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894.5032/1-145--12-3146-47.48-49

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FORM DS-516
5-13-47

DEPARTMENT OF STATE

CHARGE SLIP

FILE NUMBER	DESCRIPTION OF DOCUMENT	CHARGE TO—	DATE OF CHARGE	CLERK'S INITIALS
894.5032/11-1846	Ltr re Cooperative League	Sy D'Blasi	10-9-78	DM

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DC/R

In reply refer to
NA

DEC 16 1947

SECRET

MEMORANDUM FOR THE UNITED STATES MEMBER,
FAR EASTERN COMMISSION

In accordance with a memorandum dated December 9, 1947, from the State-Army-Navy-Air Force Coordinating Committee, there is enclosed a statement of United States policy for the Democratization of Japanese Farmers' Unions and Cooperatives, comprising the Conclusions of SANACC 356/1 which was approved by the State-Army-Navy-Air Force Coordinating Committee on December 9, 1947.

The United States Member, Far Eastern Commission, is requested to submit this statement of United States policy to the Far Eastern Commission with a view to obtaining from the Far Eastern Commission a policy decision on the subject.

FRANK G. WISNER

Frank G. Wisner
Deputy to the Assistant Secretary
for Occupied Areas

Enclosure:

Statement of U.S. policy.

DCR - FP Unit
Anal
Rev
DEC 12 1947 P.M.
DEC 16 1947 P.M.

SECRET

NA:ALDunning/pm
12/12/47

FE

A true copy of the signed original. CR/2K

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894.5032/12-1947
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STATEMENT OF UNITED STATES POLICY FOR DEMOCRATIZATION OF JAPANESE FARMERS' UNIONS AND COOPERATIVES

In consonance with the principles and guarantees of rights embodied in the Japanese Constitution, the following is concluded respecting Japanese farmers and farm laborers:

a. Japanese farmers should be encouraged by SCAP and the Japanese Government to form themselves into farmers' unions and cooperatives. Farmers' unions and their members should have the same rights, privileges and protection as specified for Japanese trade unions in FEC 045/5. Farmers' cooperatives and their members should be assured of the civil liberties guaranteed in Chapter III of the Japanese Constitution, including access to radio broadcasting facilities on a non-discriminatory basis.

b. Any Japanese subject should have freedom of choice in joining or abstaining from membership in a farmers' cooperative, when his occupation is in any way related to agriculture.

c. No member should hold office in a cooperative if (1) he is in a competing business, or (2) he is subject to the purge directive of January 4, 1946, or subject to subsequent purge directives by the Supreme Commander for the Allied Powers.

d. If the ownership of stock is required for membership in a cooperative, the cost of a share should be as low as is consistent with fostering financial strength and maximum membership.

e. Farmers' cooperatives (whether engaged in marketing or purchasing activities) should be allowed to choose any form of organization consistent with internationally recognized cooperative principles, including (1) open membership and ownership irrespective of race, sex, nationality, politics or religion; (2) control based on one vote for one member; (3) limited return on capital and return of gains to members through patronage refunds; (4) regular provision of funds for promotional and educational work; (5) cash trading; (6) regular provision for building up of substantial reserves.

f. Cooperatives

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f. Cooperatives should be allowed to associate themselves in regional or national bodies, with representation in such bodies in proportion to the membership of the individual cooperatives.

g. The internal organization and the operations of a farmers' cooperative should be free from governmental interference at all times, except that during a national emergency farmers' cooperatives may be required by law to comply with special government measures to the same extent as any other Japanese national or organization under Japanese Government jurisdiction.

h. Farmers' cooperatives should be free from legal restrictions which prevent their engaging in any economic activity related to their own agricultural pursuits and for the benefit of members.

i. In cases of alleged violation by cooperatives of law, articles of incorporation or by-laws, remedial action should be taken through the courts of law and not through government decree.

j. Insofar as it is practicable, the Japanese Government should make available to farmers' cooperatives and individual farmers on a comparable basis (1) technical advisory and other services and (2) credits, when such cannot be obtained from private sources in amounts and at interest rates which are reasonable.

k. Farmers' cooperatives should be encouraged and assisted by the Japanese Government in providing education for their members, particularly in cooperative practices and agricultural techniques.

l. Farmers' cooperatives should be encouraged to participate in voluntary measures to promote the objectives of the occupation and to assist the achievement of national self support.

m. Any existing laws or parts thereof which are contrary to the provisions stated above should be abrogated, and any organization established thereunder abolished.

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SECRET

STATE-ARMY-NAVY-AIR FORCE COORDINATING COMMITTEE
Washington, D.C.

SANA-5849
9 December 1947

MEMORANDUM FOR THE SECRETARY OF STATE:

File
Memo to US Members G E C dtd 12/12/47 ASD/r

DIVISION OF NORTHERN AFFAIRS
DEC 10 1947
DEPARTMENT OF STATE

Subject: SANACC 356/1

Forwarded herewith for appropriate action by the Department of State are copies of SANACC 356/1 as approved by the State-Army-Navy-Air Force Coordinating Committee on 9 December 1947.

The attention of the Department of State is invited to paragraph 5 a of the enclosure.

The Joint Chiefs of Staff have been requested to forward the Conclusions thereof to SCAP for his information.

It is requested that information copies of any implementing action taken in this matter be furnished the Secretariat, SANACC.

For the State-Army-Navy-Air Force Coordinating Committee:

Rec'd Dir Unit
Attach
Rev
Cat
Dist

Sept
Clear Sheet made

Charles E. Saltzman

CHARLES E. SALTZMAN
Chairman

Enclosures:
Copy Nos. 54, 55,
SANACC 356/1

THIS DOCUMENT IS DECLASSIFIED
WHEN ATTACHMENT IS REMOVED

894.5032/12-947
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SECRET

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SECRET

COPY NO. 54

9 December 1947

STATE-ARMY-NAVY-AIR FORCE COORDINATING COMMITTEE

DECISION AMENDING SANACC 356/1

POLICY FOR DEMOCRATIZATION OF
JAPANESE FARMERS' UNIONS AND COOPERATIVES

Note by the Secretaries

1. By informal action on 9 December 1947 the State-Army-Navy-Air Force Coordinating Committee approved SANACC 356/1 as amended by SANACC 356/2.

2. Holders are requested to substitute the attached revised pages 32, 33, 34 and 35 and destroy the superseded pages by burning.

V. L. LOWRANCE

V. F. FIELD

J. P. GARDINER

Secretariat

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S E C R E T

COPY NO. 54

SANACC 356/1

29 October 1947

Pages 31 - 39, incl.

All references
with reference
pages 32, 33,
34 and 35,
12/9/47

STATE-ARMY-NAVY-AIR FORCE COORDINATING COMMITTEE

POLICY FOR DEMOCRATIZATION OF
JAPANESE FARMERS' UNIONS AND COOPERATIVES
Reference: SWNCC 356

Note by the Secretaries

The attached memorandum by the State Member and its enclosure are circulated for consideration by the Committee as a matter of PRIORITY.

H. W. MOSELEY
W. A. SCHULGEN
V. L. LOWRANCE
Secretariat

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

MEMORANDUM BY THE STATE MEMBER, SANACC

SWNCC 356, "REFORM OF JAPANESE AGRICULTURE"

It is most desirable that SCAP be provided with FEC guidance in his efforts to bring about the democratization of farmers' organizations in Japan. This is especially true now when legislation on this subject is being introduced in the Japanese Diet.

A statement of policy on this subject has been contained in SWNCC 356, "REFORM OF JAPANESE AGRICULTURE". That paper deals essentially with the economic aspects of land reform. Now that it has been returned to SFE for shortening, it is believed desirable to remove from it the sections on reform of farmers' organizations in order that SANACC may consider them separately with a view toward reaching a very early agreement on a paper which may be presented to the United States Member of the Far Eastern Commission for consideration by the FEC.

The attached paper sets out those portions of SWNCC 356 dealing with reform of farmers' organizations. It is introduced for early consideration by SANACC.

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ENCLOSURE

POLICY FOR DEMOCRARIZATION OF
JAPANESE FARMERS' UNIONS AND COOPERATIVES

THE PROBLEM

1. What should occupation policy be with respect to Japanese farmers' unions and cooperatives?

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. In consonance with the principles and guarantees of rights embodied in the Japanese Constitution, the following is concluded respecting Japanese farmers and farm laborers:

a. Japanese farmers should be encouraged by SCAP and the Japanese Government to form themselves into farmers' unions and cooperatives. Farmers' unions and their members should have the same rights, privileges and protection as specified for Japanese trade unions in FEC 045/5. Farmers' cooperatives and their members should be assured of the civil liberties guaranteed in Chapter III of the Japanese Constitution, including accesss to radio broadcasting facilities on a non-discriminatory basis.

b. Any Japanese subject should have freedom of choice in joining or abstaining from membership in a farmers' cooperative, when his occupation is in any way related to agriculture.

(Revised 9 December 1947)

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c. No member should hold office in a cooperative if (1) he is in a competing business, or (2) he is subject to the purge directive of January 4, 1946, or subject to subsequent purge directives by the Supreme Commander for the Allied Powers.

d. If the ownership of stock is required for membership in a cooperative, the cost of a share should be as low as is consistent with fostering financial strength and maximum membership.

e. Farmers' cooperatives (whether engaged in marketing or purchasing activities) should be allowed to choose any form of organization consistent with internationally recognized cooperative principles, including (1) open membership and ownership irrespective of race, sex, nationality, politics or religion; (2) control based on one vote for one member; (3) limited return on capital and return of gains to members through patronage refunds; (4) regular provision of funds for promotional and educational work; (5) cash trading; (6) regular provision for building up of substantial reserves.

f. Cooperatives should be allowed to associate themselves in regional or national bodies, with representation in such bodies in proportion to the membership of the individual cooperatives.

g. The internal organization and the operations of a farmers' cooperative should be free from governmental interference at all times, except that during a national emergency farmers' cooperatives may be required by law to comply with special government measures to the same extent as any other Japanese national or organization under Japanese Government jurisdiction.

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h. Farmers' cooperatives should be free from legal restrictions which prevent their engaging in any economic activity related to their own agricultural pursuits and for the benefit of members.

i. In cases of alleged violation by cooperatives of law, articles of incorporation or by-laws, remedial action should be taken through the courts of law and not through government decree.

j. Insofar as it is practicable, the Japanese Government should make available to farmers' cooperatives and individual farmers on a comparable basis (1) technical advisory and other services and (2) credits, when such cannot be obtained from private sources in amounts and at interest rates which are reasonable.

k. Farmers' cooperatives should be encouraged and assisted by the Japanese Government in providing education for their members, particularly in cooperative practices and agricultural techniques.

l. Farmers' cooperatives should be encouraged to participate in voluntary measures to promote the objectives of the occupation and to assist the achievement of national self support.

m. Any existing laws or parts thereof which are contrary to the provisions stated above should be abrogated, and any organization established thereunder abolished.

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RECOMMENDATIONS

5. It is recommended that after approval by SANACC:

a. The Conclusions be forwarded by the Department of State to the U.S. representative on the Far Eastern Commission for his guidance in obtaining approval of a statement of policy on this question.

b. The Joint Chiefs of Staff be requested to forward the Conclusions to SCAP for his information.

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APPENDIX "A"

FACTS BEARING ON THE PROBLEM

1. The Potsdam Declaration of 26 July 1945 states: "The Japanese Government shall remove all obstacles to the revival and strengthening of democratic tendencies among the Japanese people. Freedom of speech, of religion and of thought, as well as respect for the fundamental human rights shall be established".

2. The "United States Initial Post-Surrender Policy for Japan", (SWNCC 150/4/A), made public by the President on September 22, 1945, states in part: "The Japanese people shall be encouraged to develop a desire for individual liberties and respect for fundamental human rights, particularly the freedoms of religion, assembly, speech and press. They shall be encouraged to form democratic and representative organizations".

3. The "Basic Directive for Post-Surrender Military Government in Japan Proper", (SWNCC 52/7), states in part: "It is the intent of the United States Government to encourage and show favor to . . . the development of organizations in labor, industry, and agriculture organized on a democratic basis".

4. The SCAP directive of December 9, 1945, specifically ordered the Japanese Government to submit to SCAP by March 15, 1946, a program of rural reform which would include, in part, plans for a program to foster and encourage an agricultural cooperative movement free of domination by non-agrarian interests and dedicated to the economic and cultural advancement of the Japanese farmer.

5. The Ministry of Agriculture and Forestry submitted to SCAP on March 15, 1946, an agrarian reform program which called for, among other things, the reform and reorganization of the Agricultural Associations. This program was not satisfactory to SCAP and required further amendment.

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6. The "Basic Post-Surrender Policy for Japan", adopted by the Far Eastern Commission on June 19, 1947, and transmitted to SCAP on June 26, 1947, states in part: "Organizations of labor in industry and agriculture, organized on a democratic basis, shall be encouraged. Other organizations in industry and agriculture, organized on a democratic basis, shall be encouraged if they will contribute to furthering the democratization of Japan or other objectives of the occupation."

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APPENDIX "B"

DISCUSSION

1. In the prewar period in Japan, there were, in general, three types of farmers' organizations: agricultural associations controlled by the government; cooperatives operating independently but with official sanction and support; and tenant farmers' unions, generally looked down upon by the government as being inspired by leftist sources.

2. Agricultural associations were not only controlled by the government, membership in them being compulsory, but they were also the most important means by which the rural economy of Japan was geared to the war machine. Cooperative societies, consisting of many different types, had a voluntary membership, but they were, to all intents and purposes, dominated by the interests of the landlords and the financiers. Farmers' unions, mainly tenant organizations agitating for tenants' rights, had not only economic and social but also political aspects inasmuch as they were suppressed by the government in 1940 for fostering "dangerous thoughts".

3. By legislation passed in 1943 and 1944, cooperative societies were combined with agricultural associations, and farmers' unions having ceased to exist as legal in 1940, the resulting Agricultural Cooperative Association then was made to extend to practically every phase of the farmers' economic, political, social and cultural life. Almost all agricultural group activity, through the medium of the Agricultural Cooperative Association, was brought under the centralized control of the Japanese Government with the ultimate goal of harnessing Japan's farm population to its military juggernaut. Because of the disruption and disorganization of Japanese economy following the surrender, the Association was retained as the medium of centralized control over agriculture.

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4. In view of this history of suppression of some forms of farmers' organizations and government domination of others, it becomes clear that steps must be taken at the earliest possible date to encourage the growth of truly democratic farmers' organizations of every useful type, freed from the domination of the government and calculated to serve the legitimate interests of the farmers. This is basically sanctioned in the Potsdam Declaration, which, among other things, states that the Japanese shall be encouraged to form democratic organizations.

5. As long as the Agricultural Cooperative Association continues to be the agency of the Japanese Government for maintenance of centralized control over the collection and distribution of farm products, its development as a truly democratic and representative cooperative organization run by farmers to serve their own legitimate interests will be difficult, if not impossible. In short, the situation that Japanese rural economy finds itself in following the surrender emphasizes the necessity for active encouragement by SCAP of all forms of democratic farmers' organizations in order to eliminate the regimentation which has been the traditional lot of the Japanese farmer. It is understood, of course, that such encouragement must be based on the assurance to farmers that, on the economic level, necessary land reforms, without which the democratic development of farmers' organizations would be impossible, will be brought about by the Japanese Government at the behest of the occupation authorities.

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

SECRET

TO : ADO - Mr. Schuler DATE: July 2, 1948

FROM : NA - Mr. Allison

SUBJECT: NA position on C4-277/5 and /8, "Principles for Japanese Farmers' Organizations".

After study of the subject papers, and in light of Mr. Kroll's memorandum of July 1, NA's position on these papers is as follows:

1. It is believed that the UK's first proposed amendment in C4-277/8 may be accepted but that the other two should not.

2. It is our understanding that SCAP never expressed any views on the SWNCC paper on this subject (SWNCC 356/2), although it was sent to him for comment. It is also understood that the Army Department has not been asked to approve the amendments to this paper made in the FEC. Although it may perhaps be assumed that silence means consent in both cases, it is believed that specific Army approval of C4-277/5 with the first UK amendment should be obtained without delay, and that the Army's view should be sought as to whether SCAP's approval of the paper should not also be obtained before final action on it by the US Government. The circumstances surrounding the introduction and progress to this point of the paper should of course be explained at the time to SCAP.

3. If Army clearance and, should the Army think necessary, SCAP clearance of the paper is obtained there would seem to be no need for the U.S. Delegation to the FEC to seek to delay action on it, and it is believed that the U.S. may appropriately approve the paper in its present form with the first UK amendment.

894.5032/7-248

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NA:RAFearey/pm

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DRAFT SECRET

TO: Mr. Fearey

FROM: Mr. Kroll

SUBJECT: U.S. Position on C4-277 Series (Principles for Japanese Farmers' Organizations)

I. In connection with C4-277/8 ("Principles for Japanese Farmers' Organizations: United Kingdom Amendments"), I saw on June 17th Dr. Ward W. Fetrow, Cooperative Research Division, U. S. Farm Credit Administration Department of Agriculture. Dr. Fetrow was an economic consultant to the Natural Resources Section, Agricultural Division, GHQ, SCAP from April 26 to June 30, 1947, and is familiar at first hand with the cooperative movement in Japan.

Dr. Fetrow was favorably disposed toward the U.K. proposal that the principles contained in C4-277/5 be put into effect gradually to avoid dislocation in the collection and distribution of food. He thinks that the U.K. amendment #1, suggesting the inclusion of words to that effect in paragraph 3 of the General Principles in C4-277/5 would enhance the practicability of the paper. His reason is that a sudden freeing of cooperatives from long standing government control would expose the movement to certain dangers of aimlessness and rashness which might hinder its progress.

For the same reason Dr. Fetrow felt that Amendment #2 suggesting revision of paragraph 7 of C4-277/5 was acceptable only insofar as it called for progressive reduction of the Japanese Government's control over the internal management and operation of farmers' cooperatives. However, Dr. Fetrow did not view favorably that part of U.K.amendment #2 calling for Coopratives to remain liable to submit reports to the Government and to remain subject to inspection by the Government upon complaint, with the latter retaining power to order cooperatives to rectify illegalities and correct abuses. He felt that the ultimate goal for farmers' cooperatives should be the principles as contained in C4-277/5 and that to allow the government to retain such powers was exposing Japanese cooperatives to eventual danger of repression as in the past.

Dr. Fetrow

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Dr. Fetrow was puzzled by the U.K. intentions contained in Amendment #3. He felt that cooperatives themselves should proceed against individual defaulting farmers and that it was not only unnecessary but also undesirable to allow the government to have powers to proceed in such internal matters.

II. Dr. Fetrow's views are supported by Henry Owen of OE with the additional suggestion, however, that the U.K. amendment #1 is sufficient without amendment #2 to admonish SCAP to weigh all considerations in putting the policy into effect. Owen in short, would favor supporting only amendment #1.

III. Mr. Ray, of O, supports Owen's view of going along with amendment #1 only, specifically pointing out that it would be practically impossible to incorporate the first sentence of U.K. amendment #2 into legislation. He feels that amendment #1 is sufficiently broad to allow SCAP to adopt his own method of gradual implementation of this policy.

Mr. Ray feels that paragraph 8 of C4-277/5 would cover U.K. amendment #3 if the latter could be shown to be non-discriminatory and applicable also to organizations other than farmers' cooperatives. However, Mr. Ray feels that amendment #3 is undesirable, having the effect of making informers of farmers' cooperatives. He shares Dr. Fetrow's view that it would be better to have cooperatives themselves deal with defaulting farmers.

IV. Mr. Rudlin, of O, concurs with Owen and Ray in the view that only U.K. amendment #1 should be supported by the U. S.

V. ADO concurs with Dr. Fetrow in his support of the U.K. proposal for gradual implementation of this policy, but favors the view, as expressed by Messrs. Owen, Ray and Rudlin that we should support only Amendment #1 as sufficient to achieve the end envisaged by the U.K.

In case it should be the view of the Department that the adoption or implementation of this policy should be delayed as long as possible to avoid institution of reform measures at this late stage of the occupation, adoption of U.K.amendment #1 would have the added advantage of allowing SCAP to delay implementation of policy on grounds of economic necessity, once it has been passed by FEC. In connection with adoption of the paper by FEC, it is felt that,

while

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delaying tactics might be used a little longer, the U. S. must go along with the other ten nations in their desire to have a statement of principles on farmers' organizations since the U. S. has already presented a position on this and it would be inadvisable to request that that position be withdrawn.

In order to present the Department's view to Mr. Rudlin of O for coordination and subsequent referral to the new ad hoc committee on FEC matters, it is necessary to have NA's views on the following points:

1. Approval or disapproval of U.K. amendments in C4-277/8 in the light of the foregoing comments.

2. Strategy with regard to C4-277/5, the basic paper on the subject now before Committee #4. Should this paper be held in discussion stage to forestall adoption, or should the U. S. member support immediate adoption when all amendments have been disposed of?

3. Should SCAP be informed that the paper is under discussion now in Committee #4 and the Department's assumption is that SCAP has already seen the U. S. position (now embodied in C4-277/5) and approved it before its adoption by SANACC (then SWNCC)? We feel that this should be done after our position on the U. K. amendments has been determined.

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FORM DS-323
7-18-46

OUTGOING AIRGRAM

CLASSIFICATION

Department of State

UNCLASSIFIED

NO. A-13

Washington
Jan. 19,1949

1885

US POLAD

TOKYO

1885

Data in Washington on the current status and operations of Japanese agricultural cooperatives created by law of December 1947 not complete or adequate. To secure a fuller picture of the present situation answers to the following questions are requested:

XR
894.61

1. What are the present procedures in the villages in allocating food delivery quotas? What is the role of agricultural cooperatives in quota allocations and in food collection administration?

2. What are the reasons for the emergence of multiple cooperatives within villages? What is SCAP policy on this point?

3. What were the nature and functions of the former agricultural enforcement associations and sericulture associations as contrasted with the former agricultural associations dissolved in August 1948?

4. What is the current role played by agricultural cooperatives in land reform?

5. At present the number of members in agricultural cooperatives is higher than the number of farm families. What is the basis for counting membership in agricultural cooperatives? How many farmers do not belong to any cooperative?

6. What are the political and social complexions and activities of agricultural cooperatives? To what extent has Communism made inroads in the cooperatives?

DISTRIBUTION DESIRED (OFFICES ONLY)

Please address all replies to attention of the Acquisition and Distribution Division of the Department, using the reference IAD-163

S/B

LOVETT
(ACTING)

Lovett
acting

WSHunsberger
OIR-DRF:~~xxxxxxx~~(SNehmer):tk 1/17/49

NA (cleared by Mr. Bishop)

CP (cleared by Mr. Weiss)

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CR CLEARANCE

JAN 18 1949

U. S. GOVERNMENT PRINTING OFFICE : 1948 792751

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

United States Political Adviser
for Japan

March 16, 1949.

REC'D
MAR 21

No. 153

ACTION
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UNCLASSIFIED

INFO
FR
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FE
ITP
AGRI
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LABOR

Subject: Forwarding Information Regarding Agricultural Cooperatives in Japan.

894.5032/1-1949

The Acting Political Adviser has the honor to refer to the Department's airgram No. A-13 of January 19, 1949 and Tokyo's airgram No. A-22 of January 28, 1949, and to forward available information on agricultural cooperatives as furnished by the Natural Resources Section of General Headquarters, Supreme Commander for the Allied Powers.

124.946/1-2849

Enclosure:

NRS Check Sheet on above subject dated March 1, 1949.

Parchment Mat to Department

502
EGSeidensticker, Jr.:mis

DEPARTMENT OF STATE
RECEIVED
1949 MAR 28 PM 4 07
OFF. INTELL. RES.
INTELL. COORD. STAFF
(OIR/ICS)

894.5032/3-1649

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ACTION COPY RETURN TO DC/R FILES WITHIN 14 DAYS, WITH A NOTATION OF ACTION TAKEN.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 760050

Enclosure to Despatch No. 153 dated March 16, 1949 from the United States Political Adviser for Japan, Tokyo, on the subject "Forwarding Information Regarding Agricultural Cooperatives in Japan".

(COPY)

NRS Check Sheet 1 March 49

a. Reference question 1: Food delivery quotas are assigned by the National Government to the prefectures, and are sub-allocated by prefectures to guns (counties) and subsequently to villages and individual farmers. Assignment of such quotas is the responsibility of the administrative head of the government at each echelon, who is advised by an elected food committee. At the village level the food committee consists of about 15 members elected by and from among the local farmers. Gun committees are elected by representatives from the village committees. Prefectural and national committees are formed in a similar manner. At the village level the mayor, with the advice of the committee, assigns each farmer his portion of the delivery quota, taking into consideration the planted acreage, estimated yield, and retention allowance of the farmer. Agricultural cooperatives play no official role in the allocation of delivery quotas or in food collection administration. Agricultural cooperatives may, and usually do, act as buyers for the Central Government in the food collection program. They have responsibility only for the physical handling and storing of food in the village and are employed by the government on a commission basis.

b. Reference question 2: The Agricultural Cooperative Association Law (Law 132, 1947) imposes no restriction upon the number of agricultural cooperatives or the business areas of such enterprises. Any group of 15 or more farmers may organize an agricultural cooperative association to engage in one or more of the activities specified in Art. 10 of the above Law. Cooperatives have been organized by farmers in the rural communities in accordance with the varying needs of each individual locality involved. This practice is in full accord with GHQ, SCAP, policies which permit farmers to decide within legal limits, matters relating to the form and structure of the cooperative organizations.

c. Reference question 3: The meaning of "enforcement associations" as used in the questionnaire is not clear. They could mean practice associations, associations such as an irrigation association, or organizations commonly called control associations. Although authorized by separate legislation, practice associations actually served as a substructure of the agricultural association system (nogyokai). Remarks made below in relation to nogyokai should therefore be interpreted as applying to the practice associations. Associations concerned with administering the affairs of an irrigation or reclamation district have existed in Japan for many years. In general, these associations are constituted to perform activities similar to those carried on by such associations in the United States. These associations continue to operate, and are not to be confused with the control associations about which the questionnaire is probably concerned. To differentiate between agricultural associations

(nogyokai)

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(nogyokai) dissolved in Aug 48, and what are usually referred to as control associations, is difficult. Both groups were government controlled, had compulsory membership requirements, allowed members virtually no voice in management, and exercised allocation authority and exclusive control over purchase and sale activities. The nogyokai was the organization through which the government regimented farmers as a part of the war effort. As such, the nogyokai controlled virtually every phase of a farmers economic life inclusive of buying, purchasing, credit, and even activities for mutual aid. A control association was, as a general rule, an organization exercising monopoly over the processing or manufacture and distribution of a particular commodity, as for example, fertilizer. Collectively, control associations constituted a highly integrated network of commercial control. The relations between other control associations and the nogyokai proper were usually, to the extent that the latter was concerned, extremely close. Control associations, including sericultural associations, have either been or are now in process of being dissolved. Where these activities were considered vital to the economy, Kodans, (Government Control Agencies) have been organized to perform such functions. The Agricultural Cooperative Association Law, Law 132, 1947, has served as the basis for the organization of approximately 30,000 agricultural and sericultural cooperative associations which now perform necessary economic activities formerly carried on by the dissolved control associations and agricultural associations.

d. Reference question 4: The organization of democratic agricultural cooperative enterprises, under Law 132, 1947, and the liquidation of the agricultural associations and agricultural and sericultural practice associations under Law 133, 1947, constitutes one part of the rural land reform program envisaged by SCAPIN 411, 9 Dec 45. Aside from the fact that each deals with the democratization and economic stabilisation of agriculture, there is no direct connection between the treatment of land tenure problems under land reform and the agricultural cooperative program.

e. Reference question 5: Under the Agricultural Cooperative Association Law only farmers may be voting members. A farmer within the meaning of the law is an individual person who is personally engaged in cultivation, stock production or sericulture. Persons other than farmers who reside within the business area of a cooperative may be admitted as associate members without voting privileges. The present reported farmer membership of 7,356,095 is accounted for by (1) farmers joining more than one cooperative, and (2) the above definition which permits any qualifying person in the same farm household to become a voting member. Officials of the Ministry of Agriculture and Forestry estimate that less than 1 per cent of Japanese farmers are not members of any agricultural cooperative.

f. Reference question 6: Administrative policy has recognized agricultural cooperatives as nonpolitical organizations through which farmers can accomplish activities for their mutual economic wel-

welfare

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Enclosure to
Tokyo's Despatch No. 153
March 16, 1949

fare. Numerous instances of opposing farmers' organizations, or local groups, attempting to elect their representatives to official positions have occurred. In most instances such contests have been between members of the Farmers' Union and persons representing former agricultural association interests. Instances of communist attempts to influence cooperative policies have been reported; however no significant progress appears to have been made by this group.

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FORM DS-10
2-10-47

DEPARTMENT OF STATE

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REMARKS:

No action necessary. This is a full reply to Dept's A-13 of 1/19/49.

FROM Stanley Nehmer DRF

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