Law, but was not endorsed (Saguchi 1977, p. 68). Furthermore,

directly contrary to the Board's plan and mission to unify, faculty and employees of private schools in 1954 broke away from EPS and formed their own mutual aid association pension system.

The Social Security Board does not enter the picture again until after the 1956 decision to establish NPS had already been made.

**C. Ministry of Finance.** Control over huge pension funds is a central economic issue in all modern countries. In most countries intermediate groups (business, labor unions, opposition political parties, etc.) are strong enough to prevent the government from taking unlimited control of the funds. In Germany the pension funds are divided and administered by elected boards; in Sweden the funds are invested in all businesses uniformly; in the United States the Social Security Fund is only used to retire the national debt.

In Japan, however, control over pension funds is given almost exclusively to the Ministry of Finance and other economic ministries, outside the control even of the Diet. The prospect of control over the NPS fund was an important reason why the Ministry of Finance did not object to the establishment of NPS.

History of government collection of investment funds can be traced to the 1870's when the Postal Bureau (Ekitei Kyoku) of the Ministry of Home Affairs created the postal savings program (Ishikawa Itaru, 1977. *Zaisei Toyushi*. Tokyo: Kinyu Zaisei Jijo Kenkyukai. p. 41-44). Postal Life Insurance, added in 1916, was an immediate success; by 1929 fully 35% of the adult population, 14 million people, were policy holders (Ayusawa Iwao, 1966. *A History of Labor in Modern Japan*. Honolulu: East-West Center Press. p. 216). Postal Pensions, a system without precedent in the world, were added in 1926.

After the outbreak of the China War in July 1937, the government launched a "Patriotic Savings Movement" (Chochiku Shorei Undo): the Postal Savings, Insurance, and Pension programs were expanded and new programs were added in order to absorb the purchasing power of consumers and to finance the war effort. One of

the new programs was the Employee Pension System, established in February 1941 (Koseisho 1958, *Kosei Nenkin Jugonenshi*. Tokyo: Ministry of Welfare. p. 12). The Ministry of Welfare had wanted to use the EPS fund to build auditoriums, rehabilitation centers, and workers' housing, but the Minister of Finance adamantly refused to affix his seal to the bill unless the administration of the pension fund were given to the Ministry of Finance (Koseisho, 1953. *Kosei Nenkin Hoken Junenshi*. Tokyo: Ministry of Welfare. p. 4). The Ministry of Finance also strongly supported the expansion of EPS coverage which took place in February 1944 (Koseisho 1958, p. 61).

In 1953, after independence, the government accounts were reorganized and the Fiscal Investment and Loan Plan (FILP, *Zaisei Toyushi*) was established, which encompassed the Employee Pension System pension fund, the Postal Savings and Postal Life Insurance funds, and others. Chalmers Johnson emphasizes the importance of these funds for Japan's rapid economic growth:

"(T)he Fiscal Investment and Loan Plan was a creation of the Ministry of Finance and has been managed exclusively by officials of that ministry's Financial Bureau to this day... During the period of high-speed growth, from 1953 to 1961, the government supplied between 38 percent (1953) and 21 percent (1961) of all capital invested in new industrial plants and equipment... Endo Shokichi believes that the true significance of the FILP lies in its having made possible this guidance of private capital investment by the state" (Johnson, Chalmers A. 1978. *Japan's Public Policy Companies*. Washington D.C.: American Enterprise Institute for Public Policy Research. pp. 97-99).

From this history of government collection and control over investment funds, one can imagine the great importance the Ministry of Finance attached to the creation of the NPS pension fund. The NPS pension fund was planned to become almost as large as the EPS pension fund, and to remain so into the 21st century and indefinitely

thereafter. It too was included in the Fiscal Investment and Loan Plan, and helped finance Premier Ikeda's Income Doubling Plan of the 1960's.

**D. Socialist Parties.** By advocating early, especially during election campaigns, the establishment of a national pension system, the Socialist Party threatened the conservative party with significant electoral gains, and thereby influenced the conservatives' decision to establish NPS.

NPS was primarily for farmers. Although the upper levels of the Socialist Party were dominated by representatives of Sohyo (the General Council of Trade Unions), the party also included many leaders of the Farmers' Union, and paid attention to the farm vote:

"(M)ore than half of all Socialist legislators are elected from agrarian and mixed districts, where larger unions are less influential. Small wonder that party strategists sometimes, though usually in private, advise their colleagues during campaigns to exert as much as 70% of their efforts in attracting non-union support" (Cole, Allan B., George O. Totten, and Cecil H. Uyehara, 1966. *Socialist Parties in Postwar Japan*. New Haven: Yale University Press. p. 366).

In a country widely considered to be run by the bureaucracy, the Ministry of Welfare, in its official history of NPS (Koseisho 1962, pp. 16-17) makes an unusually frank statement about the importance of political parties, particularly the opposition party, in the establishment of NPS:

"As party politics under the 1947 constitution began to stabilize, elections gradually came to be fought with an emphasis on issues (as opposed to personal connections, etc.). ... (P)olitical parties at election time had come to give serious consideration to whether a policy would yield a beneficial result if it were displayed as a campaign promise. ... (A) pension system is a problem of direct personal importance to each and every citizen. ... Under such social conditions, it behooves one to reflect upon the relationship between the public and the inclinations

of the opposition parties which have no hope of bearing in the near future the responsibility for the enactment of policy. Pension problems have been major election issues between in and out parties in such countries as Canada and England. ... There exists the precedent of *the pension problem being a central campaign issue between in and out parties and determining the outcome of the election*; it is not impossible that a similar situation has developed in our country. *It is impossible to believe that the policy statements and campaign promises of the Japan Socialist Party concerning the establishment of NPS had no influence on the LDP*. Furthermore, one must reflect on the fact that specific social security policies are exceedingly frequently called *seisaku toyo, policies stolen from the opposition party*." (Italics in this passage, and in all quoted passages hereafter, unless otherwise noted, have been added by this author.)

The passage of the original 1959 NPS Law is not an isolated example. John C. Campbell has shown that elections played a key role in the raising of benefits, too, both for NPS and EPS:

"(Government decisions in 1965, 1969, and 1973 to raise pension benefits) ... were the direct results of Liberal Democratic Party election campaign promises. The LDP gave wide publicity to the following objectives: a ¥10,000 pension (*ichiman-en nenkin*) before the July, 1965 House of Councillors election; ¥20,000 before the December, 1969 general election; and finally ¥50,000 before the December, 1972 general election. Evidently LDP leaders saw pensions as an issue with considerable voter appeal. ... *It was only after the party's initiative and the election that expert bureaucrats were called in to translate the slogans into detailed payment schedules*." (Campbell, John C., 1979. *Journal of Japanese Studies* Vol. 5, No. 2. pp. 337-338).

After the Left and Right Socialist Parties reunited in November 1955, the LDP feared the JSP would make a strong electoral comeback and

possibly even regain the premiership. Partly in response to this, the Hatoyama, Ishibashi, and Kishi cabinets of 1955-60 coopted JSP issues such as the recognition of the Soviet Union, progressive housing policies, and NPS.

Perhaps "coopt" is too strong a word with respect to NPS, since conservative Dietmen had advocated a national pension system in 1941 and 1944, and some Ministry of Welfare officials had done so at least since 1952. Nonetheless the Socialists in October 1953 were the first to advocate NPS as official party policy; the Socialists in November 1955 were the first party with a concrete proposal (its target date for establishment, coverage, contributory financing plus a temporary non-contributory system was a foundation later adopted by the LDP (Koseisho 1962, pp. 14-16)), and the Socialists in June 1956, during an election campaign, were the first party to introduce a pension bill into the Diet (Saguchi 1977, p. 69). It was during the same election campaign that the LDP announced its intention to establish NPS by 1960.

The prevention of a loss of votes to the Socialist Party was clearly an important motive in the LDP's adopting the NPS issue as its own.

**E. Conservative Parties.** The Liberal Democratic Party took an active role in promoting NPS, even though it was internally divided over specific issues.

The farm/rural base of the Liberal Democratic Party was a major factor in the passage of the 1959 NPS Law. Approximately 40% of the Japanese electorate in the 1950's can be classified in the rural or agrarian category. Japanese farmers were the largest single socioeconomic category of voters by a considerable margin (Scalapino, Robert, and J. Masumi, 1962. *Parties and Politics in Contemporary Japan*. Berkeley: University of California Press. p. 68, 90). Nonetheless, the rural vote could not be taken for granted. In the February 1955 election the Socialists gained in urban districts, but they made even greater gains in rural districts which had been traditionally conservative strongholds (Cole

1966, p. 50). "(A) substantial portion of the farming population... can no longer be expected to supply votes for the LDP as a matter of course. The alienation of farmers from the LDP... has been clearly registered" (Fukui Haruhiko, 1970. *Party in Power*. Berkeley: The University of California Press. pp. 75-76; see also Thayer, Nathaniel B., 1973. *How the Conservatives Rule Japan*. Princeton: Princeton University Press. p. 87; Scalapino 1962, p. 84).

After fumbling the premiership in 1947-48, the Socialists plummeted from 143 Lower House seats in 1947 to only 48 in 1949. Thereafter, however, the Socialists began an impressive comeback, winning 111 and 138 seats in the 1952 and 1953 Lower House elections.

When the ultraconservative Premier Yoshida (of the mistranslated "Liberal" Party) resigned in December 1954, the Democrats (Hatoyama's newly formed conservative party) concluded an arrangement with the Socialists whereby the Socialists would support a Democratic-led government. Hatoyama met with the presidents of the Left and Right Wing Socialist Parties and the three men signed an accord. On December 9, 1954, Hatoyama, with the support of the Socialists, was chosen Prime Minister, defeating the Liberal Party candidate (Kurtzman)

That progressive policies won votes can be inferred from the results of the following election of February 1955. Ultraconservative Yoshida's party fell from 199 to 112 seats. Premier Hatoyama's Democratic Party, after advocating diplomatic relations with Russia, trade with China, and increased social security, jumped from 111 to 185. Furthermore, "Hatoyama's progressive policies... had apparently attracted many Right Socialist votes" (Cole 1966, p. 50). Even so, the Socialists continued to gain, rising from 138 to 156 seats. The Socialists in 1955 had 13 more seats and a larger percentage of the vote than when they held the premiership in 1947-48. "Notice was served on the conservatives that the Socialists were no longer a mere minority nuisance but a serious and determined contender for state power, or at

least an opposition with which they must carefully reckon" (Cole 1966, p. 50).

When the Left and Right Socialist Parties united in October 1955, becoming the second largest political party with only 15% fewer seats than the Democrats, they issued a concrete proposal for a national pension system. When the Liberal and Democratic Parties merged a month later, they said they would begin investigations into a national pension system. When the Socialists introduced a pension bill in June 1956, the LDP announced its intention to establish NPS by 1960.

#### IV. Other Causes of the Passage of NPS.

##### A. Intellectuals and the Foreign Example.

Japan since the Meiji Restoration has been extremely quick to adopt and adapt what it considers to be the best from the west. By World War II Japan's pension coverage had already matched that of its mentor, Germany. Hardly had Germany been defeated before a group of scholars advocated surpassing Germany by adopting the universal pension plan of Britain, the new leader in social welfare. When NPS was put into effect in 1961, Japan became the 12th nation in the world to achieve universal pension coverage (Saguchi 1977, p. 72) Although the scholars had critics (See for example Imai Kazuo, *Gekkan Shakai Hoshō* April 1959, pp. 28-30), they played an important role in introducing foreign ideas and in planning pension legislation.

**B. National Health Insurance.** As early as 1938 a voluntary National Health Insurance System was established which offered coverage to farmers, fishermen, and self-employed persons, i. e. those uncovered by the employees' Health Insurance System, or by the MAA health insurance systems. The National Health Insurance System was decimated by the war, and its reconstruction became a pending issue in the early postwar period. After the decision in the mid 1950's to reconstruct the National Health System and make it compulsory, many people thought

that the establishment of a National Pension System was the next natural step. The LDP slogan was "Kai Hoken; Kai Nenkin," "Health Insurance for Everyone; Pensions for Everyone."

**C. Intermediate Groups.** The National Social Work Convention in 1947 passed a resolution in favor of a national old-age pension system, and yearly thereafter petitioned the Ministry of Welfare to establish old-age pensions, fatherless-family pensions, and disability pensions. The Convention sponsored the first Honor-the-Elderly Day on 15 September 1951; annually thereafter on that date the plight of the elderly was given national attention.

**D. Local Government Pensions.** In April 1956, Oita Prefecture and cities in Iwate, Saitama, and Fukuoka Prefectures established Honor-the-Elderly Pensions (Keiro Nenkin). By December 1957, 232 prefectural and local governments had done so.

The effect of local government pensions on the national government and on public opinion concerning NPS should be kept in perspective. The benefits were a mere token and the pensionable age was so high that in some towns as few as three people were eligible. The LDP had already in November 1955 stated that it was "looking forward to the establishment of a national pension system" and in June 1956 announced its decision to establish NPS by 1960. Before June 1956 only four sub-national governments had established pension systems, and none of them received national publicity. Although the first few local government pensions apparently arose spontaneously, discussion on the establishment of the later pension systems usually referred to the central government's promise to establish a national pension system. Oita Prefecture and many others even intended to abolish their pension systems once an adequate national pension system had been established.

Although the rapid copying of other localities' welfare programs is not unusual in Japan, the rapid adoption of Honor-the-Elderly Pensions by 232 prefectural and local governments by December

1957 is impressive. It might well have helped the governments keep its promise—after it had already been made.

**E. Public Opinion.** NPS was granted from the top down. The Public did not demand NPS; instead the government started planning NPS on the assumption that the public would like it. Public interest developed only after the central government had expressed its interest in 1954–55, and especially after it had promised NPS in June 1956.

But even as late as 1958, knowledge of pensions was limited. According to a March 1958 opinion survey prepared by the Ministry of Welfare, of the people not covered by any public pension system, 72% had little or no knowledge of the Employee Pension System, and 53% of the total population had never heard of the term “national pension system.” 64% of the population did not know there was a movement to establish such a pension system (Koseisho. *Daijin Kanbo Kikaku-shitsu*, 1958. *Shakai Hoshō ni Kansuru Yoron Chosa* Shakai Hoshō Shiryo No. 30. Tokyo: Ministry of Welfare. pp. 18–20).

According to an opinion survey prepared by the Social Security Board, even as late as August 1958 (two years after the LDP's decision to establish NPS, and just a few months after a general election in which NPS was one of the two most important issues) 56% of the population had still not heard of the term “national pension system.” Farmers and forestry workers were asked “When one becomes old and is unable to work, who should look after him?” and were given a choice of five responses; 68% thought his children should look after him or he should look after himself, and only 23% thought the government should see to his security (Zenkoku Shakai Fukushi Kyogikai, 1959. *Nenkin Seido no Mitekiyōsha ni kansuru Jittai Chosa 1958 Nen 8 Gatsu*. p. 28).

Nonetheless, when people not covered by any pension system were asked whether they thought it a good idea to establish a system like EPS for the rest of the population, 65% responded affirmatively (Koseisho 1958. *Shakai Hoshō ni Kansuru Yoron Chosa* p. 22).

**F. Reasons to Keep the Promise to Establish NPS.** Although it is often said that the establishment of the Nokyo (Federation of Agricultural Cooperative Unions) MAA, the revision of the military *onkyu* pension law, and the May 1958 election were causes of the passage of NPS, the climax to all these events took place in 1958, long after the 1956 decision to establish NPS. Therefore, these events are best considered reasons why the government kept its promise, rather than reasons why the government made the promise in the first place.

War veterans and veterans' widows are a powerful pressure group within the LDP, including the Japan Veterans Association (claiming 1.5 million members), the Japan Association of Families Bereaved by War (1.7 million), and the League of Repatriates from Overseas (3 million) (Scalapino 1962, p. 92). Although military *onkyu* pensions were terminated by the Occupation authorities, they were recommenced immediately after independence and grew from 4.5% of the General Accounts Budget in 1954, to 6.9% in 1957 (Koseisho 1962, pp. 8, 30; Ishikawa 1977, p. 83). The Social Security Board, Premier Kishi, the Ministry of Finance, the Ministry of Welfare, and the Socialist Party were all against further large increases. But another major increase was passed in 1958. Many people thought it unfair that an organized pressure group should be treated so well when the average citizen, who also suffered during the war, has no public pension whatsoever (Koseisho 1962, pp. 30–31).

Nokyo, another powerful pressure group at the center of the center of the LDP's agricultural electoral base, in February 1958 extracted a promise from the government to establish a special mutual aid association primarily for Nokyo employes (not for farmers) with superior pension benefits.

Still a third attempt to establish a separate pension system was made by the Political League of Small and Medium Enterprises (Chuseiren). The 1958 Budget which was first given the optimistic sobriquet “¥1 trillion tax cut; ¥1



trillion increase in social security," was later dubbed "The Budget Bent by Pressure Groups" (Atsuryoku Dantai ni Kusshita Yosan). The immediate establishment of NPS was urged in order to prevent any further attempts to splinter the pension system.

Premier Kishi emphasized NPS in his opening address to the Diet in January 1958, and again in his opening address of the election campaign, in which both the LDP and the JSP gave NPS top billing. The fact that JSP electoral gains in the May 1958 election were limited to eight seats, which was far less than what was expected, has been attributed in part to the LDP's enthusiastic support of NPS (Koseisho 1962, p. 41).

## V. Conclusion

The breakdown of the family system and the aging of society were not major causes of the passage of NPS. The public in 1955 had little knowledge of existing pension systems, let alone knowledge of a movement to establish a new one. Public demand was stronger for fatherless-family and disability pensions than for old-age pensions, and stronger for non-contributory old-age pensions than for contributory pensions. In fact, in 1961 there was an effective movement, organized by labor unions affiliated with the Socialist Party, to boycott NPS contributory pensions. NPS was granted from the top down, where 'top' includes both political parties and the Ministry of Welfare. The Ministry of Finance and big business offered little or no resistance.