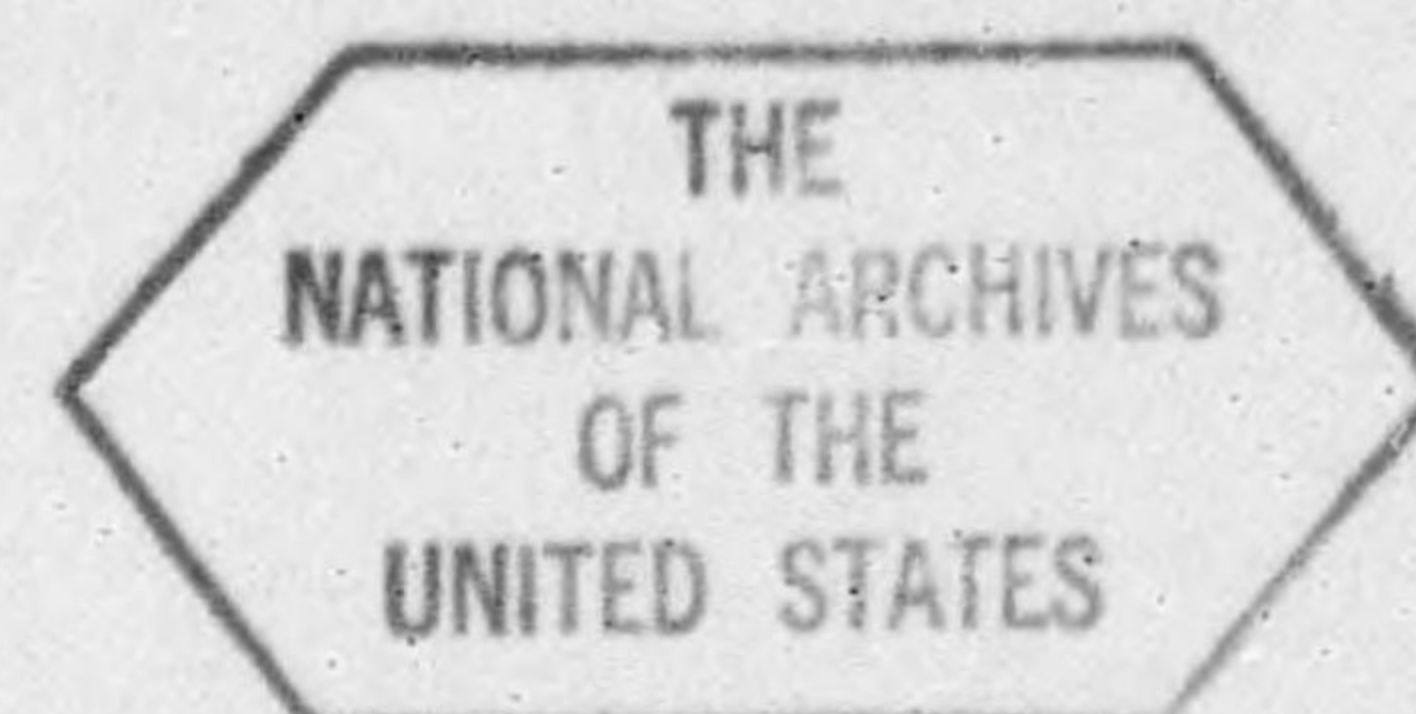


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AGRICULTURAL ASSOCIATIONS
IN JAPAN



WAR DEPARTMENT • MAY 1945

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WAR DEPARTMENT

Washington 25, D. C., 31 May 1945

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BY ORDER OF THE SECRETARY OF WAR:

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CONFIDENTIAL

I. SUMMARY

A. Introduction

Military Government's chief concern with the Japanese farmers and their organizations will be as a source of surplus food which will be needed to help feed the town and city population if MG is not to be burdened with an extensive import problem or, alternatively, is not to face food riots and disorders which might endanger military operations and security.

The free market for agricultural produce has been destroyed under the militarized Japanese economy of the war years. In the disorganized situation likely to attend defeat, it may be some time before the conditions necessary for the creation of a free market economy can be reestablished.

In this transition period farmers' organizations may have a vital role to play in channeling the limited supplies of goods available for the rural population in such a way as to maximize production and the amount of food released by the farmers for city distribution at reasonable prices. Farm organizations may become the administrative medium between MG and the 5,500,000 individual farm households which produce food crops.

Japanese agricultural organizations have a further significance from a long-range point of view, and that is their possible role in helping to build a peaceful, democratic Japan after Military Government has created the objective and legal conditions in which democratic forms can emerge and flourish.

B. Character of Farm Organizations in Japan

The Japanese farmer for a long time has been highly organized into numerous associations, some of his own choosing and others sponsored and more or less controlled by the state. Of these many organizations, three stand out as particularly significant.

The village agricultural society (*Nokai*), which has long been an arm of the central government extending into every village, had as its main prewar function the improvement of agricultural techniques and methods. Wherever these have been organized, all farmers are required to join and, through dues and assessments, help to finance the Government's agricultural program. Dominated by landlords, these societies have consistently opposed any reform in the tenant system.

The village cooperative society (*Sangyo Kumiai*), while sponsored and supervised by the Government, was, in prewar years, a voluntary organization with some degree of democracy in its make-up. Though dominated by the landlords, but to a lesser degree than the agricultural societies, the cooperatives, nevertheless, grew to be a mass organization with millions of members, because they provided the farmer with facilities for cooperative credit, marketing, purchasing, and production. Composed of both landlords and tenants, the cooperative societies took no stand on the tenancy problem other than advocating the eventual increase in the number of freeholders.

The tenant farmers' union (*Kosakunin Kumiai*), was an unofficial organization which the Government attacked and attempted to undermine. While numerically small, it was significant because its activities and very existence challenged the political, social, and economic domination of landlords over rural Japan.

With the war, all farmer organizations were either forced into the service of the Government or outlawed. Tenant unions and national farmers' unions were outlawed. The many small, unofficial associations were subordinated to the official organizations. The cooperatives' functions were at first expanded, but gradually they lost all semblance of being democratic, voluntary organizations until in 1943 they were submerged in the consolidated agricultural structure (*Nogyo-kai*) and in local and prefectural Government machinery.

C. Programs for Military Government

Military Government may find the wartime consolidated agricultural organization still functioning and gearing the villages into the national economy. On the other hand, the situation confronting MG may be confused and disorganized, Japanese wartime controls having broken down. Military Government may find new farm organizations being improvised by the farmers to assist them in meeting their production difficulties and in solving some of the long-standing problems besetting Japanese agriculture, such as the land-tenure problem.

It is recommended that Military Government establish certain basic rights for the farm population to enable them to free themselves from the domination of the Japanese Government and to play their part in establishing a new Japan built on democratic principles and oriented toward peace, with an economy designed to meet the fundamental needs of the Japanese people. It is recommended that Military Government post proclamations in each village containing the following provisions:

1. Announcement that henceforth membership in all agricultural

organizations shall be voluntary, that individuals will have the right to withdraw from any organization if they wish.

2. Dissolution of the compulsory consolidated organization set up in 1943 on the prefectural level and above. If the old cooperatives and village agricultural societies are found to have retained their identity, the consolidated organization on the township level should be abolished and the old societies permitted to revert to their former status. If the old organizations are found to have lost their identity, the continuation of the new consolidated agricultural society should be left to the wishes of the members.

3. Announcement that future consolidation of two or more organizations and future membership of a local organization in a federation shall be voluntary.

4. Declaration that henceforth within the limits of military security farmers shall have the right to form new organizations if they wish to do so or re-form any of the prewar agricultural organizations.

If agricultural organizations are used as part of the administrative machinery for increasing food production and distribution, the following program for using agricultural organizations is recommended:

1. A local agricultural organization would be designated as the official collector of food produce and distributor of fertilizer, seed, etc.

2. The farmer would be required to supply to the designated organization at a future date a given quantity of farm produce at a stipulated price and in return would be permitted to buy a certain amount of agricultural supplies.

3. As the program would be administered only through agricultural organizations, it would be necessary for farmers wishing to come into the program to form a local organization in order to get supplies. While any number of organizations may be permitted, only one organization in each township should have the responsibility for administering the program. In case of rival local organizations contending for the right to administer the program, the agricultural organization with the most members at the beginning of the growing season should generally be designated as the official agent. In case of doubt as to which organization has the greater membership, where the old cooperative retains its identity it will usually be the most desirable administrative agent.

4. The local organization administering the program would have to comply with certain minimum requirements as follows:

a. Membership.

- (i) Only local cultivators should be permitted to join.
- (ii) Dues would have to be low.
- (iii) Every member should have one vote.

b. Elections.

- (i) Elections of officers should be held before permitting an organization to take part in the program.
- (ii) Officers of the wartime consolidated organization on the township level and above should be ineligible for office. This would not include paid technicians.
- (iii) Within a reasonable length of time (6 months to a year) another election should be held.

Any Japanese laws interfering with these requirements should be declared invalid.

5. Military Government should accept provisionally all agricultural organizations which profess to fulfill the requirements except those obviously failing to comply. However, Military Government should remove at any time from the food program any organization which it deems to have violated these requirements.

6. Local organizations should be instructed to set up a representative prefectural organization with which Military Government will deal directly. To insure that the prefectural organizations retain their representative character, periodic elections should be provided for.

7. The right of appeal to Military Government should be afforded local organizations which feel that they have been discriminated against by the prefectural organization in the allocation of supplies.

8. In cases of conflicts between landlords' associations and tenants' unions, Military Government should instruct the contending parties to come to some temporary agreement in order to maintain maximum food production and thereby participate in the benefits of the production program. In order the food production not be interfered with, Military Government or any of its agencies should in no case be required to enforce eviction proceedings.

9. Notices should be posted in each township explaining the above provisions of the food production program.

The program here recommended is designed to provide Military Government with a means of increasing food production and distribution within a democratic framework. The provisions of the framework which are recommended here are considered minimum safeguards against a revival of the militaristic regimentation of the Japanese countryside. In many cases these democratic safeguards will probably reinforce the production and distribution of food by increasing farmer participation. In the application of these provisions, considerable latitude is afforded Military Government officers, particularly with regard to the specific organizational form which agricultural organizations administering the program may be per-

mitted to take. In no case is it believed that the democratic safeguards herein provided will interfere with food production.

II. BASIC ORGANIZATION OF JAPANESE AGRICULTURE

A. Rural Framework

The Japanese farmers are highly organized into numerous associations. This vast proliferation of agricultural organizations in Japan arises out of the extreme poverty of the average Japanese farmer, the pattern of land ownership underlying the village social structure, and the activities of the Japanese Government in assisting and controlling the agricultural population.

Japan is an agricultural country with 40 percent of its population still on the land.¹ According to western standards, the average Japanese farmer is extremely poor and his farm small and primitive. Two-thirds of all Japanese farms average only an acre and a half in size, which means much less than an acre and one-half per agricultural worker, as most farm households contain several agricultural workers as well as children and old people. As a result of many people on little land, hardly any use is made of farm machinery. The result is a very low yield per agricultural worker, though the yield is high per acre due to intensive cultivation and scientific use of fertilizer.

Out of its low income the farm household has to pay excessively high fixed charges. National and local land taxes bear down heavily on the landowning farmer. Two-thirds of all Japanese farm households have to rent some or all of the land they cultivate and rents amount to more than 50 percent of the crop on paddy (irrigated land).² In addition, the Japanese tenant has to supply all tools, buildings, seed, and fertilizer, and pay for all improvements. Fertilizer costs may absorb as much as 20 to 25 percent of the tenant's income. Unable to make ends meet, the Japanese farmer goes steadily into debt, the average debt per household before the war had reached 1,000 yen. Interest rates are high—12 percent being a conservative estimate—so that the burden of meeting interest payments forces the farmer to incur further debt.

There is a small group of Japanese farmers to which the above does not apply. The top 9 percent of the farm households are of prosperous peasants who cultivate an average of 10 acres each, usually own all the land they cultivate, and often own additional land which they

¹ For further information on Japanese Agriculture see Civil Affairs Handbook: *Japan, Section 7, Agriculture* (ASF Manual M354-7), and Civil Affairs Guide: *Agricultural and Food Program in Japan* (WD Pam No. 31-10).

² Rents are somewhat less and usually in cash on dry fields.

rent to tenants. This group hires whatever permanent or seasonal labor is hired in Japanese agriculture.³

There are about 5,000,000 owners of arable land in Japan. Among these the land is very unevenly divided.

1 percent of total number of landowners own 27.3 percent of arable land (more than 25 acres).

24.51 percent of total number of landowners own 51.8 percent of arable land (2.45-25 acres).

74.49 percent of total number of landowners own 20.9 percent of arable land (less than 2.45 acres).

Many of the small owners have to rent additional land in order to have an area large enough to cultivate. Below these small owners are the tenants who own no land and have to rent all the land they cultivate. These two groups of tenants and part tenants (tenant-proprietors) compose 69 percent of the 5,500,000 farm households in Japan. Over 45 percent of all arable land in Japan is rented.

Distribution of land tenure in Japan

[According to numbers of farm households]

	Number of farm households (1939)	Percentages of total (1939)
Owners.....	1, 700, 000	31. 0
Owner-tenants.....	2, 331, 000	42. 4
Tenants.....	1, 461, 000	26. 6
Total.....	5, 492, 000	100. 0

The 1,000,000 landlords can be divided roughly into three categories. There are several hundred thousand small landowners who do not cultivate their land but lease it instead. These are either excultivators who have given up farming and migrated to the cities or small city industrialists who have put their savings in land as an investment. Then there are the landlords who live in the villages and derive their incomes from rents and other occupations related to agriculture, such as money lending to poor farmers. Above these is a small group of wealthy landlords, who do not live in the villages, but exercise great influence over both local and national politics. Out of the 1,000,000 Japanese landlords only 3,000 own more than 125 acres of arable land. These, however, lease to more than 600,000 tenants, an average of 200 tenants per landlord.⁴

³ For further information on hired labor in Japanese agriculture, see Civil Affairs Guide: *Organization of the Labor Supply in Japan* (WD Pam. No. 31-49).

⁴ For further information on ownership of arable land, tenancy, and the landlord class, see Civil Affairs Guide: *Ownership and Occupancy of Agricultural Lands in Japan* (WD Pam. No. 31-51).

While the large absentee landlords exercise considerable indirect influence on village life, it is the landlords living in the villages who, along with the most prosperous farmers, form the village aristocracy and run local affairs. Landlords living in the villages engage in a number of occupations. As rent on paddy is paid in kind they are often in the rice business, buying up more of the rice crop than they receive as rent. They are frequently the local money lenders, loaning small sums at very high rates to poor tenants who have no property as collateral for a loan at reasonable rates. The small landlord may be a representative of a fertilizer company or a farm equipment company or of a silk filature or he may be the owner of some small enterprise. He may be a local merchant or dealer, or even the local agent for getting debt-ridden peasants to send their daughters on long-term contracts to the cities.

The tenant farmer has the lowest standard of living of any group in Japan. His gross income is approximately half that of the peasant proprietor and a twentieth of the income of the average local landlord. In addition to paying exorbitant rent and interest rates he is often required to perform certain services for his landlord. The nature and amount of these services are not defined, as the tenant-landlord contract is seldom written. The rice rent and the amount of work performed differ somewhat from place to place and from time to time.

B. Pre-war Integration of Japanese Farmer with the State

The life of the Japanese farmer has always been highly organized. Perhaps the most important organization of which he is a member is the farm household itself. Under the close-knit Japanese family system, each member's duties and obligations to the other members and to society are rigidly prescribed. Children obey parent, women obey men, younger brothers obey older brothers, the head of the household represents the group in all negotiations with the outside world, and each member is responsible for the obedience of all other members of the family as well as himself to outside authority. This family system, tied in as it is with feudal economic and social relationships, forms the base of the pyramid which culminates in the Emperor, the head of the whole "Japanese family." It is because this system has remained more nearly intact in rural than in urban areas that the Japanese farmer is viewed as the pillar of the state and foundation of the Imperial Spirit.

The organization next in size which envelopes the Japanese farmer is the neighborhood association,⁵ composed of from 5 to 10 farm households. Between the Restoration of 1867 and the period im-

⁵ Appendix I contains a list of all organizations mentioned in the text and gives their romaji equivalents.

mediately preceding the present war the neighborhood association functioned primarily as a social unit. However, as war approached, it became an instrument for the surveillance and policing of the households composing it.

Several neighborhood associations form a settlement association, the settlement or "block" usually comprising 10 to 20 households.

A village contains many of these "blocks," as most villages have several hundred households within their jurisdiction. The village, or rural township, is highly organized with a superabundance of social, religious, and economic organizations. A prominent part is played in the villages by the powerful Reservists Association (*Zaigo Gunjin-kai*), whose youth branches link each village in closely with the army division which draws its cadres from that particular region. This society enables the army to keep complete surveillance over the members of the village before they enter on compulsory military training and after they have received their training. Village government is closely tied to the prefectural government which controls some of the most important appointments such as the police and the village school teachers. At the head of the village is an elected mayor, usually of a well-to-do landed family.⁶

There are two main types of village agricultural organizations.⁷ First, there are private organizations, such as mutual aid societies and tenant unions, which are not set up under a special law, have no special privileges or immunities and which the Government either leaves strictly alone or discourages. Organizations of this type are analyzed in section E, this chapter.

The second category contains all those organizations which have been set up pursuant to special laws to carry out specific functions. Such organizations possess an official status. The central government assists them in varying degrees and controls their activities, which are limited by law. These groups can be divided into two principal kinds: the guilds and agricultural societies which are engaged in effecting agricultural improvements and standardizing the quality of agricultural products and the cooperatives which are primarily concerned with the purchase and sale of agricultural commodities.

C. Village Agricultural Societies

The Agricultural Societies Acts of 1899 and 1922, as amended, made provision for setting up village (i. e., township) agricultural societies as members of county agricultural societies which, in turn, belong to prefectural agricultural societies. These are coordinated

⁶ For further details on local government see Civil Affairs Guide: *Local Government in Japan* (WD Pam No. 31-39).

⁷ For a list of agricultural organizations as of 1936 see appendix II.

and controlled by the Imperial Agricultural Society (*Teikoku No-Kai*) under the Ministry of Agriculture and Commerce. The village societies finance the hierarchy of societies above the village level, but these, in addition, receive a certain number of special grants from the central and local governments for specific purposes.

Under the law, whenever two-thirds of the cultivators or the owners of half the arable land of a village agree to set up an agricultural society, it becomes obligatory for all land owners and cultivators of more than one-fourth acre to join. Practically all Japanese villages set up agricultural societies soon after the first law was passed in 1899. Each member pays nominal dues of 15 sen (0.15 yen) plus an assessment equal to a certain proportion of his land tax. The president can impose special assessments, the payment of which is obligatory. Assessments fallen in arrears are collected with the same stringency as taxes.

The chief prewar function of the agricultural society was to improve agricultural techniques. Each village (that is township) agricultural society is guided by an agricultural advisor in all matters pertaining to agricultural methods. He is paid partly by the society and partly out of township funds, but is appointed by the prefectural government. Subdivisions of the agricultural society exist in each settlement, in effect displacing the old autonomous organization of farmers in their own small settlement organization under their own elected head who used to make the agricultural plans for the group.

The local agricultural societies have been used by the central government to finance and otherwise aid in improving agricultural methods, collecting agricultural statistics, agricultural education, etc. These societies have been a means of coordinating village agriculture with the national agricultural program and of subordinating the village to the prefectural government. They have been largely dominated and run by the landlords. For example, the tenants and part-tenants who compose 68 percent of the cultivators held only 30 percent of the seats in the agricultural society assemblies. Under this landlord domination, the societies functioned even in prewar years as an instrument through which the central government effected its policies and maintained control of the agricultural population. With the advent of war, their activities, along with those of the cooperatives, were harnessed more tightly to the program of the government.

D. Cooperative Movement

1. *Structure.* Unlike the agricultural societies, the cooperatives were, until 1940, purely voluntary organizations. Individuals might belong or not as they chose, provided they met the membership requirements as determined by each local society within certain limits

set by the Cooperative Societies Law.⁸ Men who were neither cultivators nor landlords might join, though in actual practice most local cooperatives were composed primarily of landowners and cultivators.

The Cooperative Societies Law, passed in 1900, and its numerous amendments, established an elaborate cooperative structure composed of many thousands of village cooperatives engaged in cooperative credit, marketing, purchasing, and "utility"; that is, joint use of facilities and cooperative production. Practically all societies started as credit societies and then branched out into the other cooperative fields until by the midthirties a majority of the local societies performed all four cooperative functions.

Above the local level are cooperative federations, organized on district lines, prefectural, and national. These are really federations of federations. Some of these federations limited their activities to one form of cooperation such as cooperative credit, others undertook a combination of cooperative functions such as credit and marketing. Local cooperative societies engaged in both credit and marketing were eligible to join both federations. There is thus a wide variety of forms with several cooperative federations in each prefecture and many different cooperative organizations on the national level. Above the national federations are the Central Cooperative Treasury and the Central Union of Cooperative Societies under the Ministry of Agriculture and Commerce.

2. *Attitude of Japanese Government to cooperative movement.* The Japanese Government sponsored and encouraged the cooperative movement as a means of preserving the social and economic stability of the village, and hence, of the whole Japanese regime. The cooperatives were regarded as a "safe" means of improving the farmer's lot; since, by including landlords and tenants in the same organization, and by providing hardpressed farmers with substantial benefits in the form of cooperative marketing, purchasing, etc., they helped to stem the tide of social discontent in rural Japan. Thus, the cooperatives took no stand in favor of lowering rents, though their leaders did favor the eventual increase in the number of independent peasant proprietors.

Actually, it was the prosperous farmers and landlords who dominated and benefited most from the cooperatives. Poor tenants found it hard to meet the requirements for obtaining cooperative credit. As more and more tenants came into the cooperative movement, requirements were tightened so that most loans were made on real property instead of on the integrity of the borrower. A considerable

⁸ For additional information on the Cooperative Movement see Civil Affairs Handbooks: *Labor, Agriculture, and Money and Banking*, and appendix III, this pamphlet.

amount of the rural loans made to poor farmers continued to be made at very high interest rates by local merchants and usurers. The village social structure remained sufficiently intact for well-to-do landowners to retain control of local government, and in many instances to run the local cooperatives as well.

The Japanese Government's established policy, ever since the Restoration in 1868, has been to subsidize certain favored industries at the expense of the agricultural population. The Government's enthusiasm for the cooperative movement has been based partly on the cooperative's philosophy of "self-help" which has made it possible for the Government to aid cooperatives, and hence agriculture, with the minimum expenditure of money.

The agricultural depression in the early thirties was so serious as to threaten the position of landlords and rural banks. The foreclosure value of mortgaged farm property fell to 25 percent less than the principal of land-secured agricultural loans outstanding. The cooperatives, in company with the young officers group in the army, agitated for an agricultural reform program. The Government took steps to prevent foreclosure and collapse of land values, assuming some loss on agricultural loans. These measures served primarily to relieve landowners. Legislation to protect tenants was blocked by landlord opposition to any infringement of legal rights. The cooperatives, however, came out of the crisis greatly strengthened.

3. *Relation of cooperative movement to agricultural societies.* After the passage of the Cooperative Societies Law in 1900 the central government launched a widespread propaganda campaign to "sell" the cooperative idea in the villages. In most instances the local agricultural society sponsored and controlled the newly formed cooperative, which frequently occupied the premises of the agricultural society or the mayor's office. There was, however, a clearcut division of function between the two, with the agricultural society attending to technological improvements while its junior partner, the cooperative, devoted itself to cooperative credit, and purchase and sale of agricultural commodities.

As the cooperatives grew stronger, however, and branched out into many different lines of business, thus becoming large financial institutions, they ceased to be dominated by the agricultural societies. These societies, in turn, undertook new functions such as cooperative marketing, purchasing, and cooperative warehousing against the protests of important "cooperators."

Thus, by the end of the thirties, there were two powerful organizations, operating on the local, district, prefectural, and national levels, more or less rivals of each other with increasing duplication of functions. While the agricultural societies were compulsory and com-

pletely integrated with the official government structure, the cooperatives remained voluntary organizations, supervised and restricted by the Government, but with some degree of independence nonetheless. The local cooperatives, also, were less completely dominated by landlords and had a solid basis of support among farmers because of the substantial material benefits they provided.

4. *Cooperative movement and democracy.* The cooperative movement was the largest purely voluntary organization in Japan, with more than half the population (either directly or through the head of the household) belonging to it.

In general, however, it has not been a movement from below. The Government granted cooperatives various aids such as tax exemptions and immunities, even some subsidies, but in return has exercised very close supervision over the movement. Thousands of officials at the district and prefectural levels had virtual power of veto over the local cooperative societies. National federations were supervised and controlled by the Ministry of Agriculture and Forestry and the Ministry of Finance.

In addition, the top federations of the cooperatives were directed by members of the House of Peers, important businessmen and politicians who might become associate members in the national cooperative organizations on payment of a small fee.

There was, however, an appreciable degree of formal democracy in the local cooperatives. According to the Cooperative Societies Law, officers were elected by democratic procedures to serve for limited terms and machinery was provided for their recall in case they failed in their duties. Thus, farmers through their cooperative's general meetings and elections have had some experience with democratic forms. However, one undemocratic feature on the local level was introduced even before the war, when small groups of poor farmers were allowed to join as a group, with one vote.

In addition to the farmers in the village cooperatives and the political and financial directors of the top federations, a third element of considerable importance in the cooperative movement is the thousands of trained, technical personnel who work on a full-time basis for the cooperatives. There are over 100,000 of these, hired for the most part by local cooperative societies. They know the business and administrative side of Japanese agriculture and should be useful to Military Government. While all elements had to support, at least ostensibly, the Japanese war effort, during the crucial thirties when the leader of the Central Union of Cooperative Societies, Count Arima, was doing his utmost to destroy the two-party system and create one all-powerful political party, many members of the National Federation of Coopera-

tive Youth (built around the technical, paid personnel of the cooperative movement) were expressing opposition to war and the trend toward military fascism. This technical personnel together with the members of the local cooperatives, may provide the nucleus of a truly democratic movement in the postwar rural Japan.

E. Unofficial Farm Organizations

1. *Informal associations.* Associations of Japanese farmers for mutual benefit predate the official cooperative movement by centuries. The most numerous of these organizations is the small-farmer cooperative organized for the mutual aid of the members. This informal association is an unincorporated cooperative not to be confused with the official cooperative. It is usually composed of around 30 poor farmers. As the Japanese farmer often cultivates separate strips of land at some distance from one another, he and his neighbors cooperate in planting and harvesting their combined strips. These informal cooperatives have taken the lead in organizing small associations for joint use of simple machinery employed in threshing grains and other processing of agricultural products. There are many of these informal cooperatives in each village, each containing a separate group of farmers or organized around a separate function. In all Japan there were some 235,000 of these organizations containing a total membership of over 7 million, with some duplication. This form of organization was indigenous, unofficial, and completely voluntary.

2. *Tenant farmers' unions.* Small farmers also organized tenant farmers' unions to strengthen their position in dealing with landlords.⁹ Started in 1897, these unions grew slowly until after World War I. In 1920 there were 152 tenant unions; the number jumped to 681 with 70,000 members in 1921. Total membership reached its peak of 365,000 in 1927, when 25 percent of those tenants who rented all the land they cultivated were enrolled in tenant unions.

The chief cause of this growth was the effect of a war economy on the semifeudal relationship between tenants and landlords, a relationship which under the best of circumstances is precariously balanced because rents are so high and the tenants' net income so low. After World War I, inflation had a disastrous effect on this balance. As 40 percent of all tenants have to sell their rice at harvest time or before and can only buy their food later after their income from some subsidiary occupation has come in, an inflationary situation in which food prices were steadily rising worked hardship on the tenant farmer. Rents also increased as did land values, and much land changed hands. All of this tended to cast doubt on feudal social and economic relation-

⁹ For detailed information on the tenant unions see Civil Affairs Handbook: Agriculture and appendix IV, this pamphlet.

ships which had been considered inherently just and immutably fixed. A severe depression followed the war inflation. Peasants started organizing, presenting economic demands and staging demonstrations. There were rice riots in the country as well as in the cities after World War I.

During the twenties, the tenant unions formed national federations, and for the first time went into politics. At various times they cooperated with different forces in the labor movement. However, tendencies to factionalism reduced their political effectiveness.¹⁰

During the depression of the thirties, rents did not come down while farmers' income from subsidiary occupations fell off. The tenant's traditional right to the soil came more and more sharply into conflict with the landlord's legal right to evict at will. In spite of the superior legal and economic position of the landlords, the tenant unions succeeded in challenging the landowner's control of rural Japanese life.

The strength of the tenant farmers lay in their acting together in a number of ways. They would lease part of their land to the beleaguered tenant who was threatened with eviction or would assist him from a common fund. They would call public attention to their grievances, hold meetings denouncing the landlords, organize mass demonstrations, and distribute handbills. All tenant members would agree to let their rents fall in arrears until there was a satisfactory settlement for the individual tenant in question. They would agree not to return the land on the demand of the landlords. If the landlords resorted to legal action, the tenants would try to delay proceedings and prevent the landlord from winning. Tenants would refuse to pay local taxes. Tenants' children would go on a school strike. Tenants would refrain from serving as firemen in districts where the firemen's association had come to the support of the landlords. Tenant disputes were often bitter and prolonged and in extreme cases led to bloodshed and loss of life.

The program of the tenant union called for far-reaching reforms in Japanese agriculture. The ultimate goal of the most aggressive farmers' unions was nationalization of the land and its cultivation by individual farmers who would pay land taxes (rent) to the Government. The unions generally concentrated, however, on more immediate objectives. Some of these, such as lower taxes, fertilizer costs, electric power rates and the scaling down of debts, coincided with the program of the well-to-do peasants and the landlords. However, the tenant unions were mainly concerned with the tenant problem—reducing rents and getting for the tenants some security against eviction and starvation. They circulated a nationwide petition to allow tenants to retain a year's supply of food before paying any rice

¹⁰ See Civil Affairs Guide: *Political Parties in Japan*.

over to the landlords in rent. They favored free distribution of rice among poor farmers in bad years. They advocated the payment of rent in money rather than in kind, which would do much to get the landlords out of the rice business. They passed resolutions favoring the setting up of farmers' cooperatives by and for the farmers instead of the landlords. Other demands included increased village education, freedom of assembly and political organization and action by tenant unions.

3. *Relation of Government to unofficial farmers' organizations.* Until the present war was well under way, the Japanese Government made no attempt to control the small mutual aid societies of poor farmers. On the other hand, it was alarmed by the tenant union movement which threatened to undermine the farmer's spirit of subservience to authority. The Government took various measures to meet the threat. It made minor concessions to the tenants in the form of voluntary arbitration and conciliation machinery for handling tenant evictions and minor rent adjustments. At the same time, with the help of the patriotic societies and police, it engaged in a campaign of propaganda and intimidation against the leaders of the tenant movement, many of whom were thrown in jail. To meet the threat of tenant union organizations, landlord unions were formed, as well as so-called "harmony unions" which included both tenants and landlords and were supposed to harmonize their interests. These organizations grew rapidly during the years 1926-33, while membership in the tenant unions declined. The Government also strengthened those agricultural organizations which were dominated by landowners—the agricultural societies and the official cooperatives. Functions of the agricultural societies were extended to include "harmonizing" the relations between tenants and landlords.

With the strong trend toward military fascism in the thirties, the national leadership of the tenant unions became increasingly the instrument of the Japanese Government. Even as late as 1939, however, the four chief tenant unions were able to consolidate into one organization, the league for change of the land system (*Nochi Seido Gaikaku Domei*), and even to introduce a bill in the Japanese Diet to nationalize the land.

III. AGRICULTURAL ORGANIZATIONS IN THE WAR

The war eventually brought the forced disappearance of some agricultural organizations such as the tenant unions, and the merging and consolidation of other organizations into an official structure for administering the war program in the villages. In the early phases of the war, agricultural cooperatives were strengthened and used along

with the agricultural societies to administer the food production program and the rationing of food and agricultural supplies. Gradually the cooperatives were submerged into the agricultural societies. These, in turn, were made subordinate to the local government administration in 1943. A new and more rigorous production program was introduced in 1944, which placed responsibility for administration with Government officials, the agricultural societies attending to the details of the program.

A. Increased Importance of Cooperatives in War Program

From 1936 until 1943 there was an increasing disposition in the Ministry of Agriculture and Forestry to use the cooperative system to control the prices of farm produce and thereby the agrarian economy. With each year, the structure and functions of the cooperatives were modified away from the original aims, and they became increasingly the official means of administering the Government's war food production program. At the same time, the strengthening of their position enabled them to accomplish some of the objectives for which they had fought in their period of independence. In their struggles against various commercial interests—the rice merchants, cocoon dealers, the large silk mills, the fertilizer industry and the oil industry—the Ministry of Agriculture and Forestry championed the position of the cooperatives. In turn, the cooperatives were able to resist the move to subordinate the Ministry of Agriculture and Forestry to the Ministry of Commerce, and were able to sweep away a whole army of agricultural middlemen who had been draining agriculture as a whole. In large part, this victory of the cooperatives grew out of growing official recognition of the uneconomic character of the old distributive system and its inadequacy as a means of controlling food production and distribution under the requirements of total war.

At the same time, they progressively lost their identity as cooperatives. Under the General Mobilization Act of 1938, prefectural governors were ordered to set up cooperatives in the few remaining villages which lacked such societies; the fishermen's societies were ordered to affiliate with the cooperative movement, and the few farmers who remained outside the movement were ordered to join. These measures completed the transformation of the cooperatives from an independent organization into an official instrument.

A further step was accomplished in 1940 when the top cooperative organization—the Central Union of Cooperatives—was included in the "new labor" structure (*Sampo*) and its propaganda and educational functions placed under the direction of *Sampo* and the Imperial Rule Assistance Association. Many of the national leaders of the cooperative movement had already taken high posts in the IRAA.

B. Consolidation of Agricultural Organizations

The war food production program as administered by the cooperatives failed to meet Japan's pressing need for increased food supply. Consequently, in 1943, a reorganization took place in the administration of the program.

In addition to the inherent difficulty of increasing agricultural production in the face of serious shortages of labor, fertilizer, and tools, friction between different organizations impeded the efficient administration of the program. The important role of the cooperatives led to increasing hostility from the agricultural societies. As the official impression grew that the war food program was being held up by these rivalries and duplicating functions, a movement developed to consolidate them into one. Local mayors, seeing the increased importance and official status of the cooperatives, wanted to subordinate them to the local government administration. On the national level, these frictions involved the Central Union of Cooperatives, national cooperative federations, the Imperial Agricultural Society, and the National Town and Village Mayors' Society under the Home Affairs Department.

The local cooperatives, in addition, found it difficult to adjust to the new functions which a war economy made necessary. These new functions proved generally unpopular with the group they had formerly been organized to serve. Their principal war aim, to increase production and turn over to the Government as large a proportion as possible at the Government price, was contrasted with their prewar aim of marketing the farmer's crop in such a way and at such a time as to maximize the farmer's return. Likewise, the credit activities of the cooperatives were fundamentally altered. It became their responsibility to increase the savings drawn from the farmers and to channel these into the Government's war fund rather than to supply credit to the farmers as cheaply as possible. Finally, the cooperatives had the thankless task of administering in the villages the generally unpopular rationing and price-control measures, and of policing the production program.

In 1943 a consolidation of agricultural organizations was effected as one aspect of a major Government reorganization designed to make possible the over-all economic planning of the production program. Not only the cooperatives were merged with the agricultural societies, but the Ministry of Agriculture and Forestry, with which they had had close connections, was united with the Ministry of Commerce to form a single department.

The specific reasons given for consolidating all agricultural societies were to increase enthusiasm for agricultural production, to further regulate agricultural organizations, and to eliminate the disputes

between rival organizations which had existed hitherto. The mayor was put in charge of the consolidated local organization, unless he was considered by the prefectural government to be unsuitable, in which case the prefectural government appointed the new head of the consolidated organization. All landowners and farmers, unless they were very small farmers, were required to belong to the consolidated organization and to pay a minimum deposit of 50 yen. All the numerous federations performing special functions both at the prefectural and national levels were streamlined into one organization for each level.

The organizations consolidated at the national level included:

- Imperial Animal Breeders Association.
- Central Chamber of Tea Guilds.
- Association of All Nippon Silk Culture Guilds.
- Central Union of Agricultural Cooperatives and all its affiliates.
- Imperial Agricultural Society.
- Association of All Nippon Sale and Purchase Guilds.

Originally, these national organizations were consolidated into two central organizations: the Central Agricultural Association, built around the Imperial Agricultural Society and devoted to the improvement of agricultural techniques and the administration of the Government's agricultural policies; the Central Agricultural Economic Association, built around the Central Union of Cooperatives and the national cooperative federations and concerned primarily with the financing of agricultural operations and the buying and selling of agricultural produce. In September 1944 these two control associations were merged into one, the Central Agricultural Association, under the former head of the Imperial Agricultural Society, and the monolithic apparatus now operating (comparable to the Food Estate in Germany) was completed.

C. Administration of New Production Program ¹¹

The consolidation of all local agricultural organizations, unofficial as well as official ones, was followed by the setting up of new production controls. The new method, called the crop bonus system, differed fundamentally from the old. Whereas previously the farmer turned over to the Government the remainder of his crop after taking out his own ration, under the new arrangement, the farmer now had to meet a quota and could only consume food produced above this quota. If the farmers turned over more than their quota, they got a substantial bonus. However, the quotas were set so high as to make them difficult of attainment. In addition, the quota was al-

¹¹ For further information see Civil Affairs Guide: *Agricultural and Food Program in Japan* (WD Pam No. 31-10).

lotted to the group, which then divided it among the individual households. In case of individual nonfulfillment, the whole group suffered, thereby bringing group pressure to bear on each farmer. Landlords were to get a bonus if the quota was met, so that they would also, presumably, bring pressure to bear on their tenants to meet the assigned quota.

Under the new program, the Ministry of Agriculture and Commerce, and not the Central Agricultural Association, formulated the program and allocated quotas to the prefectural governors who were responsible for meeting the program's requirements. They in turn allocated quotas to each village, the mayor assuming responsibility for fulfilling these quotas. Agricultural associations assisted the mayors in working out and administering the details of the program. Under the mayor were district leaders, one to each "settlement," appointed either by the mayor or the head of the agricultural association (where these did not coincide), or by the prefectural government. They were exempt from military service, received extensive training at IRAA schools especially set up for the purpose, and served under the mayor as "lieutenants under a military commander."

The entire crop (except for the surplus produced above the quotas and consumed by the farm household) was bought up by the Government through the consolidated agricultural organizations which advanced payments to the farmers until the Government made its payments. This method of administration and collection was first applied to the staple crops, rice and wheat. Subsequently it was extended to potatoes and finally to perishable foods, fish and fresh vegetables.

D. Tenant Farmers' Unions

In contrast to the initial strengthening of the cooperatives and the later absorption of these and of the agricultural societies in the Government war apparatus, the tenant's unions, always regarded with suspicion, were in 1940 declared illegal. An official "popular" organization, the Farmers' Patriotic Association, was established as part of *Sampo*, with the object of enlisting the support of the small farmers and the tenants for the Government's agricultural program.¹² The effectiveness of this organization was never very great, and increased

¹² As a means of increasing food production the IRAA, through the Farmers' Patriotic Association, set up a series of new organizations to act as shock troops on the agricultural front. School children, city workers, farmers, farm youth, and students in technical schools have been mobilized into volunteer battalions to work for a certain number of days each year. The work has consisted of planting vegetable gardens, clearing land, and helping in the planting and harvesting seasons in those villages where the need is greatest. See Civil Affairs Guide: *Political Parties in Japan* (WD Pam. No. 31-53).

reliance was placed by the Government on the more coercive features of the war production program.

Though tenant farmers no longer had any organization which could remotely be called their own, they were able to make their demands felt to a certain extent because the war fundamentally altered their economic position. For the first time in history, the tenant farmer was in great demand in industry as well as in agriculture. In consequence, tenants and tenants' children left the farms in large numbers and those who stayed tended to produce less. It is estimated that over half of all Japanese farm households now carry on farming as a secondary occupation. Before the outbreak of the China war, only 20 percent of the country youth attended secondary school and left the land for other occupations; by January 1944 it is estimated by the Japanese that almost 80 percent of the country youth had left the land.

This decline in the number of tenant farmers and in their output alarmed the authorities, who tried forcing farmers to stay on the land and offering them substantial inducements to do so. Though the Government has been very reluctant to alter the established pattern of tenant-landlord relationships, it was forced to inaugurate an ambitious program for converting tenants into landowners. The pressure came from the tenants themselves, who persisted in leaving the land and in only farming it as a sideline, and from IRAA officials who insisted that only ownership of their land will induce farmers to stay on the soil and raise the maximum amount of food. The fact that such an ambitious program of long-range reform was launched in the middle of war has great significance for the future.

There are other indications that the authorities were worried over the farmers' morale. One broadcast referred to the decline in quality of the farmers' own food having a "tendency to damage the will." Entertainers were sent out to the farm villages. The farmers were alternatively threatened and entreated to produce not for the profit motive, but for reasons of patriotism. As subsidies were granted, farmers were begged to put their money in Government bonds. (A sizeable proportion of the money paid to farmers for their produce is kept in the form of forced savings.) Despite everything the Government has done by way of threats and entreaties, a Government broadcast late in 1944 intimates that the effective realization of its measures to increase production still lies in the future. This suggests the great difficulty of making 5,500,000 individual households acquiesce in a program which they feel to be against their interests.

IV. PROGRAMS FOR MILITARY GOVERNMENT

A. Situation Likely to Confront Military Government in Japanese Rural Areas

The situation confronting Military Government in the rural areas of Japan will depend on whether all Japan is occupied simultaneously or by sections, the extent of the bombing and dislocation of economic life which precedes surrender, changes taking place within the Government as defeat becomes imminent, and many other unforeseen circumstances. If Japan were to capitulate when the war food production program was still being effectively carried on, the village social and economic structure might conceivably be intact. In this case Military Government will find the villages highly organized by the local government and the consolidated agricultural association and able to produce and hand over to the authorities the maximum possible amount of food. In this event, the village will be closely tied in with the national economy and will possess elaborate administrative machinery for regulating the flow of goods between the village and the rest of the country.

If, however, Japan is occupied by sections and great bombing damage is inflicted on Japanese industry and transport, the situation in the villages may be confused and disorganized. The food production program and its administrative machinery may have broken down as a result of damaged transportation facilities, insufficient fertilizer, and growing consciousness on the part of the producers that Government promises to pay for agricultural produce may not be worth their face value. Village officers and community leaders may have fled, leaving the village temporarily without leadership. At least temporarily, the village will revert to primitive self-sufficiency and be out of touch with the cities and hence of no immediate use in helping to feed the town and city population.

Such a situation may produce considerable ferment in the villages and the formation of new organizations set up by poor farmers and tenants to organize production and reform the land tenure system.

The end of the war will bring to the surface all the old unsolved problems besetting the poor Japanese farmer and in particular will accentuate the already strained relationship between landlords and tenants. The economic disorganization and unemployment attendant on defeat will result in the return of war workers and soldiers to their ancestral villages.¹³ Instead of a labor shortage on the farms, there will be a surplus. This pressure of population on the land may mean the bidding up of land values and rents. The tenant's livelihood will be further jeopardized by the shrinkage of outside employment opportunities likely to accompany defeat.

¹³ See Civil Affairs Guide: *Organization of the Labor Supply in Japan* (WD Pam No. 31-49).

Defeat will tend to weaken the feudal habits of thought among the rural population. Tenants who have become used to relatively high wages in nearby war plants during the war period may find it difficult to adjust to the extreme self-denial which tenancy imposes. Soldiers, fed on a propaganda of a Greater East Asia Coprosperity Sphere under Japanese domination, may find it hard to settle down on a minute amount of land not their own and on which they have to pay such high rents. In the event of inflation wiping out the value of the farmers' forced savings or bankruptcy causing the Government to default on its bond commitments, the farmers will feel extreme resentment toward the landlord class, whose position alone will remain intact. (So long as the landlord receives his rent in kind out of current production, his real economic position remains fundamentally unaffected by what happens to the debt structure and the currency.) This combination of circumstances may plunge the Japanese farmers into one of their periodic outbursts against landlords, for which pre-Restoration Japan was famous.

While this ferment may result in even greater disorganization, it may lead to the formation of new organizations of the cooperative and tenant union type. If both types emerge, there will probably be a division of function between the two, with cooperatives organizing the production process and tenant unions initiating tenancy reforms. While tenant unions will work closely with the cooperatives (or whatever other forms of organization there are), on such issues as high interest rates, taxes, fertilizer costs, etc., they will be primarily concerned with greater security from eviction, the payment of rent in cash rather than in kind and for drastically reduced rents. Their chief slogan will probably be a revival of the old demand for nationalization of the land.

B. Military Government's Interest in Agricultural Organizations

Agricultural organizations will be of importance to Military Government on two counts: they might be useful to Military Government in organizing and administering a food production and distribution program which will reduce the need for food imports into Japan during the period of Military Government. They might serve as the intermediary between Military Government and the 5,500,000 individual farm households raising food in Japan, thus reducing the need for Military Government personnel; they might play an important part in the long run in helping build a democratic Japan oriented toward peace instead of toward war. The establishment of an economy devoted to the peaceful ends of fulfilling the basic needs of the Japanese people will depend on the supersession of vested interests in a feudal land system and a militarized Japan by bona fide farmers'

organizations, trade unions, small businessmen's associations, etc., with a stake in a peaceful, democratic Japan.

Military Government's relation to each of the 11,000 Japanese villages will necessarily be remote, as it probably will not send in enough personnel to administer a food production program locally or to review the leadership of local organizations on a case-by-case basis.

This limitation means, in effect, two things: Military Government cannot compel Japanese farm households to produce and yield up food quotas. It will have to rely on some form of inducement; Military Government will have to confine its activities with regard to individual Japanese farmers largely to the posting of notices. Notices can be effective in abrogating the existing laws under which the farm population has been coerced, and informing individuals of their rights and obligations under Military Government. Notices can establish, if it is considered desirable to do so, broad categories of people excluded from holding office, but they cannot review the qualifications of individual candidates.

C. Adoption of Voluntary Principle for Farmers' Organizations

Military Government's basic program for the village should establish for the farm population certain rights which will free the farmers from the coercion of the Japanese Government. Membership in farm organizations should be put on a voluntary basis. In the future, farmers should be free to withdraw from any farm organization if they wish to do so and to form new organizations. (Provision should be made in the case of cooperatives for returning to individuals wishing to withdraw from the cooperative their proportionate share in the assets of this society as compensation for the stock previously bought.) Membership of a local organization in a federation and the consolidation of two or more organizations should be voluntary.

All laws violating the voluntary principle should be abrogated.¹⁴ These include the compulsory membership provisions of the Agricultural Societies Law and of the laws setting up the various agricultural guilds for special products; those sections of the 1938 National Mobilization Law under which farmers were compelled to join the cooperatives and fishermen's societies were compelled to join the cooperative movement; the 1940 amendment to the Agricultural Associations Law whereby small associations of small farmers were "encouraged" to participate in the agricultural society; the 1943 law making compulsory the consolidation of existing agricultural organizations.

¹⁴ See appendix V for compulsory features of existing Japanese laws with respect to agricultural organizations.

The recommendation that in the future Japanese farmers be allowed to withdraw from existing organizations and form new farm organizations if they wish is based on the need to prevent a repetition in the postwar period of Japan's prewar social and economic pattern of development, which ended in the complete militarization of her economy and a war for foreign conquests.

In the past the interest of farmers were made subordinate to the interests of a few privileged war-making industries. The poor farmers and tenants were subordinated to well-to-do landowners and large landlords. The great majority of farmers have had very limited opportunities to affect national policy and assert their genuine needs for peace and an abundance of consumers' goods. The duplicating organizations, many of which were compulsory, enabled outside influences (such as large silk firms) to play off one group in the village against another. This reduced the value to the farmers of the voluntary cooperatives and resulted in the individual farmer paying numerous dues and assessments.

The staple products guilds and agricultural societies, organized to standardize and improve the quality of certain agricultural products and to improve the techniques of agriculture generally, should be put on a voluntary basis and thereby be made to serve their members. The agricultural societies have been a means of getting farmers and landowners to pay for agricultural improvements, education and even the collection of agricultural statistics. Such functions are centrally directed and should be financed out of general taxation. If put on a voluntary basis and if the kind of assistance they have given their members in the past is forthcoming from the Government, the agricultural societies will either cease to exist or will take on new functions in response to the needs of the membership.

At the end of the war Military Government may find the agricultural population still organized into a consolidated official apparatus through which the production program of Imperial Japan has been administered and the political freedom of the population circumscribed.

While this organization might be used to administer a program for maximizing Japan's food production, such a course would be undesirable. The present leaders of these organizations are appointees of the existing Japanese militarist regime, who will be bitter foes of Military Government and of a new democratic Japan in which they will have no power. The consolidated wartime organization of 1943 forced on the Japanese farm organizations the fuehrer principle of appointment from above instead of election from below. This practice is not only opposed to the aims of Military Government, but also runs counter to the traditions of the Japanese farm organizations which for 40 years have had the right of electing their officers by democratic

procedures guaranteed by law. Therefore, the wartime organizations as at present constituted have ceased to be genuine associations of farmers in any sense.

It is anticipated that in all probability the farmers will withdraw from the consolidated organization if given the freedom to do so. Its wartime police and control functions as well as the forced submergence of the farmers' own organizations have made it unpopular with the Japanese farmers.

Military Government would be extremely ill-advised to attempt to bolster this compulsory consolidated structure for the purpose of Military Government's food production program as such action would play into the hands of the large landlords and Japanese war leaders who are most opposed to changing the feudal structure of old Japan. Moreover, should Military Government attempt to enforce the compulsory provisions of the official organizations to obtain maximum food production, there might be widespread disorders directed not only against the landlords, but against Military Government as well.

It is possible that the older township farm organizations which were forced into the consolidation in 1943 have been able to retain their identity within the new consolidated structure. If this is the case, the best way to give these old, bona fide farm organizations a chance to reestablish themselves is to abolish the consolidated superstructure and permit the older organizations to function if their members so desire.

If the older organizations have been so completely merged in the consolidated organization as to lose their identity, farmers in the consolidated township organization should have the opportunity of withdrawing from the consolidated organization if they wish to do so and of either forming new organizations or reconstituting the old organizations.

D. Agricultural Organizations and Food Problem

1. *Food problem.* The problem of getting the farm population to yield up adequate food supplies to feed the Japanese town and city population is likely to be a very difficult one. Under the best circumstances Japan has to import about 20 percent of its rice supply. Under less favorable circumstances, such as those accompanying defeat, the imports necessary to feed the population may be more than 20 percent.

Inducements to put agricultural produce on the market may be slight during the period of occupation. If food prices are set low to enable the city population to buy food, if there is a lack of consumers' goods to be bought in return, and if the value of the yen goes down in an inflationary spiral which destroys all inducements to save, it may be extremely difficult to get farmers to part with their crops.

The difficulty is not merely one of insufficient inducements. There will be a large group of farmers who will not have much surplus above their own needs, if fertilizer and other agricultural supplies are not forthcoming. It is estimated that in prewar Japan the average Japanese farm household raised enough food for itself and only one city household. Therefore, if crops are substantially reduced, due to fertilizer shortage or other causes, there may be very little surplus.¹⁵

The food problem is twofold: production must be increased. This can be done if the fertilizer industry and other industries which produce necessary agricultural supplies are reconstituted and their products made available as soon as possible; what is available for distribution to the nonfarm population must be distributed through official channels if food hoarding and black market operations are to be prevented.¹⁶

One way to increase production and maximize the amount of food released through official channels is to tie the farmer's receipt of fertilizer and other agricultural necessities to his commitment to release a stipulated quota of agricultural produce to the authorities, the program to be administered through agricultural organizations. As a further inducement, it might be necessary to ration the limited supply of consumer goods apportioned to the rural population through the agricultural organizations, on the same quid-pro-quo basis.

If adopted, such a program would create an administrative burden for Military Government which would be eased by use of agricultural organizations. Military Government would confine its dealings to the prefectural agricultural associations. These would allocate the quotas of fertilizer, etc., to the local organizations in return for the local's commitment to turn over quotas according to some agreed ratio. Thus, Military Government would be relieved of the details of administration and would only have to assign fertilizer quotas, etc., to the prefectural associations, on the basis of previous performance as indicated in the records of the Ministry of Agriculture and Commerce, the prefectural and Central Agricultural Associations, and information supplied by their trained technical personnel.¹⁷

2. Use of agricultural organizations to administer a food program. If agricultural organizations are used to administer a food production program, certain additional safeguards should be instituted, as the use of such organizations in an official capacity gives them a hold

¹⁵ It has been estimated that the wheat crop in southern Italy fell 35 percent between 1940 and 1943.

¹⁶ See Civil Affairs Guides: *Agricultural and Food Program in Japan* (WD Pam No. 31-10) and *Price Control and Rationing of Food in Japan* (WD Pam No. 31-58).

¹⁷ See Civil Affairs Guide: *Agriculture and Food Program for Japan*.

over the farm population. For administrative purposes it becomes necessary to have one organization administering the program on the local level and one on the prefectural level. As the prefectural agricultural organization will have the power to withhold supplies from local organizations, new prefectural associations should be set up based on the democratic principle of responsibility to the local organizations under them and the superstructure of wartime organizations on the prefectural and national levels should be abolished.

While this new structure would resemble the wartime network of agricultural organizations (and, in addition, the new prefectural associations would inherit the records and whatever assets remained of the wartime prefectural associations), the essential difference would be that election from below would take the place of appointment from above. Procedures for setting up prefectural associations responsible to local organizations might follow those used before the war by the cooperatives. According to the Cooperative Law, village organizations elected delegates to attend prefectural assemblies which elected the officers of prefectural federations.

The new officers of local and of prefectural agricultural organizations would decide which, if any, of the old administrative personnel should be kept.

3. *Possible conflicts between different organizations.* Which local organization will become the organization for administering the program in the villages? It is impossible to predict what will happen in each village. In some, the old cooperative will emerge as the dominant organization. In some communities the farmers may choose to form a new organization based on cooperative lines, but not under the body of laws covering official cooperative organizations. In others the agricultural society may be the most important. In some villages the old tenant unions may be the most popular organization and take on the new functions of administration because they are the best able to command the allegiance of the farm population. It is possible that groups of small farmers' associations, each covering a subdivision of the village, will band together to form an entirely new organization.

While it is impossible to predict which organization will emerge in each village, two things are certain:

1. Though many organizations may be formed in each village, only one should administer the program.
2. Military Government will not wish to perform the difficult functions of supervising local elections in order to ascertain which of rival organizations has the largest membership.

Therefore, it is recommended that where several organizations

contend for the right to administer the program locally, Military Government would be advised in most instances to designate the official cooperative to be the administrative agency. If an arbitrary decision has to be made the cooperative would appear to be the best choice. It occupies a middle position between the agricultural societies which were dominated by landlords, had to rely on compulsion to keep farmers and tenants in the organization, and were very closely tied to the Japanese Government, and on the other hand, the tenant unions and mutual aid societies. These unofficial organizations were usually not on a village scale and had little to do with the administration of the commercial aspects of agriculture in which the cooperatives specialized. However, the main prerequisite for the success of such a program as is outlined here is the local organization's ability to command the support of the farmers. Therefore, it would be unwise to foist the cooperative on a community unless that community wanted to have a cooperative or was torn between rival claimants, one of which was a cooperative.

The local organization administering the program should be required to meet certain standards designed to protect the organization's members from undemocratic procedures. The voluntary principle which established the farmer's right to withdraw from an organization is not sufficient protection, if a program is introduced which gives that organization control over the necessities of life. Under such circumstances, the right to withdraw becomes purely formal.

It is, therefore, recommended that only local cultivators be eligible for membership in the organization which is to administer the food program, that the organization's dues or stock (in case the cooperative form is used) be made sufficiently low so that it is not a hardship for poor farmers to join, and that every farmer who wishes to join be allowed to do so and to have one vote.

Secondly, Military Government should direct the local organization which is to administer the program to hold elections immediately for their local officers and direct local organizations to set up a prefectural federated organization by whatever procedure Military Government prescribes. Officers of the wartime consolidated agricultural organization should be disqualified from running for office in the new organization. New officers should have the right to decide which of the administrative personnel of the wartime agricultural structure should be retained.

Provisions should be made for another set of elections at the local and prefectural levels, to be held at the end of 6 months or thereabouts. When the Japanese realize that they are actually free of the old domination, there will be great ferment in the villages and this will be reflected in the second set of elections. The cooperative movement

contained 100,000 administrative personnel trained in the problems of Japanese agriculture, who have worked out of enthusiasm for the cooperative movement, even though badly paid. This group has been employed in large part by the local cooperatives and may contain men of liberal tendencies, such as those who formed the backbone of the liberal Cooperative Youth Federation in the thirties. Out of this group may emerge the new leaders of the new agricultural organizations.

There are several reasons for allowing the Japanese to clean out their own organizations. Military Government has neither the personnel nor the knowledge nor a practical criterion to do so on the local level. Even if it could muster the personnel and the knowledge, the new organizations would labor under the disadvantage of being Military Government puppets in the eyes of the Japanese people. To strengthen these organizations and use them to increase production, they must have prestige with the Japanese people.

Once elected, the officers of prefectural federations should have the responsibility for allocation of supplies to and collection of food from the local organizations, in accordance with the program worked out between the prefectural federations and Military Government. However, it is necessary to set up some mechanism for protecting a local organization from discrimination by the prefectural organization. It is, therefore, recommended that local organizations administering the program have the right of appeal to Military Government in case they feel they are being discriminated against in the allocation of essential supplies by the prefectural organization. It is the members of the local organization who produce the food.

The setting up of a network of organizations on the local and prefectural level to administer the food production program does not preclude the existence of other organizations. The postwar period may see a revival of the many special-purpose agricultural organizations in the villages and small settlements. The cooperatives may set up federations to deal with one or more cooperative functions on the prefectural and national level or an overall Central Cooperative Union. None of these organizations impinge in any way on the administrative program as here outlined.

It is both likely and desirable that tenants and poor farmers will play a more important role in all post-war organizations than they did under Japanese militarist controls. Tenant unions will probably be revived. Disorders, refusals to pay rent, agitation for land reform and attempted wholesale evictions may attend this revival. In order that such developments may not interfere with the food production program and that Military Government may not be burdened with an administratively unfeasible policing problem, it is recommended

that: Military Government issue a decree to the effect that it will not enforce evictions proceedings; and that in the event such disputes interfere with the collection of food, Military Government will require the prefectural federation to withhold necessary supplies from the local organization, which will in turn withhold them from those households which fail to meet their production quotas.

Such a course will have the effect of forcing compromise agreements between landlord associations and tenant unions during the period of military occupation and will relieve Military Government of the necessity of arbitrating the innumerable land disputes which will arise. This procedure will not prejudice the eventual solution of the land tenure problem by the Japanese themselves in the period following Military Government.

APPENDIX I

Romaji Equivalents of Organizations Mentioned in Text

agricultural society	no-kai
village agricultural society	mura no-kai
county agricultural society	gun no-kai
prefectural agricultural society	ken no-kai
Imperial Agricultural Society	Teikoku No-kai
cooperative society	sangyo kumiai
credit society	shinyo kumiai
marketing society	hambai kumiai
purchasing society	kobai kumiai
utility society	riyo kumiai
cooperative federation	sangyo kumiai rengo-kai
national cooperative organizations	zenko ku sangyo kumiai rengo-kai
Central Union of Cooperatives	Sangyo Kumiai Chuo-kai
consolidated wartime organization (including agricultural society and local cooperatives)	nogyo kai
Central Agricultural Association	Chuo Nogyo Kai
Central Agricultural Economic Association	Chuo Nogyo Keizai-kai
Farmers' Patriotic Association	Nogyo Hokoku Seishin Tai
Japanese Farmers' Federation	Nippon Nomin Kumiai
League for Change of the Land System	Nochi Seido Gaikaku Domei
National Farmers' Federation	Zenkoku Nomin Kumiai
Reservists Society	Zaigo Gunjinkai
harmony union (landlord-tenant)	kyocho kumiai
landlord union	jinushi kumiai
informal associations of farmers	noka kokumiai
neighborhood association	tonari gumi
settlement (small village) association	buraku kumiai
tenant farmers' union	kosakunin kumiai

APPENDIX II

Roster of Japanese Agricultural Organizations 1935-37

[Adapted from *Nogyo Nenkan* or Agriculture Yearbook, 1938, pp. 134-138]

Kind or title of organization	Jurisdiction	Membership	Number of organizations	Number of members
A. Agricultural Societies (No-kai).				
1. Township agricultural society (machi, mura no-kai).	Township-----	Landowners and farmers-----	11, 111	7, 185, 731 (compulsory)
2. Municipal agricultural society (shi no-kai)	City-----	Landowners and farmers-----	112	319, 834 (compulsory)
3. County (or island) agricultural society (gun no-kai, shima no-kai).	County or island-----	Township agricultural society---	550	-----
4. Prefectural agricultural society (do, fu, ken no-kai).	Prefecture-----	County and municipal agricultural society.	47	550
5. Imperial Agricultural Society (Teikoku No-kai).	Nation-----	Prefectural agricultural society--	1	47
B. Cooperatives (sangyo kumiai).²				
1. Cooperatives (sangyo kumiai)-----	Township-----	Anyone who meets qualifications.	15, 028	3, 505, 897
2. Federation of cooperatives (sangyo kumiai rengo-kai).	Prefecture-----	Cooperative association-----	151	21, 392
3. National Federation of Cooperatives (Zenkoku Rengo-kai).	Nation-----	Cooperative association and federation thereof.	-----	-----
4. Central Society of Cooperatives (Sangyo Kumiai Chuo-kai).	Nation-----	Cooperative association and federation thereof.	1	12, 582
5. Cooperative Central Bank (Sangyo Kumiai Chuo Ginko).	Nation-----	Only those who belong to cooperative association or federation thereof.	1	-----
C. Agricultural Organizations Connected With Agricultural Production.				
1. Rice Control Associations (beikoku tosei kumiai).	City, township-----	Rice producers or landowners-----	25	-----

2. a. Important Commodities Trade Associations (connected with agricultural commodities) (juyo bussan dogyo kumiai).	City, county up to prefecture.	Producers and traders of agricultural commodities and associated trades.	108	222,051 (compulsory)
b. Federation of Important Commodities Trade Associations (connected with agricultural commodities) (juyo bussan dogyo kumiai rengo-kai).	Prefecture-----	Important Commodities Trade Associations.	3	14 groups
3. a. Tea enterprises associations (chagyo kumiai).	County and city-----	Growers and traders of tea and related occupations.	120	(compulsory)
b. Congress of federations of tea enterprises associations (chagyo kumiai rengo kaigi-sho).	Prefecture-----	Tea enterprises and associations thereof.	25	266,642
c. Central Congress of Tea Enterprise Associations (Chagyo Kumiai Chuo Kaigi-sho).	Nation-----	Tea enterprise associations-----	1	
4. Associations for use of thermal power and desiccation equipment (Karyoku kanso sochi riyo kumiai).	Township or smaller-----	Farmers and landowners-----	603	
5. Associations of householders (noka kumiai).	1 or several "blocks"-----	Agricultural households-----	34,032	1,540,641
a. Agricultural technique associations (noji jitsugyo kumiai).				
b. Small associations of agricultural householders (noka kokumiai).				
D. Agricultural Associations Connected With Arable Land.				
1. a. Rice field adjustment associations (Kochi seiri kumiai).	Area to be adjusted-----	Landowners-----	15,699	
b. Federation of rice field adjustment associations (kochi seiri kumiai rengo kai).		Rice field adjustment associations.	25	
2. a. Irrigation associations (suiiri kumiai)-----	Area affected-----	Landowners-----	2,597	
b. Flood prevention associations (suigai yobo kumiai).	Area affected-----	Landowners and homeowners-----	585	
c. Federations of irrigation associations (Suiiri kumiai kai).	Area affected-----	Landowners and irrigation associations.		

¹ This figure has been taken from "Survey of Japanese Agriculture" made by Bureau of Agricultural Affairs of the Ministry of Agriculture and Forestry in 1938.

² Further information on cooperatives in appendix III.

Kind or title of organization	Jurisdiction	Membership	Number of organizations	Number of members
<i>D. Agricultural Associations Connected With Arable Land—Continued.</i>				
3. Hokkaido Dike Associations (Hokkaido toko kumiai).	Area affected-----	Landowners-----	240	(compulsory)
4. Imperial Arable Land Society (Teikoku Kochi Kyokai).	Nation-----	Regional land association-----	1	
<i>E. Agricultural Associations Connected with Sericulture.</i>				
1. a. Sericultural technique associations (Yosan jitsugyo kumiai).	Machi, mura, or less-----	Sericulturalists-----	45, 917	1, 760, 560
b. Sericultural enterprise associations (Yosangyo kumiai).	Gun, shi-----	Sericultural practice associations.	512	45, 917
c. Federation of sericultural enterprise associations (Yosangyo kumiai rengo-kai).	Prefecture-----	Sericultural enterprise associations.	45	(compulsory) 512
d. National Federation of Sericultural Associations (Zenkoku Yosangyo Kumiai Rango-kai).	Nation-----	Federations of sericultural enterprise associations.	1	45
2. a. Cocoon enterprise associations (San-shugyo kumiai).	Prefecture-----	Cocoon producers and associations thereof.	44	4, 285
b. National Federation of Cocoon Enterprise Associations (Znekoku San-shugyo Kumiai Rengo-kai).	Nation-----	Cocoon enterprise-----	1	44
3. a. Silk reelers associations (Sieshigyo kumiai).	Prefecture-----	Silk reelers-----	41	2, 222
b. National Federation of Silk Reelers Association (Zenkoku Seishigyo Kumiai Rengo-Kai).	Nation-----	Silk reelers associations-----	1	41
4. a. Cooperative silk reelers associations (Sangyo kumiai seishi kumiai).	Prefecture-----	Silk reelers who are cooperative members.	20	Members of 293 co- operatives 27
b. National Federation of Cooperative Silk Reeling Associations (Zenkoku Sangyo Kumiai Seishi Kumiai Rengo-kai).	Nation-----	Cooperative silk reelers associations.	1	

5. a. Important commodities trade associations (connected with silk) (Juyo bussan dogyo kumiai).	Gun (originally)-----	Producers, buyers, and sellers of silk and closely connected activities.	208	4,817,359 (compulsory)
b. Federations of Important Commodities Trade Associations (connected with silk) (Juyo bussan dogyo kumiai rengo-kai).	Prefecture-----	Important Commodities Trade Associations (silk).	10	-----
6. Raw Silk wholesalers associations (Seishi tonya kumiai).	Gun, shi-----	Raw silk wholesalers-----	2	-----
7. Raw silk exporters associations (Seisan yushutsugyo kumiai).	Shi-----	Exporters of raw silk-----	2	-----
8. Dai Nippon Silk Thread Society (Dai Nippon Sanshi-kai).	Nation-----	Silk growers-----	1	300,571
9. Imperial Silk Thread Association (Teikoku Sanshi Kumiai).	Nation-----	Silk reelers-----	1	-----
10. a. Dry Cocoon Association (Kanken Kumiai).	Prefecture or gun-----	Traders in cocoons-----	50	-----
b. National Federation of Dry Cocoon Buyers and Sellers Association (Zenkoku Kanken Hambai Kobai Kumiai Rengo-Kai).	Nation-----	Cocoon buyers and sellers associations.	1	50
11. Dai Nippon Federation of Raw Silk Buyers and Sellers Association (Dai Nippon Seishi Hambai Kumiai Rengo-kai).	Nation-----	Cooperative silk reelers-----	1	104
F. Agricultural Associations Connected With Stock Raising.				
1. a. Stock raising associations (Chikusan Kumiai).	Gun, shi-----	Breeders of cattle, horses, sheep, and pigs.	562	1,825,398 (compulsory)
b. Federation of stock raising associations (chikusan kumiai rengo-kai).	Prefecture-----	Stock raising associations-----	48	562
c. Central Stockraising Society (Chuo Chikusan-kai).	Nation-----	Stock raising associations and federations thereof.	1	-----
2. Imperial Horse Breeding Society (Teikoku Bahitsu Kyokai).	Nation-----	Horse breeding associations and individuals.	1	{314 assoc. 161 persons

Kind or title of organization	Jurisdiction	Membership	Number of organizations	Number of members
F. Agricultural Associations Connected With Stock Raising—Continued.				
3. a. Poultry Farmers Associations (Yohei kumiai).	Machi, mura or less	Poultry farmers	5,650	372,013
b. Federations of Poultry Farmers Associations (Yohei kumiai rengo-kai).	Gun, shi and prefecture.	Poultry Farmers Associations	38 pref. 189 gun and shi	2,696
c. Central Society of Poultry Farmers Associations (Yohei kumiai chuo-kai).	Nation	Poultry Farmers Associations and Federations thereof.		1
4. a. Livestock Insurance Associations (Kachiku hoken kumiai).	Gun, shi	Owners of cattle or horses	259	377,400
b. Federations of Livestock Insurance Associations (Kachiku hoken kumiai rengo-kai).	Prefecture	Livestock Insurance Associations.	5	61 groups
5. a. Important Commodities Trade Associations (connected with livestock) (Juyo bussan dogyo kumiai).	Gun, shi, or more up to prefecture.	Producers, breeders, and traders of livestock and associated occupations.	17	1,127 (compulsory)
b. Federation of Important Commodities Trade Associations (connected with livestock).	Prefecture	Important Commodities Trade Associations.	1	-----
G. Agricultural Associations Connected With Subsidiary Occupations.				
1. Subsidiary Occupations Associations (Fukugyo kumiai).	Machi, mura	Anyone	5,933	299,827
2. a. Important Commodities Trading Associations (connected with subsidiary occupations) (Juyo bussan dogyo kumiai).	Gun, shi up to prefecture.	Producers, manufacturers, traders of subsidiary occupations and associated occupations.	45	41,678 (compulsory)
b. Federation of Important Commodities Trade Associations (connected with subsidiary occupations) (Juyo bussan dogyo kumiai rengo-kai).	-----	Important Commodities Trade Associations.	1	3 groups

H. Agricultural Associations Connected With Forestry				
1. a. Forestry Associations (Shinrin kumiai)	Section of a mura, machi, or shi.	Forest owners	2,083	325,172
b. Prefectural Federations of Forestry Associations (Fuken Shinrin kumiai rengo-kai).	Prefecture	Forestry Associations	23	2,083
c. National Federation of Forestry Associations (Zenkoku Shinrin Kumiai Rengo-kai).	Nation	Forestry Associations and federations thereof.	1	23 groups
2. a. Forestry Societies (Sanrin-kai)	Prefecture	Forest owners	46	82,122
b. National Federation of Forestry Societies (Zenkoku Sanrin-kai Rengo-kai).	Nation	Forestry societies and federations thereof.	1	50 groups
3. Imperial Forestry Society (Teikoku Shinrin-kai).	Nation	Elected members	1	127
4. Dai Nippon Forestry Society (Dai Nippon Sanrin-kai).	Nation	Elected members	1	4,500
5. a. Important Commodities Trading Associations (connected with forestry) (Juyo bussan dogyo kumiai).	Gun, shi up to prefecture.	Producers, manufacturers, and traders of forestry products and associated industries.	313	216,257 (compulsory)
b. Federations of Important Commodities Trade Associations (connected with forestry) (Juyo bussan dogyo kumiai rengo-kai).	Several gun and prefectures.	Important Commodities Trade Associations (connected with forestry).	32	89
I. Agricultural Associations Connected With Fishing.				
1. Aquatic Enterprises Society (Suisan-kai)	Gun, shi, and prefecture.	Fishermen and those connected with aquatic industries.	345	450,992
2. Imperial Aquatic Enterprises Society (Teikoku Suisan-kai).	Japan proper	Fishing societies.	1	40 plus three overseas
3. Aquatic Enterprises Associations (Suisan kumiai).	Prefecture or less and national.	Fishermen and those connected with aquatic industries.	66	42,513
4. a. Fishing Associations (Gyogyo kumiai)	Buraku machi, mura.	Fishermen.	3,994	574,328
b. Federation of Fishing Associations (Gyogyo kumiai rengo-kai).	District	Fishing associations	72	926
5. Important Commodities Trade Associations (connected with aquatic industry) (Juyo bussan dogyo kumiai).	Gun, shi, or several gun.	Those connected with aquatic industry.	37	5,523

Kind or title of organization	Jurisdiction	Membership	Number of organizations	Number of members
<i>J. Agricultural Associations Connected With Tenancy.</i>				
1. a. Tenant Unions (Kosakunin kumiai)-----	Buraku, oaza, machi, mura, gun, prefecture.	Those who principally farm are tenants.	(1936) 3, 915	229, 209
b. Federations of Tenant Unions (Kosakunin kumiai rengo-kai).	Gun, prefecture, nation.	Tenants and unions thereof-----	269 gun 7 pref. 12 national	14, 422 1, 387 35, 703
2. Landlord Associations (Jinushi kumiai)---	Oaza, machi, mura, gun, prefecture.	Those who are principally landlords.	513	35, 703
3. a. Tenant-landlord Harmony Associations (Kyocho kumiai).	Buraku, oaza, machi, mura, gun, prefectures.	Landlords, tenants, and independent proprietors.	2, 878	254, 907
b. Federations of Harmony Associations (Kyocho kumiai rengo-kai).	Machi, mura, gun---	Landlords, tenants and independent proprietors.	3	25 groups 5,194 members
4. a. Independent Proprietor Agricultural Associations (Jisakuno kumiai).	Machi, mura, gun---	Those who are principally independent farmers.	2, 526	97, 862
b. Federations of Independent Proprietor Agricultural Associations (Jisakuno kumiai rengo-kai).	Prefecture-----	Those who are principally independent farmers.	21	311 groups 13,714 members.
<i>K. Other Agricultural Associations.</i>				
1. Debt adjustment associations (Fusai seiri kumiai).	Machi, mura-----	Farmers-----	5, 916	-----
2. Associations for agricultural insurance and similar equipment (Nogyo hoken ruiji-shisetsu kumiai).	Gun, machi, mura, buraku.	Farmers-----	141 insurance 95 equip.	3, 962
3. Export associations (Yushutsu kumiai)---	As decided-----	Exporters-----	10	2, 038

APPENDIX III**Cooperative Movement¹⁸**

- I. Legislation Concerning Cooperative Societies and Their Federations.
- II. Table I.
- III. Table II.
- IV. Table III.
- V. Table IV.
- VI. Organization Chart of Cooperative Enterprise Business Organs.

I. Legislation Concerning Cooperative Societies and Their Federations

In 1891 the Government proposed to the Diet a bill concerning cooperative credit societies, which, however, was not fully discussed owing to dissolution of the House of Representatives.

In 1897 there was a long discussion as to a new bill on cooperative societies, proposed by the Government, but it was rejected in the upper house. The law on cooperative societies was passed on 6 March 1900 and became effective on 1 September of that year.

The law of 1900 was amended in 1906, 1909, 1917, 1921, 1923, 1926, and 1932. It gives a precise definition of the cooperative societies, strictly defines its objects, and prescribes a rigorous supervision by the Government of the work of societies, among other things requiring that cooperative societies to send their annual report with statistics of their transactions for the last 12 months.

In this law a cooperative society is a corporate juridical person established with the following object or objects connected with the promotion of the industrial or economic development of the members.

1. To lend money to its members for the financing of their industry and to afford facilities for depositing savings. (Credit society.)
2. To sell articles produced with or without adding works by its members. (Sales society.)
3. To sell articles to its members purchased, manufactured, or produced by the society. (Purchase society.)
4. To make available members machines or facilities required for development of industry or economic condition of its members. (Utility society.)

¹⁸ Information in this appendix based on—

1. *Development of the Cooperative Movement in Japan*, published by Sangyo Kumiai Chuo-kai (Central Union of Cooperative Societies in Japan) 1937.
2. *Cooperative Year Book, 1937*, published by Sangyo Kumiai Chuo-kai.
3. Japanese Ministry of Agriculture and Forestry, *Norinsho Tokeihyo*, 1939.

Accordingly, the cooperative societies in Japan are divided into four kinds.

1. Cooperative credit societies (*Shinyo Kumiai*).
2. Cooperative societies for the sale of produce (*Hambai Kumiai*).
3. Cooperative societies for the purchase of requisites (*Kobai Kumiai*).
4. Cooperative utility societies (*Riyo Kumiai*).

A single society may embrace one, two, three, or four of the objects explained above, at the same time, so it follows that a cooperative society for credit, purchase, and sale can be established. Such a society is called a compound society.

Federations of cooperative societies. A federation, which has a legal status, is formed by at least two cooperative societies or federations.

The federations are of four kinds, according to the kinds of cooperative societies by which they are formed.

Liability of members. Cooperative societies shall be classified according to the liability of their members as follows:

- Limited liability.
- Unlimited liability.
- Guaranteed liability.

In the case of cooperative societies with limited liability, every member is liable for the debts of the society only to the extent of the shares he holds. In the case of those with unlimited liability, if the assets of the society are insufficient to meet its liabilities, the members are jointly and severally liable to the creditors for the full amount of the debts. In the case of those with guaranteed liability, each member is liable up to a fixed sum beyond the extent of the shares he holds.

Of these three forms of liability, those with limited liability were the most numerous at the close of the year 1932, being 90.4 percent of the whole. But, this percentage fell suddenly to 29.9 percent at the close of the year 1935. This change was caused by the amendment of the Cooperative Law in 1932, which prescribed that all the existing Cooperative Societies with limited liability be transformed within 5 years into those of guaranteed liability or unlimited liability.

As for the liability of federations, it is of either limited or guaranteed liability.

The members. The qualifications of a member are prescribed by the constitution of each cooperative society, as may seem best adapted to the society in question. Eligibility is generally confined to persons economically independent. Sometimes it is restricted to persons of a particular calling.

All the cooperative societies, by the nature of the work they do, are necessarily composed of persons of small means, and at the same time, cooperative societies in Japan being formed for the most part in rural districts, their members are chiefly agriculturists of limited means.

An amendment of the Cooperative Law in 1932 gives to the juridical persons organized by agriculturists of limited means the right to affiliate with the cooperative society. The aim is to embrace all the agriculturists in the cooperative movement.

According to the Government report in 1936 agriculturists represent 70.3 percent of the total membership, persons engaged in industry 4.9 percent, persons engaged in trade 11.4 percent, persons engaged in fisheries 2.0 percent, those engaged in forestry 0.2 percent, and all other occupations 11.2 percent. The average number of members per cooperative society is 404.

Immediate cessation of membership is recognized only in the following cases: loss of the qualification prescribed by the constitution of the society; death; bankruptcy; loss of civil capacity; expulsion.

All these conditions are prescribed by the legislation concerning cooperative societies.

Area of operations. The area within which a cooperative society may carry on its work is fixed by the society itself according to local conditions and the nature of its work.

As for the area of operations, that of the cooperative credit societies must be limited under pain of a fine, to an administrative unit like a city, town, or village, and the area of operations of a federation, except in special cases, corresponds to the territorial limits of a province.

General meetings. The general meeting of every cooperative society is convened annually. There are two kinds of general meeting, ordinary and special.

The ordinary general meeting is usually held in the first month of the financial year. Important business, such as the election of the committees of management and auditors, amendments of the constitution, amalgamation with other cooperative societies, or dissolution, requires as a rule the votes of at least half the members, and a three-fourths majority of those present. Business of minor importance may be decided by a majority of those present at the meeting. Every member has only one vote, whatever number of shares he may hold. The vote may be delegated to a proxy, who must be chosen from among the members.

Committee of management and auditors. The committee of management is an executive body and represents the society in all its business. Its members act in conformity with the constitution and with decisions adopted by the general meeting.

The committee of management usually numbers three, five, or seven members who ordinarily hold office for 3 years. In certain cases each committeeman may have a distinct function, and sometimes full powers are entrusted to one or two of them.

The functions of the auditors are chiefly to inspect the business carried on by the society. Their number and their tenure of office vary according to the number and tenure of office of the committeemen. Both committeemen and auditors are elected among the members at the general meeting; as a rule they receive no remuneration without decision of a general meeting except when one of them is appointed manager with a fixed salary.

The committeemen are assisted by a varying number of paid secretaries or clerks.

Every member must have at least 1 share, but may not have more than 30, although in exceptional cases a single member may have as many as 50. The value of a share, except in special cases, must not exceed 50 yen (5 pounds); the average nominal value of a share is 20 yen at the present time.

The law requires every cooperative society to set aside at least a quarter of the profits of each working year, until such savings have reached the sum required by the constitution of society. All entrance fees, premiums paid on the increased value of shares, etc., must be allocated also to the reserve fund. The balance of profit may be allocated as a dividend to members, as a bonus to employees, or for special objects. The dividend to members may be divided in proportion to capital shares, or in proportion to the amount of business transacted with the society.

The first form of dividend cannot legally exceed 6 percent of the capital shares except in special circumstances, when it may be allowed up to 10 percent. The law sets no limit to the second form of dividend. Some statistical figures for reported societies (13,910 in number) will give a general idea of the work of the societies as far as it can be represented by a financial statement. The total amount of the shares paid up at the end of the year 1935 was 255,845,687 yen. The reserve funds and special funds amounted to 147,691,558 yen, making the total owned capital of the societies 403,537,245 yen, that is, an average of 29,010 yen per society of 70 yen per member. The borrowed capital of the societies was 289,908,184 yen, savings deposits amounted to 1,304,929,857 yen, and outstanding loans to 1,034,160,806 yen.

Formation and dissolution of cooperative societies. The formation of a cooperative society is effected by authorization of the governor of prefecture.

The constitution of society must be drawn up in conformity with certain provisions of the law, and application for authorization must be made to those local administrative authorities within whose jurisdiction the headquarters of the society is to be. At the date when authorization is obtained the society is formed. Then every member of society should pay the first installment of his shares according to the constitution and the formation of the society must be registered in the proper administrative office.

A cooperative society may be dissolved for the following reasons:

(1) When the circumstances arise which are laid down in the constitution as resulting in dissolution.

(2) By the decision of the General Assembly.

(3) By amalgamation with another cooperative society or societies.

(4) By the diminution of the members below the number seven.

(5) By bankruptcy.

Supervision and management. Cooperative societies and their federations are under the supervision of the administrative head of the country or governor of the prefecture and of the Minister of Agriculture and Forestry. Urban cooperative credit societies are supervised by the Finance Ministry as well as by the authorities mentioned. The supervising authorities have however at the same time the duty of encouraging and guiding the cooperative societies.

Privileges. In order to foster cooperation the Government has granted the following privileges:

1. Cooperative societies enjoy the privilege of exemption from the tax on business profit, business transaction tax, and income tax, as well as from the registration tax when registration is enjoined by law.

2. The Government gives special facilities to cooperative societies which are willing to undertake contracts.

3. The Government lends money at low interest to cooperative societies and their federations mostly through the Cooperative Central Bank. Up to the present time several hundred million yen have been granted in loans at an interest varying from 3.2 to 5 percent.

4. The Cooperative Central Bank and the Hypothec Bank of Japan (Nippon Kangio-Ginko) and other land credit banks are authorized to grant loans to cooperative societies without security.

TABLE I.—Number of cooperative societies, federations of cooperative societies, and members. Amount of capital. Number of members and prefectural branches of the Central Cooperative Union. For the period of 1900-1935.

Year	No. of cooperative societies	No. of federations of cooperative societies	No. of members of cooperative societies	Total amount of capital yen	No. of members of the central Union of cooperative societies	No. of branches of Central Union
1900	21		?	?		
1901	263		?	?		
1902	512		?	?		
1903	870		68,730	?		
1904	1,232		93,682	1,653,565		
1905	1,671		137,022	2,348,900	(828)	3
1906	2,470		224,770	4,237,731	(1,748)	15
1907	3,363		312,759	5,708,846	(2,570)	21
1908	4,391		493,010	9,939,153	(3,577)	26
1909	5,651		631,590	13,119,760	2,868	29
1910	7,308	13	789,264	19,348,734	3,549	36
1911	8,663	24	944,267		4,464	39
1912	9,683	34	1,078,202	67,373,654	5,070	41
1913	10,455	52	1,164,164	56,809,002	5,712	42
1914	11,160	63	1,350,360	65,436,772	6,282	44
1915	11,509	72	1,427,112	76,043,318	6,940	45
1916	11,753	81	1,504,384	93,144,609	7,522	45
1917	12,025	92	1,599,325	131,760,178	7,823	46
1918	12,523	103	1,878,450	192,004,390	8,443	46
1919	13,106	123	1,965,900	278,171,761	9,099	46
1920	13,442	155	2,290,235	354,605,959	9,576	46
1921	13,772	178	2,518,746	429,584,185	10,044	47
1922	14,047	191	2,734,695	518,470,066	10,595	47
1923	14,259	201	3,030,157	632,075,804	11,068	47
1924	14,444	205	3,313,133	769,528,745	10,939	47
1925	14,517	200	3,635,749	948,956,329	11,225	47
1926	14,375	187	3,947,806	1,134,641,912	11,591	47
1927	14,186	182	4,157,404	1,297,598,514	11,492	47
1928	14,171	179	4,405,553	1,479,593,648	11,691	47
1929	14,047	185	4,571,785	1,626,434,339	11,711	47
1930	14,082	185	4,743,091	1,684,264,544	11,738	47
1931	14,163	167	4,813,140	1,681,911,489	11,497	47
1932	14,352	160	4,978,248	1,703,118,962	11,620	47
1933	14,651	145	5,238,253	1,846,923,024	11,649	47
1934	14,815	141	5,505,897	1,927,616,620	11,908	47
1935	15,028	151	?	?	12,077	47

TABLE II.—Number of cooperative societies classified according to their scope, 1900-1935

	1900	1905	1910	1915	1920	1925	1930	1933	1934	1935
Credit societies.....	13	986	2, 226	3, 015	2, 650	2, 573	2, 449	1, 756	1, 511	1, 313
Sale societies.....	1	92	217	234	235	289	328	311	332	301
Purchase societies.....	2	273	772	535	454	370	323	332	332	314
Utilities societies.....		38	78	133	107	195	295	316	306	298
Societies for sale and purchase.....	3	142	503	461	385	305	284	292	263	258
Societies for sale and utility.....		63	136	141	167	154	287	268	264	256
Societies for purchase and utility.....	1	30	49	37	20	71	102	131	144	152
Societies for sale, purchase, and utility.....	1	49	222	230	173	253	359	490	496	518
Societies for sale and credit.....			381	400	250	166	223	173	166	157
Societies for credit and purchase.....			1, 239	2, 583	3, 045	2, 649	2, 024	1, 370	1, 058	760
Societies for credit and utility.....			14	39	61	125	149	106	96	82
Societies for credit, sale, and purchase.....			1, 062	2, 608	3, 975	3, 807	3, 075	2, 718	2, 361	1, 952
Societies for credit, sale, and utility.....			14	90	151	91	59	38	32	33
Societies for credit, purchase, and utility.....			26	57	73	308	374	286	248	204
Societies for credit, sale, purchase, and utility.....			369	946	1, 696	3, 161	3, 751	6, 062	7, 206	8, 430
Total.....	21	1, 671	7, 308	11, 509	13, 442	14, 517	14, 082	14, 651	14, 815	15, 028

TABLE III.—Growth of cooperative activities during the 1930's

	1934	1935	1936	1937	1938	1939
Number of cooperatives engaged in credit, selling, purchasing, and utilization.....	7,206	8,430	9,831	10,362	11,671	11,839
Changes in volume of business as indicated by—						
Deposits of credit societies (in million yen).....	1,179	1,268	1,378	-----	1,748	2,208
Value of products sold (in million yen).....	261	313	377	478	599	746
Value of products purchased (in million yen).....	156	197	249	282	354	433

TABLE IV.—Growth of federations of societies

	1910	1915	1920	1925	1930	1933	1934
Federations of credit societies.....	3	30	35	33	33	34	34
Federations of sales societies.....	2	3	6	4	19	13	17
Federations of purchasing societies.....	-----	5	26	35	21	8	5
Federations of utility societies.....	-----	-----	-----	1	1	-----	-----
Federations of societies for sale and purchase.....	-----	6	37	72	66	49	47
Federations of societies for sale and utility.....	-----	-----	-----	2	5	5	4
Federations of societies for purchase and utility.....	-----	-----	-----	2	-----	-----	-----
Federations of societies for sale, purchase and utility.....	-----	-----	-----	3	8	15	17
Federations of societies for credit and sale.....	3	4	4	4	2	2	-----
Federations of societies for credit and purchase.....	1	10	15	12	6	2	1
Federations of societies for credit and utility.....	-----	-----	-----	2	2	-----	-----
Federations of societies for credit, sale and purchase.....	3	13	30	22	15	12	12
Federations of societies for credit, sale and utility.....	-----	-----	-----	1	1	-----	-----
Federations of societies for credit, purchase and utility.....	-----	-----	-----	1	-----	-----	-----
Federations of societies for credit, sale, purchase and utility.....	1	1	2	5	6	5	4
Total.....	13	72	155	199	185	145	141
With limited liability.....	13	54	107	131	123	50	27
With guaranteed liability.....	-----	18	48	68	62	95	114

APPENDIX IV**Tenancy Unions and Tenancy Disputes**

(Tenancy Disputes and Landowners and Tenant Farmers' Associations)

Statement from the Statistical Abstract of the Ministry of Agriculture and Forestry, 1936-37

Farm-Tenancy Disputes

Farm-tenancy disputes in Japan have assumed the present type about 20 years ago, in this way attracting the general concern as a serious rural problem. Since then number of dispute cases has been pursuing an upward trend, in 1926 amounting to 2,751, nearly every prefecture contributing its share to this total number. Its character also has been aggravating continuously, in spite of every effort exerted by the Government for its prevention. This serious trend seems to have attained the climax in 1934 and 1935, the years of unprecedented agricultural depression.

As a major cause of the disputes in recent years may be cited the claim for the temporary reduction of rent because of crop failure, especially failure in rice crop, owing to damages inflicted to crops by wind, flood, drought, or plant disease and insects. It is difficult to determine the rate of reduction of rent, but generally speaking, 30 or 40 percent may be cited as the rate most frequently claimed by tenant farmers. As other chief causes may be cited high rate of rent, excess of defrayal over income in farm economics. In these cases the rate of reduction claimed for is generally 20 or 30 percent of the rent previously agreed upon.

Resumption of land by landowners constitutes another remarkable cause of disputes. Number of disputes cases of this character has been increasing to a degree, so much so that most of the recent dispute cases belongs to this group, thus witnessing to the aggravated character of tenancy dispute itself. . . .

Landowners' and Tenant-Farmers' Associations

The tendency of tenancy dispute cases to augment in recent years has stimulated the trend, which had displayed itself from the past, both on the part of tenant farmers and on that of landowners to organize separately associations best adapted for the promotion of

their welfare and interests. Innumerable tenant farm-households in Japan have had to organize themselves into certain kind of associations for the object the better to maintain their interests against landowners. And this fact is borne out by the vigorous springing-up of their associations. On the part of landowners, whose position as against tenant farmers, is not proof enough against the active attack of tenant farmers' associations, it has been natural enough for them to combine themselves into associations powerful enough to resist the claims of tenant farmers. As for associations for cooperations, the cause for their appearance may be explained as follows: The aggravating trend assumed by tenancy disputes made certain number of both tenant farmers and landowners keenly felt the inconvenience and loss resulting therefrom, and made them desire for some kind of means effective enough to prevent the occurrence of dispute cases by mutual concession both on the part of tenant farmers and that of landowners.

Associations for cooperations have been organized as embodying this sincere desire, the object of the associations being to promote the welfare and interests of both parties by the free interchange of their opinions and by their combined effort to secure and promote the conditions pertaining to tenancy system.

Source: Japan Ministry of Agriculture and Forestry, *The Statistical Abstract of the Ministry of Agriculture and Forestry 1936-37*, p. XII.

TABLE I—Land cultivated by landowners and tenant farmers, 1936

[In hectares]

Total	6,035,590	
Cultivated by landowners		3,226,829
Cultivated by tenant farmers		2,808,761
Rice fields	3,191,093	
Cultivated by landowners		1,514,142
Cultivated by tenant farmers		1,676,951
Upland farms	2,844,497	
Cultivated by landowners		1,712,687
Cultivated by tenant farmers		1,131,810

Source: Japan Ministry of Agriculture and Forestry, *The Statistical Abstract of the Ministry of Agriculture and Forestry 1936-37*, p. 6.

TABLE II.—Landlord associations and tenant farmers' unions

	1926	1927	1931	1933	1935	1938	1939
Tenant-farmers' associations:							
Number of associations.....	3,926	4,582	4,414	4,810	4,011	3,643	3,509
Number of members.....	346,693	365,332	306,301	302,736	242,422	217,883	210,208
Landlords' associations (landlords):							
Number of associations.....	605	734	645	686	531	473	474
Number of members.....	41,425	57,052	50,556	49,645	38,172	31,902	32,595
Associations for co-operation (harmony unions):							
Number of associations.....	1,491	1,703	2,047	2,309	1,748	3,158	3,152
Number of members.....	164,585	174,206	255,088	279,431	202,785	263,000	251,000

Source: Japan Ministry of Agriculture and Forestry, *The Statistical Abstract of the Ministry of Agriculture and Forestry 1936-37*, p. 6, Andrew J. Grajdanzev, *Problems of Agrarian Reforms in Japan*, Institute of Pacific Relations, Secretariat Paper No. 4, January 1945, pp. 9, 10.

TABLE III.—Farm-Tenancy Disputes

	1926	1927	1931	1933	1935
Number of disputes classified according to causes:					
Total.....	2,751	2,052	3,419	4,000	6,824
Raised rent and expiration of tenure contract.....	12	33	122	105	135
Crop failure.....	1,957	1,038	1,171	646	2,451
Diversity in raised rate of rental.....	186	207	98	103	66
Falls in prices of agricultural products.....	5	21	240	18	12
Excess of defrayal over income.....	47	43	58	22	6
Pertaining to rice inspection.....	22	18	9	57	8
Raised rent (cancelation of tenant rights threatened with eviction).....	316	432	1,307	2,275	2,031
Reapportionment of lots or arable-land adjustment.....	12	7	24	20	14
Back rent.....	49	49	174	485	734
Others.....	145	204	216	269	367
Number of persons involved in disputes:					
Landowners.....	39,705	24,136	23,768	14,312	28,574
Tenant farmers.....	151,061	91,336	81,135	48,073	113,164
Area of arable lands involved in disputes:					
Total..... ha.....	94,861	58,679	59,866	30,343	70,160
Rice fields..... ha.....	89,595	51,156	48,825	23,219	63,651
Upland farms..... ha.....	4,826	5,822	10,174	6,183	6,013
Others..... ha.....	440	1,701	867	941	496

Source: Japan Ministry of Agriculture and Forestry, *The Statistical Abstract of the Ministry of Agriculture and Forestry 1936-37*, p. 4.

TABLE IV.—Farm tenancy disputes settled

	1926	1927	1931	1933	1935
Number of dispute cases accepted by courts	2,610	3,653	3,361	4,888	6,777
Number of dispute cases declared per dispute	954	1,551	1,703	2,853	4,274
Number of dispute cases classified by kind of declarators:					
Landowners	315	495	660	993	1,441
Tenant farmers	554	970	942	1,750	2,658
Declared through mutual agreement	40	72	93	88	124
Declared by landowners and tenant-farmers independent of each other	45	14	8	22	51
Number of dispute cases settled as classified by kind:					
Payment of rent	187	238	126	259	427
Payment of rent together with resumption of land by landowners	53	87	187	300	473
Resumption of land by landowners	59	105	184	277	388
Reduction or nonpayment of rent	387	554	372	438	731
Reduction or nonpayment of rent together with continuance of tenancy	57	177	105	186	319
Continuance of tenancy	160	308	411	987	1,362
Compensation for right of tenancy as well as for right of sharing in products and payment of indemnity for parting with right of tenancy	17	12	37	41	46
Agreement as to conditions pertaining to tenancy			122	182	242
Others	34	70	159	183	286
Number of dispute cases settled as classified by results:					
Settled:					
Total	892	1,430	1,594	2,779	4,216
Concluded	597	952	1,206	2,182	3,351
Not concluded	31	45	44	46	48
Repealed	264	413	331	531	802
Rejected		20	13	20	15
Unsettled	62	121	109	74	58
Area of land involved ha.	9,836	12,407	8,329	10,405	12,908
Number of persons involved:					
Total	32,148	43,345	23,489	27,996	31,971
Parties:					
Landowners	7,726	10,847	5,341	7,032	9,620
Tenant-farmers	23,798	32,048	17,810	20,397	22,069
The interested parties	624	450	338	567	282

Source: Japan Ministry of Agriculture and Forestry, *The Statistical Abstract of the Ministry of Agriculture and Forestry 1936-37*, p. 4

TABLE V.—Break-down by prefectures of membership in unions of tenants, landlords, and tenants-and-landlords (harmony) in 1936; acreage cultivated by tenants as percentage of total acreage in 1939; average cultivated acreage per household in 1939; and percentage of tenant union members to farm households

Prefecture	Percent of tenant union members to farm households*	Acreage cultivated by tenants as percent of total acreage in 1939	Average cultivated acreage per household in 1939	Number of tenant union members in 1936	Number of landlord union members in 1936	Number of tenant-landlord harmony union members in 1936	Number of farm households in 1939
Acres							
Averages.....	4.3	45.8	2.7				
Yamanashi.....	21.5	49.6	1.6	17,117	80	5,396	79,905
Niigata.....	14.2	55.0	2.9	29,124	2,028	11,858	205,078
Toyama.....	9.0	54.3	3.0	6,777	28	5,668	75,367
Gifu.....	8.7	43.2	1.9	11,757	1,079	5,364	135,446
Kyoto.....	7.9	42.5	1.9	5,988	569	5,707	76,127
Aichi.....	7.9	42.7	2.2	14,069	960	4,180	178,002
Saitama.....	6.6	49.6	2.4	10,731	2,151	37,128	162,583
Gumma.....	6.3	44.2	2.4	7,587	340	66,288	120,554
Chiba.....	6.1	51.6	3.0	9,720	593	3,766	159,480
Fukuoka.....	6.0	47.4	2.5	8,379	1,654	4,433	139,765
Miyazaki.....	5.9	42.2	2.7	4,961	927	3,815	84,122
Tottori.....	5.9	56.4	2.2	3,294	786	5,223	55,615
Okayama.....	5.7	41.9	2.0	8,673	3,231	6,229	152,877
Hyogo.....	5.3	47.0	1.8	9,269	1,911	11,040	174,123
Osaka.....	5.1	57.1	1.8	3,874	1,956	2,128	75,593
Shiga.....	5.0	43.4	2.2	4,309	353	3,564	85,368
Nagano.....	4.7	40.1	2.0	9,727	59	553	206,419
Shizuoka.....	4.7	44.3	2.0	7,595	418	1,557	160,372
Akita.....	4.5	54.8	3.6	4,312	429	8,912	96,729
Fukushima.....	4.5	44.4	3.2	6,505	1,357	2,023	144,575
Tochigi.....	4.2	47.0	3.2	4,690	4,611	977	112,067
Shimane.....	4.1	49.0	2.0	4,107	882	1,289	100,187
Kanagawa.....	3.5	47.5	2.2	2,531	17		72,717

51 See footnote at end of table.

52 TABLE V.—Break-down by prefectures of membership in unions of tenants, landlords, and tenants-and-landlords (harmony) in 1936; acreage cultivated by tenants as percentage of total acreage in 1939; average cultivated acreage per household in 1939; and percentage of tenant union members to farm households—Continued

Prefecture	Percent of tenant union members to farm households*	Acreage cultivated by tenants as percent of total acreage in 1939	Average cultivated acreage per household in 1939	Number of tenant union members in 1936	Number of landlord union members in 1936	Number of tenant-landlord harmony union members in 1936	Number of farm households in 1939
Acres—Continued							
Tokushima.....	3.5	38.5	1.6	2,848	84	5,002	80,982
Nara.....	3.2	44.4	1.8	1,947	289	1,484	60,623
Ehime.....	2.9	42.7	1.8	3,637	294	13,579	126,209
Ishikawa.....	2.8	45.2	2.3	2,140	88	374	76,812
Yamagata.....	2.6	53.2	3.4	2,667	261	622	103,163
Kochi.....	2.5	36.7	2.2	1,913	40	1,336	77,019
Tokyo.....	2.5	47.2	1.9	1,430	70	125	56,777
Fukui.....	2.4	43.3	2.3	1,577	876	125	65,858
Ibaraki.....	1.9	51.9	3.0	3,514	661	1,138	185,639
Mie.....	1.7	37.9	2.1	2,053	502	1,134	121,253
Hiroshima.....	1.5	37.5	1.5	2,658	826	1,177	175,945
Wakayama.....	1.5	37.2	1.6	1,151	164	50	76,948
Saga.....	1.1	42.9	2.8	708	82	544	63,694
Miyagi.....	1.1	54.0	3.4	1,169	84	3,353	107,048
Oita.....	.9	41.2	1.9	1,049	84	504	116,407
Aomori.....	.9	46.6	2.8	875	301	301	92,874
Hokkaido.....	.6	47.2	12.5	1,187	4,260	4,495	191,495
Kagoshima.....	.4	36.9	2.1	578	94	14,187	216,425
Kumamoto.....	.3	48.6	2.8	423	241	559	140,116
Yamaguchi.....	.2	38.8	2.3	226	255	532	111,199
Kagawa.....	.2	59.4	1.5	160	255	6,675	85,174

Iwate.....	. 2	33. 7	3. 2	203	52	216	112, 212
Nagasaki.....			2. 1		47	352	104, 914
Okinawa.....			1. 6				89, 981
Total.....				229, 209	35, 703	254, 907	5, 491, 838

*Distribution of land tenure in Japan in 1939:

Percentage of total:	
Owners.....	31.0
Owner-tenants.....	42.6
Tenants.....	26.4
	100.0

Source: *Farm Labor Journal (Nomu Jiho)* 1936; *Civil Affairs Handbook, Japan, section 7: Agriculture*, 1 April 1944, pp. 29, 35.

APPENDIX V

Selected Provisions of Japanese Laws Relating to Compulsory Membership in Agricultural Organizations

1. Agricultural Society Law (*Nokai-rei*), 1922.

Article 12: When a Nokai is to be established and when the consent of two-thirds of the persons in its jurisdictional area who are qualified to be members has been obtained, a constituent meeting shall be held, the rules of the association drawn up and the approval of the administrative headquarters must be obtained.

Article 16: When a Nokai has been established, all persons who have the qualifications of Nokai members in the jurisdictional area of that Nokai shall be obligated to enter the Nokai.

Provided, however, that persons who by virtue of special reasons have been permitted not to join by the administrative officials shall not be bound by this provision.

Rules for the Application of the Nokai-rei (*Nokai-rei Shiko Kisoku*) 1922.

Article 1 B: Persons engaged only in agriculture within the jurisdictional area of township and municipal Nokai who fit into one of the following categories shall be excluded from membership in the Nokai:

- (a) Cultivators who cultivate an area belonging to another person which is less than one tan.
- (b) Sericulturalists who cultivate less than four cocoon cards in the course of a year or who gather up an equivalent number of cocoons.
- (c) Agriculturalists who combine the characteristics of (a) and (b).

2. Staple Commodities Trade Association Law (*Juyo Bussan Dogyo Kumiai*), Law No. 35, 7 March 1900, revised by Law No. 15, March 1916.

Article 1: Persons who are in business in connection with the sale, manufacture or production of the same staple commodities and persons in businesses which are closely related to such a business may join together and establish a "trade association" (*dogyo kumiai*) in conformity with this act.

The staple commodities and the kinds of business already related thereto will depend on the designation by the Minister of Agriculture and Commerce.

Article 2: The "trade associations" shall have as their objects the cooperation of the members, the correction of evil practices with respect to the business, and the increase of profits.

Article 3: When a "similar trade association" is to be set up, first the area of jurisdiction is to be decided, and when the consent of two-thirds or more of the entrepreneurs in that area has been obtained, a constituent meeting shall be held, articles of association should be drawn up, and the approval of the Minister of Agriculture and Commerce must be obtained;

Provided, however, that when an association comprising entrepreneurs of two or more types is to be set up, it is necessary to secure the consent of two-thirds or more of the entrepreneurs in each type.

Article 4: Persons carrying on business of the same kind as the members of a "trade association" within the jurisdictional area of that association are obligated to enter that association;

Provided, however, that persons who, by virtue of special circumstances relating to their business, are permitted by the Minister of Agriculture and Commerce not to join shall not be bound by this provision.

3. Sericultural Associations Law (*Shisan-gyo Kumiai-ho*), Law No. 24, 30 March, 1931, revised by Law No. 30, September 1932, Law No. 10, May 1936.

Article 1: Sericultural associations shall be of the following six types:

- (a) Silkworm culture associations.
- (b) Cocoon enterprise associations.
- (c) Cooperative (*sangyo kumiai*) silk-reeling associations.

- (d) Silk-reeling associations.
- (e) Raw silk wholesalers associations.
- (f) Raw silk exporters associations.

Article 18: The sericultural associations shall have as members those indicated below who are within its jurisdictional area:

- (a) Sericultural practice associations.
- (b) All silkworm cultivators who are not members of sericultural practice associations but who are indicated by law.

Article 29: When a silkworm culture association has been established persons who have the qualifications of association members within its jurisdictional area shall be members.

Article 44: Cocoon enterprise associations shall have as their members those engaged in the production of cocoons within their jurisdictional area.

Article 49: The cooperative silk reeling associations shall have as their members cooperatives or cooperative federations which own filatures or which reel silk within their jurisdictional area.

Article 50: Silk reeling associations shall have as their members persons engaged in the production of raw silk within their jurisdictional area, except persons designated by law.

Article 54: Raw silk wholesalers associations shall have as their members persons engaged as raw silk middlemen or agents, and cooperatives and cooperative federations buying and selling raw silk within their jurisdictional area.

Article 55: Raw silk exporters associations shall have as their members persons engaged in the export of raw silk, and cooperatives and cooperative federations exporting raw silk who are located within their jurisdictional area.

4. Regulations for Tea Enterprises Associations (*Chagyo Kumiai Kisoku*), Ministerial Decree of Department of Agriculture and Commerce No. 4, 29 December 1887; Revised or Amended in March 1889; No. 1 in January 1890; No. 3 in February 1890; No. 2 in March 1891; No. 5 in March 1892; No. 14 in October 1892; No. 6 in June 1896; No. 17 in July 1899; No. 16 in May 1909; No. 32 in November 1911.

Article 2: Where a tea association is established for the purpose of increasing the precision of purchases and sales, expanding markets, and improving production, tea entrepreneurs are obligated to join such an association;

Provided, however, that persons, who have been permitted not to join by the Minister of Agriculture and Commerce, are not bound by this provision.

5. Stockbreeders Associations Law (*Chikusan Kumiai-ho*), Law No. 1, 14 January 1915; Amended by Law No. 1 March 1925.

Article 8: When an association has been established, persons having the qualification of association members within the jurisdictional area of that association shall be members;

Provided, however, that persons who have received the permission of the regional chief (*chiho kancho*), by virtue of special circumstances, are not bound by this provision.

6. National Mobilization Law (*Kokka Sodo-in-ho*), Law No. 55, 1 April 1938; Revised by Law No. 68, April 1939 and No. 19, March 1941.

Article 18: . . . When an organization has been established in accordance with clause 1, the Government may, by means of an Imperial Ordinance, cause all persons having membership qualifications to become members of this organization

7. Consolidation of Agricultural Organizations Law, 1943. (Text of this law has not been obtained. Content of the law as given in this guide has been derived from Japanese radio broadcasts and magazine articles.

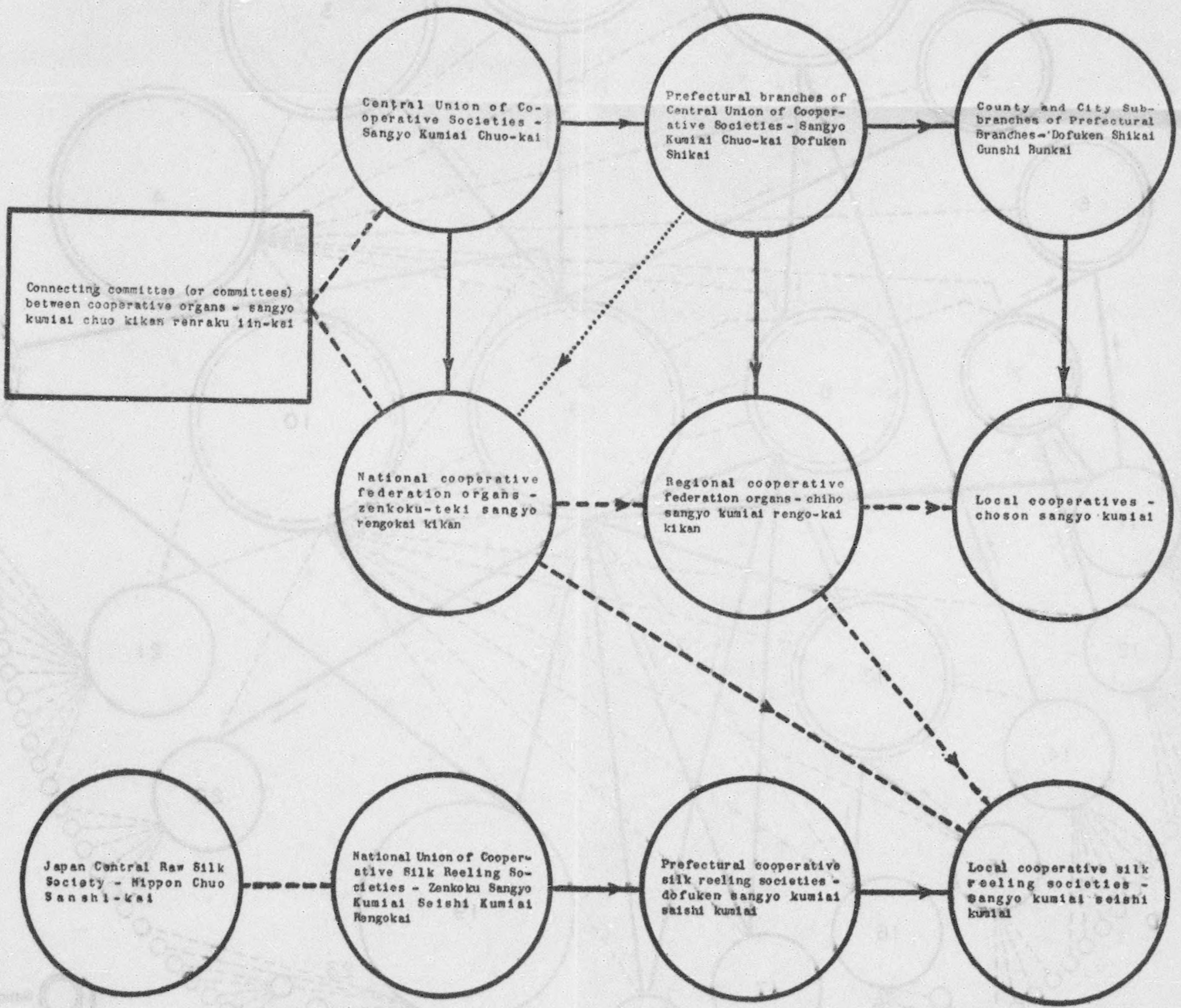
The law compelled all landowners and cultivators of more than one tan to belong to the consolidated village agricultural organization. The law compelled all village agricultural associations and societies to join the consolidated village agricultural organization.)

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JAPAN
COOPERATIVE ENTERPRISE (BUSINESS) ORGANS

JAPAN

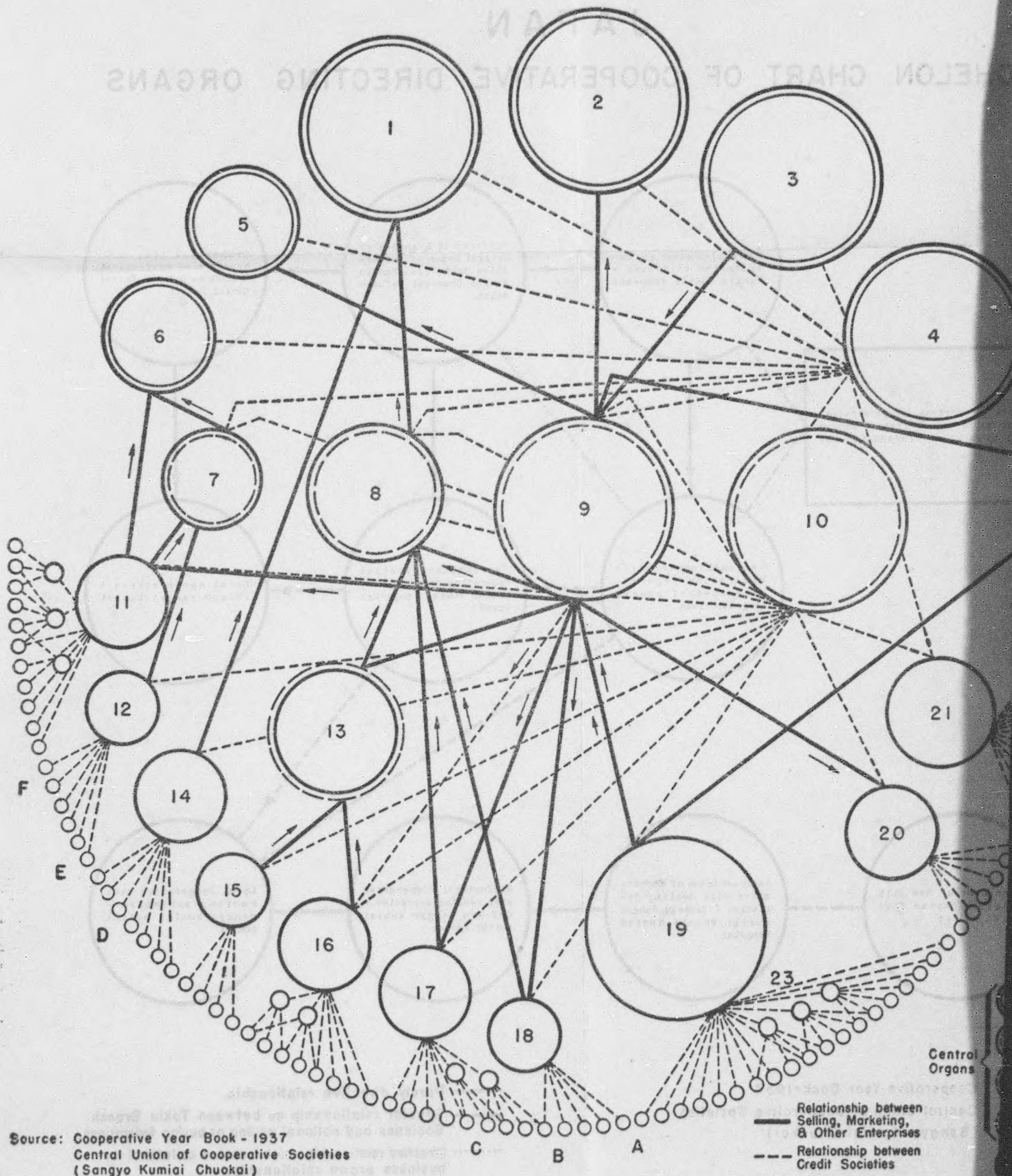
ECHELON CHART OF COOPERATIVE DIRECTING ORGANS



SOURCE: Cooperative Year Book-1937
Central Union of Cooperative Societies
(Sangyo Kumiai Chuokai)

- Purely directive relationship.
- - - Special relationship as between Tokio Branch Societies and national selling or buying federations.
- Directive relationship which includes collateral or business organ relationship.

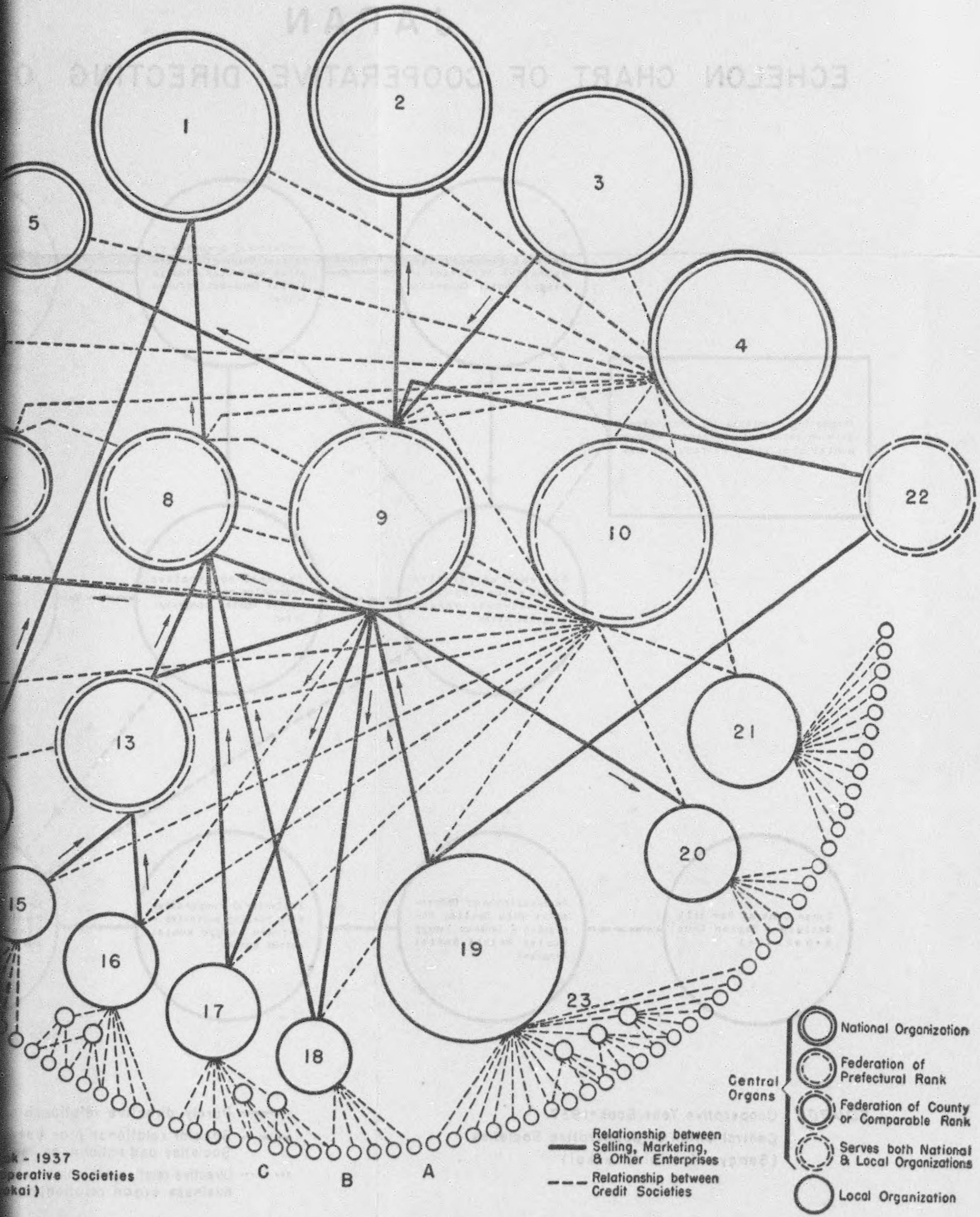
JAPAN COOPERATIVE ENTERPRISE (BUSINESS) ORGANS



Source: Cooperative Year Book - 1937
Central Union of Cooperative Societies
(Sangyo Kumiai Chuokai)

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|---|---|
| <ol style="list-style-type: none"> 1. National Union of Cooperative Silk Reeling Societies - Zenkoku Sangyo Kumiai Seishi Kumiai Rengokai 2. National Federation of Agricultural Cooperative Marketing Societies - Zenkoku [Beikoku] Hanbai Kobai Kumiai Rengokai 3. Cooperative Wholesale Society of Japan-- Zenkoku Kobai Kumiai Rengokai 4. Central Bank of Cooperative Societies - Sangyo Kumiai Chuo Kinko 5. Japan Federation of Citrus Growers Cooperative Societies - Dai Nippon Kankitsu Hanbai Kumiai Rengokai 6. National Federation of Cooperative Cocoon Dessicating and Marketing Societies - Zenkoku Kanken Hanbai Koken Kumiai Rengokai 7. Federation of Cooperative Cocoon Dessicating and Marketing Societies - KanKen Hanbai Koken Kumiai Rengokai 8. Federation of Cooperative Silk Reeling Societies - Sangyo Kumiai Seishi Rengo-kai 9. Prefectural federations of selling, buying and utilization cooperatives - fukun nan-ko-ra rengokai 10. Prefectural federations of cooperative credit societies - fukun shinyo rengo-kai | <ol style="list-style-type: none"> 11. Cooperative cocoon dessicating and marketing societies - kanken 12. Local cooperatives 13. Same as No. 8. 14. Cooperative silk reeling societies - sangyo kumiai seishi kumiai 15. Local cooperatives 16. Same as No. 14. 17. Cocoon and raw silk marketing societies - "ken" and "shi" hanbai 18. Local cooperatives 19. Agricultural village cooperative - (sangyo kumiai) 20. Consumers cooperative societies - shohi kumiai 21. Cooperative urban credit societies - shigachi shinyo kumiai 22. Agricultural Village Industrial Products Marketing Institute - 23. Technological progress societies <p>ABC Cooperative members - sangyo kumiai
DEF)</p> |
|---|---|

JAPAN COOPERATIVE ENTERPRISE (BUSINESS) ORGANS



1937
Cooperative Societies (kai)

Silk Reeling Societies - Zenkoku Sangyo Kumiai Seishi Kur'iai
 Agricultural Cooperative Marketing Societies - Zenkoku [Beikoku] Hanbai
 of Japan-- Zenkoku Kobai Kumiai Rengokai
 Societies - Sangyo Kumiai Chuo Kinko
 Members Cooperative Societies - Dai Nippon Kankitsu Hanbai Kumiai
 Cooperative Cocoon Dedicating and Marketing Societies - Zenkoku Kanken
 Cocoon Dedicating and Marketing Societies - Kanken Hanbai Koken
 Reeling Societies - Sangyo Kumiai Seishi Rengo-kai
 ing, buying and utilization cooperatives - fukan nan-ko-rj
 Cooperative credit societies - fukan shinyo rengo-kai

- 11. Cooperative cocoon dedicating and marketing societies - kanken hanbai koken kumiai
 - 12. Local cooperatives
 - 13. Same as No. 8.
 - 14. Cooperative silk reeling societies - sangyo kumiai seishi kumiai
 - 15. Local cooperatives
 - 16. Same as No. 14.
 - 17. Cocoon and raw silk marketing societies - "ken" and "shi" hanbai kumiai
 - 18. Local cooperatives
 - 19. Agricultural village cooperative - (sangyo kumiai)
 - 20. Consumers cooperative societies - shohi kumiai
 - 21. Cooperative urban credit societies - shigaichi shinyo kumiai
 - 22. Agricultural Village Industrial Products Marketing Institute - Hoson Kogyo-hin Hanbai-sho
 - 23. Technological progress societies
- ABC) Cooperative members - sangyo kumiai
 DEF)

310.1-16

HEADQUARTERS
UNITED STATES ARMY MILITARY
GOVERNMENT IN KOREA
Department of Agriculture
Seoul, Korea

DEPARTMENT ORDER
NUMBER 1

15 June 1946

KOREAN AGRICULTURAL ASSOCIATION FEES

1. *Increased Fees Authorized.* City, county, and island Agricultural Associations are hereby authorized to increase Association fees. New fees established upon the basis of this order shall not exceed the following amounts:

- 1 arm family _____ 5 yen
- cow or horse _____ 10 yen
- Per calf _____ 5 yen

2. *Effective Date.* This order shall be effective on the tenth day after the date appearing hereon.

BY DIRECTION OF THE MILITARY GOVERNOR:

JAMES I MARTIN
Lt Col CAC
Director
Department of Agriculture



31-1015

在朝鮮美國陸軍司令部軍政廳

農務部命令第一號

朝鮮農會費

一、農會費增加之認可

府、郡及道農會之扶則農會費增加之認可可也、本令是根據是하
아決定新會費之左記金額是超過치 못함

會員費	五圓
家畜當	牛及馬 十圓
積牛	五圓

二、施行期日

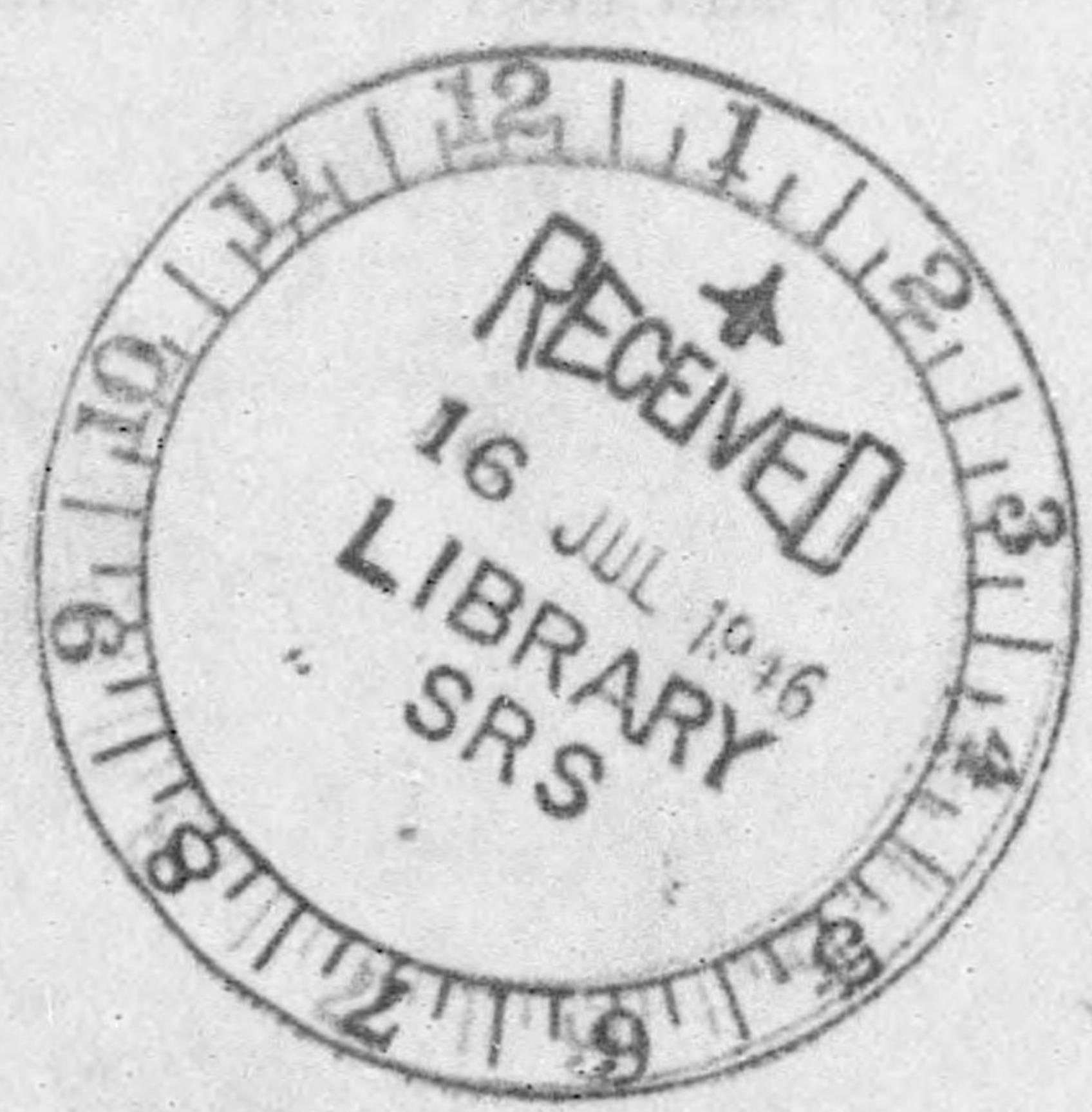
本令是公布日時後十日에效力이生함

一九四六年六月十五日

軍政長官指示에依하야

農務部長事務處理官

美國陸軍小佐 趙수·아이·마리



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November 27, 1945

MEMORANDUM FOR : The Office of the Supreme Commander for the Allied
Powers

SUBJECT : GOVERNMENTAL SUBSIDIES TO PRIVATE ENTERPRISE

(IV) Subsidy to Foodstuffs

A subsidy to foodstuffs is embodied in the Foodstuffs Control Special Account (under the charge of the Ministry of Agriculture and Forestry). It is estimated at ¥2,831,000,000 for 1945 - 1946. It occupies about 40% of the whole subsidies.

The foodstuffs control special account -

The present foodstuffs control is carried on in accordance with the "Foodstuffs Control Law" which was put in force on July 1, 1942. The law was enacted with the following three objects: (A) to strengthen the control of rice and wheat, (B) to provide a machinery for rationing staple foodstuffs, (C) to stock foodstuffs to be used in time of emergency. The pursuance of these three objects is particularized hereunder.

(A) The strengthening of the control of rice and wheat. As regards rice and wheat, which are staple foodstuffs, various forms of control have been adopted before the enactment of the Foodstuffs Control Law. The control started with the settlement of prices and was recently extended to matters relative to quantities. The price control was at first restricted to the prevention of a fall in prices for the producers and later extended to the prevention of a rise in prices for the consumers. After all, it was intended that the producers of rice and wheat (later potatoes, sweet potatoes, etc., were added thereto) increase offerings of products on the one hand and to bring up the prices on the other and for the consumers to restrain their consumption on the one hand and to keep the prices from rising on the other.

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Subsidies

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Nov. 27, 1945

How the price control was exercised will be noted from the following diagram:

Year	Buying price of rice (per koku) from producers	Selling price to consumers
1941	¥44.00	¥43.00
1942	50.00	43.00
1943	62.50 (from producers) 47.00 (from land owner)	46.00 46.00
1944	92.50	46.00
1945	150.00	undecided

Table I

Burden of State by Foodstuffs under Control (Estimate for 1945 - 46) (Unit price of burden in yen)

Name of Goods	Buying Quantity	Buying Price	Selling price	Difference	Total Burden (¥1,000)
		Yen			
Rice	30,000,000 Koku	92.50 (per koku)	46.00	46.50	1,395,000
Barley	2,100,000 "	49.71	23.00	26.51	55,671
Rye & wheat	6,500,000 "	72.34	34.33	38.51	250,315
Sweet Potato	850,000,000 Kan	(per kan) 3.00	5.00	3.00	255,000
Soya bean and bean cake)	6,000,000 koku		Aver. 1.50		9,000
Miscellaneous) grains)					
Potato	430,000,000 kan	8.80	4.90	3.90	167,700
Chosen rice	700,000 koku			20.00	14,000
Taiwan rice	----	---	---	---	---
Foreign rice	----	----	---	---	---
Total					2,146,686

cont'd

Subsidies

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Nov. 27, 1945

Table I (cont'd)

Note: The figure in the above Table is the product of the multiplication of estimated losses to estimated buying quantities and so is different from the estimate of ¥ 2,831,000,000 mentioned in the text of the present report.

Table 2

Government's Buying Price of Rice under Control

		Government's Buying Price Yen	Subsidy Yen	Total Yen
Independent Farming	(Holdings	---	---	---
	(Offerings	92.50	---	92.50
Tenant Farming	(Holdings	---	---	---
	(Offerings	92.50	---	92.50
	(Produce by tenant farming	---	37.50	37.50
Landlord produce by tenant farm- ing	(Holdings	---	---	---
	(Offerings	55.00	---	55.00

Subsidies

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Nov. 27, 1945

Particulars of the buying price of rice for 1944 are given in Table 2 above.

As regards quantitative control, it may be divided into two forms. One is the control of the whole production as is seen in rice and wheat. The other is the control of a part of the production as seen in potatoes, soya-bean, etc. The former is something like monopolistic sale on the part of the Government, though it does not meddle with the acreage under tillage. The producers must sell their whole produce to the Government, with the exception of the portion which is recognized by the Government as being required for holding. Those two forms of control have been exercised on the basis of the foodstuffs demand and supply program formulated by the Government. The latest results of this control are shown in Table 3 attached.

(B) The providing of a rationing machinery. The rationing machinery has been materialized by the formation of the Central Foodstuffs Management Corporation and the Local Foodstuffs Management Corporation. To state in particular how the control has been exercised with reference to rice, for instance, the Government purchases the cereal through the respective Local Agricultural Co-operative Associations, and through the Central Foodstuffs Management Corporation in the case of foreign rice, and supplies it to the consumers through the Local Foodstuffs Management Corporations on the basis of specified apportionment. Almost the same is the case with substitutes for rice. No intermediary dealings are admitted. It is thoroughly public in character.

(C) Storage of foodstuffs for emergency use. The results of this control are not announced. From the present attained condition however, it appears unlikely that any worthy results have been scored.

Subsidies

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Nov. 27, 1945

The question now is whether this foodstuffs control should be continued or not. It will have to be continued as long as the nation has to manage on home produced rice, which falls short of meeting requirements. Because, if the control is discontinued and transactions are left entirely free, it will cause unfairness to the consuming market. The continuation of control is especially necessary in the case of such cereals as rice and wheat. If these cereals, which are not only absolutely necessary for the life of the nation but also fit for storage are monopolized or freely speculated in, it will surely bring about many deaths from starvation among the people. Actually, the Government is resolved to continue the policy of subsidy. The continuation of the system of control is not, of course, desirable. If it be possible to secure an abundant supply of foodstuffs by abolition or reform of the control, such should be abolished without delay.

There are three measures to be adopted in favor of the abolition or reform of the control. The first is the system of monopoly, the second market operations and third thorough-going free transactions. To refer to conditions for materializing those measures and to their respective merits and demerits:

(a) System of monopoly

This is not necessarily a measure to meet a shortage of food supply. It has been advocated since the days when the importation of foreign rice was free and the consuming market was liberally supplied. Its object is to relieve both producer and consumer from the sense of uneasiness. It can be fully expected that this system will keep secure the economic life of the nation inasmuch as about 40% of the nation are farmers and rice is the absolutely necessary diet for them.

Subsidies

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Nov. 27. 1945

Free transactions are limited only to such a portion of holdings of landlords as exceed their own needs. If the holdings of landlords and independent and tenant farmers are restricted to the standard of ration supply, rice and wheat will be pure articles of monopoly by the Government. So long as the shortage of food supply as is the case at present continues, the adoption of the system of monopoly will be possible in many respects. If so, the foodstuffs control will have to be exercised more strictly and more comprehensively in scope. In that case, the subsidy to the farmers by the Ministry of Agriculture and Forestry will be increased more and more on account of the necessity of promoting facilities for purchasing seeds, nurturing seedlings, preventing the work of noxious insects, etc.

(b) Market operations

It means the resumption of the rice exchange and of operations therein by the Government or its agencies. In order to realize this measure, it is up to the Government to provide some stocks and funds where-with to buy or sell the cereal according to the condition of the market as to keep it settled. The object of market operations is not simply to cause the market to effect collection and distribution automatically. It also consists in strengthening the will to produce and thereby causing the producers to offer as much of their products as possible. If the Government operates the market by holding sufficient stocks and develops such conditions of market as to be alluring to the producers, the latter will release their holdings liberally even by cutting their own consumption. If so, the supply to consumers will be increased and the farmers will be encouraged in the taking of the mixture of rice and miscellaneous grains and potatoes, etc., as was done by them in the past. Thus, on the whole, the food situation will be improved.

Subsidies

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Nov. 27, 1945

If rice import is permitted by the Allied Powers and the Government is enabled to hold a sufficient stock of the cereal, the rice exchange will be re-opened and with it market operations resumed.

(c) Thoroughgoing free transactions

The condition antecedent to this measure is a sufficient supply of foodstuffs. Therefore, under the present circumstances, there is little practicability of that measure. Whether one of the three measures or another should be adopted is a very important question to decide. Thereupon hinges the question of a subsidy or the burden of the State. After all is said and done, the burden of the State must be lightened and the balance between production and consumption secured by the improvement of price structure. To that end, it is necessary to lower the production cost of the farmers by supplying them fertilizer, agricultural implements, etc. at lower prices, and to restrain speculative spirits arising through the sense of uneasiness about the future by securing rice import to a certain extent.

-----End-----

Table 3 Outline of Demand and Supply of Staple Foodstuffs Since China Incident (In thousands of koku in round figures)

Kind	Actual Quantities								
	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46 (estimate)
Brought over from preceding year	8.007	7.512	8.493	4.061	4.357	7.070	2.351	2.612	2.305
Rice Crop					60.280	54.594	65.468	60.351	56.200
Over-eaten					5.4	1.308	2.525	2.500	2.800
Import	217	151	156	7.084	0.927	8.744	5.877	---	---
Chosen rice	6.736	10.140	5.670	3.05	3.306	5.235	---	3.500	1.421
Imported Taiwan rice	4.836	4.071	3.062	2.784	1.70	1.702	1.312	1.300	151
Sub - Total	17.522	15.120	9.651	3.170	5.276	6.037	1.911	4.300	1.572
Wheat, barley, etc.	---	---	---	---	---	2.360	3.205	5.501	7.450
Substitutes Potatoes and other Kindred roots; Miscellaneous grains of domestic production	---	---	---	---	---	---	401	2.435	3.200
Foodstuffs - Foreign production; Miscellaneous grains.	---	---	---	---	---	---	256	3.070	3.257
Sub - Total	---	---	---	---	---	2.360	4.453	11.006	13.607
Released from air raid defenses; stock	---	---	---	---	---	---	---	---	1.470
Total	17.226	80.103	84.170	84.188	80.334	80.013	81.896	81.270	77.954

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Table 3 Outline of Demand and Supply of Staple Foodstuffs Since China Incident (In thousands of koku
(Continued) in round figures)

Kind	Actual Quantities									
	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46 (estimate)	
Farmers' Consumption					24.346	25.300	26.488	24.150	22.750	
Ration Civilian										
Army	70.066	80.023	70.343	78.887	46.840	51.070	49.777	51.350	40.050	
Military Needs					1.076	1.384	2.246	3.015	4.258	
Exports to Foreign Countries	104	70	153	334	23	136	103	----	----	
Export to Colonies	544	517	614	610	771	664	670	450	400	
Total	70.714	80.610	80.109	79.831	73.264	78.561	70.284	78.065	77.158	
Balance Brought over from preceding year	7.512	8.493	4.061	4.357	7.070	2.352	2.612	2.305	706	

Note: The carry-over from 1945-46 to the succeeding year is estimated at 796,000 koku in the above table, but in view of a decrease in requirements of various sorts accompanying the close of the war, it is expected that the figure will be reduced to a level of 500,000 koku.