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GHQ/SCAP Records (RG 331, National Archives and Records Service)

Description of contents

- (1) Box no. 2946
- (2) Folder title/number: (21)
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(3) Date: Mar. 1949 - June 1949

(4) Subject:

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- (5) Item description and comment:
 - i) Kinki
 - ii) Includes Contents List

(6) Reproduction: Yes No

(7) Film no.

Sheet no.

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313 RECORDS; making, keeping, and using

<u>NO.</u>	<u>DATE</u>	<u>SUBJECT</u>
1.		Records Administration (1st Ind: 3 May 49)
2.	14 Mar 49	Records Disposition Schedules
3.	16 Jun 49	Field Trip to Kansai District on Agrarian Reform (GHQ, SCAP, Memo for record)

*Economic
Jap.*GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Natural Resources Section*Kyoto CAT*

NR 313 (16 Jun 49)A

HGS/WHL/RSB/deg
16 June 1949

MEMORANDUM FOR: Record

SUBJECT: Field Trip to Kansai District on Agrarian Reform

1. Pursuant to provisions of par 2, CP Order 123-5 3 May 1949, the undersigned travelled to Mie, Nara, Shiga, and Kyoto Prefectures between 8 and 15 May 1949.

2. Purpose of the trip was to consult with military government and Japanese officials responsible for the land reform and agricultural cooperative programs in their respective prefectures in order to observe the manner in which the programs are being administered; to ascertain the degree of accomplishment to date; and ascertain phases requiring particular surveillance by Allied personnel in the future.

3. Military government personnel at all echelons were uniformly cordial, and exhibited a keen interest in the progress of the agricultural reforms. Messing, billeting, and transportation facilities were made available as needed.

4. Observations respecting the land reform and agricultural cooperative programs were similar in four prefectures visited and led to the following general conclusions.

a. Land Reform:

- (1) There can be no doubt but that the vast majority of cultivated lands subject to transfer under land reform law has already been acquired by the government and sold to cultivators. Agricultural land commissions continue to be vigilant in their search for land parcels that might thus far have escaped their attention, but for all practical purposes their land acquisition responsibility will be, in the future, of a regulatory nature in maintaining the size of farm holdings within legal limits. The small amount of land remaining unsold results either from a need to untangle complicated legal problems concerning individual parcels, considerations respecting city planning, or administrative rulings respecting the eligibility requirements of potential cultivating purchasers.

Obvious acceleration in the rate of paying former landlords for lands bought and making collections from tenant purchases has brought this phase of the program abreast of projected administrative schedules. Bonds in payment for

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lands purchased are, generally speaking, moving out to former owners as soon as received by local agencies from higher echelons of the Japanese Government. Collections from tenants are well ahead of original schedules with the great majority of purchasers making payment in lump sums in contrast to amortizing payment over a period of years, as had originally been considered necessary for the majority.

- (3) Local agricultural land commissions are just beginning the tremendous task of applying for land title transfer registration through the local offices of the Attorney General. Completion of application procedures cannot be expected before 31 March 1950 and may well require an additional six months beyond that date. Although the task of completing registration on the part of the Attorney General will require a minimum of 3 years, receipt of applications by this agency has the effect, under Japanese law, of placing such lands in the same category as though registration had actually been accomplished. Thus, for purposes of litigation, land titles for the new owners will be secured as soon as application for registration has been completed. In all Japan, approximately 31,000,000 parcels of land were bought under land reform, and 34,000,000 parcels sold. The task of title registration involves, as a consequence, some 65,000,000 entries on official property record books. There is no particular reason to believe that the Japanese Government will be lax in completing title registration, nor is the job more than a greatly magnified application of well established administrative process; however, the vital nature of the job itself makes it but prudent that surveillance over the process be continued.
- (4) Prefectural Japanese administrators of land reform are inclined to claim that much attention has been given during the course of the program to informing farmers of its implications. Close questioning on this phase, however, reveals that in general, prefectural administrators have acted to inform farmers reasonably well on those parts of the law which deal with the transfer of cultivated land, and slightly as to legal provisions against unfair tenancy practices; most information was disseminated during the first two years of operation; little or no systematic attention is being given to this most important phase of the program at present; and, farmers are greatly in need of information as relates both directly to land law and to related topics, if they are to act as an intelligent segment of a democratic society toward protecting past gains and securing future needs. Failure on the part of

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Japanese administrators to aid in creating an informed and politically potent farmer group is explained in part perhaps by the fact that, working under pressure to accomplish land transfers on schedule, Japanese administrators have emphasized the things they had to do and slighted things that could be left undone. The fault, in all probability, is also due to a cultural tendency on the part of white collared workers in Japan to assume an incurable ignorance among farmers which requires that their welfare and destiny be arranged for by others. Another fact deserving consideration in this respect is that former tenants who have now become owners of their land appear to be much less interested in land legislation than they were before the reform was instituted. Whatever the cause may be, the fact remains that farmers will be protected against exploitation by nonagrarian interests and adequately represented in government, only when they are possessed of sufficient knowledge as will enable them to make a sound appraisal of their position in the economic scheme of things, and act intelligently and effectively as a vital part of the body politic. This means that administrators of programs concerned with the improvement of rural welfare must place continuing emphasis on farmer education--particularly on its social and economic aspects.

b. Agricultural Cooperatives:

- (1) The liquidation of Agricultural Association (Nogyokai) assets is progressing in a satisfactory manner. In a very few instances liquidation of village association assets have been delayed. For example, there is the situation in Nara Prefecture where transfer of the assets of a certain village association have been postponed since they are evidence in a trial involving a former clerk who robbed the association, burned down the building in order to destroy the evidence, killed one witness to his crime, and allegedly murdered two other village residents during the course of his escapade. The great majority of local associations have already been liquidated however, and with the exception of a few examples as cited above, it is to be anticipated that the task will be finished by 1 July 1949.
- (2) The actual organization of agricultural cooperative associations progresses in a satisfactory manner. In some villages their newly won privilege to organize as many cooperatives as they may choose has caused farmers to become over indulgent. Certainly, in many instances, the two or three cooperatives that exist in some villages are destined for

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consolidation as a means of cutting overhead and increasing services for their members. But these problems and anticipated adjustments for their solution should be regarded only as growing pains in the normal process of democratic organization and growth. The right of farmers to organize voluntarily such cooperative enterprises as they deem necessary should never be placed in jeopardy for fear that farmers will not act intelligently in the application of this principle.

- (3) Perhaps the most obvious sight to a visitor of an agricultural cooperative is the lack of saleable goods on the shelves-- and in most instances even the shelves themselves. Certainly the interior of many cooperative building look much more like the office of the local tax collector than a business existing in order to sell farmers what they need to buy and to market what they have to sell. It is true that these cooperatives are operating in a controlled economy, and the number of commodities to be sold freely over the counter limited, but such restrictions do not apply to all commodities. Items such as cooking utensils, geta, etc., are being offered for sale in neighboring shops. Since these shops continue to operate, and farmers, all of whom have need for these goods, compose a sizeable proportion of the population in the average rural community, it is but reasonable to assume that farmers are buying from these shops--and paying a cost which includes a profit margin which might otherwise have accrued to his own savings through patronage dividends. In fact one prefectural cooperative administrator explained that there was really no reason for the cooperatives to handle goods of this type since a farmer could "always buy them in the shops right in the village." This situation, of course, implies a failure on the part of many to understand what a cooperative is for. During the Nogyokai period it was the primary responsibility of an association manager to see that the business operated in accordance with government programs. He was responsible for food collection for example, and for distributing things "sent out through the Nogyokai." He thus became a kind of a local administrator-- a white collar worker responsible for dealings between the government and the farmers. He was not a merchant--interested in buying and selling for a farmer organization with an eye to profits and savings. There has no doubt been a carryover of this folklore into the new cooperatives. In many instances in fact, former Nogyokai managers now manage the new cooperatives. Certainly the advantages of cooperatives will never be fully realized until farmers begin to appreciate the opportunities offered.

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The problem requires education--in many instances by demonstration. It is to the cooperative managers themselves then, that the first appeal for corrective action must be made. In short, they must be taught that good cooperative managers are merchants, not bookkeepers--that their efficiency will eventually be rated by farmers themselves, in terms of whether or not they are saving them money on consumer goods and marketing their crops at the maximum price.

- (4) That basic cooperative principle of profits or savings in accord with participation as contrasted with earnings on invested capital is not fully appreciated. In Shiga Prefecture the head of the cooperative program had not heard of patronage dividends and had been working with the belief that a successful cooperative is one which is able to pay a maximum rate of interest to stock holders. He was most grateful to learn of "this new idea" and said that he thought it (patronage dividends) "was a splendid one." That emphasis should be placed on developing a full appreciation of the principle patronage dividends among farmers and cooperative officials is of primary importance.
- (5) In relation to credit activities in general, the undersigned gained two general impressions: namely, (a) that cooperatives are in the midst of shaping credit policies and have arrived at few fixed conclusions, and (b) that it is entirely likely that cooperative credit policy, when defined, will be most conservative in nature--that interest on deposits will be no higher than necessary to attract depositors, and loans, while perhaps slightly cheaper than through other sources will, for all practical purposes, command that rate of interest which the market will bear. In short, where credit is concerned, it is the opinion of the writer that unless the philosophy of farmers can be altered, cooperatives will serve primarily in being convenient depositories for savings--they can not be counted on as a bulwork against high interest rates charged farmers for loans available through nonagrarian sources. Interest paid on deposits varied from 2% in Nara Prefecture, to 4% in Kyoto. Interest collected on loans to farmers varied between 3% in Nara to 14.6% in Kyoto. All prefectures reported increasing demands for credit; none that resources were exhausted. Loans are secured by chattle mortgage or consigner.
- (6) The situation as relates to the need for educating farmers as to the implications of cooperative enterprise, and the failure on the part of prefectural administrators to meet this need parallels that discussed under land reform in par 4a (4) above. Emphasis should be placed on remedying this urgent problem.

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5. Conclusions:

a. Basic laws under which the land reform and agricultural cooperative programs are operating are adequate and workable, and good progress has, and is being made in the attainment of immediate objectives. The ultimate security of those objectives, however, is entirely dependent upon an enlightened farm population, understanding of these laws and their implications, and able to act intelligently and effectively for the full realization and maintenance of their objectives. With very few exceptions (credit, inheritance) legislation already enacted through the encouragement and with the advice of GHQ, SCAP, provides an adequate legal framework for the accomplishment of agricultural reforms envisaged thus far in the Occupation. In the opinion of the undersigned the time has come when, in relation to Japanese agriculture, we should shift the emphasis from that of introducing new ideas and concentrate on the growth and development of programs already under way. The undersigned emphasizes that this statement is made not in criticism of any programs that have been launched to date, but is based on the belief that Japanese farmers and administrators must be given time to assimilate the many new ideas those programs imply if objectives already attained are to be secured and developed. In short, now perhaps, is the time when we should consolidate the position. To a great extent, this is a matter of education.

b. b. Surveillance over Japanese officials responsible for land reform and agricultural cooperatives by GHQ, SCAP and 8th Army should, in the future, emphasize those problems mentioned in par 4 above.

1 Incl
Itinerary and persons
interviewed

ROBERT S. HARDIE
Scientific Consultant
Agriculture Division

Copies furnished:
8th Army
I Corps Kyoto MG Section

ITINERARY

1. Travel was accomplished according to the following schedule.

<u>Location</u>	<u>Arrival</u>	<u>Departure</u>
Tokyo		8 May 49
Tsu (Mie)	8 May 49	10 May 49
Nara	11 May 49	11 May 49
Shiga	12 May 49	12 May 49
Kyoto	13 May 49	15 May 49
Tokyo	16 May 49	

2. Following personnel were contacted.

Military Government

Col W.R. Lewis	C.O. Mie MG Team
Mr W.L. Thompson	Economics Officer, Mie MG Team
Lt Col E.G. Hickman	C.O. Nara MG Team
Lt Col E.D. Lucas	C.O. Shiga MG Team
Maj I.R. Durham	Economics Officer, Shiga MG Team
Maj H.C. Sheffield	Executive Officer, Kyoto MG Team
Col J. J. Burns	C.O. I Corps, MG Team
Col E.H. Nelson	Economics Officer, I Corps MG Team

Japanese OfficialsMie Prefecture

Mr T. Kawai, Chief Land Reform Department
 Mr K. Kawakami, Chief, Agriculture Cooperative Section
 Mr Y. Saito, Reclamation Section
 Mr M. Yamamoto, Tax Branch, Nagoya Finance Branch

Nara Prefecture

Mr K. Yoshida, Chief, Agriculture Cooperative Section
 Mr K. Nagai, Chief, Land Reform Department
 Mr O. Hachikami, Chief, Land Development Section

Shiga Prefecture

Mr H. Ishihuchi, Chief, Agriculture Cooperative Section
 Mr K. Kobayashi, Chief, Land Reform Section
 Mr K. Ando, Chief, Land Development Section
 Mr K. Mitami, Chief, Land Department

Kyoto Prefecture

Mr J. Ideno, Chief, Agriculture Cooperative Section
 Mr J. Fujii, Chief, Land Development Section
 Mr Y. Asada, Asst Chief, Agriculture Land Section

Individual farmers in Mie, Nara, Shiga and Kyoto Prefectures.

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HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

AG 313.6 - LM

14 March 1949

SUBJECT: Records Disposition Schedules.

TO: See Distribution.

In accordance with the provisions of letter DA, Office of The Adjutant General, 3 March 1949, on the above subject, the action required by paragraph 6, Retirement Control, Memorandum No. 10, Headquarters I Corps, 5 March 1949, subject: Records Administration, is suspended pending receipt in the near future of a revision of these special regulations which incorporate TM 12-259, Records Administration - Disposition of Records.

BY COMMAND OF MAJOR GENERAL COULTER:

[Signature]
C. C. CARTER
Colonel, AGD
Adjutant General

INTER-OFFICE	
C.O.	_____
Exec.	_____
Adj.	298
Econ.	_____
Labor.	_____
P.H.	_____
C.E.	_____
L. & S.	_____
P.W.	_____
C. Info.	_____
Mrs. Meyer	_____
Maizuru	_____
Ch. Clk.	_____
File	_____
Action	_____
Info.	_____
Your File	_____
Read Initial & return for Central Files	

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To ✓ Ady ✓ Clerk
my Shepherd

HEADQUARTERS I CORPS
APO 301 (Kyoto, Honshu)

JFL/tn

AG 313.6 - BA

SUBJECT: Records Administration

- TO : Commanding Officer, Kinki Military Government Region, APO 25
- Commanding Officer, Tokai-Hokuriku Military Government Region
- APO 710
- Commanding Officer, Kyushu Military Government Region, APO 24-5
- Commanding Officer, Chugoku Military Government Region, APO 248
- Commanding Officer, Shikoku Military Government Region, APO 1050

Inclosed Eighth Army letter forwarded for your information and use in conjunction with Memorandum Number 10, this headquarters, dated 5 March 1949, subject: as above.

BY COMMAND OF MAJOR GENERAL COURTER:

1 Incl:
Copy Eighth Army Ltr,
dated 18 July 1947

/s/ A. Seipel
/t/ A. SEIPEL
Lt Col, AGD
Asst Adj Gen

1st Ind

Hq Kinki Mil Govt Region, APO 25.

3 MAY 1949

TO: All Team Commanders

G. M.

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